

CONCH

Anhui Conch Cement Company Limited

(H Share: 00914, A Share: 600585)



2024
ANNUAL REPORT



Important

1. The Board, Supervisory Committee and Directors, Supervisors and the senior management members of the Company warrant that the information in this report, for which they jointly and severally accept legal liability, is truthful, accurate and complete, and does not contain any misrepresentation, misleading statement or material omission.
2. All Directors of the Company attended the 12th meeting of the ninth session of the Board.
3. Ernst & Young and Ernst & Young Hua Ming LLP issued a standard unqualified audit report for the Company.
4. Mr. Yang Jun, the officer-in-charge of the Company, Mr. Li Qunfeng, the officer-in-charge of the accounting function, and Mr. Fan Zhan, the officer-in-charge of the accounting department, have declared that they warrant the financial statements contained herein are truthful, accurate and complete.
5. Annual profit distribution proposal for 2024 as considered by the 12th meeting of the ninth session of the Board of the Company: a cash dividend of RMB0.71 per share (tax inclusive). No capitalization of common reserve fund was made.
6. Declaration of risks with respect to the forward-looking statements: the Company's plans for 2025 concerning its capital expenditure, addition to production capacity and net sales targets as disclosed herein do not constitute any substantive commitment to investors. Investors and the public are advised to be cautious of the investment risks.
7. There was no appropriation of the Company's funds for non-operating purpose by the controlling shareholders of the Company and its related parties.
8. No external guarantee was provided in violation of the established decision-making procedures.
9. There does not exist the situation that more than half of the Directors of the Company being unable to warrant the truthfulness, accuracy and completeness of the content of this report.
10. Material risk alert: the Company has disclosed in chapter 3 of this report the policy risk and environmental protection risk that the Company may face in 2025. Investors are reminded to read it carefully.

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Documents for Inspection	(1) Financial reports bearing the signatures and seals of the officer-in-charge of the Company, the officer-in-charge of the accounting function and the officer-in-charge of the accounting department.
	(2) Original of the audited report with the seal of the accounting firm affixed and the signatures and seals of the registered accountants affixed.
	(3) Originals of all the corporate documents and the announcements of the Company which were disclosed during the Reporting Period.
	(4) Annual report of the Company published on the website of the Stock Exchange.



1. Definitions

The following terms and expressions contained in this report shall, unless the context otherwise requires, have the meanings assigned to them as follows:

The Company/Conch Cement	:	Anhui Conch Cement Company Limited
The Group	:	the Company and its subsidiaries
Board	:	the board of directors of the Company
Director(s)	:	the director(s) of the Company
Supervisory Committee	:	the supervisory committee of the Company
Supervisor(s)	:	the supervisor(s) of the Company
Remuneration and Nomination Committee	:	the remuneration and nomination committee of the Board
Audit Committee	:	the audit committee of the Board
ESG Management Committee	:	the Environmental, Social and Governance (ESG) Management Committee of the Board
Conch Holdings	:	Anhui Conch Holdings Company Limited
Conch New Material	:	Conch (Anhui) Energy Saving and Environment Protection New Material Co., Ltd. (formerly known as Wuhu Conch Profiles and Science Co., Ltd.), a company listed on the SZSE (stock code: 000619)
Conch Environment Protection	:	China Conch Environment Protection Holdings Limited, a company listed on the Stock Exchange (stock code: 0587)
Conch Tech Innovation Material	:	Anhui Conch Technology Innovation Material Co., Ltd. (formerly known as Anhui Conch Investment Company Limited)
Conch Design Institute	:	Anhui Conch Construction Materials Design Institute Co., Ltd.



1. Definitions

Conch IT Engineering	:	Anhui Conch Information Technology Engineering Co., Ltd.
Conch Technology	:	Anhui Conch Material Technology Co., Ltd. (formerly known as Anhui Conch New Materials Technology Company Limited), a company listed on the Stock Exchange (stock code: 2560)
Conch Capital	:	Anhui Conch Capital Management Company Limited
Conch Accelerants Manufacturing	:	Anhui Conch Accelerants Manufacturing Engineering Technology Company Limited
Conch Accelerants Manufacturing High-tech Company	:	Anhui Conch Accelerants Manufacturing High-tech Company Limited
Conch Accelerants Manufacturing Group	:	Conch Accelerants Manufacturing and its subsidiaries
Conch Environment Group	:	Anhui Conch Environment Group Co., Ltd.
Anhui Haizhong Environmental	:	Anhui Haizhong Environmental Company Limited
Conch Venture Enterprise	:	Wuhu Conch Venture Enterprise Limited
Conch Venture	:	China Conch Venture Holdings Limited, a company listed on the Stock Exchange (stock code: 0586)
Conch HK	:	Conch International Holdings (HK) Limited
Conch New Energy	:	Anhui Conch New Energy Co., Ltd.
Anhui Zhizhi	:	Anhui Zhizhi Engineering Technology Co., Ltd.
Andijan Conch	:	Shangfeng Bridge of Friendship Co., Ltd.
Baling Conch	:	Jiangsu Baling Conch Cement Co., Ltd.



1. Definitions

Haibo Company	:	Anhui Haibo Intelligent Technology Co., Ltd.
Haihui Company	:	Anhui Haihui Supply Chain Technology Co., Ltd.
Mengcheng Conch	:	Mengcheng Conch Building Materials Co., Ltd.
Shanghai Zhizhi	:	Shanghai Zhizhi Technology Co., Ltd.
Tongling Conch	:	Anhui Tongling Conch Cement Co., Ltd.
Wuhu Industrial Investment	:	Wuhu Industrial Investment Fund Company Limited
Wuhu Conch	:	Wuhu Conch Cement Co., Ltd.
Yingde Conch	:	Yingde Conch Cement Co., Ltd.
Phnom Penh Conch	:	Conch KT Cement (Phnom Penh) Company Limited
West Papua Conch	:	PT Conch West Papua Cement (formerly known as PT SDIC Papua Cement Indonesia)
Zhongtan Company	:	Zhongtan (Anhui) Environmental Technology Co., Ltd.
Xinli Finance	:	Anhui Xinli Finance Co., Ltd., a company listed on the SSE (stock code: 600318)
WCC	:	West China Cement Limited, a company listed on the Stock Exchange (stock code: 2233)
Yatai Group	:	Jilin Yatai (Group) Co., Ltd., a company listed on the SSE (stock code: 600881)
Huaxin Cement	:	Huaxin Cement Co., Ltd., a company listed on both the SSE (stock code: 600801) and the Stock Exchange (stock code: 6655)



1. Definitions

Shangfeng Cement	:	Gansu Shangfeng Cement Co., Ltd., a company listed on the SZSE (stock code: 000672)
Tianshan Cement	:	Xinjiang Tianshan Cement Co., Ltd., a company listed on the SZSE (stock code: 000877)
West Construction	:	China West Construction Group Co., Ltd., a company listed on the SZSE (stock code: 002302)
Regional Committee(s)	:	management unit(s) specially established by organizing certain subsidiaries located in a particular province or neighboring areas into a regional management unit for implementation of regional management in order to strengthen the Company's management over its subsidiaries and enhance management efficiency
Ernst & Young Hua Ming	:	Ernst & Young Hua Ming LLP
Ernst & Young HK	:	Ernst & Young
EY	:	Ernst & Young Hua Ming and Ernst & Young HK
KPMG Huazhen	:	KPMG Huazhen LLP
KPMG HK	:	KPMG
KPMG	:	KPMG Huazhen and KPMG HK
Reporting Period	:	the period from 1 January 2024 to 31 December 2024
PRC Accounting Standards	:	China Accounting Standards for Business Enterprises
Stock Exchange	:	The Stock Exchange of Hong Kong Limited
HKSE Listing Rules	:	the Rules Governing the Listing of Securities on the Stock Exchange

1. Definitions

SFO	:	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Model Code	:	Model Code for Securities Transactions by Directors of Listed Issuers under Appendix C3 to the HKSE Listing Rules
SSE	:	Shanghai Stock Exchange
SSE Listing Rules	:	the Rules Governing the Listing of Stocks on the SSE
SZSE	:	Shenzhen Stock Exchange
A Shares	:	ordinary shares in the capital of the Company listed on the SSE, with a nominal value of RMB1.00 per share, which are subscribed for and traded in RMB
H Shares	:	foreign shares in the capital of the Company listed on the Stock Exchange, with a nominal value of RMB1.00 per share, which are subscribed for and traded in Hong Kong dollars
clinker	:	semi-finished products made in the manufacturing process of cement
Hong Kong	:	Hong Kong Special Administrative Region of the PRC
RMB	:	Renminbi, the lawful currency of the PRC
PRC	:	The People's Republic of China
CSRC	:	China Securities Regulatory Commission
Articles	:	Articles of Association of the Company



2. Corporate Profile and Major Financial Indicators

- (1) Official Chinese name of the Company : 安徽海螺水泥股份有限公司
Abbreviation in Chinese : 海螺水泥
Official English name of the Company : ANHUI CONCH CEMENT COMPANY LIMITED
Abbreviation in English : ACC
- (2) Legal Representative of the Company : Yang Jun
- (3) Secretary to the Board (Joint Company Secretary) : Yu Shui
Phone number : 0086 553 8398976
Fax number : 0086 553 8398931
Joint Company Secretary (Hong Kong) : Leo P. Y. Chiu
Phone number : 00852 21113220
Fax number : 00852 21113299
Securities Affairs Representative : Wang Manbo
Phone number : 0086 553 8398911
Fax number : 0086 553 8398931
E-mail : dms@chinaconch.com
- (4) Registered address of the Company : 39 Wenhua Road, Wuhu City, Anhui Province, the PRC
Office address of the Company : 39 Wenhua Road, Wuhu City, Anhui Province, the PRC
Postal code : 241000
Email address of the Company : dms@chinaconch.com
Website of the Company : <http://www.conch.cn>
Contact address in Hong Kong : 40/F, Jardine House, 1 Connaught Place, Central, Hong Kong
- (5) Media for disclosure of this report : Shanghai Securities Journal, Securities Times
Websites of the stock exchanges for disclosure of this report : SSE: <http://www.sse.com.cn>
Stock Exchange: <http://www.hkexnews.hk>
Location where this report is available for inspection : Secretariat to the Board of the Company, SSE



2. Corporate Profile and Major Financial Indicators

- (6) Exchanges on which the Company's shares are listed :
- | | | |
|------------------|---|----------------|
| H Shares | : | Stock Exchange |
| Stock code | : | 00914 |
| Stock short name | : | Conch Cement |
| A Shares | : | SSE |
| Stock code | : | 600585 |
| Stock short name | : | Conch Cement |
- (7) Legal adviser as to PRC law : Jingtian & Gongcheng
34th Floor, Tower 3, China Central Place, 77 Jianguo Road, Chaoyang District, Beijing, the PRC
- Legal adviser as to Hong Kong law : Chiu & Partners
40/F, Jardine House, 1 Connaught Place, Central, Hong Kong
- (8) International auditors : Ernst & Young HK
Registered Public Interest Entity Auditor in accordance with the Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
27/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
- Authorised signatory of the Accountant : He Zhaofeng
- PRC auditors : Ernst & Young Hua Ming
Room 01-12, 17/F, Ernst & Young Tower, Oriental Plaza, No.1 East Chang'an Avenue, Dongcheng District, Beijing, the PRC
- Authorised signatory of the Accountant : Meng Dong, He Zhaofeng
- (9) H Shares share registrar and transfer office : Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

2. Corporate Profile and Major Financial Indicators

(10) FINANCIAL SUMMARY PREPARED IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (FOR THE YEAR ENDED 31 DECEMBER)

(Unit: RMB'000)

Items	2024	2023 (restated)	2022 (restated)	2021 (restated)	2020 (restated)
Net operating revenue	91,029,615	141,157,207	132,152,365	168,155,470	176,500,102
Net profit attributable to equity shareholders of the Company	8,051,954	10,686,594	15,875,504	33,319,402	35,236,948
Total assets	254,635,244	246,356,360	244,296,200	230,806,073	202,076,495
Total liabilities	54,298,442	48,393,428	48,219,138	38,926,006	33,479,002

Note: During the Reporting Period, the Company is required to restate financial statements for previous years according to the relevant requirements under the PRC Accounting Standards and the IFRSs respectively since the acquisition of Conch IT Engineering and its subsidiary, Zhongtan Company, was a business combination under common control (the same for below).

2. Corporate Profile and Major Financial Indicators

(11) ACCOUNTING DATA PREPARED IN ACCORDANCE WITH THE PRC ACCOUNTING STANDARDS

1. Major accounting data and financial indicators for the preceding three years

Table 1:

Items	2024	2023		Increase or decrease in the current year over the previous year (%)	(Unit: RMB'000) 2022	
		After Adjustment	Before Adjustment		After Adjustment	Before Adjustment
Revenue	91,029,615	141,157,207	140,999,428	-35.51	132,152,365	132,021,554
Profit before taxation	10,029,189	13,594,052	13,600,466	-26.22	20,023,720	20,014,665
Net profit attributable to equity shareholders of the Company	7,696,118	10,427,552	10,430,138	-26.19	15,675,702	15,660,750
Net profit after extraordinary items attributable to equity shareholders of the Company	7,364,704	9,960,488	9,966,358	-26.06	15,053,097	15,035,746
Basic earnings per share (RMB/share)	1.46	1.97	1.97	-25.90	2.96	2.96
Diluted earnings per share (RMB/share)	1.46	1.97	1.97	-25.90	2.96	2.96
Basic earnings per share after extraordinary items (RMB/share)	1.40	1.88	1.88	-25.77	2.84	2.84
Diluted return on net assets (%)	4.09	5.62	5.63	Decreased by 1.53 percentage points	8.53	8.53
Weighted average return on net assets (%)	4.14	5.64	5.65	Decreased by 1.50 percentage points	8.51	8.50
Diluted return on net assets after extraordinary items (%)	3.92	5.37	5.38	Decreased by 1.45 percentage points	8.19	8.19
Weighted average return on net assets after extraordinary items (%)	3.96	5.39	5.40	Decreased by 1.43 percentage points	8.16	8.16
Net cash flow generated from operating activities	18,476,253	20,074,156	20,105,564	-7.96	9,596,172	9,649,268
Net cash flow per share generated from operating activities (RMB/share)	3.50	3.79	3.79	-7.59	1.81	1.82

2. Corporate Profile and Major Financial Indicators

Table 2:

(Unit: RMB'000)

Items	As at 31 December 2024	As at 31 December 2023		Increase or decrease at the end of this year over the end of the previous year (%)	As at 31 December 2022	
		After Adjustment	Before Adjustment		After Adjustment	Before Adjustment
		Total assets	254,635,244		246,356,360	246,189,200
Net assets attributable to equity shareholders of the Company	187,940,359	185,389,128	185,321,083	1.38	183,808,556	183,638,725
Net assets per share attributable to equity shareholders of the Company (RMB/share)	35.61	35.08	35.07	1.51	34.69	34.65

2. Corporate Profile and Major Financial Indicators

2. Major financial data for 2024 by quarter

(Unit: RMB'000)

Items	First quarter	Second quarter	Third quarter	Fourth quarter
Revenue	21,327,719	24,237,903	22,584,739	22,879,254
Net profit attributable to equity shareholders of the Company	1,502,319	1,823,327	1,872,818	2,497,654
Net profit after extraordinary items attributable to equity shareholders of the Company	1,368,419	1,816,465	1,694,170	2,485,650
Net cash flow generated from operating activities	159,585	6,711,094	3,477,104	8,128,470



2. Corporate Profile and Major Financial Indicators

3. Extraordinary gains and losses items and amount for the Reporting Period

Extraordinary gains and losses items	(Unit: RMB'000)		
	2024	2023	2022
(1) Gains/losses from disposal of non-current assets, including the written-off portion of the provision for impairment of assets	-59,359	-105,245	-8,167
(2) Government subsidy (excluding government subsidy closely associated with the enterprise's normal business, granted in accordance with the State's policy and based on certain standards, and with a continuing effect on the gains and losses of the enterprise) included in the current income statement	525,395	623,283	723,873
(3) Gains/losses on changes in the fair value of financial assets and financial liabilities held by non-financial enterprises and gains and losses on disposal of financial assets and financial liabilities, excluding effective hedging business associated with the Company's normal business	-32,091	-106,168	-268,751

2. Corporate Profile and Major Financial Indicators

Extraordinary gains and losses items	(Unit: RMB'000)		
	2024	2023	2022
(4) Entrusted fee income obtained from entrusted operation	22,358	20,786	20,557
(5) Charges on share of funds received from non-financial enterprises included in the current income statement	-	-	-
(6) Gains/losses from external entrusted loans	3,087	2,239	13,007
(7) Gains arising from the excess of the Group's share of the fair values of the investees' identifiable net assets over the investment costs for acquisition of the subsidiaries, associates and joint ventures	-	-	12,102
(8) Gains/losses on entrusted investment or asset management	18,239	142,596	404,865
(9) Other non-operating income and expenses other than the above items	-55,767	30,985	-90,241
(10) Net gains and losses of subsidiaries formed through business combination under common control from the beginning of the period to the date of merger attributable to the current period	-	-	-3,499
(11) Effect of extraordinary items on income tax	-71,490	-129,897	-168,837
(12) Effect of extraordinary items on minority interests (after tax)	-18,958	-11,515	-12,304
Total	331,414	467,064	622,605



2. Corporate Profile and Major Financial Indicators

4. Items measured at fair value

(Unit: RMB'000)

Items	Opening balance of the Reporting Period	Closing balance of the Reporting Period	Changes during the Reporting Period	Impact on the profit for the current period
Financial assets at fair value through profit or loss	2,210,733	509,203	-1,701,530	-83,047
Investments in other equity instruments	1,348,011	1,506,953	158,942	-
Financing of receivables	1,889,012	1,423,973	-465,039	-
Financial liabilities at fair value through profit or loss	-	-	-	-



2. Corporate Profile and Major Financial Indicators

(12) EXPLANATIONS FOR DIFFERENCES BETWEEN CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH THE PRC ACCOUNTING STANDARDS AND IFRSs

(Unit: RMB'000)

	Net profit attributable to parent company		Equity attributable to equity shareholders of parent company	
	1 January to 31 December 2024 (Audited)	1 January to 31 December 2023 (Audited)	31 December 2024 (Audited)	31 December 2023 (Audited)
As reported in the statutory financial statements prepared in accordance with the PRC Accounting Standards	7,696,118	10,427,552	187,940,359	185,389,128
– Items not subject to “China Accounting Standards for Business Enterprises No.16 – Government Subsidy” in accordance with IFRSs	16,515	24,545	-35,032	-51,547
– Difference arising from implementation of “China Accounting Standards for Business Enterprises Interpretation No. 3”	339,321	234,497	–	–
As reported in accordance with IFRSs	8,051,954	10,686,594	187,905,327	185,337,581



3. Management Discussion and Analysis

(1) OVERVIEW OF THE CEMENT INDUSTRY

In 2024, the cement industry in China was in a stage of deep transformation. The national economy made steady progress. The national investment in fixed assets maintained a steady growth, among which, infrastructure investment increased by 4.4% year-on-year with a decline of 1.5 percentage points in the growth rate as compared with the previous year. However, the real estate industry continued to undergo deep adjustment. The real estate development investment decreased by 10.6% year-on-year, resulting in a continuous decline in the demand for cement. In 2024, the national cement production was 1,825 million tonnes, representing a year-on-year decrease of 9.5% (on a comparable basis). Due to insufficient market demand and intensified competition, the overall profitability of the cement industry declined significantly in the first three quarters. In the fourth quarter, the self-discipline awareness against “severe involuted” competition in the industry has been further strengthened, cement prices rebounded amid fluctuation and the price of coal and other energy decreased year-on-year. The industry showed an overall trend of “rising after suppression, increasing from low level”.
(Data source: National Bureau of Statistics, Digital Cement)





3. Management Discussion and Analysis

(2) INTRODUCTION OF THE MAIN BUSINESS OF THE COMPANY

During the Reporting Period, the Group principally engaged in the production and sales of cement, commodity clinker, aggregate and concrete. Responding to the market demand, the Group's cement products mainly comprise 32.5-grade cement, 42.5-grade cement and 52.5-grade cement, which are widely used in large-scale national infrastructure construction projects such as railways, highways, airports and water conservancy projects as well as urban real estate development, cement products and the rural markets.

Cement belongs to the basic raw material industry and is a regional product, the sales of cement is limited by the mode of transportation and local cement prices, and its business model is different from that of daily consumer goods. The Group has adopted a sales model focusing on direct sales and supplemented by distribution. The Group has a relatively extensive marketing network, with over 500 marketing departments in the regions across the PRC and overseas where the Group has operation. Meanwhile, the Group continued to improve its marketing strategy by continuing to promote the construction of networks and waterway distribution channels in the regional markets along the river and coastal areas as well as central cities with concentrated demand, promoting the integrated development of full industrial chain of cement and consolidating the construction in the end markets, so as to further improve its marketing network and strengthen its market share.

During the Reporting Period, the Group continued to optimize its marketing plan domestically and overseas, steadily implemented international development strategies, proactively extended the upstream and downstream industrial chain and accelerated promotion and coordinated development of the new energy industry, the environmental protection industry and the digital industry.





3. Management Discussion and Analysis

(3) CHANGES IN CORE COMPETITIVENESS OF THE COMPANY DURING THE REPORTING PERIOD

Since its listing in 1997, the Company has been focusing on strengthening, optimizing and growing its core cement business by emphasizing independent innovation and technological innovation, vigorously pushing forward energy conservation and emission reduction and developing low-carbon recycling economy. After over 20 years of sustainable, healthy and steady development, and by refining internal management, strengthening market construction and promoting technological innovation, the Company has created a unique “Conch Model”, and established relatively strong advantages in brand recognition, resources, technology, funding, market share, management, human resources, etc.

During the Reporting Period, through its continuous efforts in enhancing regional market operation, expanding upstream and downstream industrial chains, improving its cost management and control level, boosting technological innovation and promoting deep integration of digitization, green and low-carbon technology with the cement manufacturing industry, the Group has been further consolidating and enhancing its competitive advantages in the above areas, and continuously strengthening its core competitiveness.





3. Management Discussion and Analysis

(4) MANAGEMENT DISCUSSION AND ANALYSIS ON THE OPERATIONS

ANALYSIS ON THE OPERATIONAL CONDITIONS FOR 2024

1. Overview of operation development

In 2024, in the face of severe conditions under continued shrinking market demand and intensifying overcapacity, the Group adhered to its goal orientation, and strengthened its operational coordination. By accurately grasping the market momentum, strictly enforcing cost control, vigorously promoting innovation, and actively maintaining the industry ecology, the Group endeavored to overcome the adverse effects brought by the declines in demand and prices and continued to strengthen its operational resilience.

During the Reporting Period, in accordance with the PRC Accounting Standards, the Group's revenue amounted to RMB91,030 million, representing a decrease of 35.51% from that of the corresponding period of the previous year; net profit attributable to equity shareholders of the Company amounted to RMB7,696 million, representing a decrease of 26.19% from that of the corresponding period of the previous year; and earnings per share were RMB1.46, representing a decrease of RMB0.51 from that of the corresponding period of the previous year. During the Reporting Period, in accordance with the IFRSs, revenue amounted to RMB91,030 million, representing a decrease of 35.51% from that of the corresponding period of the previous year; net profit attributable to equity shareholders of the Company amounted to RMB8,052 million, representing a decrease of 24.65% from that of the corresponding period of the previous year; and earnings per share were RMB1.53, representing a decrease of RMB0.49 from that of the corresponding period of the previous year.





3. Management Discussion and Analysis

The Group strived to synchronize transformation and upgrading of its core business and development of new quality productivity, and applied innovation as a key driving force for high-quality development. During the Reporting Period, the Group actively promoted innovation among all staff, further intensified investment in scientific and technological innovation, achieved new breakthroughs in scientific and technological research, constantly improved its independent innovative capabilities, and deepened its digital intelligent transformation. The Company participated in the project of “Design/Preparation Technology of Anti-corrosion Cementitious Materials for High-Speed Railway and Application and Development of Harsh Environmental Engineering”, and was awarded the second prize of the 2023 National Technology Progress Award. The Company led the project of “Research and Application of Low Energy Consumption Deep-cooling Direct Delivery Oxygen-enriched Combustion and Clinker Burning Matching Technology in Cement Kilns” and was awarded the second prize of the Technical Progress Award of the 2024 Building Materials Industry Conference. The Company also took part in the project of “Research and Application of Key Technologies of Explosives-Dry Ice Collaborative Blasting for Mining” and was awarded the first prize of the Science and Technology Award of the China Society of Explosives and Blasting in 2024. The project of “Unmanned Transportation in Open-pit Cement Mine” of Haibo Company was judged as “Classic Application Case of Robots in Mining Field” by National Mine Safety Administration and Ministry of Industry and Information Technology, and was selected as a classic demonstration and application scenario of top ten intelligent networked vehicles in Anhui Province in 2024. Shanghai Zhizhi was selected as a “Specialized, Sophisticated, Distinctive and Innovative” little giant enterprise in Shanghai. Both Haibo Company and Anhui Zhizhi were chosen in the list of Enterprise R&D Center of Anhui Province.

During the Reporting Period, the Group actively pushed forward the construction and development of projects, and continued to strengthen and optimize its core cement business. The Group made efforts domestically and internationally and integrated the development of upstream and downstream industrial chain. In terms of core cement business, domestically, the relocation project of Baling Conch and Mengcheng Conch commenced production and operation. Overseas offices were established successively in Africa and South America, Andijan Conch in Uzbekistan was put into production and operation; while the construction of Phnom Penh Conch in Cambodia was accelerated which was completed and put into operation in February 2025, overseas entrusted project management was promoted successfully. As for the development of industrial chain, six aggregate projects were successively put into production and 15 commodity concrete projects were newly added through new construction and other ways.

3. Management Discussion and Analysis

During the Reporting Period, the Group's production capacity of clinker was increased by 2.30 million tonnes (overseas), the production capacity of cement was increased by 8.00 million tonnes through relocation and other ways, the production capacity of aggregates was increased by 14.50 million tonnes, the production capacity of commodity concrete was increased by 12.10 million cubic meters, and the capacity of photovoltaic storage power generator was increased by 103MW. As at the end of the Reporting Period, the Group's production capacity of clinker, cement, aggregates and commodity concrete in operation amounted to 274 million tonnes, 403 million tonnes, 163 million tonnes and 51.90 million cubic meters respectively, and the capacity of photovoltaic storage power generator in operation amounted to 645MW.

2. Major operational information during the Reporting Period

(1) Analysis of revenue and cost

Principal activities by industry, product, region and sales model

Industry	Principal activities by industry			Increase or decrease in operating revenue over the previous year (%)	Increase or decrease in operating cost over the previous year (%)	Increase or decrease in gross profit margin over the previous year
	Operating revenue (RMB'000)	Operating cost (RMB'000)	Gross profit margin (%)			
Building material industry (sale of self-produced products)	73,214,143	55,047,622	24.81	-12.89	-11.83	Decreased by 0.91 percentage point
Building material industry (trading business)	942,228	929,356	1.37	-60.00	-60.27	Increased by 0.67 percentage point

3. Management Discussion and Analysis

Product	Principal activities by product					Increase or decrease in gross profit margin over the previous year
	Operating revenue	Operating cost	Gross profit margin	Increase or decrease in operating revenue over the previous year	Increase or decrease in operating cost over the previous year	
	(RMB'000)	(RMB'000)	(%)	(%)	(%)	
Building material industry (sale of self-produced products) - 42.5-grade cement ^{Note 1}	52,364,881	39,616,968	24.34	-14.04	-13.02	Decreased by 0.89 percentage point
Building material industry (sale of self-produced products) - 32.5-grade cement	8,451,681	5,974,452	29.31	-17.75	-16.54	Decreased by 1.02 percentage points
Building material industry (sale of self-produced products) - Clinker	5,032,863	4,559,410	9.41	-25.33	-20.36	Decreased by 5.65 percentage points
Building material industry (sale of self-produced products) - Aggregates and manufactured sand	4,691,082	2,490,399	46.91	21.40	24.70	Decreased by 1.41 percentage points
Building material industry (sale of self-produced products) - Commodity concrete	2,673,636	2,406,393	10.00	18.64	19.99	Decreased by 1.00 percentage point
Building material industry (trading business)	942,228	929,356	1.37	-60.00	-60.27	Increased by 0.67 percentage point

3. Management Discussion and Analysis

Region	Principal activities by region			Increase or decrease in operating revenue over the previous year (%)	Increase or decrease in operating cost over the previous year (%)	Increase or decrease in gross profit margin over the previous year
	Operating revenue (RMB'000)	Operating cost (RMB'000)	Gross profit margin (%)			
Building material industry (sale of self-produced products) – East China ^{Note 2}	19,700,516	15,768,613	19.96	-12.91	-9.33	Decreased by 3.16 percentage points
Building material industry (sale of self-produced products) – Central China ^{Note 3}	21,499,812	15,350,967	28.60	-22.05	-24.52	Increased by 2.34 percentage points
Building material industry (sale of self-produced products) – South China ^{Note 4}	13,764,711	10,351,189	24.80	-8.64	-5.59	Decreased by 2.42 percentage points
Building material industry (sale of self-produced products) – West China ^{Note 5}	13,312,002	10,181,549	23.52	-4.13	-1.19	Decreased by 2.26 percentage points
Building material industry (sale of self-produced products) – Export	260,442	230,412	11.53	14.37	32.76	Decreased by 12.25 percentage points
Building material industry (sale of self-produced products) – Overseas	4,676,660	3,164,892	32.33	0.13	-3.06	Increased by 2.23 percentage points
Building material industry (trading business)	942,228	929,356	1.37	-60.00	-60.27	Increased by 0.67 percentage point

3. Management Discussion and Analysis

Sales model	Principal activities by sales model			Increase or decrease in operating revenue over the previous year (%)	Increase or decrease in operating cost over the previous year (%)	Increase or decrease in gross profit margin over the previous year
	Operating revenue (RMB'000)	Operating cost (RMB'000)	Gross profit margin (%)			
Building material industry	43,107,099	31,263,142	27.48	-12.93	-12.57	Decreased by 0.31 percentage point
- Direct sale						
Building material industry	31,049,272	24,713,836	20.40	-15.85	-14.84	Decreased by 0.94 percentage point
- Distribution						

- Notes:
1. 42.5-grade cement includes cement of grade 42.5 and above;
 2. East China mainly includes Jiangsu, Zhejiang, Shanghai, Fujian and Shandong, etc;
 3. Central China mainly includes Anhui, Jiangxi and Hunan, etc;
 4. South China mainly includes Guangdong, Guangxi and Hainan;
 5. West China mainly includes Sichuan, Chongqing, Guizhou, Yunnan, Gansu, Shaanxi, Xinjiang and Inner Mongolia, etc.



3. Management Discussion and Analysis


Sales by industry

During the Reporting Period, the Group's aggregate net sales volume of cement and clinker amounted to 271 million tonnes, representing a year-on-year decrease of 7.46%. Revenue generated from principal activities amounted to RMB74,156 million, representing a year-on-year decrease of 14.18%. Operating cost decreased by 13.58% year-on-year to RMB55,977 million. The consolidated gross profit margin of products recorded a year-on-year decrease of 0.52 percentage point to 24.51%.

The Group's sales volume of self-produced cement and clinker products amounted to 268 million tonnes, representing a year-on-year decrease of 6.05%. Sales revenue from self-produced products amounted to RMB73,214 million, representing a year-on-year decrease of 12.89%. Cost of sales of self-produced products decreased by 11.83% year-on-year to RMB55,048 million. The consolidated gross profit margin of self-produced products recorded a year-on-year decrease of 0.91 percentage point to 24.81%.

During the Reporting Period, the Group achieved a sales volume of 2.96 million tonnes for its cement and clinker trading business, representing a year-on-year decrease of 60.77%. Revenue from trading business amounted to RMB942 million, representing a year-on-year decrease of 60.00%. Cost of trading business decreased by 60.27% year-on-year to RMB929 million.

Sales by product



During the Reporting Period, gross profit margin of the Group's 42.5-grade cement, 32.5-grade cement and clinker decreased by 0.65 percentage point, 0.73 percentage point and 4.53 percentage points year-on-year, respectively. Among which, the gross profit margin of the Group's self-produced 42.5-grade cement, 32.5-grade cement and clinker decreased by 0.89 percentage point, 1.02 percentage points and 5.65 percentage points year-on-year, respectively. The consolidated gross profit margin of aggregates and manufactured sand decreased by 1.41 percentage points year-on-year to 46.91%; the consolidated gross profit margin of commodity concrete was 10.00%, representing a year-on-year decrease of 1.00 percentage point.

3. Management Discussion and Analysis

Sales by region

During the Reporting Period, mainly affected by the year-on-year decrease in selling prices of products, the sales amount of self-produced products in various domestic regions decreased by varying degrees.

(2) Profit analysis

Major profit or loss items prepared in accordance with the PRC Accounting Standards

Items	Amount		Increase or decrease for the Reporting Period over the same period of the previous year (%)
	2024 (RMB'000)	2023 (RMB'000)	
Revenue from principal activities	74,156,371	86,407,007	-14.18
Profit from operations	9,713,107	13,131,307	-26.03
Profit before taxation	10,029,189	13,594,052	-26.22
Net profit attributable to equity shareholders of the Company	7,696,118	10,427,552	-26.19

During the Reporting Period, mainly affected by the decrease in selling prices of products, the Group's revenue from principal activities, profit from operations, profit before taxation and net profit attributable to equity shareholders of the Company recorded year-on-year decreases of 14.18%, 26.03%, 26.22% and 26.19% respectively.

3. Management Discussion and Analysis

(3) Analysis of costs and expenses

Consolidated costs of cement and clinker for 2024 and their year-on-year changes

Items	2024		2023		Change in costs (%)	Increase or decrease in proportion of costs (percentage points)
	Unit costs (RMB/tonne)	Proportion (%)	Unit costs (RMB/tonne)	Proportion (%)		
Raw materials	36.49	19.49	39.18	19.12	-6.87	0.37
Fuel and power	103.76	55.41	119.71	58.40	-13.32	-2.99
Depreciation expense	16.17	8.64	14.96	7.30	8.08	1.34
Labor cost	12.62	6.74	12.56	6.13	0.51	0.61
Others	18.21	9.72	18.56	9.05	-1.89	0.67
Total	187.25	100	204.97	100	-8.65	-

Note: All cost items mentioned above represent the costs of the Company's self-produced cement and clinker products, excluding cost of the trading business.

During the Reporting Period, the Company intensified its cost control measures through adopting technological innovation, strengthening logistic management, accelerating the utilization of alternative fuels, and optimizing procurement channels for raw material and fuel. The Company's consolidated costs of self-produced cement and clinker products decreased by 8.65% year-on-year.

3. Management Discussion and Analysis

Changes in major expense items prepared in accordance with the PRC Accounting Standards

Expenses for the period	Amount for 2024 (RMB'000)	Amount for 2023 (RMB'000)	Increase or decrease for the Reporting Period over the same period of the previous year (%)	Proportion over the revenue from principal activities for the Reporting Period (%)	Proportion over the revenue from principal activities for the previous year (%)	Increase or decrease in the proportion over the revenue from principal activities (percentage points)
Selling expenses	3,415,437	3,425,519	-0.29	4.61	3.96	0.65
Administrative expenses	5,945,914	5,667,950	4.90	8.02	6.56	1.46
Research and development expenses	1,257,068	1,901,540	-33.89	1.70	2.20	-0.50
Financial expenses (income is stated in negative)	-1,170,527	-1,121,079	-4.41	-1.58	-1.30	-0.28
Total	9,447,892	9,873,930	-4.31	12.75	11.42	1.33

During the Reporting Period, the Group's research and development expenses decreased by 33.89% year-on-year, which was mainly due to the year-on-year decrease in expenditures for various types of research and development projects.

3. Management Discussion and Analysis

(4) Financial position

Asset and liability position

Changes in assets and liabilities items prepared in accordance with the PRC Accounting Standards

Items	As at 31 December 2024 (RMB'000)	As a percentage of total assets as at the end of the Reporting Period (%)	As at 31 December 2023 (RMB'000)	As a percentage of total assets as at the end of the previous year (%)	Change in amounts as at the end of the Reporting Period from that at the end of the previous year (%)
Cash at bank and on hand	70,229,348	27.58	68,382,206	27.76	2.70
Financial assets held for trading	509,203	0.20	2,210,733	0.90	-76.97
Accounts receivable	3,773,192	1.48	4,445,288	1.80	-15.12
Advance payment	944,849	0.37	2,404,127	0.98	-60.70
Inventories	8,108,520	3.18	10,155,442	4.12	-20.16
Long-term equity investments	7,775,669	3.05	7,765,192	3.15	0.13
Investments in other equity instruments	1,506,953	0.59	1,348,011	0.55	11.79
Fixed assets	89,227,647	35.04	85,522,929	34.72	4.33
Construction in progress	9,355,746	3.67	10,840,025	4.40	-13.69
Intangible assets	34,264,065	13.46	32,441,933	13.17	5.62
Right-of-use assets	737,454	0.29	339,896	0.14	116.96
Total assets	254,635,244	100.00	246,356,360	100.00	3.36
Lease liabilities	240,355	0.09	198,018	0.08	21.38
Short-term borrowings	5,748,688	2.26	4,479,559	1.82	28.33
Contract liabilities	2,569,305	1.01	2,890,062	1.17	-11.10
Bonds payables	11,500,000	4.52	0.00	0.00	-
Long-term borrowings	10,086,381	3.96	15,611,937	6.34	-35.39
Total liabilities	54,257,807	21.31	48,335,064	19.62	12.25
Total liabilities and equity	254,635,244	100.00	246,356,360	100.00	3.36



3. Management Discussion and Analysis

As at the end of the Reporting Period, the Group's balance of financial assets held for trading decreased by 76.97% as compared to that at the end of the previous year, which was mainly due to recovery of wealth management deposits and disposal of share securities during the Reporting Period; the balances of accounts receivable, advance payment and inventories decreased as compared to those at the end of the previous year, which was mainly due to completion of performance of certain contracts during the Reporting Period; the right-of-use assets increased by 116.96% as compared to that at the end of the previous year, which was mainly due to newly leased land during the Reporting Period; the balance of bonds payables increased by RMB11,500 million as compared to that at the end of the previous year, which was mainly due to the issue of medium-term notes during the Reporting Period; the balance of long-term borrowings decreased by 35.39% as compared to that at the end of the previous year, which was mainly due to the repayment of borrowings during the Reporting Period. The Group's total assets prepared in accordance with the PRC Accounting Standards amounted to RMB254,635 million, representing an increase of 3.36% as compared to that at the end of the previous year. Total liabilities amounted to RMB54,258 million, representing an increase of 12.25% as compared to that at the end of the previous year. Among which, current liabilities amounted to RMB28,892 million, representing a decrease of 2.96% as compared to that at the end of the previous year; non-current liabilities amounted to RMB25,366 million, representing an increase of 36.66% as compared to that at the end of the previous year. As at the end of the Reporting Period, the Group's gearing ratio calculated in accordance with the PRC Accounting Standards was 21.31%, representing an increase of 1.69 percentage points as compared to that at the end of the previous year.

Please refer to note 14 to the financial report prepared in accordance with the PRC Accounting Standards for information on the contingent liabilities of the Group.

As at the end of the Reporting Period, equity attributable to equity shareholders of the Company amounted to RMB187,940 million, representing an increase of 1.38% as compared to that at the end of the previous year; equity attributable to minority shareholders amounted to RMB12,437 million, representing a decrease of 1.54% as compared to that at the end of the previous year; as at the end of the Reporting Period, net assets per share attributable to equity shareholders of the Company amounted to RMB35.61.



3. Management Discussion and Analysis

As at the end of the Reporting Period, total current assets and total current liabilities of the Group prepared in accordance with the PRC Accounting Standards amounted to RMB93,762 million and RMB28,892 million respectively, with a current ratio of 3.25:1 (end of last year: 3.40:1). The decrease in current ratio as compared to that at the end of the previous year was mainly due to the fact that the new term deposit with maturity over one year placed during the Reporting Period were classified as other non-current assets based on their holding purpose. Total current assets and total current liabilities of the Group prepared in accordance with the IFRSs amounted to RMB93,762 million and RMB28,892 million respectively, with a net gearing ratio of 0.074 (end of last year: 0.064). Net gearing ratio was calculated as follows: (interest-bearing liabilities minus cash and cash equivalents) divided by shareholders' equity.

As at the end of the Reporting Period, overseas assets of the Group amounted to RMB20,793 million, representing 8.17% of the total assets.

As at the end of the Reporting Period, subsidiaries of the Company pledged intangible assets and fixed assets with book values of approximately RMB56 million and RMB191 million respectively as security for borrowings from financial institutions. The deposits of RMB77 million and equity interest with a value of RMB81 million of a subsidiary of the Company has been frozen due to the involvement in legal proceedings.

Save for the above-mentioned matters, no other assets of the Group were distressed, seized, frozen, charged or pledged or could only be realized upon satisfaction of certain conditions or cannot be realized or used for debt settlements, nor did there exist any circumstance or arrangement under which the right to occupy, use, gain from and dispose of assets were subject to other restrictions.



3. Management Discussion and Analysis

Liquidity and source of funds

Maturity analysis of bank loans and other loans of the Group as at the end of the Reporting Period is as follows:

	As at 31 December 2024 (RMB'000)	As at 31 December 2023 (RMB'000)
Due within 1 year	7,486,649	7,249,965
Due after 1 year but within 2 years	4,196,626	3,040,107
Due after 2 years but within 5 years	4,585,404	10,459,630
Due after 5 years	1,304,351	2,112,200
Total	17,573,030	22,861,902

As at the end of the Reporting Period, balance of the Group's bank borrowings was RMB17,573 million, representing a decrease of RMB5,289 million as compared to that at the end of the year. Such decrease was mainly attributable to repayment of borrowings during the Reporting Period. Please refer to note 10 to the financial report prepared in accordance with the PRC Accounting Standards for information on borrowings bearing fixed interest rate.

Save for the above borrowings, the Group issued medium-term notes of RMB11,500 million.

During the Reporting Period, the Group's source of funding was mainly from the net cash flows generated from operating activities.



3. Management Discussion and Analysis

Analysis of cash flow

Comparison of net cash flow prepared in accordance with the PRC Accounting Standards

	2024 (RMB'000)	2023 (RMB'000)	Changes (%)
Net cash flow generated from operating activities	18,476,253	20,074,156	-7.96
Net cash flow generated from investing activities	-13,326,238	-19,306,337	30.97
Net cash flow generated from financing activities	-385,476	-5,548,402	93.05
Effect of exchange rate movement on cash and cash equivalents	592	30,642	-98.07
Net increase in cash and cash equivalents	4,765,131	-4,749,941	200.32
Balance of cash and cash equivalents at the beginning of the year	11,572,016	16,321,957	-29.10
Balance of cash and cash equivalents at the end of the year	16,337,147	11,572,016	41.18

During the Reporting Period, the Group's net cash flows generated from operating activities amounted to RMB18,476 million, representing a year-on-year decrease of RMB1,598 million. Such decrease was mainly due to the decrease in sales revenue of the Group during the Reporting Period.



3. Management Discussion and Analysis

During the Reporting Period, the Group's net cash outflows from investing activities decreased by RMB5,980 million from that for the corresponding period of the previous year, which was mainly due to the year-on-year decreases in capital expenditure, new time deposit and certificates of deposit of significant amounts of the Group.

During the Reporting Period, the Group's net cash outflows from financing activities decreased by RMB5,163 million as compared to that for the corresponding period of last year, which was mainly due to the increase in cash inflow from the issue of new medium-term notes during the Reporting Period.





3. Management Discussion and Analysis

3. Capital expenditure

During the Reporting Period, the capital expenditure of the Group amounted to RMB15,619 million, which was mainly used for construction of projects and external investment expenditure.

As at the end of the Reporting Period, capital commitments in respect of the purchase of machinery and equipment for production and the investments that should be committed but have not been provided for in the accounts are set out as follows:

	As at 31 December 2024 (RMB'000)	As at 31 December 2023 (RMB'000)
Authorized and contracted for	11,040,741	11,795,057
Authorized but not contracted for	5,343,670	6,592,351
Total	16,384,411	18,387,408



3. Management Discussion and Analysis

OUTLOOK FOR 2025

In 2025, the domestic economy will remain encountering with unfavorable factors such as changes in the external policy environment and insufficient domestic demand, the State will implement proactive and impactful macro policies for adaptation, actively expand effective investment, intensify its support to the construction of “Two Focuses”, and promote the successful completion of major projects under the “14th Five-Year Plan”; thereby infrastructure construction will continue to support cement demand. In terms of real estate, the State proposes to continuously and vigorously promote the stabilisation and recovery of the real estate market, which bring about more positive factors with the implementation of several favorable policies. However, under the impact of incessant weak trajectory of investment performance and work commencement, the market is still in a stage of depression. Meanwhile, the supply-side reform of cement industry continues to deepen, and the new regulation of capacity replacement imposes more stringent restrictions on overproduction and replacement, with a hope of accelerating the phasing-out of inefficient capacity and the restraint of overproduction in the industry. The State puts emphasis on consolidating the rectification of the “severe involuted” competition, and will constantly promote strengthened self-discipline in the industry on top of normalization of staggered production, which will bring proactive effect to phasing-out of excess production capacity in the cement industry. However, due to sustained soft market demand, there is still an acute imbalance between demand and supply.

In terms of business management, the Group will adhere to the annual operation targets to expand its market and strengthen internal management, with a view to increase its quality and effectiveness. First, the Group will pay close attention to the international and domestic macroeconomic situation, dynamically adjust its marketing strategies base on prevailing trend with market supply and demand as the core, and solidly promote the integrated sales of “cement + aggregate + commodity concrete + consumption building materials + other industries”, achieving a transformation from single sales of products to the offering of product solutions, thus creating new competitive strengths. Second, the Group will refine its production management to enhance operation efficiency and reduce costs. It will give full play to the crucial role of procurement management in cost control and constantly increase the proportion of direct supply of raw materials. The Group will also deepen the strategic cooperation with large-scale coal enterprises, coordinate the deployment of international coal resources, increase the proportional use of alternative fuels and strengthen the control of procurement resources. Third, the Group will make greater efforts in building its talent team by introducing and cultivating talents who match its corporate development. The Group aims to constantly optimize its incentive mechanism and incentivize the innovation and creation vitality of talents, in a bid to push forward the high-quality and sustainable development of the Company.



3. Management Discussion and Analysis

In 2025, the Group plans to achieve an annual net sales volume of cement and clinker (excluding trading volume) of 268 million tonnes, while the cost per tonne of products and the expense per tonne of products are expected to remain relatively stable.

In terms of investment development, the Group will insist on effective investment approaches, consolidate the core business fundamentals and fuel the synergistic development of various segments. First, taking advantage of the downside of the cement industry, the Group will actively seize merger and acquisition opportunities in market, in order to further optimize the layout of cement market and facilitate the integration of regional production capacity. Second, the Group will extend the upstream and downstream industrial chains, accelerate the promotion of the construction and operation of key aggregate projects, adhere to leveraging the strategic positioning of core business for development of the commodity concrete business, and rapidly develop dry-mixed mortar and other consumption building material industries. Third, the Group will expedite implementation of internationalisation development, actively leverage the functions of overseas offices, explore appropriate projects in countries of emerging markets and further improve its overseas market presence. Fourth, the Group will enhance development quality of new industry and business formats. It will give play to the active role of digital industry in the Company's upper-end and green transformation and proactively expand external market to push forward the development of new energy industries with respect to the building of safe and stable, clean, low-carbon and economically viable modernized energy ecosystem, and facilitate new energy industry development, with a view to refine the diversified layout of environmental protection industry and continue to strengthen its competitiveness.

In 2025, the Group plans that its capital expenditure will amount to RMB11,980 million, which will be mainly financed by internal resources. The capital expenditure will be primarily used for project development of core business, extension of upstream and downstream industrial chains, technological modifications on energy conservation and environmental protection, as well as fostering new quality productive forces. It is estimated that the Group will increase annual production capacity of aggregates and commodity concrete by 19.60 million tonnes and 27.80 million cubic meters respectively.



3. Management Discussion and Analysis

In 2025, there are three main risk factors that the Group may encounter:

1. Risk of demand fluctuation. The cement industry in which the Company operates is relatively dependent on the construction industry, and has a relatively high correlation with the growth rates of fixed-asset investment and real estate investment. A slow growth rate of fixed-asset investment and the continuous decline in real estate investment may adversely affect cement market demand.

In view of the above risk, the Group will pay close attention to the changes in the national macroeconomic situation, strengthen the analysis of market supply and demand trends and adjust its marketing strategies in a timely manner, in order to capitalize on the marketing and sales advantages of the comprehensive cement industrial chain, continue to strengthen the construction of the end market and enhance product and service quality.

2. Risk of overcapacity. Insufficient demand will lead to a constant decline in the utilization rate of production capacity, a deepened imbalance between demand and supply is likely to bring about cut-throat price competition in the industry, thereby, the Company may face the risk of escalated pressure on its profitability.

In view of the above risk, the Company will strictly comply with the implementation of self-disciplinary measures and staggered production requirements of the industry and jointly maintain a good industry ecosystem.

3. The pressure of environmental protection policy. The State will promote concerted efforts to cut carbon emissions, reduce pollution, expand green development and pursue economic growth, as well as to accelerate the transition to green economic and social development in all respects. The cement industry is implementing ultra-low emission and transformation for energy conservation and carbon reduction, and has been included in the national carbon trade exchange. It is estimated that the production and operating costs of enterprises will increase while achieving green, low-carbon and sustainable development.

In view of the above risk, the Group will remain committed to the green development concept of low carbon and environmental protection, and promote ultra-low emission and transformation for energy conservation and carbon reduction in an orderly manner. It will also accelerate research and development as well as application of green and low-carbon technologies, in order to effectively reduce emission of pollutants and carbon dioxide. By managing carbon assets in advance, the Group strives to transform carbon assets into carbon revenue.



4. Report of the Directors

(1) PRINCIPAL INVESTMENTS DURING THE REPORTING PERIOD

1. Establishment and deregistration of project companies during the Reporting Period

- (1) In January 2024, Fusui Xinning Conch Cement Co., Ltd. (hereinafter referred to as “Fusui Conch”), a wholly-owned subsidiary of the Company, and Fusui Runfeng Industrial Development and Investment Group Co., Ltd. (hereinafter referred to as “Fusui Runfeng Group”) jointly invested in and established Fusui Conch Commodity Concrete Co., Ltd. with a registered capital of RMB30 million, of which Fusui Conch contributed RMB19.5 million, accounting for 65% of its registered capital, and Fusui Runfeng Group contributed RMB10.5 million, accounting for 35% of its registered capital.
- (2) In February 2024, the Company invested in and established Zhoushan Conch New Building Material Co., Ltd. with a registered capital of RMB30 million, and the Company holds 100% of its equity interest.
- (3) In February 2024, the Company invested in and established Zhenjiang Conch Cement Co., Ltd. with a registered capital of RMB200 million, and the Company holds 100% of its equity interest.
- (4) In March 2024, the Company invested in and established Lianshui Conch Green Construction Technology Co., Ltd. with a registered capital of RMB30 million, and the Company holds 100% of its equity interest.
- (5) In June 2024, the Company invested in and established Guangde Conch Building Material Co., Ltd. with a registered capital of RMB30 million, and the Company holds 100% of its equity interest.



4. Report of the Directors

- (6) In October 2024, the Company and its wholly-owned subsidiary, Jining Conch Cement Co., Ltd. (hereinafter referred to as “Jining Conch”), jointly invested in and established Jining Conch Green New Building Material Co., Ltd. with a registered capital of RMB30 million, of which the Company contributed RMB27 million, accounting for 90% of its registered capital, and Jining Conch contributed RMB3 million, accounting for 10% of its registered capital.
- (7) During the Reporting Period, in order to enhance the efficiency of corporate governance, the Company completed the deregistration of 13 subsidiaries, namely, Anhui Digang Conch New Energy Co., Ltd., Huangshan Conch New Energy Co., Ltd., Ninghai Conch New Energy Technology Co., Ltd., Zunyi Conch New Energy Co., Ltd., Nanchang Conch New Energy Co., Ltd., Wuwei Haibeite New Energy Co., Ltd., Wuhu Haite New Energy Co., Ltd., Conch Zhongxin Mingguang New Energy Co., Ltd., Linxiang Conch New Energy Co., Ltd., Anhui Haibeite New Energy Co., Ltd., PT Conch Maros South Sulawesi Mine, Dongjia Mine Co., Ltd. and PT Conch Maros Cement Indonesia and an associate, Xinji Mingguang City New Energy Co., Ltd. Deregistration of these companies will not have adverse impact on the production, operation and the operating results of the Company as a whole.

2. Acquisition of project companies during the Reporting Period

- (1) In January 2024, the Company acquired 100% equity interest in Conch IT Engineering held by Conch Holdings. The registered capital of Conch IT Engineering was RMB50 million. Upon completion of the acquisition, Conch IT Engineering and its majority-owned subsidiary, Zhongtan Company, were subsidiaries of the Company. For details, please refer to the announcements published by the Company on the websites of the Stock Exchange and the Company on 15 December 2023 and 12 January 2024, respectively.



4. Report of the Directors

- (2) In March 2024, Conch (Guizhou) Holdings Co., Ltd. (hereinafter referred to as “Guizhou Holdings”), a wholly-owned subsidiary of the Company, acquired 30% equity interest in Liuzhi Conch Yixin Green New Building Material Co., Ltd. (hereinafter referred to as “Liuzhi Conch”) held by Guizhou Yixin Industrial Investment Co., Ltd. The registered capital of Liuzhi Conch was RMB50 million. Upon completion of the equity transfer, Guizhou Holdings held 100% of its equity interest.
- (3) In May 2024, Conch New Energy, a wholly-owned subsidiary of the Company, acquired 50% equity interest in Qingyuan Conch Qingneng New Energy Investment Co., Ltd. (hereinafter referred to as “Qingyuan New Energy Investment Company”) held by Guangdong Qingneng Electrical Technology. Co., Ltd. The registered capital of Qingyuan New Energy Investment Company was RMB1 million. Upon completion of the equity transfer, Conch New Energy held 100% of its equity interest.
- (4) In July 2024, Taizhou Yangwan Conch Cement Co., Ltd. (hereinafter referred to as “Yangwan Conch”), a wholly-owned subsidiary of the Company, obtained 6.25% equity interest in Taizhou Conch Cement Co., Ltd. (hereinafter referred to as “Taizhou Conch”) held by Taizhou Hailing District Meixiang Cement Sales Co., Ltd. through public bidding. Upon completion of the equity transfer, the Company and Yangwan Conch held 93.75% and 6.25% equity interest in Taizhou Conch, respectively.
- (5) In October 2024, Conch HK, a wholly-owned subsidiary of the Company, obtained 51% equity interest in West Papua Conch held by Yani Industrial Development Limited (hereinafter referred to as “Yani Industrial”) and Yaxi Industrial Development Limited (hereinafter referred to as “Yaxi Industrial”) through public bidding. Upon completion of the equity transfer, the Company and Conch HK held 49% and 51% equity interest in West Papua Conch, respectively. West Papua Conch and its majority-owned subsidiary, Indonesia West Papua Mining Co., Ltd. were subsidiaries of the Company.



4. Report of the Directors

3. Project companies with capital increase during the Reporting Period

- (1) In January 2024, the Company made additional capital contribution of RMB250 million to Anhui Conch Material Trading Co., Ltd. (hereinafter referred to as “Conch Material Trading”), a wholly-owned subsidiary of the Company. After such capital increase, the registered capital of Conch Material Trading became RMB300 million, and the Company’s shareholding therein remained unchanged.
- (2) In April 2024, the Company made additional capital contribution to Anhui Zhizhi at a price of RMB57.399 million with its 55% equity interest in Shanghai Zhizhi, and Dandong Dongfang Measurement & Control Technology Co., Ltd. (hereinafter referred to as “Dandong Measurement & Control”) made additional capital contribution to Anhui Zhizhi at a price of RMB46.9629 million with its 45% equity interest in Shanghai Zhizhi. After such capital increase, the registered capital of Anhui Zhizhi became RMB134.3619 million, and the Company and Dandong Measurement & Control held 55% and 45% equity interest in Anhui Zhizhi, respectively.
- (3) In May 2024, the Company made additional capital contribution of USD217.7 million to Conch HK. After such capital increase, the registered capital of Conch HK became USD503.1 million, and the Company’s shareholding therein remained unchanged.
- (4) In August 2024, the Company, Yani Industrial and Yaxi Industrial made additional capital contribution of USD87.2934 million to West Papua Conch in proportion to their respective shareholdings. Of which, the Company held 49% equity interest in West Papua Conch and contributed USD42.7738 million. After such capital increase, the registered capital of West Papua Conch became USD167.2934 million, and the shareholding of each shareholder therein remained unchanged.



4. Report of the Directors

- (5) In September 2024, the Company made additional capital contribution of RMB100 million to Xingye Kuiyang Conch Cement Co., Ltd. (hereinafter referred to as “Xingye Conch”), a wholly-owned subsidiary of the Company. After such capital increase, the registered capital of Xingye Conch became RMB300 million, and the Company’s shareholding therein remained unchanged.
- (6) In October 2024, Conch HK and KT Cement Kompong Speu Co., Ltd. made additional capital contribution of USD30 million to Phnom Penh Conch in proportion to their respective shareholdings. Of which, Conch HK held 55% equity interest in Phnom Penh Conch and contributed USD16.5 million. After such capital increase, the registered capital of Phnom Penh Conch became USD80 million, and shareholdings of both parties therein remained unchanged.
- (7) In November 2024, Conch New Energy made additional capital contribution of RMB195 million to its wholly-owned subsidiary, Qingyuan New Energy Investment Company. After such capital increase, the registered capital of Qingyuan New Energy Investment Company became RMB196 million, and the shareholding of Conch New Energy therein remained unchanged.
- (8) In November 2024, Qingyuan New Energy Investment Company made additional capital contribution of RMB195 million to its wholly-owned subsidiary, Qingyuan Qingxin Conch New Energy Co., Ltd. (hereinafter referred to as “Qingxin New Energy”). After such capital increase, the registered capital of Qingxin New Energy became RMB196 million, and the shareholding of Qingyuan New Energy Investment Company therein remained unchanged.

Note: Companies established, deregistered, acquired and whose capital contribution amount was increased during the Reporting Period do not include project companies of Conch Environment Protection.

4. Report of the Directors

4. Investment in securities

As at the end of the Reporting Period, the Group's investments in securities were set out as follows:

Stock code	Short name	Initial investment costs (RMB)	Percentage of shareholding at the beginning of the Reporting Period	Percentage of shareholding at the end of the Reporting Period	Carrying amount at the beginning of the Reporting Period (RMB)	Gain or loss on changes in the fair value during the Reporting Period (RMB)	Accumulated changes in the fair value recognized in equity (RMB)	Amount purchased during the Reporting Period (including being distributed) (RMB)	Amount sold during the Reporting Period (including distribution) (RMB)	Investment gain or loss recognized during the Reporting Period (RMB)	Carrying amount at the end of the Reporting Period (RMB)
			(%)	(%)							
2233	WCC	1,960,606,127	29.80	29.67	3,600,011,502	0	0	0	0	189,325,781	3,602,533,886
0587	Conch Environment Protection	2,825,641,178	21.21	21.21	873,415,379	0	0	0	0	0	873,415,379
600881	Yatai Group	520,559,731	5.31	-	336,269,095	-18,946,740	0	0	292,907,706	-24,414,649	0
600318	Xinli Finance	32,441,180	5.08	4.8	183,015,963	0	41,164,565	0	15,509,796	0	208,670,732
0586	Conch Venture	1,923,031,472	4.94	4.99	525,633,010	0	28,074,217	0	0	24,861,873	553,707,227
6655	Huaxin Cement	1,146,289,177	4.46	4.46	567,585,673	0	105,213,606	0	0	44,333,357	672,799,279
000672	Shangfeng Cement	178,166,549	1.21	1.21	94,763,878	-4,820,495	0	0	0	4,702,922	89,943,383
000877	Tianshan Cement	999,999,999	0.86	1.04	494,814,814	-75,555,555	0	0	0	8,444,444	419,259,259
	Total	9,586,735,413			6,675,509,314	-99,322,790	174,452,388	0	308,417,502	247,253,728	6,420,329,145

Notes:

- Xinli Finance, Conch Venture and Huaxin Cement held by the Group were included in "investments in other equity instruments", Conch Environment Protection and WCC held by the Group were included in "long-term equity investments" and Yatai Group, Shangfeng Cement and Tianshan Cement held by the Group were included in "financial assets held for trading".
- The funds utilized by the Group for the above securities investments were mainly its own funds.
- During the Reporting Period, there was no change in the number of shares of WCC, Conch Venture and Tianshan Cement held by the Group. However, the total number of shares of WCC increased due to implementation of its share option scheme, resulting in a decrease of the Group's shareholding therein from 29.80% to 29.67%. Due to cancellation of the shares repurchased previously by Conch Venture, the percentage of shareholding of the Group increased from 4.94% to 4.99%. Due to cancellation of the shares repurchased previously by Tianshan Cement, the percentage of shareholding of the Group increased from 0.86% to 1.04%.



4. Report of the Directors

On 21 December 2021, the Company and West Construction entered into the Conditional Stock Subscription Agreement and the Conditional Strategic Cooperation Agreement for the proposed subscription for shares of West Construction by way of non-public placing. The Company intended to subscribe for 251,444,577 A shares of West Construction (the final number of shares to be subscribed for shall be subject to the approval of the CSRC) at a cash consideration of RMB1,760,112,039. For details, please refer to the announcement in relation to proposed subscription for A shares of China West Construction Group Co., Ltd. by way of non-public placing (Provisional 2021-48) published by the Company on the website of the SSE on 22 December 2021. In order to further implement the strategic cooperation and clarify the rights and obligations of both parties, the Company and West Construction entered into the Supplemental Agreement to the Conditional Strategic Cooperation Agreement in November 2022.

According to the provisional announcement No. 9 published by West Construction in 2024, the CSRC has approved the application by West Construction for issuance of shares to target subscribers, with a validity of 12 months from the date of approval of registration (i.e. 1 February 2024). During the validity period of the approval, the Company and West Construction have not yet carried out issuance and subscription of shares. After careful study and reaching consensus with West Construction after negotiation, the Company entered into the Termination Agreement of the Conditional Stock Subscription Agreement with West Construction on 5 February 2025, and will no longer participate in the subscription for A shares of West Construction by way of non-public placing. For details, please refer to the announcement in relation to the termination of subscription for A shares of China West Construction Group Co., Ltd. by way of non-public placing (Provisional 2025-02) published by the Company on the website of the SSE on 6 February 2025.



4. Report of the Directors

5. Major investments during the Reporting Period

During the Reporting Period, the Company did not have major investment project with a total investment amount exceeding 10% of the audited net assets of the Company of the previous year. For details of the investment projects of the Company during the Reporting Period, please refer to the paragraph headed “1. Overview of operation development” under the section headed “(4) Management Discussion and Analysis on the Operations – Analysis on the Operational Conditions for 2024” in Chapter 3 “Management Discussion and Analysis” in this report as well as item 15 under note 5 to the financial statements prepared in accordance with the PRC Accounting Standards.

6. Principal majority-owned subsidiaries and invested companies

As at the end of the Reporting Period, the Company had 470 subsidiaries, 12 jointly-controlled entities, and invested in 7 associates and 3 partnerships. For details, please refer to notes 17, 18 and 19 to the financial statements prepared by the Company in accordance with the IFRSs.

During the Reporting Period, there was no single subsidiary whose net profit or invested company in which the Company’s share of its investment income respectively accounted for more than 10% of the net profit of the Company.

7. Cooperation and Investment with Private Equity Fund

- (1) In 2021, the Company, China National Building Material Private Equity Fund Management (Beijing) Co., Ltd. (general partner and fund manager, hereinafter referred to as “CNBM Private Equity Fund”) and other limited partners jointly invested in and established CNBM (Anhui) New Materials Industrial Investment Fund Partnership (Limited Partnership) (hereinafter referred to as the “Industrial Investment Fund”), with an initial fund scale amounted to RMB15 billion. The Company, as a limited partner, shall make capital contribution of RMB1.6 billion. In addition, CNBM Private Equity Fund and some partners or their related parties jointly invested in and established CNBM (Anhui) New Materials Fund Management Co., Ltd. (hereinafter referred to as “CNBM (Anhui) Management Company”), with a registered capital of RMB50 million, of which the Company contributed RMB3,809,524, accounting for 7.62% of its registered capital. After the establishment of CNBM (Anhui) Management Company, it was admitted to the Industrial Investment Fund and acted as its general partner and executive partner. The Industrial Investment Fund has completed the registration procedures for corporate establishment with the State Administration for Market Regulation and the filing of private funds with the Asset Management Association of China.



4. Report of the Directors

In 2022, in order to give full play to the enthusiasm of the team of Industrial Investment Fund, CNBM (Anhui) Management Company and the core management members of the team jointly invested in and established Hefei Weiyu Equity Investment Partnership (Limited Partnership) (hereinafter referred to as “Hefei Weiyu”). CNBM (Anhui) Management Company and Hefei Weiyu entered into the Agreement on Transfer of the General Partner Shares of CNBM (Anhui) New Materials Industrial Investment Fund Partnership (Limited Partnership), according to which CNBM (Anhui) Management Company transferred its general partner shares of RMB15 million to Hefei Weiyu at a price of RMB4.5 million (corresponding to the committed capital contribution of RMB15 million and the paid-in capital contribution of RMB4.5 million). After completion of the above transfer, Hefei Weiyu was admitted to the Industrial Investment Fund as a limited partner after consideration and approval by the partners’ meeting of Industrial Investment Fund. After the change of partners of the Industrial Investment Fund, the partners re-signed the Partnership Agreement of CNBM (Anhui) New Materials Industrial Investment Fund Partnership (Limited Partnership). The registration procedures for corporate change in relation to the admission of Hefei Weiyu to the Industrial Investment Fund, and the change procedures for filing of private funds with the Asset Management Association of China have been completed.

The Industrial Investment Fund has completed the first phase of fundraising of RMB15 billion, of which the Company has made actual paid-in capital contribution amount of RMB1.6 billion. For details, please refer to the provisional announcements No. 26, 29, 37 and 47 as disclosed by the Company on the website of SSE in 2021, the provisional announcement No. 1 published by the Company on the website of SSE in January 2023 and the provisional announcement No. 8 published by the Company on the website of SSE in January 2024.



4. Report of the Directors

- (2) In 2023, the Company (as a limited partner) jointly invested in Anhui Conch Haitong Industrial Internet Master Fund Partnership (Limited Partnership) (hereinafter referred to as “Industrial Internet Master Fund”) with one general partner (namely, Haitong Capital Co., Ltd.) and five other limited partners (namely, Conch Capital, Wuhu Industrial Investment, Wuhu High New Industrial Development Fund Company Limited, Wuhu Jinghu Zhenye Investment Fund Company Limited and Ningbo Shangyi Software Company Limited), with a total capital contribution amount of RMB5 billion, of which RMB1.5 billion shall be contributed by the Company. The partnership will not be accounted for as a subsidiary of the Company and its financial results will not be consolidated into the accounts of the Company. The Industrial Internet Master Fund has a term of 11 years (which may be extended for a total period of up to 2 years) and its business scope includes engaging in activities such as equity investment, investment management and asset management as a private fund. The primary mode of investment is setting up new sub-funds with other partners or investing in established sub-funds, with a focus on projects with strong growth potential within the “Industrial Internet+” ecological platform, including intelligent manufacturing, industrial platforms, industrial software, industrial supply chains, industrial application solutions, industrial Internet hardware, blockchain, cloud computing, Internet of Things, artificial intelligence, 5G and other fields.

The Industrial Internet Master Fund has completed the registration procedures of the changes of partners and registered capital with the State Administration for Market Regulation, and the filing of private equity funds with the Asset Management Association of China. For details, please refer to the announcements published by the Company on the websites of the Stock Exchange and the Company on 6 June 2023 and 26 June 2023, and the announcements published by the Company on the website of the SSE on 7 June 2023, 27 June 2023 and 28 September 2023, respectively.



4. Report of the Directors

- (3) In 2023, the Company (as a limited partner) jointly invested in Anhui Conch Goldstone Innovation Development Investment Fund Partnership (Limited Partnership) (hereinafter referred to as the “Innovation Development Investment Fund”) with two general partners (namely, Goldstone Investment Co., Ltd. and CITIC Private Equity Fund Management Company Limited) and five other limited partners (namely, Conch Capital, Wuhu Industrial Investment, CITIC City West Science and Innovation Corridor (Hangzhou) Equity Investment Fund Partnership (Limited Partnership), Anhui Expressway Company Limited and Goldstone Runze (Zibo) Investment Consultation Partnership (Limited Partnership)), with a total capital contribution amount of RMB5 billion, of which RMB1 billion shall be contributed by the Company. The partnership will not be accounted for as a subsidiary of the Company and its financial results will not be consolidated into the accounts of the Company. The Innovation Development Investment Fund has a term of eight years (which may be extended for a total period of up to 2 years) and its business scope includes engaging in activities such as equity investment, investment management and asset management as a private equity fund. The scope of its investment mainly covers strategic emerging industries and high-tech industries, including new energies, new materials, carbon technology, digital industry, green environmental protection and intelligent transportation.

The Innovation Development Investment Fund has completed the registration procedures of the changes of partners and registered capital with the State Administration for Market Regulation, and the filing of private equity funds with the Asset Management Association of China. For details, please refer to the announcement published by the Company on the websites of the Stock Exchange and the Company on 8 September 2023, and the announcements published on the website of the SSE on 9 September 2023 and 8 November 2023, respectively.

The Company will fulfill information disclosure obligation on a timely basis in strict accordance with the SSE Listing Rules, the Guidelines of Self-regulation of Companies Listed on Shanghai Stock Exchange No. 5 – Transactions and Related Party Transactions (《上海證券交易所上市公司自律監管指引第5號—交易與關聯交易》) and other relevant requirements according to the subsequent progress of the Industrial Investment Fund, the Industrial Internet Master Fund and the Innovation Development Investment Fund.



4. Report of the Directors

(2) PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

On 3 November 2023, in order to safeguard the value of the Company and the interests of the shareholders of the Company, the Board considered and approved the Resolution on the Plan of Repurchase of A Shares of the Company through Centralized Price Bidding (hereinafter referred to as the “Repurchase”). Pursuant to the Repurchase plan, the total amount of funds for the Repurchase shall be no less than RMB400 million and no more than RMB600 million and the upper limit of the price for the Repurchase shall be RMB32.30 per share, the period for the Repurchase shall be three months from the date on which the Board considered and approved the Repurchase plan. The repurchased shares will be sold through centralized price bidding in accordance with relevant laws, regulations and normative documents. If the Company fails to complete the sale of the repurchased shares within three years after completion of the Repurchase, the unsold portion will be cancelled after complying with the relevant legal procedures. For details, please refer to the announcements published by the Company on the websites of the Stock Exchange and the Company on 3 November 2023, and on the website of the SSE on 4 November 2023, respectively.

During the Reporting Period, the Company had repurchased a total of 7,177,535 A Shares through centralized price bidding under the trading system of the SSE, accounting for 0.14% of the Company’s total share capital as of the date of publication of this report, and the total amount paid was RMB161,428,057.17 (excluding transaction fees). By February 2024, the Company had completed the Repurchase and had repurchased a total of 22,242,535 A Shares (being the number of treasury shares (as defined in the HKSE Listing Rules) held by the Company as at the end of the Reporting Period). The said repurchased shares have not been sold or cancelled.

4. Report of the Directors

The monthly report on the repurchase of A Shares by the Company through centralized price bidding under the trading system of the SSE during the Reporting Period is as follows:

Month	Number of shares repurchased	Highest price per share	Lowest price per share	Total payment amount
	(shares)	(RMB)	(RMB)	(RMB, excluding transaction fees)
January 2024	6,837,535	23.24	21.58	153,601,198.17
February 2024	340,000	23.24	22.87	7,826,859

Save as disclosed above, during the Reporting Period, neither the Company nor any of its subsidiaries has repurchased, sold or redeemed any listed securities of the Company (including sale of treasury shares).

(3) PROFIT APPROPRIATION POLICY AND ITS IMPLEMENTATION

1. Formulation and implementation of the Company's cash dividend policy

The Articles provide that the Company shall implement a proactive profit appropriation method, and its profit appropriation policy shall maintain continuity and stability. When distributing profit, the Company shall have regard to the importance of maintaining a reasonable return to investors as well as the sustainable development of the Company. The Company adopts cash dividend distribution as its main profit distribution policy, and the independent Directors shall expressly give their opinion on the matters concerned. Cash dividends to be distributed by the Company for any financial year shall not be less than 10% of the total distributable profit of the same financial year. When the Board submits a cash dividend distribution proposal to the general meeting of shareholders, it shall proactively communicate with shareholders of the Company, in particular the minority shareholders.



4. Report of the Directors

The Board of the Company has attached great importance to the implementation of the cash dividend policy. Relevant decision-making procedures and mechanism of the Company are well-established. In formulating the profit distribution proposal, the Board shall strictly follow the requirements of the Articles, sufficiently consider the opinion and requests of the minority shareholders to protect their legal rights and interest and make the dividend standard and ratio definite and clear. The Board shall implement the consideration and approval procedures of general meetings and execute the profit distribution proposal in accordance with the resolution of general meetings.

During the Reporting Period, the Company implemented the profit distribution proposal for the year 2023 which was approved at the 2023 annual general meeting of the Company. Based on the Company's total number of issued shares of 5,299,302,579 shares as registered on the registration date for implementing equity distribution, less 22,242,535 A Shares in the Company's designated securities account for repurchase, a final cash dividend of RMB0.96 (tax inclusive) per share was paid to all shareholders, totaling RMB5,065,977,642.24 (tax inclusive), the above dividend was paid to all shareholders whose names were recorded in the register of members on the relevant record date. The announcement regarding the implementation of the aforesaid dividend distribution was published on the website of the Stock Exchange on 7 June 2024, as well as the SSE website, Shanghai Securities Journal and Securities Times on 18 June 2024 respectively.

2. Profit appropriation proposal

Based on the financial data prepared in accordance with the PRC Accounting Standards and IFRSs respectively, the Group's profit after tax and minority interests for the year 2024 amounted to RMB7,696.12 million and RMB8,051.95 million respectively. The Board proposed the appropriation of the profit for the year ended 31 December 2024 as follows:



4. Report of the Directors

- (1) Pursuant to the requirements of the Articles, the Company shall appropriate 10% of the realized profit after tax for the year to the statutory surplus reserve, provided that no further appropriation is required when the accumulated appropriated amount for statutory surplus reserve exceeds 50% of the registered capital of the Company. As the amount of the Company's statutory surplus reserve has reached 50% of the registered capital of the Company, no appropriation was made for the year 2024.
- (2) The payment of a final dividend of RMB0.71 per share (tax inclusive) is proposed. In accordance with relevant provisions of the Guidelines of Self-regulation of Companies Listed on Shanghai Stock Exchange No. 7 – Repurchase of Shares (《上海證券交易所上市公司自律監管指引第7號—回購股份》), the A Shares in the Company's designated securities account for repurchase are not entitled to profit distribution rights, and the amount of the Company's repurchase of A Shares in cash in 2024 shall be deemed as the amount of the cash dividend. Based on the Company's total number of issued shares of 5,299,302,579 shares as at the date of this report less 22,242,535 A Shares in the Company's designated securities account for the repurchase, the total final dividend payment will be RMB3,746.71 million (tax inclusive), representing 48.68% of the net profit attributable to ordinary shareholders of the Company as reported in the combined statements for the year 2024. For the year 2024, the total amount of funds paid by the Company in relation to the repurchase of A Shares was RMB161.43 million (excluding transaction fees), which, together with the total amount of final dividend payment shall be RMB3,908.14 million, accounting for 50.78% of the net profit attributable to ordinary shareholders of the Company as reported in the combined statement of accounts for year 2024.

The above profit appropriation proposal is subject to consideration and approval by shareholders at the 2024 annual general meeting.

Except for the above profit appropriation proposal, the Company did not implement the capitalization of capital reserve fund in 2024.



4. Report of the Directors

As far as the Company is aware, as at the date of publication of this report, there was no arrangement under which any shareholder has waived or agreed to waive any dividend proposed to be distributed for the year 2024.

According to the Corporate Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) and the relevant implementation rules, and the Notice on Issues relating to Withholding and Payment of Corporate Income Tax by Chinese Resident Enterprise over Dividends Distributable to the Holders of Foreign H-Shares Who are Non-resident Enterprises (Guoshuihan [2008]No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)) promulgated by the State Administration of Taxation on 6 November 2008, the Company is required to withhold and pay corporate income tax at the rate of 10% upon distribution of the final dividend to non-resident enterprise shareholders whose names appear on the H Shares register of members of the Company (including HKSCC Nominees Limited, other nominees, trustees or other entities and organizations, who will be deemed as non-resident enterprise shareholders).

According to the relevant provisions under the Notice on Tax Policies for Shanghai-Hong Kong Stock Connect Pilot Programme (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知(財稅[2014]81號)》) (hereinafter referred to as the “Shanghai-Hong Kong Stock Connect Taxation Policy”), enterprise income tax will be levied according to law on dividend income (which shall be included in its total income) received by mainland corporate investors from investing in H shares through Shanghai-Hong Kong Stock Connect, among which, enterprise income tax will be exempted according to law for dividend income received by mainland resident enterprises that hold H shares for at least 12 consecutive months. The Company shall not withhold income tax on dividends payable by mainland corporate investors, and such enterprises shall report and make tax payment by themselves.

According to the Shanghai-Hong Kong Stock Connect Taxation Policy, the Company shall withhold individual income tax at the rate of 20% with respect to dividends received by mainland individual investors for investing in H shares through Shanghai-Hong Kong Stock Connect. For dividends received by mainland securities investment funds investing in H shares through Shanghai-Hong Kong Stock Connect, individual income tax shall be levied on dividends derived therefrom.



4. Report of the Directors

Pursuant to the Notice on Issues relating to Collecting Individual Income Tax after Repealing the Document of Guoshuifa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) promulgated by the State Administration of Taxation and the letter entitled “Tax Arrangements on Dividends Paid to Hong Kong Residents by Mainland Companies” issued by the Stock Exchange, overseas resident individual holders of the shares issued in Hong Kong by domestic non-foreign invested enterprises are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax treaties entered into between the countries to which their identity belong and China and the tax arrangements between the Mainland China and Hong Kong (Macau). The Company shall determine the identity of individual holders of H Shares whose names appear on the H Shares register of members of the Company on 11 June 2025 (Wednesday) based on their registered addresses. The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the individual holders of H Shares and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the individual holders of H Shares or any disputes over the withholding mechanism or arrangements. The relevant arrangements are detailed as follows:

- (1) For individual holders of H Shares who are Hong Kong or Macau residents and whose country of domicile has entered into a tax treaty with China stipulating a dividend tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of the individual holders of H Shares for distribution of dividend.
- (2) For individual holders of H Shares whose country of domicile has entered into a tax treaty with China stipulating a dividend tax rate of less than 10%, shareholders shall determine by themselves whether they are eligible to the treaty benefits. Those who wish to enjoy treaty benefits shall submit to the Company the information required under the Announcement of the State Administration of Taxation published in relation to the Administrative Measures on Stipulated Treatment Entitled by Non-residents Tax Payers (Guo Shui Zong [2019] No. 35) 《國家稅務總局關於發佈〈非居民納稅人享受協定待遇管理辦法〉的公告》(國稅總[2019]35號) before 20 June 2025. If the information is considered to be true and complete upon review, the Company will withhold and pay individual income tax at the treaty tax rate on behalf of the individual holders of H Shares for distribution of dividend. Otherwise, the Company will withhold and pay individual income tax at the rate of 10% on behalf of the individual holders of H Shares for distribution of dividend. Shareholders who are entitled to but have not enjoyed the treaty treatment and overpay taxes as a result thereof may, by themselves or through the Company, apply to competent tax authorities for the refund of overpaid taxes within the time limit stipulated in the tax levying related laws.



4. Report of the Directors

- (3) For individual holders of H Shares whose country of domicile has entered into a tax treaty with China stipulating a dividend tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the actual applicable tax rate stipulated in the relevant tax treaty on behalf of the individual holders of H Shares for distribution of dividend.

3. Cash dividend distribution in the preceding three accounting years

	(Unit: RMB)
Cumulative amount of cash dividend distribution in the preceding three accounting years (tax inclusive) ^①	16,655,658,090
Cumulative cancellation amount in the repurchase in the preceding three accounting years ^②	-
Cumulative amount of cash dividend distribution and cumulative cancellation amount in the repurchase in the preceding three accounting years ^{③=①+②}	16,655,658,090
Average net profit attributable to ordinary equity holders of the listed company for the preceding three accounting years ^④	11,266,457,074
Cash dividend payout ratio for the preceding three accounting years (%) ^{⑤=③/④}	147.83
Net profit attributable to ordinary equity holders of the listed company in the consolidated statements for the latest accounting year	7,696,117,949
Undistributed profits as at the end of the year in the parent company's financial statements for the latest accounting year	138,554,111,717



4. Report of the Directors

(4) CHARITABLE DONATIONS

During the Reporting Period, the Company donated RMB300,000 in cash to Wuhu No. 1 High School Education Foundation for construction of its campus culture and improvement of teaching conditions.

(5) TAXATION

Details of taxation are set out in notes 8 and 38 to the financial statements prepared in accordance with the IFRSs, and in note 4 “Taxation” and items 19, 26, 43 and 55 under note 5 of “Notes to Consolidated Financial Statements” to the financial statements prepared in accordance with the PRC Accounting Standards.

(6) MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2024, in the business operation of the Group, the aggregate sales amount to the five largest customers amounted to RMB8.420 billion, representing 9.25% of the total sales amount of the Group, and the largest customer accounted for 2.58% of the total sales amount of the Group; the aggregate purchase amount from the five largest suppliers amounted to RMB19.520 billion, representing 27.39% of the total purchase amount of the Group, and the largest supplier accounted for 9.57% of the total purchase amount of the Group. So far as is known to the Group, none of the five largest customers and suppliers have any connection with the Group.

4. Report of the Directors

During the Reporting Period, new customers among the five largest customers were as follows:

No.	Name of customers	Sales amount (RMB million)	Percentage of total annual sales amount (%)
1	China Railway Construction Corporation	2,351	2.58
2	China Railway Engineering Group Company Limited	1,647	1.81
3	Dongguan Huihuang Energy Co., Ltd.	977	1.07

During the Reporting Period, new suppliers among the five largest suppliers were as follows:

No.	Name of suppliers	Purchase amount (RMB million)	Percentage of total annual purchase amount (%)
1	China Energy Investment Corporation Limited	3,535	4.96
2	YANCOAL AUSTRALIA SALES PTY LTD	1,743	2.44

None of the Directors, Supervisors or their respective close associates (as defined in the HKSE Listing Rules) nor, to the knowledge of the Board, shareholders holding more than 5% of the number of issued shares of the Company had interests in any of the five largest customers or five largest suppliers of the Group for the year ended 31 December 2024.

Cost of major raw materials and energy used by the Group are mainly denominated in RMB.



4. Report of the Directors

(7) LEASEHOLD LAND, PROPERTY, PLANT AND EQUIPMENT

Changes in leasehold land, property, plant and equipment of the Company for the year ended 31 December 2024 were set out in note 14 to the financial statements prepared in accordance with the IFRSs.

(8) TOTAL ASSETS

As at 31 December 2024, the Group's total assets as determined in accordance with the IFRSs amounted to approximately RMB254,635 million, representing an increase of approximately RMB8,279 million over that of the end of last year.

(9) RESERVES

Changes in the reserves of the Company and the Group for the year ended 31 December 2024 were set out in the consolidated statement of changes in equity and note 39 to the financial statements prepared in accordance with the IFRSs.

(10) DEPOSITS, LOANS AND CAPITALIZED INTEREST

Details of the Group's loans as at 31 December 2024 were set out in note 33 to the financial statements prepared in accordance with the IFRSs. The Group's deposits as at 31 December 2024 were placed with reputable commercial banks. The Group has no entrusted deposits and fixed-term deposits which cannot be withdrawn upon expiry. During the Reporting Period, interest capitalized in respect of construction-in-progress amounted to RMB88.3975 million, details of which were set out in note 7 to the financial statements prepared in accordance with the IFRSs.



4. Report of the Directors

(11) EXCHANGE RATE RISK AND RELATED HEDGING BY FINANCIAL INSTRUMENTS

During the Reporting Period, the payment incurred in the construction of overseas projects was principally made in local currency, RMB and US dollars. Imported equipment, fire-resistant tiles and spare parts were mainly settled in US dollars and Euro, while cement, clinker and equipment for export were usually settled in RMB or US dollars. The purchase of raw materials and sales of commodities by overseas companies were mainly settled in local currencies. Any movement in the exchange rates of such foreign currencies against RMB will directly affect the project construction costs, material procurement costs and export sales revenues of the Group.

In order to effectively reduce foreign exchange risk to ensure that the risk level is overall under control, the Group made appropriate financing and foreign exchange receipt and payment arrangements based on the construction progress of overseas projects and adjusted its foreign exchange fund management plan on a timely basis. The Group actively leveraged a management model of fund pool to implement centralized management, allocation and utilization over foreign funds in domestic and overseas markets, so as to lower costs of exchange settlement and sales, effectively reducing financial expenses. The Group implemented a regional fund pool management model in the same country where the Group invested, so as to complement each other's capital advantage, enhance capital economies of scale, reduce loss from currency exchange and reduce financing costs. Meanwhile, the Group paid close attention to the changes of foreign exchange policies of the invested countries, actively responded to the impact of the Federal Reserve's high interest rates and two-way exchange rate fluctuations, and timely replaced high-interest USD loans in combination with changes in exchange rates and interest rates and leveraged forward instruments as and when appropriate to hedge foreign exchange risks according to the trend of currency exchange rate.

(12) BUSINESS REVIEW, OUTLOOK AND MAJOR RISK FACTORS

For details on the business review, outlook for 2025 and the major risk factors of the Group, please refer to chapter 3 "Management Discussion and Analysis" in this report.

(13) COMPLIANCE WITH LAWS AND REGULATIONS

During the year ended 31 December 2024, the Group complied with the relevant laws and regulations which have a significant impact on the Company.



5. Corporate Governance and Corporate Governance Report

(1) CORPORATE GOVERNANCE

Since the listing of the Company on the Stock Exchange and the SSE in 1997 and 2002 respectively, the Company has been continuously improving its corporate governance structure, perfecting the internal management and control systems and regulating its operation in accordance with the relevant domestic and overseas listing rules and regulatory requirements. General meeting of the Company, the Board and the Supervisory Committee have clearly defined power and duties, each assuming and performing its specific responsibilities and making its own decisions in an independent, efficient and transparent manner.

The general meeting is the body with the highest authority in the Company and operates in accordance with the Rules of Procedures of General Meeting. During the Reporting Period, legal advisers were present in witness of the convention of general meetings of the Company and legal advice was issued in connection therewith to ensure that decision-making procedures and contents of general meetings are legal and valid and that shareholders can fully exercise their own rights.

The Board is the decision-making body for business operation of the Company, which is accountable to the shareholders in general meeting. It operates in accordance with the Articles and the Rules of Procedures of Board Meeting. The Board performs its management duties in a diligent, prudent and responsible manner to facilitate the healthy and stable development of the Company, including organizing the implementation of various resolutions passed by the general meetings, determining the Company's operation plans and investment proposals, formulating the Company's annual financial budget and settlement proposal as well as profit appropriation proposal, formulating significant acquisition plans as well as appointment or dismissal of the general manager and other senior management members of the Company, etc. The Board has delegated day-to-day management responsibilities to the executive Directors and senior management members of the Company.



5. Corporate Governance and Corporate Governance Report

The management of the Company is the executive unit of daily operation, which is accountable to the Board, and exercises its power according to the Rules Governing the Works and Meetings of the General Manager. Its specific duties include managing the Company's production and operation, organizing the implementation of the resolutions of the Board, formulating annual production and operation plan and annual financial budget, formulating basic management system and basic rules and regulations of the Company, etc.

The Supervisory Committee is the monitoring body of the Company, accountable to the shareholders in general meeting. It operates effectively in accordance with the Rules of Procedures of Supervisory Committee Meeting and effectively monitors the performance of duties of the Directors and senior management members and matters relating to the operation of Company in accordance with the law.

With respect to corporate governance, based on the above-mentioned hierarchy of authority, the Company has fully applied the principles set out in the Corporate Governance Code (the "Corporate Governance Code") in Appendix C1 to the HKSE Listing Rules, which have no material deviation from the laws, administrative regulations and regulatory documents issued by the CSRC in relation to corporate governance of listed companies. During the Reporting Period, the Company has complied with all the code provisions (the "Code Provision(s)") as set out in Part 2 of the Corporate Governance Code.



5. Corporate Governance and Corporate Governance Report

(2) THE COMPANY'S CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS IN GUARANTEEING THE INDEPENDENCE OF CORPORATE ASSETS, PERSONNEL, FINANCE, ORGANIZATION, BUSINESS AND OTHER ASPECTS

The controlling shareholders and de facto controllers of the Company strictly observe the relevant regulations under the Code of Corporate Governance of Listed Companies, and the SSE Listing Rules, safeguard the integrity of the Company's assets, protect the Company's rights as a legal person to possess, utilize, obtain profits from and dispose of assets, protect the Company's financial independence, support the independent operation of the Board, Supervisory Committee, business operation departments and their personnel, and ensure the Company's independent decision-making in various aspects including production and operation, internal management, external investment, and external guarantee. They also support and cooperate with the Company to fulfill the internal decision-making procedures of major issues in accordance with the law. The Company is entirely independent of its controlling shareholders and de facto controllers in aspects including assets, personnel, finance, organizations and businesses, and possesses independent and complete business operation and independent operation capabilities.

(3) PROCEEDINGS OF THE GENERAL MEETING AND SUPERVISORY COMMITTEE

On 30 May 2024, the 2023 annual general meeting of the Company was held in the conference room of the Company. On 21 August 2024, the first extraordinary general meeting of the Company in 2024 was held in the conference room of the Company. All the Directors attended the above meetings in person. For voting results of the resolutions passed at the above meetings, please refer to the announcements published by the Company on the websites of the Stock Exchange and the Company on 30 May 2024 and 21 August 2024 respectively and on the website of the SSE on 31 May 2024 and 22 August 2024 respectively.

The Supervisory Committee exercises supervision over the performance of duties of the Directors and senior management members of the Company and matters relating to the operation of Company in accordance with the law, and it has no objection to the matters subject to its supervision during the Reporting Period.



5. Corporate Governance and Corporate Governance Report

(4) BASIC INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT MEMBERS OF THE COMPANY

Current Directors and Supervisors

Name	Position	Gender	Age	Tenure
Yang Jun	Chairman and Executive Director	Male	56	13 July 2022-30 May 2025
Zhu Shengli	Deputy Chairman and Executive Director	Male	53	21 August 2024-30 May 2025
Qu Wenzhou	Independent Non-executive Director	Male	53	31 May 2022-30 May 2025
Ho Shuk Yee, Samantha	Independent Non-executive Director	Female	61	31 May 2022-30 May 2025
Zhang Yunyan	Independent Non-executive Director	Female	50	30 May 2019-30 May 2025
Li Qunfeng	Executive Director	Male	54	30 May 2019-30 May 2025
Wu Tiejun	Executive Director	Male	45	31 May 2022-30 May 2025
Yu Shui	Executive Director	Male	49	21 August 2024-30 May 2025
He Chengfa	Supervisor cum Chairman of the Supervisory Committee	Male	59	2 November 2023-30 May 2025
Chen Yongbo	Supervisor	Male	60	31 May 2022-30 May 2025
Liu Tiantian	Staff Representative Supervisor	Male	59	30 May 2019-30 May 2025

5. Corporate Governance and Corporate Governance Report

Current Senior Management Members

Name	Position	Gender	Age	Date of employment
Li Qunfeng	General Manager	Male	54	22 September 2021
Wu Tiejun	Deputy General Manager	Male	45	24 October 2022
Yu Shui	Deputy General Manager	Male	49	24 October 2022
	Secretary to the Board (Joint Company Secretary)			19 June 2024
	General Legal Counsel, Chief Compliance Officer			14 March 2025
Pan Zhonghong	Deputy General Manager	Male	51	9 January 2024
Li Xin	Assistant to General Manager	Male	53	27 April 2023
Xu Yue	Assistant to General Manager	Female	56	27 April 2023
Liu Qingxin	Assistant to General Manager	Male	46	19 June 2024
Chiu Pak Yue, Leo	Joint Company Secretary (Hong Kong)	Male	62	29 August 2000

Cessation in Office of Directors, Supervisors and Senior Management Members during the Reporting Period

Name	Position	Gender	Age	Date of cessation in office
Wang Jianchao	Deputy Chairman and Executive Director	Male	61	12 July 2024
Zhou Xiaochuan	Executive Director, Secretary to the Board (Joint Company Secretary)	Male	55	19 June 2024

5. Corporate Governance and Corporate Governance Report

Shares of the Company Held or Traded by Directors, Supervisors and Senior Management Members of the Company:

Name	Position	Number of shares held as at 31 December 2023 (share)	Number of shares acquired/sold during the Reporting Period (share)	Number of shares held as at 31 December 2024 (share)
Liu Tiantian	Staff Representative Supervisor	63,500 (H Shares)	–	63,500 (H Shares)
Xu Yue	Assistant to General Manager	600 (A Shares)	–	600 (A Shares)

Save as disclosed in the above table, none of the other Directors, Supervisors and senior management members of the Company held or traded any shares of the Company during the Reporting Period.

Positions held by Current Directors, Supervisors and Senior Management Members of the Company in Conch Holdings, a Controlling Shareholder of the Company:

Name	Positions held in Conch Holdings	Tenure
Yang Jun	Secretary of the Party Committee, Chairman	From May 2022 to present
Zhu Shengli	Deputy secretary of the Party Committee, Director and General Manager	From April 2024 to present
He Chengfa	Deputy General Manager	From May 2013 to present
Chen Yongbo	Process Director of Technology Center	From August 2024 to present



5. Corporate Governance and Corporate Governance Report

Positions held by Current Directors, Supervisors and Senior Management Members of the Company in Other Entities:

Name	Positions held in other entities
Li Qunfeng	① Non-executive director and chairman of the board of directors of Conch Environment Protection ② Director of Wuhu Conch Trading Co., Ltd. ③ Director of CNBM (Anhui) Management Co., Ltd.
Wu Tiejun	① Director of Conch Design Institute ② Director of Conch Tech Innovation Material
He Chengfa	① Chairman of the board of directors and general manager of Anhui Conch Industry Technology Research Institute Co., Ltd. ② Chairman of the board of directors of Conch Design Institute
Chen Yongbo	Director of Anhui Conch Industry Technology Research Institute Co., Ltd.
Yu Shui	Chairman of the board of directors of Wuhu Conch Trading Co., Ltd.
Pan Zhonghong	Deputy chairman of SPIC Anhui Conch Clean Energy Limited



5. Corporate Governance and Corporate Governance Report

Biography of Current Directors, Supervisors and Senior Management Members

Executive Directors

Mr. Yang Jun, Chairman and an executive Director of the Company, a senior economist. Mr. Yang obtained a master's degree in business administration from the University of Science and Technology of China and joined the Group in 2022. Prior to that, Mr. Yang joined Tongling Nonferrous Metals Company in 1992 and had held various positions such as general manager, party secretary and chairman of Tongling Nonferrous Metals Group Co., Ltd. ("Tongling Nonferrous", a company listed on the SZSE, stock code: 000630), as well as party deputy secretary, party secretary, general manager, director and chairman of Tongling Nonferrous Metals Group Holdings Co., Ltd. (a controlling shareholder of Tongling Nonferrous). Mr. Yang has extensive experience in corporate management. Mr. Yang is also a representative of the 14th National People's Congress of Anhui Province and the secretary of the party committee and the chairman of Conch Holdings.

Mr. Zhu Shengli, deputy Chairman and an executive Director of the Company. Mr. Zhu obtained postgraduate education from the Party School of Anhui Provincial Committee of C.P.C. He joined the Group in 2024 and held various positions such as deputy director of the Management Committee of Hefei Xinzhan Comprehensive Development Trial Zone, head of the Hefei Trade Promotion Bureau, head of the Hefei Investment Promotion Bureau, director of the Hefei Development and Reform Commission, deputy mayor of Hefei and deputy director of the State-owned Assets Supervision and Administration Commission of Anhui Province. Mr. Zhu is familiar with economic and investment development work, and has relatively strong organisational and leadership capabilities. Mr. Zhu is currently the deputy secretary of the party committee, a director, and a general manager of Conch Holdings.



5. Corporate Governance and Corporate Governance Report

Mr. Li Qunfeng, an executive Director, general manager of the Company, and a senior engineer. Mr. Li graduated from Luoyang Technology College and joined the Group in 1994. Mr. Li held various positions such as plant director of the production sub-plant, director of production quality department, assistant to general manager, deputy general manager and general manager of Tongling Conch as well as officer-in-charge of the Regional Committee in the northern Anhui and an assistant to general manager and deputy general manager of the Company. Mr. Li has extensive experience in fields such as corporate management, investment development and cement manufacturing technology.

Mr. Wu Tiejun, an executive Director and deputy general manager of the Company and a senior engineer. Mr. Wu graduated from Wuhan University of Technology and joined the Group in 2001. He had held various positions such as assistant to general manager, deputy general manager, executive deputy general manager and general manager of Anhui Chizhou Conch Cement Co., Ltd., general manager of Yingde Conch, and officer-in-charge of Regional Committee in Guangdong and assistant to general manager of the Company. He is well experienced in production and operation management.

Mr. Yu Shui, an executive Director, deputy general manager, the secretary to the Board (joint company secretary), general legal counsel, and chief compliance officer of the Company. He is an assistant economist. Mr. Yu graduated from Anhui University. He joined the Company in 1997 and had held various positions such as deputy director of the control room of the sales department, assistant to department head, deputy department head and executive deputy department head and department head of the sales department of the Company, executive deputy general manager of each of Bengbu Conch Cement Co., Ltd., Huainan Conch Cement Co., Ltd., and Anhui Changfeng Conch Cement Co., Ltd., general manager of PT Conch South Kalimantan Cement, and assistant to general manager of the Company. He has extensive management experience in the fields of corporate governance, capital markets, marketing and regulatory and legal compliance management, etc.



5. Corporate Governance and Corporate Governance Report

Independent non-executive Directors

Mr. Qu Wenzhou, was appointed as an independent non-executive Director of the Company since May 2022. Mr. Qu graduated from Xiamen University with a major in finance and received a doctoral degree in economics. He is currently the dean of the Jinyuan Research Institute for Financial Studies of Xiamen University, supervisor at the China Capital Market Research Center of Xiamen University, supervisor at the MBA Center under the School of Management of Xiamen University, and a professor at the Finance Faculty of the School of Management of Xiamen University. Mr. Qu obtained the qualification as a non-practicing member of Chinese certified public accountants from The Chinese Institute of Certified Public Accountants in June 2002. He has been a chartered financial analyst authorized by the Chartered Financial Analyst Institute since November 2004. He possesses extensive experience in the fields of finance, economics, financial management, capital market, etc. Mr. Qu had held positions such as an associate professor and deputy supervisor at the MBA Center under the School of Management of Xiamen University, the deputy supervisor of the Finance Faculty of the School of Management of Xiamen University and the deputy dean of the Institute for Financial and Accounting Studies at Xiamen University. He had served as an independent director of each of Guangdong Baolihua New Energy Stock Co., Ltd. (a company listed on the SZSE, stock code: 000690), Ronshine China Holdings Limited (a company listed on the Stock Exchange, stock code: 3301), Fuyao Glass Industry Group Co., Ltd. (a company listed on both the SSE (stock code: 600660) and Stock Exchange (stock code: 3606)), Suwen Electric Energy Technology Co., Ltd. (a company listed on the SZSE, stock code: 300982), etc. Mr. Qu is currently also an independent director of Zhongji Innolight Co., Ltd. (a company listed on the SZSE, stock code: 300308) and Foshan Haitian Flavouring & Food Co., Ltd. (a company listed on the SSE, stock code: 603288).

Ms. Ho Shuk Yee, Samantha, was appointed as an independent non-executive Director of the Company since May 2022. Ms. Ho obtained a Master of Business Administration degree from UCLA Anderson School of Management and a Bachelor of Arts degree from Bryn Mawr College in the United States. She is also a senior fellow of Hong Kong Securities and Investment Institute. Ms. Ho has over 25 years of experience in the finance industry, specializing in investment management. She had served as a director of the board of Hong Kong Securities and Investment Institute and acted as an investment director at Invesco Hong Kong Limited. She was also a licensed representative for Manulife Asset Management (Hong Kong) Limited, and had served at Jardine Fleming Securities Limited and SEB Investment Management. She is a chartered financial analyst accredited by The Institute of Chartered Financial Analysts. Ms. Ho is currently a chief investment officer and a member of the investment committee of Altus Holdings Limited (a company listed on the Stock Exchange, stock code: 8149).



5. Corporate Governance and Corporate Governance Report

Ms. Zhang Yunyan, was appointed as an independent non-executive Director of the Company since May 2019. Ms. Zhang is a Sinovation Fellow at Yale University, the U.S.A.. She obtained the Master of Laws (LLM) from William & Mary School of Law, the U.S.A., and an Executive Master of Business Administration degree from the University of Science and Technology of China, and is currently pursuing a doctorate degree in management at Hong Kong Polytechnic University. Ms. Zhang currently serves as a senior partner and managing partner of Jincheng Tongda & Neal Law Firm (Shanghai). Ms. Zhang has extensive experience in foreign-related legal services in securities and capital market, merger and acquisitions and restructuring, commercial dispute resolution, compliance and other areas. She was awarded “ALB China Top 15 Female Lawyers for 2020” by ALB, “2020, 2021, 2022 The A-List Lawyers” by China Business Law Journal, “The Legal 500 2021 Recommended Lawyer for Dispute Resolution in Asia Pacific”, 2021 Legal Award-Best Corporate Lawyer by APAC Insider, 2021 Service Gold Award for the Global Alliance of SMEs, “Excellent Foreign Lawyer Recommended in the 45th Anniversary of China’s Reform and Opening-up”, “2022 Blockchain and Metaverse Rule of Law Award for Excellent Service” of the Third Blockchain Rule of Law Summit Forum, “Outstanding Contribution Award for 2023 and 2024” and “A Member of Digital Technology Talent Pool and A Think Tank expert” by the Shanghai Blockchain Technology Association, Powerful Lawyer of Legal Vision’s Brand Guide to Boutique Legal Services (2024): Digital Compliance Field, 2024 GRCD China Clients Prefer Network Security and Data Protection Compliance Lawyer, Legal One 2024 Annual Client Trust Lawyer-Top 15 in Supervision and Compliance, “Digital Technology Talent” of Shanghai Blockchain Technology Association, Member of the Digital Science and Technology Talent Pool, and Think Tank Expert. She has served as an independent director of Anhui Wenergy Company Limited. (a company listed on the SZSE, stock code: 000543). Ms. Zhang is currently also an independent director of Jiangxi Changyun Co., Ltd. (a company listed on the SSE, stock code: 600561).

Supervisors

Mr. He Chengfa, a Supervisor cum the chairman of the Supervisory Committee of the Company and a senior engineer. Mr. He graduated from Wuhan Industrial University (now known as Wuhan University of Technology) and joined the Group in 1990. He held various positions such as the deputy engineer-in-chief of Ningguo Cement Plant of the Group, head of the equipment department and deputy general manager of the Company. Mr. He has extensive experience in equipment management and corporate management.



5. Corporate Governance and Corporate Governance Report

Mr. Chen Yongbo, a Supervisor of the Company and a senior engineer. Mr. Chen graduated from Changchun Building Materials Industrial School and joined the Group in 1995. He had served as plant director of the production sub-plant and officer-in-charge of the production quality department of Tongling Conch, general manager of Anhui Zongyang Conch Cement Co., Ltd., general manager of Anhui Huaining Conch Cement Co., Ltd., general manager of Baoshan Conch Cement Co., Ltd., officer-in-charge of the Regional Committee in Shaanxi and Gansu, officer-in-charge of the Regional Committee in northern Anhui, and officer-in-charge of the Regional Committee in Yunnan and assistant to general manager of the Company. Mr. Chen possesses extensive experience in production and operation management.

Mr. Liu Tiantian, a staff representative Supervisor of the Company and a senior economist. Mr. Liu graduated from Shanghai Institute of Building Materials Industry and joined the Group in 1987. He served as assistant to general manager of Tongling Conch, deputy officer-in-charge of the Regional Committee in northern Anhui of the Company, officer-in-charge of the general manager office of Conch Holdings, and officer-in-charge of the office of the board of Conch Holdings, and secretary of the party committee of Wuhu Conch.

Senior Management Members

Mr. Pan Zhonghong, deputy general manager of the Company and an engineer. Mr. Pan graduated from Wuhan University of Technology. He joined the Group in 1995, and held various positions such as assistant to the general manager of China Cement Plant Co., Ltd., assistant to the general manager of Anhui Digang Conch Cement Co., Ltd., deputy general manager of Quanjiao Conch Cement Co., Ltd., general manager of Zunyi Conch Panjiang Cement Co., Ltd., general manager of Yingde Conch, deputy officer-in-charge of the Regional Committee in Guizhou, president of the Guangdong region and assistant to general manager of the Company. Mr. Pan has extensive experience in cement manufacturing technology and project investment development.

Mr. Li Xin, assistant to general manager of the Company and a senior engineer. Mr. Li graduated from the Electronic Engineering Institute of PLA and joined the Group in 1993. Mr. Li had served as the assistant to the director of the measurement automation department of the Ningguo Cement Plant, the general manager of Conch IT Engineering, the head of the electrical automation department of the Company, the head of the electrical and mechanical security department of the Company, the officer-in-charge of the Regional Committee in Yunnan and the officer-in-charge of the Regional Committee in Myanmar, etc. He possesses extensive management experience in the areas of information technology management and internationalized operations. Mr. Li is currently also the head of the overseas business department of the Company.



5. Corporate Governance and Corporate Governance Report

Ms. Xu Yue, assistant to general manager of the Company and a senior engineer. Ms. Xu graduated from Anhui Agricultural University and joined the Group in 1993. She had served as an assistant to the head, deputy head, head of the equipment department and head of the equipment set department of the Company. Ms. Xu has extensive management experience in equipment management.

Mr. Liu Qingxin, assistant to general manager of the Company and a senior engineer. Mr. Liu graduated from Wuhan University of Technology and joined the Group in 2001. Mr. Liu had served various positions such as plant director of the production sub-plant, director of production safety department, assistant to general manager, deputy general manager, executive deputy general manager and general manager of Tongling Conch as well as president of the northern Anhui region. He possesses extensive experience in areas such as corporate management and cement manufacturing technology.

Secretaries to the Board (Company Secretaries)

Mr. Yu Shui, please refer to the biography of “Executive Directors” above.

Mr. Chiu Pak Yue, Leo, the joint company secretary (Hong Kong) of the Company, is a Hong Kong practicing solicitor. Mr. Chiu graduated from The University of Hong Kong. He is a partner of Chiu & Partners, Solicitors. Mr. Chiu has handled a variety of Hong Kong and cross-border financial and commercial legal matters, including listing, merger and acquisition, privatization and corporate restructuring.

Penalties by Securities Regulatory Authorities in the Past Three Years:

None of the current and former Directors, Supervisors and senior management members of the Company who resigned during the Reporting Period was subject to penalties by securities regulatory authorities in the past three years.



5. Corporate Governance and Corporate Governance Report

(5) APPOINTMENT OR CESSATION IN OFFICE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT MEMBERS OF THE COMPANY

On 9 January 2024, upon the recommendation of the Remuneration and Nomination Committee, the Board agreed to promote Mr. Pan Zhonghong from an assistant to general manager of the Company to a deputy general manager of the Company, and such change of position was effective on the same date.

On 19 June 2024, the Board received a written resignation report from Mr. Zhou Xiaochuan, applying for resignation from his positions as an executive Director, the secretary to the Board (a joint company secretary), an authorised representative of the Company (hereinafter referred to as “Authorised Representative”) under Rule 3.05 of the HKSE Listing Rules, and a member of the ESG Management Committee due to the pursuit of his own work commitments and other business engagements, and his resignation became effective on the same date. On the same day, upon the recommendation of the Remuneration and Nomination Committee, the Board agreed to appoint Mr. Yu Shui as the secretary to the Board (a joint company secretary), an Authorised Representative and a member of the ESG Management Committee of the Company and Mr. Liu Qingxin as an assistant to general manager of the Company, and the above appointments became effective on the same date. The Board nominated Mr. Yu Shui as a candidate for executive Director of the ninth session of the Board of the Company and submitted the relevant resolution to the shareholders of the Company for consideration and approval at an extraordinary general meeting of the Company.

On 12 July 2024, the Board received a written resignation report from Mr. Wang Jianchao, applying for resignation from his positions as the deputy chairman of the Company cum an executive Director, due to his reaching of the statutory retirement age, and his resignation became effective on the same date. On the same day, upon the recommendation of the Remuneration and Nomination Committee, the Board nominated Mr. Zhu Shengli as a candidate for executive Director of the ninth session of the Board of the Company and submitted the relevant resolution to the shareholders of the Company for consideration and approval at an extraordinary general meeting of the Company.



5. Corporate Governance and Corporate Governance Report

Upon the approval of the first extraordinary general meeting of the Company in 2024 held on 21 August 2024, each of Mr. Zhu Shengli and Mr. Yu Shui was appointed as an executive Director of the ninth session of the Board of the Company, and their tenure of office became effective from the same date until the expiry of the term of the ninth session of the Board. Each of Mr. Zhu Shengli and Mr. Yu Shui has obtained the legal advice referred to in Rule 3.09D of the HKSE Listing Rules on 20 August 2024, and has confirmed that he understood his obligations as a Director of the Company.

On 21 August 2024, the tenth meeting of the ninth session of the Board was held by the Company, and Mr. Zhu Shengli was unanimously elected to serve as the deputy chairman of the ninth session of the Board of the Company.

On 14 March 2025, upon the recommendation of Remuneration and Nomination Committee, the Board agreed to appoint Mr. Yu Shui as the general legal counsel and chief compliance officer of the Company, and his appointment became effective on the same date.

Save for the aforesaid, during the Reporting Period and as at the date of publication of this report, there was no other change of the Directors, Supervisors and senior management members nor change of their respective information which is required to be disclosed under Rule 13.51B(1) of the HKSE Listing Rules.

(6) SERVICE CONTRACT AND INTERESTS IN CONTRACTS OF DIRECTORS AND SUPERVISORS

The Company has entered into a service contract with each of the Directors and Supervisors. For details of the terms of the service contracts, please refer to the above section headed “(4) Basic Information of Directors, Supervisors and Senior Management Members of the Company”.

During the Reporting Period, none of the Directors, Supervisors or any entity connected with such Director or Supervisor is or was materially interested, either directly or indirectly, in any transaction, arrangement or contract entered into by the Company or any of its subsidiaries which was subsisting during or at the end of the current year.



5. Corporate Governance and Corporate Governance Report

During the Reporting Period, none of the Directors or Supervisors of the Company entered into a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

During the Reporting Period and up to the date of this report, no permitted indemnity provision which benefits the Directors (including former Directors) of the Company or any director (including former directors) of the associated companies of the Company was or is currently in force.

During the Reporting Period, the Company has bought and maintained director and senior management members liability insurance for proper insurance cover to the Directors and senior management members in respect of certain legal actions.

(7) INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN SHARE CAPITAL

As at the end of the Reporting Period, the interests and short positions held by the Directors, Supervisors, chief executive of the Company and their respective close associates (as defined in the HKSE Listing Rules) in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, are as follows:

5. Corporate Governance and Corporate Governance Report

Name	Position	The Company/name of associated corporations	Nature of interest	Number of shares held (share)	Percentage of shareholding of all issued shares (percentage of shareholding of the relevant class of shares)
Liu Tiantian	Staff representative Supervisor	Conch Cement	Beneficial owner	63,500 (H Shares)	0.00% (0.00%)
		Conch Environment Protection	Beneficial owner	2,487,939	0.14%
Li Qunfeng	Executive Director and General Manager	Conch Environment Protection	Beneficial owner	2,050,000	0.11%
		Protection	Interest held jointly with other persons ^{Note}	479,345,879	26.24%
He Chengfa	Supervisor cum chairman of the Supervisory Committee	Conch Environment Protection	Beneficial owner	22,641,843	1.24%
		Protection	Interest of spouse	431,500	0.02%
Chen Yongbo	Supervisor	Conch Environment Protection	Beneficial owner	521,000	0.03%

Note: Mr. Li Qunfeng and other concert parties have given undertakings to the Company that they will act in concert with the Company when exercising their voting rights at the general meetings of Conch Environment Protection. Pursuant to the SFO, Mr. Li Qunfeng, Conch Cement and other concert parties shall be deemed to be interested in shares of Conch Environment Protection held by each other.



5. Corporate Governance and Corporate Governance Report

Save as disclosed above, during the Reporting Period, none of the Directors, Supervisors and chief executive of the Company nor their respective close associates had any interests and/or short positions in shares, underlying shares, debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO), nor had they been granted any rights to subscribe for or exercised the above rights to subscribe for the interests in the shares or debentures of the Company or its associated corporation as defined in Part XV of the SFO. Such interests or short positions shall be recorded in the register required to be kept and prepared by the Company under section 352 of the SFO; or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(8) ANNUAL REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT MEMBERS

1. Decision-making process and basis for determining remuneration

The Remuneration and Nomination Committee is responsible for formulating the remuneration policy and the remuneration proposals of Directors and senior management members of the Company with reference to its written terms of reference. The remuneration of Directors and internal Supervisors of the Company was determined and paid in accordance with the accomplishment of annual targets and works assigned and the operating performance of the Company. For details of the remuneration of senior management members of the Company, please refer to “(12) Establishment and Implementation of an Appraisal and Incentive Mechanism for Senior Management Members” under this chapter of this report.

5. Corporate Governance and Corporate Governance Report

2. Annual remuneration of Directors, Supervisors and senior management members received from the Company

Annual remuneration of current Directors, Supervisors and senior management members

(Unit: RMB)

Name	Position	Remuneration/ allowance before-tax
Yang Jun	Chairman and Executive Director	–
Zhu Shengli	Deputy Chairman and Executive Director	–
Li Qunfeng	Executive Director and General Manager	1,941,695
Wu Tiejun	Executive Director and Deputy General Manager	1,653,774
Yu Shui	Executive Director, Deputy General Manager and Secretary to the Board (Joint Company Secretary), General Legal Counsel and Chief Compliance Officer	1,618,686
Qu Wenzhou	Independent Non-executive Director	180,000
Ho Shuk Yee, Samantha	Independent Non-executive Director	180,000
Zhang Yunyan	Independent Non-executive Director	180,000
He Chengfa	Supervisor cum Chairman of the Supervisory Committee	–
Chen Yongbo	Supervisor	–
Liu Tiantian	Staff Representative Supervisor	1,477,204
Pan Zhonghong	Deputy General Manager	1,583,500
Li Xin	Assistant to General Manager	1,237,226
Xu Yue	Assistant to General Manager	1,382,742
Liu Qingxin	Assistant to General Manager	1,332,298
Total		12,767,125

5. Corporate Governance and Corporate Governance Report

Annual remuneration of Directors, Supervisors and senior management members who resigned during the Reporting Period

(Unit: RMB)

Name	Position	Remuneration/ allowance before-tax
Wang Jianchao	Deputy Chairman and Executive Director	–
Zhou Xiaochuan	Executive Director and Secretary to the Board (Joint Company Secretary)	418,242
Total		418,242

- Notes:
1. The above-mentioned annual remunerations included basic salary, bonus, and housing provident fund, enterprise annuities, and various insurances paid by the individual and the Company.
 2. During the Reporting Period, Mr. Qu Wenzhou, Ms. Ho Shuk Yee, Samantha and Ms. Zhang Yunyan did not receive any remuneration from the Company and will not request the Company for payment of remuneration for the Reporting Period. The amounts listed in the above table are allowances paid by the Company to them.
 3. During the Reporting Period, Mr. Yang Jun, Mr. Zhu Shengli, Mr. He Chengfa, Mr. Chen Yongbo and Mr. Wang Jianchao did not receive any remuneration from the Company and their remuneration was paid by Conch Holdings, a controlling shareholder cum a related party of the Company.
 4. Mr. Zhou Xiaochuan received the remuneration from the Company for the period from January to June 2024.

(9) HIGHEST PAID INDIVIDUALS

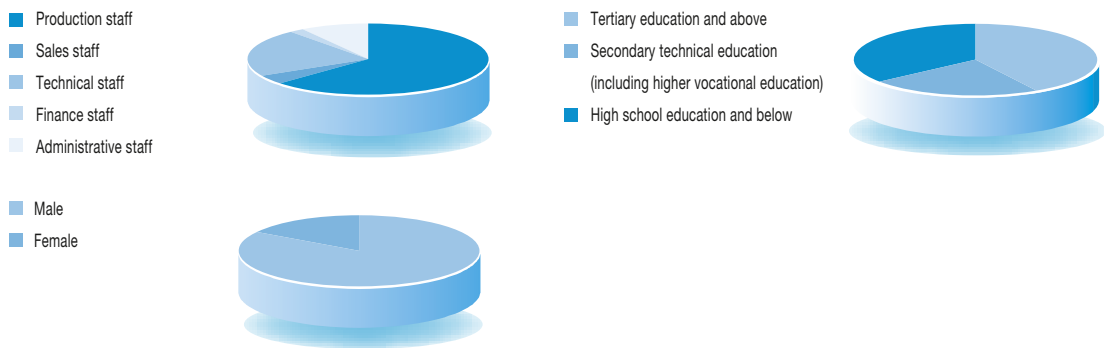
During the Reporting Period, all of the five highest paid individuals of the Group are senior management members of the Company. For details of their remuneration, please refer to the above section headed “(8) Annual Remuneration of Directors, Supervisors and Senior Management Members” and note 10 to the financial statements prepared in accordance with the IFRSs in this annual report.



5. Corporate Governance and Corporate Governance Report

(10) EMPLOYEES

As at the end of the Reporting Period, the Group had 49,397 employees, of which 28,490 were production staff, 2,098 were sales staff, 12,559 were technical staff, 1,145 were finance staff, 5,105 were administrative staff. 22,260 of them received tertiary education and above, 9,243 received secondary technical education (including higher vocational education), and 17,894 received high school education and below. Male employees accounted for approximately 84.8% and female employees accounted for approximately 15.2%. The professional composition, education level and gender ratio of the employees are shown in the following charts:



During the Reporting Period, the Group implemented an annual remuneration system for its middle and senior management members whose annual remunerations were assessed with reference to the Group's production volume, sales volume, efficiency, costs, environmental protection, production safety and other key indicators of organizational performance and individual performance according to the tenure system and contract management. A position-based and performance-linked assessment management system was adopted for its professional technical management staff and general staff whose remunerations were assessed based on position indicators and performance of their duties and responsibilities according to the position and performance based remuneration system.



5. Corporate Governance and Corporate Governance Report

During the Reporting Period, based on the three-tier training management systems at its head office, regional entities and subsidiaries, the Group carried out all-round, multi-level and wide-ranging talent training for all employees in order to meet the talent demand corresponding to high-quality development. The headquarters of the Group continuously introduced training resources provided by external educational enterprises, launched a series of lectures on “Conch Lecture Hall – Innovation Leadership” to provide professional knowledge training for the cadres and employees, thus effectively improving their comprehensive operation and management ability. The Company has built an employee training center integrating theoretical training with practical exercises, and converged its resources advantages to create a unique training course system. During the Reporting Period, the Company conducted targeted training programs for weak units, including skills enhancement classes, mechanical and electrical craftsmen classes, and grass-roots management intensive classes, with a total of more than 1,500 people participated in these training sessions. In light of the actual training needs of employees, the Group’s regional entities and subsidiaries regularly carried out professional skills training for employees, so as to secure adequate reserve of human resources for stable production and effective management control. The Group continuously enriched the training mode of foreign employees, and carefully organized and planned the training for foreign employees from Indonesia and Uzbekistan in China, effectively enhancing their professional skills and corporate sense of identity. In addition, the Group has always attached importance to the cultivation of applied technical talents, encouraged employees to learn by organizing competition activities such as employee skills competition, and carried out post skills upgrading for cement technology major. During the Reporting Period, 676 skilled talents were determined.

During the Reporting Period, the Company was not liable for the payment of fee of the employees who ceased from office and retired employees.

The Group values gender diversity across the workforce. As the Group belongs to the manufacturing industry, it has attracted a higher proportion of male employees. Despite this, the Group adheres to the principle of equal employment, respects and treats employees of different genders fairly, and provides equal opportunities for all employees in terms of recruitment, training and development, job promotion, salary and benefits, etc.



5. Corporate Governance and Corporate Governance Report

(11) STOCK OPTION INCENTIVE SCHEME

During the Reporting Period, the Group did not implement any share incentive scheme or share scheme under Chapter 17 of the HKSE Listing Rules.

(12) ESTABLISHMENT AND IMPLEMENTATION OF AN APPRAISAL AND INCENTIVE MECHANISM FOR SENIOR MANAGEMENT MEMBERS

The Company has implemented the tenure system and contract management for senior management members since 2022. In accordance with the Company's development strategy plan and annual operation and management objectives, the Company has signed an Annual/Tenure Business Performance Responsibility Letter and engagement agreement for the position with senior management members based on their responsibilities and division of labour. The Group promulgated key performance indicators for the year/tenure including profit, cost, output, sales, environmental protection, and safety production and major tasks. Upon expiration of the assessment period, an assessment and evaluation working group will be established to assess the fulfillment of the objectives and tasks in strict accordance with the contract, in order to reach the assessment results in a comprehensive, objective and fair manner and award annual performance remuneration and tenure incentive remuneration based on the assessment results.

(13) PENSION INSURANCE

Details of the pension insurance are set out in note 7(b) to the financial statements prepared in accordance with the IFRSs. Contributions to pension insurance recorded in the income statement of the Group for the year ended 31 December 2024 amounted to RMB905.65 million.

(14) STAFF HOUSING

Pursuant to the relevant requirements of the PRC government, contributions based on a certain percentage of the employees' salaries shall be made by the Group to the housing provident fund for its employees. Save for the above, the Group has no other obligations. For the year ended 31 December 2024, the total housing provident fund paid by the Group amounted to approximately RMB598.09 million.



5. Corporate Governance and Corporate Governance Report

(15) CORPORATE GOVERNANCE

1. Corporate Governance Code

During the Reporting Period, the Company had complied with all the Code Provisions as set out in Part 2 of the Corporate Governance Code.

2. Securities Transactions by Directors

The Company has adopted a code of practice regarding Directors' securities transactions on terms no less exacting than the required standard in the Model Code. Having made specific enquiries to all Directors by the Company, all Directors of the Company confirmed that they have complied with the required standards set out in the Model Code and the Company's code of conduct in relation to securities transactions by Directors during the Reporting Period.

3. The Board

As at 31 December 2024, the composition of the Board is as follows:

Name	Position
Yang Jun	Chairman and Executive Director
Zhu Shengli	Deputy Chairman and Executive Director
Li Qunfeng	Executive Director
Wu Tiejun	Executive Director
Yu Shui	Executive Director
Qu Wenzhou	Independent Non-executive Director
Ho Shuk Yee, Samantha	Independent Non-executive Director
Zhang Yunyan	Independent Non-executive Director

There was no financial, business, family or other material/related relationship among members of the Board and between the Chairman and the chief executive officer (namely, the general manager).



5. Corporate Governance and Corporate Governance Report

During the Reporting Period, three physical meetings and eleven telecommunication meetings of the Board were held, and resolutions were voted and passed by means of written resolutions for relevant matters, with a total of 76 resolutions passed. Details of each Board meeting convened is set out as follows:

- (1) On 2 January 2024, a meeting of the Board was held by means of telecommunication and all Directors were present at the meeting. The connected transactions in relation to the procurement of admixtures for 2024 between the Company and Conch Technology were considered and approved at the meeting.
- (2) On 19 March 2024, the ninth meeting of the ninth session of the Board was held in the conference room of the Company and all Directors were present at the meeting. A total of 13 resolutions were considered and approved at the meeting, including the general manager's report of the Company for year 2023 and the business plan and target for year 2024, the financial reports for year 2023 prepared in accordance with the IFRSs and the PRC Accounting Standards respectively, the annual report for year 2023 and its summary and results announcement, the internal control assessment report for year 2023 and the Environmental, Social and Governance Report for year 2023 (for details, please refer to the announcements published on the websites of the Stock Exchange and the Company on 19 March 2024 and on the website of the SSE on 20 March 2024 respectively).
- (3) On 26 April 2024, a meeting of the Board was held by means of telecommunication and all Directors were present at the meeting. The 2024 first quarterly report of the Company was considered and approved at the meeting.
- (4) On 10 May 2024, a meeting of the Board was held by means of telecommunication and all Directors were present at the meeting. The following resolutions were considered and approved at such meeting: ① matters in relation to optimization of shareholding structure of Bozhou Xiangqiao Construction Industrialization Co., Ltd., a subsidiary of the Company; ② matters in relation to deregistration of Conch Zhongxin Mingguang New Energy Co., Ltd. and other companies ; ③ matters in relation to establishment of Guangde Conch Building Materials Co., Ltd.



5. Corporate Governance and Corporate Governance Report

- (5) On 13 May 2024, a meeting of the Board was held by means of telecommunication and all Directors were present at the meeting. The connected transactions in relation to engineering project design and technology services and SCR denitration technology modification services with Conch Design Institute were considered and approved in the meeting.
- (6) On 16 May 2024, a meeting of the Board was held by means of telecommunication and all Directors were present at the meeting. The resolution in relation to cancellation of the plan to provide full and joint liability guarantee for registration of issue of medium-term notes with an amount of not more than RMB3.0 billion by Conch Environment Group was considered and approved at such meeting.
- (7) On 19 June 2024, a meeting of the Board was held by means of telecommunication and all Directors were present at the meeting. The following resolutions were considered and approved at such meeting: ① appointment of Mr. Yu Shui as the secretary to the Board of the Company; nomination of Mr. Yu Shui as a candidate for executive Director of the ninth session of the Board of the Company; appointment of Mr. Yu Shui as a member of the ESG Management Committee of the Company and the Authorised Representative; ② appointment of Mr. Liu Qingxin as an assistant to general manager of the Company.
- (8) On 12 July 2024, a meeting of the Board was held by means of telecommunication and all Directors were present at the meeting. The nomination of Mr. Zhu Shengli as a candidate for executive Director of the ninth session of the Board of the Company was considered and approved at the meeting.
- (9) On 21 August 2024, the tenth meeting of the ninth session of the Board was held in the conference room of the Company and all Directors were present at the meeting. Mr. Zhu Shengli was elected as the deputy chairman of the ninth session of the Board of the Company at the meeting.



5. Corporate Governance and Corporate Governance Report

- (10) On 27 August 2024, the eleventh meeting of the ninth session of the Board was held in the conference room of the Company and all Directors were present at the meeting (among them, Mr. Qu Wenzhou, an independent non-executive Director, attended the meeting by means of telecommunication). The following resolutions were considered and approved at such meeting: ①the Company's general manager's work report for the first half of 2024; ②the unaudited financial reports of the Company and its subsidiaries for the six months ended 30 June 2024, prepared in accordance with the PRC Accounting Standards and IFRSs respectively; ③the 2024 interim report of the Company and its summary and the interim results announcement.
- (11) On 30 September 2024, a meeting of the Board was held by means of telecommunication and all Directors were present at the meeting. The following resolutions were considered and approved at such meeting: ①connected transaction in relation to the sales of idle grate coolers and ancillary equipment to Conch Design Institute by a subsidiary of the Company; ②matters in relation to the disposal of shares of Xinli Finance.
- (12) On 29 October 2024, a meeting of the Board was held by means of telecommunication and all Directors were present at the meeting. The 2024 third quarterly report of the Company was considered and approved at the meeting.
- (13) On 13 November 2024, a meeting of the Board was held by means of telecommunication and all Directors were present at the meeting. The resolution in relation to the increase in the annual caps for the connected transactions in relation to the supply chain logistic transportation service between the Company and Haihui Company was considered and approved at the meeting.
- (14) On 23 December 2024, a meeting of the Board was held by means of telecommunication and all Directors were present at the meeting. The following resolutions were considered and approved at such meeting: ①matters in relation to the construction of photovoltaic power station by Phnom Penh Conch; ②connected transactions in relation to the procurement of cement admixtures and concrete and other admixtures for 2025 between the Company and Conch Technology; ③connected transactions in relation to the procurement of SCR catalysts between the Company and Anhui Conch Environment Technology Co., Ltd. and connected transactions in relation to providing supply chain logistic transportation service to Conch New Material by Haihui Company.

5. Corporate Governance and Corporate Governance Report

During the Reporting Period, the attendance of each Director at the Board meetings, general meetings and meetings of the committees of the Board during his/her tenure are set out as follows:

Name	Board meetings	General meetings	Meetings of the		
			Meetings of the Audit Committee	Remuneration and Nomination Committee	Meetings of the ESG Management Committee
	Number of meeting attended/Number of meeting entitled to attend				
Yang Jun	14/14	2/2	-	-	-
Zhu Shengli	6/6	-	-	-	-
Qu Wenzhou	14/14	2/2	6/6	2/2	-
Ho Shuk Yee, Samantha	14/14	2/2	6/6	2/2	-
Zhang Yunyan	14/14	2/2	6/6	2/2	-
Li Qunfeng	14/14	2/2	-	-	2/2
Wu Tiejun	14/14	2/2	-	-	2/2
Yu Shui	6/6	-	2/2	-	1/1
Wang Jianchao	7/7	1/1	-	-	-
Zhou Xiaochuan	6/6	1/1	4/4	-	1/1

Notes: 1. Details of the changes of Directors during the Reporting Period are set out in the section headed "(5) Appointment or Cessation in Office of Directors, Supervisors and Senior Management Members of the Company" of this chapter in this report.

2. On 19 June 2024, Mr. Zhou Xiaochuan ceased to be the secretary of the Audit Committee and Mr. Yu Shui was appointed as the secretary of the Audit Committee.



5. Corporate Governance and Corporate Governance Report

During the Reporting Period, the Board exercised its duties and authority pursuant to Chapters 11 and 11A of the Articles, and the management exercised its duties and authority pursuant to Chapter 13 of the Articles. The Board is also responsible for performing the functions set out in Code Provision A.2.1. The Board convened meetings to develop, review and monitor the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management members, policies and practices on compliance with legal and regulatory requirements by the Company, as well as compliance of the Model Code and compliance manual by the employees and Directors. Please refer to Chapter 4 "Report of the Directors" of this report for details of the work performed by the Board, and Chapter 3 "Management Discussion and Analysis" of this report for details of the work performed by the management.

4. Directors' Continuous Training and Development

Directors shall participate in the training on continuous professional development to develop and update their knowledge and skills, and to ensure that they continue to make contribution to the Board on a fully informed manner and according to the needs of the Company. The Directors are committed to complying with Code Provision C.1.4 in relation to directors' training.

The Company arranged proper continuous professional development training for all Directors by various means and channels, such as holding seminars, providing study materials, arranging the Directors to participate in seminars held by securities regulatory authorities, domestic and overseas stock exchanges, listed company associations and professional bodies, collecting and collating market regulatory development and information on a regular basis which were sent to all Directors for reference by way of e-mail or as a report, so as to ensure that they understand the business and operation of the Company, market environment, as well as their obligations and responsibilities under the HKSE Listing Rules, SSE Listing Rules, common laws and relevant regulatory requirements to fulfill their duties.

For the year ended 31 December 2024, all Directors had participated in continuous professional development training and complied with Code Provision C.1.4 in relation to Directors' training responsibility.



5. Corporate Governance and Corporate Governance Report

5. Chairman and Chief Executive Officer

Mr. Yang Jun and Mr. Li Qunfeng acted as the Chairman and the chief executive officer (i.e. the general manager) of the Company respectively.

The principal duties of the Chairman are: (a) to lead the Board and to ensure that the Board operates effectively, duly performs its duties and conducts discussion on all significant matters in a timely and appropriate manner; (b) to ensure that all the Directors at the Board meetings are properly informed of the subject matters under discussion; (c) to ensure that the Directors receive sufficient information, which should be accurate, explicit, comprehensive and reliable, on a timely basis; and (d) to review the implementation of the Board resolutions.

The principal duties of the chief executive officer (general manager) are: (a) to be responsible for the day-to-day management of the production and operations of the Group with the assistance of executive Directors and senior management; (b) to be responsible for implementing important strategies and development plans adopted by the Board, including coordination and implementation of the Board resolutions, annual business plans and investment proposals of the Company; (c) to prepare the proposal on the establishment of internal management structure, to organize and formulate the roles and responsibilities of various departments, requirements of various offices and professional management procedures, and to formulate the basic management system and the standards for performance appraisal of management officers of various levels; (d) to propose the appointment, dismissal or re-designation of deputy general managers or financial officer-in-charge of the Company; (e) to convene and chair the meetings of the chief executive officer (general manager) and professional management seminars; and (f) to perform other duties and exercise other powers delegated by the Articles and the Board.



5. Corporate Governance and Corporate Governance Report

6. Tenure of Non-executive Directors and Independence Confirmation of Independent Non-executive Directors

For the tenure of the current non-executive Directors of the Company, please refer to the above section headed “(4) Basic Information of Directors, Supervisors and Senior Management Members of the Company” of this Chapter.

The independent non-executive Directors of the Company play a significant role in the Board. They provide impartial advice on the Company’s strategy, performance and controls to ensure that the interests of all shareholders of the Company are taken into account. In order to ensure that independent views and input of the independent non-executive Directors are made available to the Board, the Company assesses the independent non-executive Directors’ independence annually. The Company has received confirmation for the year from independent non-executive Directors, namely, Mr. Qu Wenzhou, Ms. Ho Shuk Yee, Samantha and Ms. Zhang Yunyan, in respect of their independence. The Company confirms their independence and is of the opinion that all independent non-executive Directors are independent.

During the Reporting Period, in accordance with the requirement of the Articles, the Work System for Independent Directors, the Terms of Reference of the Remuneration and Nomination Committee and the Terms of Reference of the Audit Committee, and upholding the principle of honesty and diligence, the independent non-executive Directors performed their duties to the best of their ability. They attended Board meetings held by the Company, convened professional committee meetings, listened to the report of the Company’s management on the Company’s production and operation conditions and major events in a timely manner, and held a telephone conference with the Chairman of the Company without the presence of other Directors to discuss relevant matters. They participated in various major decisions of the Company, put forward reasonable opinions and suggestions from their respective professional perspectives for the Company’s business development, and protected the interests of minority shareholders in accordance with the law. The independent non-executive Directors reviewed the Company’s external guarantees and related-party (connected) transactions for the year ended 31 December 2024, and expressed independent opinions on relevant matters.



5. Corporate Governance and Corporate Governance Report

7. Remuneration and Nomination Committee

Pursuant to the HKSE Listing Rules, the Board has established the Remuneration and Nomination Committee under the Board, which is principally responsible for formulating the remuneration policy for the Directors and senior management members of the Company, determining the remuneration package for the Directors and senior management members, and developing the succession plan of the Directors, etc. The Remuneration and Nomination Committee also assesses the performance of executive Directors and approves the terms of executive Directors' service contracts. The Remuneration and Nomination Committee is a non-standing committee under the Board, and is accountable to the Board.

The Remuneration and Nomination Committee regularly reviews the structure, number of members and composition of the Board and makes recommendations to the Board on any proposed changes or on an "as needed" basis. The Remuneration and Nomination Committee has formulated the diversity policy of the Board, under which candidates of Directors of different ages and educational backgrounds shall be selected and recommended to facilitate the stable and healthy development of the Company. Selected and recommended candidates for Directors shall have extensive experiences in such fields as corporate management, craftsmanship and technology and financial management. When nominating Directors, the Board would mainly consider the following factors: (i) professional skills, experience and expertise; (ii) culture; (iii) gender; and (iv) age. Such factors will be reviewed by the Board from time to time to ensure the progress made towards achieving those objectives. The Board shall review the effectiveness of the policy every year and actively identify suitable candidates for Directors.

When making recommendations regarding the appointment of any proposed candidate for Directors, the Remuneration and Nomination Committee shall consider a variety of factors including but not limited to the following in assessing the suitability of a proposed candidate:

- (a) the needs of the Board and the respective committees of the Board and the current size and composition of the Board;
- (b) the proposed candidate's character, experience and integrity;
- (c) accomplishment and reputation in the business and other relevant sectors relating to the Group's business or development;



5. Corporate Governance and Corporate Governance Report

- (d) commitment in respect of sufficient time and attention to the Company's business;
- (e) assess the candidates in accordance to the diversity policy of the Board;
- (f) the ability to assist and support management and make significant contributions to the Company's success;
- (g) the proposed candidate's understanding of the fiduciary responsibilities that is required of a Director and the commitment of time and energy necessary to diligently carry out those responsibilities; and
- (h) any other factors as the Remuneration and Nomination Committee may deem fit in consideration of the best interests of the Company and shareholders of the Company.

Once the Remuneration and Nomination Committee determines that an addition or replacement of director is required, it may take such measures that it considers appropriate in connection with its evaluation of a candidate, including candidate interviews, enquiry of the person or persons making the recommendation or nomination, gathering of additional information externally, or reliance on the information supplied by the members of the Remuneration and Nomination Committee, the Board or the management.

As of the end of the Reporting Period, the Board of the Company comprised eight Directors, of whom three are independent non-executive Directors. The Board is comprised of six male Directors and two female Directors. The Board is characterized by significant diversity in aspects such as professional skills, experience, age and culture, and has achieved gender diversity on the members of the Board, thereby promoting critical review and control of the management process of the Company.

During the Reporting Period, the Remuneration and Nomination Committee comprised three members, namely Mr. Qu Wenzhou, Ms. Ho Shuk Yee, Samantha and Ms. Zhang Yunyan (all being independent non-executive Directors), with Ms. Ho Shuk Yee, Samantha acting as the chairman of the Remuneration and Nomination Committee.



5. Corporate Governance and Corporate Governance Report

During the Reporting Period, the Remuneration and Nomination Committee held two meetings, and all of the committee members attended the meetings. Matters discussed at the meetings were as follows:

- (1) On 19 March 2024, the Remuneration and Nomination Committee held a meeting and considered and approved the following matters: (i) remuneration of the senior management members of the Company for year 2023 and the remuneration appraisal targets of the senior management members of the Company for year 2024; (ii) reviewing and endorsing the current structure, number and composition of the Board.
- (2) On 19 June 2024, the Remuneration and Nomination Committee held a meeting and considered and approved the following matters: (i) nominating Mr. Yu Shui as the secretary to the Board of the Company and making recommendation to the Board to nominate Mr. Yu Shui as a candidate for executive Director of the ninth session of the Board of the Company; (ii) nominating Mr. Liu Qingxin as an assistant to the general manager of the Company.

In addition, the Remuneration and Nomination Committee considered and approved the nomination of Mr. Pan Zhonghong as the deputy general manager of the Company by way of written resolution on 9 January 2024, and considered and approved the recommendation to the Board to nominate Mr. Zhu Shengli as a candidate for executive Director of the ninth session of the Board of the Company by way of written resolution on 12 July 2024.

The Remuneration and Nomination Committee reviewed the remunerations of the Directors, Supervisors and senior management members of the Company as disclosed for year 2024 and considered that their respective remunerations were in line with the relevant requirements of the remuneration policy of the Company and were consistent with the annual performance appraisal results.

For details of the remuneration policy of the Directors, Supervisors and senior management members of the Company, please refer to the paragraph headed “1. Decision-making process and basis for determining remuneration” of “(8) Annual Remuneration of Directors, Supervisors and Senior Management Members” in this chapter above.



5. Corporate Governance and Corporate Governance Report

8. Audit Committee

The Board has established the Audit Committee under the Board pursuant to the HKSE Listing Rules and the requirements of the CSRC to monitor the independence and work efficiency of external auditors, the financial reporting procedures and efficiency of the internal control system of the Company, in order to assist the work of the Board. The Audit Committee is a non-standing committee under the Board and is accountable to the Board.

In order to ensure the relevant functions of the Audit Committee are effectively performed, the Company has formulated the relevant regulations such as the Terms of Reference of the Audit Committee and the Regulation on the Work of the Audit Committee on Annual Report. The Terms of Reference of the Audit Committee stipulate the number and qualification criteria of committee members, define the duties and powers of the committee and prescribe the convention of the committee meetings and reporting procedures to the Board. The Regulation on the Work of the Audit Committee on Annual Report defines the specific work required to be carried out by the Audit Committee in connection with the preparation and disclosure of the annual report of the Company, which mainly includes: studying and understanding the relevant requirements of the CSRC and other regulatory authorities in relation to the preparation of annual report, liaising and determining the audit work schedule with the auditors for the annual audit, supervising the submission of the audit report by the auditors for the annual audit within the agreed time frame, reviewing the financial statements of the Company before the commencement of audit work and after the issue of preliminary audit opinion by the auditors for annual audit, submitting to the Board the assessment report of the audit work of the Company for the year conducted by the auditors for annual audit and proposing the resolution on the re-appointment or replacement of the auditors for the following year.

During the Reporting Period, the Audit Committee comprised three members, namely, Mr. Qu Wenzhou, Ms. Ho Shuk Yee, Samantha and Ms. Zhang Yunyan (all being independent non-executive Directors), with Mr. Qu Wenzhou acting as the chairman of the Audit Committee.



5. Corporate Governance and Corporate Governance Report

During the Reporting Period, the Audit Committee held six meetings, all of the committee members attended each meeting. Matters discussed at the meetings were as follows:

- (1) On 16 January 2024, the Audit Committee held a meeting to review the financial statements prepared by the Company internally for the year 2023 and to obtain report from the Company's management on the operation of the Company for year 2023 and the arrangement on the preparation of financial report and the main issues required special attention. KPMG, the auditors of the Company, reported on the timetable and the main focus of their audit work for the year 2023. The Audit Committee agreed to allow the auditors to conduct field audit in the Company for the year 2023; and obtained report from the auditors on the general policy of the 2024 non-assurance service.
- (2) On 1 March 2024, the Audit Committee held a meeting, during which KPMG reported to the Audit Committee on the progress of the auditing work, and the committee considered that the auditors would be able to complete the audit within the scheduled time frame.
- (3) On 19 March 2024, the Audit Committee held a meeting at which the following resolutions were considered and approved: (i) the annual financial report for the year ended 31 December 2023 prepared in accordance with the PRC Accounting Standards and IFRSs respectively, which were agreed to be submitted to the Board for approval; (ii) the annual report, its summary and results announcement for the year 2023, which were agreed to be submitted to the Board for approval; (iii) the assessment report on internal control for the year 2023, which was agreed to be submitted to the Board for approval; (iv) the report on the significant connected transactions which took place in 2023; (v) the resolution regarding the provision of guarantee by the Company to its subsidiaries and joint ventures, which was agreed to be submitted to the Board for approval.

On 19 March 2024, in respect of the 2023 audit work for the Company performed by KPMG, the Audit Committee has made objective assessment: during the process of conducting the 2023 audit work for Conch Cement, KPMG was able to adhere strictly to the China Auditing Standards for Certified Public Accountants and Hong Kong Standards on Auditing and other relevant regulations in performing its audit and was able to perform its audit functions well.



5. Corporate Governance and Corporate Governance Report

- (4) On 25 April 2024, the Audit Committee held a meeting and considered and approved the 2024 first quarterly report of the Company.
- (5) On 27 August 2024, the Audit Committee held a meeting at which the following resolutions were considered and approved: (i) the unaudited interim (half-yearly) financial report for the year 2024 prepared in accordance with the IFRSs and PRC Accounting Standards respectively, which were submitted to the Board for approval; (ii) the interim report for the year 2024 and its summary and the interim results announcement, which were submitted to the Board for approval; and (iii) the report on the internal inspection of major matters of the Company for the first half of 2024.
- (6) On 29 October 2024, the Audit Committee held a meeting, and considered and approved the 2024 third quarterly report of the Company.

In addition, the Audit Committee considered and approved the appointment of Mr. Yu Shui as the secretary of the Audit Committee of the Company by way of written resolution on 19 June 2024.

Since the commencement of the audit work in relation to the preparation of the financial report of the Company for the year ended 31 December 2024, the Audit Committee has been participating in the entire process:

- (1) Prior to the commencement of audit work by the auditors, the Audit Committee reviewed the 2024 financial statements prepared by the Company internally and agreed to allow the auditors to conduct field audit. In the course of conducting audit of annual report, the Audit Committee urged EY to diligently complete the audit work on the financial statements according to the work plans.
- (2) Upon completion of audit of the annual report by the auditors to a certain stage, the Audit Committee reviewed the 2024 financial statements of the Company again and considered that the auditors were able to complete the audit work conscientiously within schedule.
- (3) On 24 March 2025, the Audit Committee issued a report on the performance of supervisory duties in respect of the 2024 audit work for the Company performed by EY and made objective assessment on the work conducted by EY.



5. Corporate Governance and Corporate Governance Report

9. ESG Management Committee

In order to further enhance the Company's environmental, social and governance ("ESG") management standards, optimise ESG management system and improve ESG management capabilities, the Company has established the ESG Management Committee. The major duties of the ESG Management Committee include formulating the Company's ESG visions, objectives, strategies and structure, and reviewing the Company's ESG reports. The ESG Management Committee is a non-standing committee of the Board and is accountable to the Board.

In order to ensure relevant functions of the ESG Management Committee are effectively performed, the Company formulated the Terms of Reference for the ESG Management Committee, which has set clear provisions for the composition, authority and functions of the committee, duties of the ESG work group, notice of the meetings and reporting procedures as well as records of meeting.

As at the end of the Reporting Period, the ESG Management Committee comprised three members, namely Mr. Li Qunfeng, Mr. Wu Tiejun and Mr. Yu Shui, all being executive Directors. Among which, Mr. Li Qunfeng was the chairman of the ESG Management Committee. During the Reporting Period, Mr. Zhou Xiaochuan ceased to be a member of the ESG Management Committee with effect from 19 June 2024, and Mr. Yu Shui served as a member of the ESG Management Committee with effect from the same day.

During the Reporting Period, the ESG Management Committee held two meetings and all of the committee members attended each meeting. The first meeting was held on 19 March 2024, at which the 2023 Environmental, Social and Governance Report of the Company was considered and approved. The second meeting was held on 25 November 2024, at which the ESG work group reported on the arrangements for the preparation work of the 2024 Environmental, Social and Governance Report of the Company.

10. Auditors' Remuneration

Please refer to " (4) Appointment and Termination of Appointment of Accounting Firms (Auditors)" in chapter 7 "Significant Events" in this report for the remuneration of auditors appointed by the Company in 2024.



5. Corporate Governance and Corporate Governance Report

11. Directors' Responsibility for the Financial Statements

The financial report and results announcement of the Company for year 2024 have been reviewed by the Audit Committee. All the Directors of the Company agreed and confirmed their individual and collective responsibility for preparing the accounts as contained in the financial report for the year. The Directors are responsible for the preparation of the financial statements under applicable statutory and regulatory requirements which give a true and fair view of the financial status, the results of operations and cash flows of the Group for the relevant accounting periods. In preparing the financial statements for the year ended 31 December 2024, applicable accounting policies have been adopted and applied consistently. The Directors are not aware of any uncertain events or circumstances which may materially affect the Company's ability to continue as a going concern.

12. Internal Control and Risk Management

The Company has established an internal audit function. The assessment report on internal control for 2024 of the Company has been considered and approved by the Board, and was published on the websites of the SSE, the Stock Exchange and the Company respectively on the same day as the annual report for the year.

The Company's internal control system comprises a system of controlled management with various authoritative limits and established process, which will constantly identify, assess and manage the significant risks to which the Company is exposed. The above process includes enhancement of the risk management and internal control systems from time to time in response to the changes to the business environment or regulatory guidelines.

In accordance with the relevant regulations under the Corporate Governance Code in Appendix C1 to the HKSE Listing Rules as well as the Terms of Reference of the Audit Committee of the Company, the Audit Committee reviewed the risk management, internal control system, internal audit function of the Company and the effectiveness of these systems and function for 2023 and 2024 on 19 March 2024 and 24 March 2025 respectively. The scope of review covered all material controls, financial, operational and compliance controls as well as the adequacy of resources, the qualifications and experience of the employees responsible for accounting, compliance, risk management, internal audit and financial reporting functions and their training programmes and budget. The Audit Committee also analysed and discussed with the management of the Company regarding the risk management and internal control systems, so as to keep the operation and development risk of the Company at a controllable level. The Board acknowledges its responsibility for risk management and internal control systems. The Company, the Board and the Audit Committee are of the opinion that the internal control system and risk management system of the Group are adequate and effective.



5. Corporate Governance and Corporate Governance Report

Ernst & Young Hua Ming was engaged by the Company to review the effectiveness of the internal control on financial report of the Group as at 31 December 2024, and it has issued a standard unqualified audit report on internal control. The audit report on internal control was published on the websites of the SSE, the Stock Exchange and the Company respectively on the same day as the annual report for the year. The Company has set up the audit inspecting department which takes up the daily responsibility of internal risk control.

The Company has formulated relevant system on inside information management, which specifies the confidentiality management of inside information, as well as filing and accountability of personnel with access to inside information. The Company regularly reminds the Directors and employees about compliance with all policies adopted by the Company regarding inside information, including the compliance with the Model Code set out in Appendix C3 to the HKSE Listing Rules in relation to dealings in securities of the Company.

13. Shareholders' Rights

Articles 63, 63A and 63B of the Articles provide that general meetings shall be convened by the Board; whereas holders of 10% or more of the issued shares of the Company carrying voting rights may in writing request the Board to convene an extraordinary general meeting. Independent Directors and Supervisory Committee are also entitled to propose to the Board for convening an extraordinary general meeting of the Company.

Article 65 of the Articles provides that when the Company convenes any general meeting, a shareholder or shareholders (whether singly or jointly) holding in aggregate of 3% or more of the shares of the Company is or are entitled to propose motions to the Company, and any such motion shall fall within the scope of authority of the shareholders in general meeting, which shall have clear subject and specific matters to be resolved, and shall be in compliance with the provisions of laws, administrative regulations and the Articles, provided that such motion shall be proposed at least 12 clear business days before the convention of the general meeting and submitted to the convener in writing. The convener shall, within two business days after the receipt of such motion, issue a supplementary notice or circular to announce the contents of such ad hoc motion. Any motion which is not set out in a notice of general meeting or which does not meet the requirement of that Article shall not be voted on nor resolved by shareholders at the general meeting.

In respect of proposing a person for election as a Director, please refer to the "Procedures for shareholders to propose a person for election as a Director of the Company" available on the website of the Company.



5. Corporate Governance and Corporate Governance Report

Shareholders may at any time send their enquiries and concerns to the Board in writing to the Company's place of business in Wuhu City, Anhui Province (address: No.39, Wenhua Road, Wuhu City, Anhui Province, the PRC).

14. Company Secretaries

Mr. Yu Shui and Mr. Chiu Pak Yue, Leo jointly served as the company secretaries of the Company. For further details of their biographies, please refer to the above section headed " (4) Basic Information of Directors, Supervisors and Senior Management Members of the Company" of this chapter in this report. Mr. Chiu Pak Yue, Leo is the external company secretary and his main contact person of the Company is Mr. Yu Shui, an executive Director and a joint company secretary. During the Reporting Period, the above company secretaries have complied with the requirement of taking no less than 15 hours of relevant professional training under Rule 3.29 of the HKSE Listing Rules.

15. Investor Relations and Communication with Shareholders

The Company has adopted a shareholder communication policy. During the Reporting Period, the Company put great effort in investor relations management work. In order to obtain and understand the views of shareholders and stakeholders of the Company, the Company proactively communicates with the investors by various means such as convening general meetings, results presentation, on-site visit for investors and teleconference and through the SSE E Interaction Platform, so as to ensure that the shareholders and investors of the Company will enjoy equal rights to access information of the Company. In addition, the Company's website contains corporate information, annual reports, interim reports, quarterly reports and relevant ad hoc announcements and circulars issued by the Company, through which the Company's shareholders and investors may obtain the latest information of the Company. The Company has reviewed the implementation and effectiveness of the above shareholder communication policy during the Reporting Period, and considered that the shareholder communication policy has been effectively implemented during the Reporting Period. The Company will continue to maintain communication with shareholders and investors, and review the shareholder communication policy on a regular basis to ensure its effectiveness.



5. Corporate Governance and Corporate Governance Report

During the Reporting Period, in order to further enhance the level of standardized operation of the Company, the Company amended the relevant provisions of the Articles in accordance with the latest Guidelines for the Articles of Association of Listed Companies, Management Measures for Independent Directors of Listed Companies and the Regulatory Guidelines for Listed Companies No. 3 – Distribution of Cash Dividends of Listed Companies (2023 Revision) issued by the CSRC, as well as the requirements of the HKSE Listing Rules and other requirements. The aforesaid amendments were disclosed after being considered and approved at the ninth meeting of the ninth session of the Board of the Company, and were considered and approved at the 2023 annual general meeting. For further details, please refer to the relevant announcements and circulars published by the Company on the websites of the SSE, the Stock Exchange and the Company.

16. The Management of and Control over the Subsidiaries during the Reporting Period

During the Reporting Period, the Company managed and controlled its subsidiaries in accordance with relevant laws, rules and regulations such as Company Law and the Articles. The Company has formulated internal management systems such as the System of Reporting of Important Matters and Management Measures of the Affairs of the Board of Subsidiaries. Professional sectors such as supply, sales, production, equipment, human resources, finance and quality have formulated and issued corresponding rules, policies and management measures according to their own professional characteristics to standardize the production and business activities of the subsidiaries and to guide, manage and supervise various aspects such as corporate governance, financial management, investment development, production & operation, major issues, internal control, administrative personnel and performance assessment of the subsidiaries. The Company inspects the production, operation and management of the subsidiaries on a regular basis, in order to reveal problems in time and urge the implementation of rectification measures. In accordance with the principles of combining delegation and control, the Company guides its subsidiaries to continuously improve the corporate governance structure, refine the modern enterprise management system, enhance operation and management efficiency and realize transformation and upgrading.

During the Reporting Period, the Group acquired project companies such as Conch IT Engineering. During the Reporting Period, handover of relevant assets of the investees has been completed and were merged and consolidated into the Group. Employees of the investees have realized smooth transition and have signed service contract with the Group and were incorporated into the Group's personnel management system. The financial management of these companies has been incorporated into the Group's financial accounting system, thus realizing unified accounting system and consolidated financial statement. Various operations have steadily been imported into the business model and management system of Conch to realize smooth and orderly transition.

6. Environment and Social Responsibility

(1) ENVIRONMENTAL PROTECTION AND WASTE DISCHARGE OF THE ENTERPRISE

1. Discharge information of key pollutant discharge units

As at the end of the Reporting Period, 89 subsidiaries and branch companies of the Group were included in the List of Key Pollutant Discharging Units by relevant environmental protection departments. Details of the major pollutants discharged during the production process by such companies are set out in the below table:

No.	Name of companies	Name of major pollutants and special types of pollutants	Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Average discharge concentration (mg/m ³)	Implemented standards for discharge of pollutants	Total amount of actual discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
1	Ningguo Cement Plant of Anhui Conch Cement Company Limited	Sulfur dioxide	Organised	2	Kiln tail	12.71	DB34/3576-2020	116.17	378.13	No
		Nitrogen oxides	Organised	2	Kiln tail	52.42	DB34/3576-2020	448.87	756.25	No
		Particulate matter	Organised	4	Kiln head and tail	2.52	DB34/3576-2020	32.01	125.13	No
		Particulate matter	Organised	224	General discharge outlet	2.25	DB34/3576-2020	5.02		No
2	Baimashan Cement Plant of Anhui Conch Cement Company Limited	Sulfur dioxide	Organised	1	Kiln tail	1.70	DB34/3576-2020	8.83	213.13	No
		Nitrogen oxides	Organised	1	Kiln tail	33.32	DB34/3576-2020	147.36	426.25	No
		Particulate matter	Organised	2	Kiln head and tail	0.87	DB34/3576-2020	5.79	70.53	No
		Sulfur dioxide	Organised	1	Coal mill	0.27	DB34/3576-2020	0.96	16.28	No
		Nitrogen oxides	Organised	1	Coal mill	22.50	DB34/3576-2020	5.98	32.55	No
3	Anhui Chizhou Conch Cement Co., Ltd.	Particulate matter	Organised	131	General discharge outlet	2.81	DB34/3576-2020	5.73	72.12	No
		Sulfur dioxide	Organised	16	Kiln tail	4.58	DB34/3576-2020	200.79	1704.13	No
		Nitrogen oxides	Organised	16	Kiln tail	37.16	DB34/3576-2020	1626.60	3821.80	No
		Particulate matter	Organised	16	Kiln head and tail	2.95	DB34/3576-2020	171.30	878.46	No
4	Tongling Conch	Particulate matter	Organised	449	General discharge outlet	1.85	DB34/3576-2020	22.67		No
		Sulfur dioxide	Organised	5	Kiln tail	2.54	DB34/3576-2020	86.14	1773.80	No
		Nitrogen oxides	Organised	5	Kiln tail	39.93	DB34/3576-2020	1472.39	3547.60	No
		Particulate matter	Organised	10	Kiln head and tail	3.07	DB34/3576-2020	163.84	871.60	No
5	Anhui Digang Conch Cement Co., Ltd.	Particulate matter	Organised	437	General discharge outlet	3.53	DB34/3576-2020	38.75		No
		Sulfur dioxide	Organised	4	Kiln tail	19.22	DB34/3576-2020	302.30	713.75	No
		Nitrogen oxides	Organised	4	Kiln tail	40.60	DB34/3576-2020	789.44	1427.50	No
		Particulate matter	Organised	8	Kiln head and tail	2.08	DB34/3576-2020	27.68	239.95	No
6	Wuhu Conch	Particulate matter	Organised	201	General discharge outlet	2.13	DB34/3576-2020	18.07		No
		Sulfur dioxide	Organised	6	Kiln tail	19.83	DB34/3576-2020	794.14	1383.84	No
		Nitrogen oxides	Organised	6	Kiln tail	35.87	DB34/3576-2020	1379.77	3578.75	No
		Particulate matter	Organised	12	Kiln head and tail	2.63	DB34/3576-2020	149.16	854.75	No
		Particulate matter	Organised	435	General discharge outlet	2.34	DB34/3576-2020	36.61		No



6. Environment and Social Responsibility

No.	Name of companies	Name of major pollutants and special types of pollutants	Discharge mode	Number of		Average discharge concentration (mg/m ³)	Implemented standards for discharge of pollutants	Total amount of actual discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
				discharge outlets	Distribution of discharge outlets					
7	Anhui Zongyang Conch Cement Co., Ltd.	Sulfur dioxide	Organised	5	Kiln tail	1.50	DB34/3576-2020	29.73	1237.50	No
		Nitrogen oxides	Organised	5	Kiln tail	35.58	DB34/3576-2020	764.59	2475.00	No
		Particulate matter	Organised	10	Kiln head and tail	2.06	DB34/3576-2020	56.56	554.29	No
		Particulate matter	Organised	214	General discharge outlet	1.54	DB34/3576-2020	5.20		No
8	Anhui Xuancheng Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	14.72	DB34/3576-2020	104.18	386.62	No
		Nitrogen oxides	Organised	2	Kiln tail	34.69	DB34/3576-2020	244.63	773.67	No
		Particulate matter	Organised	4	Kiln head and tail	1.61	DB34/3576-2020	19.13	234.96	No
		Particulate matter	Organised	139	General discharge outlet	1.94	DB34/3576-2020	5.24		No
9	Wuhu South Cement Co., Ltd.	Sulfur dioxide	Organised	3	Kiln tail	17.80	DB34/3576-2020	111.93	513.13	No
		Nitrogen oxides	Organised	3	Kiln tail	62.21	DB34/3576-2020	377.25	1031.25	No
		Particulate matter	Organised	6	Kiln head and tail	2.17	DB34/3576-2020	21.70	1686.31	No
		Particulate matter	Organised	198	General discharge outlet	2.50	DB34/3576-2020	22.60		No
10	Yingde Conch	Sulfur dioxide	Organised	4	Kiln tail	32.25	GB4915-2013	246.84	640.00	No
		Nitrogen oxides	Organised	4	Kiln tail	141.60	GB4915-2013	1093.77	4712.00	No
		Particulate matter	Organised	8	Kiln head and tail	6.09	GB4915-2013	60.19	701.00	No
		Particulate matter	Organised	247	General discharge outlet	2.03	GB4915-2013	16.82		No
11	Yangchun Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	33.70	GB4915-2013	495.80	530.00	No
		Nitrogen oxides	Organised	2	Kiln tail	140.60	GB4915-2013	2180.52	3548.00	No
		Particulate matter	Organised	4	Kiln head and tail	4.10	GB4915-2013	81.59	746.13	No
		Particulate matter	Organised	197	General discharge outlet	2.40	GB4915-2013	178.40		No
12	Guangdong Qingxin Cement Co., Ltd.	Sulfur dioxide	Organised	6	Kiln tail	16.36	GB4915-2013	82.99	320.00	No
		Nitrogen oxides	Organised	6	Kiln tail	83.72	GB4915-2013	424.64	589.54	No
		Particulate matter	Organised	6	Kiln head and tail	3.83	GB4915-2013	19.44	582.68	No
		Particulate matter	Organised	161	General discharge outlet	3.33	GB4915-2013	24.79		No
13	Hainan Changjiang Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	36.32	DB46/524-2021	135.60	387.50	No
		Nitrogen oxides	Organised	2	Kiln tail	141.35	DB46/524-2021	534.48	775.00	No
		Particulate matter	Organised	4	Kiln head and tail	1.71	DB46/524-2021	11.74	117.48	No
		Particulate matter	Organised	107	General discharge outlet	4.49	DB46/524-2021	7.89		No
14	Guangdong Qingyuan Guangying Cement Co., Ltd.	Sulfur dioxide	Organised	3	Kiln tail	20.27	GB4915-2013	72.16	234.09	No
		Nitrogen oxides	Organised	3	Kiln tail	248.08	GB4915-2013	893.19	2342.65	No
		Particulate matter	Organised	6	Kiln head and tail	3.36	GB4915-2013	21.84	286.54	No
		Particulate matter	Organised	107	General discharge outlet	3.37	GB4915-2013	9.71		No

6. Environment and Social Responsibility

No.	Name of companies	Name of major pollutants and special types of pollutants	Discharge mode	Number of		Average discharge concentration (mg/m ³)	Implemented standards for discharge of pollutants	Total amount of actual discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
				discharge outlets	Distribution of discharge outlets					
15	Guangdong Conch Hongfeng Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	25.86	GB4915-2013	154.37	376.46	No
		Nitrogen oxides	Organised	2	Kiln tail	257.75	GB4915-2013	1541.44	1965.00	No
		Particulate matter	Organised	4	Kiln head and tail	4.23	GB4915-2013	43.60	299.13	No
		Particulate matter	Organised	119	General discharge outlet	4.35	GB4915-2013	27.12		No
16	Xing'an Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	11.03	GB4915-2013	75.53	300.00	No
		Nitrogen oxides	Organised	2	Kiln tail	249.21	GB4915-2013	1414.54	2476.00	No
		Particulate matter	Organised	4	Kiln head and tail	5.46	GB4915-2013	46.80	578.10	No
		Particulate matter	Organised	162	General discharge outlet	5.49	GB4915-2013	49.20		No
17	Xingye Conch	Sulfur dioxide	Organised	2	Kiln tail	9.74	GB4915-2013	94.46	216.00	No
		Nitrogen oxides	Organised	2	Kiln tail	238.30	GB4915-2013	2546.61	2713.31	No
		Particulate matter	Organised	4	Kiln head and tail	5.13	GB4915-2013	50.12	385.81	No
		Particulate matter	Organised	156	General discharge outlet	5.15	GB4915-2013	40.45		No
18	Fusui Conch	Sulfur dioxide	Organised	3	Kiln tail	12.57	GB4915-2013	131.88	181.00	No
		Nitrogen oxides	Organised	3	Kiln tail	205.49	GB4915-2013	2047.45	3713.00	No
		Particulate matter	Organised	6	Kiln head and tail	1.64	GB4915-2013	31.29	605.20	No
		Particulate matter	Organised	298	General discharge outlet	4.26	GB4915-2013	36.65		No
19	Beiliu Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	6.24	GB4915-2013	72.70	265.80	No
		Nitrogen oxides	Organised	2	Kiln tail	227.73	GB4915-2013	2470.17	2525.00	No
		Particulate matter	Organised	4	Kiln head and tail	3.51	GB4915-2013	51.49	600.00	No
		Particulate matter	Organised	165	General discharge outlet	4.50	GB4915-2013	37.60		No
20	Longan Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	70.72	GB4915-2013	222.17	632.60	No
		Nitrogen oxides	Organised	1	Kiln tail	231.71	GB4915-2013	758.95	1364.00	No
		Particulate matter	Organised	2	Kiln head and tail	5.43	GB4915-2013	33.37	276.50	No
		Particulate matter	Organised	122	General discharge outlet	5.48	GB4915-2013	22.85		No
21	Guangxi Lingyun Tonghong Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	32.49	GB4915-2013	36.74	426.25	No
		Nitrogen oxides	Organised	1	Kiln tail	309.82	GB4915-2013	394.54	852.50	No
		Particulate matter	Organised	2	Kiln head and tail	1.24	GB4915-2013	3.21	177.38	No
		Particulate matter	Organised	64	General discharge outlet	2.01	GB4915-2013	1.67		No
22	Fenyi Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	4.98	GB4915-2013	15.51	900.90	No
		Nitrogen oxides	Organised	2	Kiln tail	193.92	GB4915-2013	499.35	1801.80	No
		Particulate matter	Organised	4	Kiln head and tail	6.07	GB4915-2013	24.81	362.92	No
		Particulate matter	Organised	129	General discharge outlet	5.10	GB4915-2013	7.77		No



6. Environment and Social Responsibility

No.	Name of companies	Name of major pollutants and special types of pollutants	Discharge mode	Number of		Average discharge concentration (mg/m ³)	Implemented standards for discharge of pollutants	Total amount of actual discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
				discharge outlets	Distribution of discharge outlets					
23	Yiyang Conch Cement Co., Ltd.	Sulfur dioxide	Organised	3	Kiln tail	6.19	GB4915-2013	66.56	853.41	No
		Nitrogen oxides	Organised	3	Kiln tail	131.28	GB4915-2013	1556.02	4468.50	No
		Particulate matter	Organised	6	Kiln head and tail	3.94	GB4915-2013	112.96	320.00	No
24	Ganzhou Conch Cement Co., Ltd.	Particulate matter	Organised	195	General discharge outlet	6.50	GB4915-2013	63.31		No
		Sulfur dioxide	Organised	3	Kiln tail	8.89	GB4915-2013	59.67	235.19	No
		Nitrogen oxides	Organised	3	Kiln tail	232.16	GB4915-2013	1602.78	2641.00	No
		Particulate matter	Organised	6	Kiln head and tail	4.93	GB4915-2013	44.14	519.87	No
25	Shuangfeng Conch Cement Co., Ltd.	Particulate matter	Organised	159	General discharge outlet	6.19	GB4915-2013	13.91	293.17	No
		Sulfur dioxide	Organised	2	Kiln tail	3.78	GB4915-2013	21.07	470.00	No
		Nitrogen oxides	Organised	2	Kiln tail	44.00	GB4915-2013	233.80	1981.87	No
		Particulate matter	Organised	4	Kiln head and tail	2.73	GB4915-2013	26.56	399.09	No
26	Hunan Conch Cement Co., Ltd.	Particulate matter	Organised	175	General discharge outlet	5.16	GB4915-2013	14.17		No
		Sulfur dioxide	Organised	2	Kiln tail	2.30	GB4915-2013	14.06	404.36	No
		Nitrogen oxides	Organised	2	Kiln tail	39.42	GB4915-2013	157.53	1981.87	No
		Particulate matter	Organised	4	Kiln head and tail	1.86	GB4915-2013	10.12	458.39	No
27	Shimen Conch Cement Co., Ltd.	Particulate matter	Organised	181	General discharge outlet	5.96	GB4915-2013	25.58		No
		Sulfur dioxide	Organised	2	Kiln tail	8.81	GB4915-2013	43.90	450.10	No
		Nitrogen oxides	Organised	2	Kiln tail	36.82	GB4915-2013	170.63	2547.60	No
		Particulate matter	Organised	4	Kiln head and tail	6.40	GB4915-2013	38.31	402.09	No
28	Qiyang Conch Cement Co., Ltd.	Particulate matter	Organised	155	General discharge outlet	2.37	GB4915-2013	3.11		No
		Sulfur dioxide	Organised	2	Kiln tail	44.45	GB4915-2013	150.81	792.90	No
		Nitrogen oxides	Organised	2	Kiln tail	11.35	GB4915-2013	98.60	462.10	No
		Particulate matter	Organised	4	Kiln head and tail	3.86	GB4915-2013	16.63	391.00	No
29	Jianghua Conch Cement Co., Ltd.	Particulate matter	Organised	121	General discharge outlet	7.60	GB4915-2013	24.13		No
		Sulfur dioxide	Organised	1	Kiln tail	0.18	GB4915-2013	0.87	234.40	No
		Nitrogen oxides	Organised	1	Kiln tail	39.97	GB4915-2013	139.32	387.50	No
		Particulate matter	Organised	2	Kiln head and tail	2.59	GB4915-2013	10.62	202.01	No
30	Shaoyang Yunfeng New Energy Technology Co., Ltd.	Particulate matter	Organised	138	General discharge outlet	6.52	GB4915-2013	17.06		No
		Sulfur dioxide	Organised	1	Kiln tail	18.14	GB4915-2013	37.92	160.00	No
		Nitrogen oxides	Organised	1	Kiln tail	40.02	GB4915-2013	75.47	395.00	No
		Particulate matter	Organised	2	Kiln head and tail	5.23	GB4915-2013	12.91	184.17	No
		Particulate matter	Organised	80	General discharge outlet	4.47	GB4915-2013	4.56		No

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No.	Name of companies	Name of major pollutants and special types of pollutants	Discharge mode	Number of		Average discharge concentration (mg/m ³)	Implemented standards for discharge of pollutants	Total amount of actual discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
				discharge outlets	Distribution of discharge outlets					
31	Hunan Yunfeng Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	8.02	GB4915-2013	6.33	309.60	No
		Nitrogen oxides	Organised	2	Kiln tail	158.97	GB4915-2013	253.14	695.00	No
		Particulate matter	Organised	4	Kiln head and tail	6.51	GB4915-2013	18.71	288.40	No
		Particulate matter	Organised	121	General discharge outlet	2.81	GB4915-2013	3.12		No
32	Hunan Yiyang Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	4.63	GB4915-2013	17.89	82.00	No
		Nitrogen oxides	Organised	1	Kiln tail	41.96	GB4915-2013	126.92	280.00	No
		Particulate matter	Organised	2	Kiln head and tail	2.60	GB4915-2013	11.43	111.00	No
		Particulate matter	Organised	111	General discharge outlet	4.31	GB4915-2013	8.81		No
33	Lianyuan Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	0.30	GB4915-2013	1.54	151.11	No
		Nitrogen oxides	Organised	1	Kiln tail	33.76	GB4915-2013	108.56	392.42	No
		Particulate matter	Organised	2	Kiln head and tail	2.16	GB4915-2013	8.70	340.31	No
		Particulate matter	Organised	149	General discharge outlet	2.88	GB4915-2013	10.81		No
34	Linxiang Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	8.98	GB4915-2013	32.29	150.00	No
		Nitrogen oxides	Organised	1	Kiln tail	40.26	GB4915-2013	129.94	412.50	No
		Particulate matter	Organised	2	Kiln head and tail	1.23	GB4915-2013	5.72	214.28	No
		Particulate matter	Organised	84	General discharge outlet	6.86	GB4915-2013	18.69		No
35	Jiande Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	7.04	DB33/1346-2023	54.45	310.00	No
		Nitrogen oxides	Organised	2	Kiln tail	37.89	DB33/1346-2023	291.12	620.00	No
		Particulate matter	Organised	4	Kiln head and tail	1.24	DB33/1346-2023	11.26	885.33	No
		Particulate matter	Organised	115	General discharge outlet	3.37	DB33/1346-2023	10.34		No
36	Jining Conch	Sulfur dioxide	Organised	1	Kiln tail	5.72	DB37/2373-2018	21.60	299.52	No
		Nitrogen oxides	Organised	1	Kiln tail	44.70	DB37/2373-2018	147.00	619.61	No
		Particulate matter	Organised	2	Kiln head and tail	0.94	DB37/2373-2018	3.30	169.65	No
		Particulate matter	Organised	123	General discharge outlet	4.58	GB4915-2013	7.50		No
37	China Cement Plant Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	2.54	DB32/4149-2021	5.22	52.38	No
		Nitrogen oxides	Organised	1	Kiln tail	40.65	DB32/4149-2021	74.66	213.13	No
		Particulate matter	Organised	2	Kiln head and tail	0.98	DB32/4149-2021	2.58	100.17	No
		Particulate matter	Organised	84	General discharge outlet	4.50	DB32/4149-2021	4.18		No
38	Chaohu Conch Cement Co., Ltd.	Sulfur dioxide	Organised	3	Kiln tail	16.20	DB34/3576-2020	159.45	618.75	No
		Nitrogen oxides	Organised	3	Kiln tail	38.81	DB34/3576-2020	370.56	1237.50	No
		Particulate matter	Organised	6	Kiln head and tail	2.71	DB34/3576-2020	41.93	316.92	No
		Particulate matter	Organised	179	General discharge outlet	3.45	DB34/3576-2020	7.12		No



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No.	Name of companies	Name of major pollutants and special types of pollutants	Discharge mode	Number of		Average discharge concentration (mg/m ³)	Implemented standards for discharge of pollutants	Total amount of actual discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
				discharge outlets	Distribution of discharge outlets					
39	Suzhou Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	8.60	DB34/3576-2020	78.83	240.00	No
		Nitrogen oxides	Organised	2	Kiln tail	39.32	DB34/3576-2020	360.27	825.00	No
		Particulate matter	Organised	4	Kiln head and tail	1.67	DB34/3576-2020	40.05	271.48	No
40	Quanjiao Conch Cement Co., Ltd.	Particulate matter	Organised	119	General discharge outlet	5.61	DB34/3576-2020	7.64		No
		Sulfur dioxide	Organised	2	Kiln tail	7.67	DB34/3576-2020	62.90	300.00	No
		Nitrogen oxides	Organised	2	Kiln tail	35.89	DB34/3576-2020	287.36	825.00	No
		Particulate matter	Organised	4	Kiln head and tail	1.76	DB34/3576-2020	21.22	267.18	No
41	Anhui Huaining Conch Cement Co., Ltd.	Particulate matter	Organised	150	General discharge outlet	2.05	DB34/3576-2020	10.69		No
		Sulfur dioxide	Organised	2	Kiln tail	6.41	DB34/3576-2020	57.58	412.50	No
		Nitrogen oxides	Organised	2	Kiln tail	38.12	DB34/3576-2020	352.18	825.00	No
		Particulate matter	Organised	4	Kiln head and tail	0.96	DB34/3576-2020	12.00	252.84	No
42	Guangyuan Conch Cement Co., Ltd.	Particulate matter	Organised	170	General discharge outlet	2.47	DB34/3576-2020	13.88		No
		Sulfur dioxide	Organised	2	Kiln tail	9.00	DB51/2864-2021	67.53	259.88	No
		Nitrogen oxides	Organised	2	Kiln tail	40.91	DB51/2864-2021	298.77	742.50	No
		Particulate matter	Organised	4	Kiln head and tail	2.61	DB51/2864-2021	27.10	253.79	No
43	Dazhou Conch Cement Co., Ltd.	Particulate matter	Organised	152	General discharge outlet	4.20	DB51/2864-2021	34.65		No
		Sulfur dioxide	Organised	2	Kiln tail	8.03	DB51/2864-2021	80.83	259.88	No
		Nitrogen oxides	Organised	2	Kiln tail	38.14	DB51/2864-2021	378.06	742.50	No
		Particulate matter	Organised	4	Kiln head and tail	0.79	DB51/2864-2021	12.05	253.79	No
44	Bazhong Conch Cement Co., Ltd.	Particulate matter	Organised	123	General discharge outlet	3.09	DB51/2864-2021	29.62		No
		Sulfur dioxide	Organised	1	Kiln tail	3.48	DB51/2864-2021	9.87	142.13	No
		Nitrogen oxides	Organised	1	Kiln tail	83.94	DB51/2864-2021	343.25	1008.26	No
		Particulate matter	Organised	2	Kiln head and tail	0.98	DB51/2864-2021	6.89	326.99	No
45	Chongqing Conch Cement Co., Ltd.	Particulate matter	Organised	96	General discharge outlet	3.48	DB51/2864-2021	22.56		No
		Sulfur dioxide	Organised	3	Kiln tail	13.50	DB50/656-2023	116.34	420.13	No
		Nitrogen oxides	Organised	3	Kiln tail	42.50	DB50/656-2023	407.98	1200.39	No
		Particulate matter	Organised	6	Kiln head and tail	1.73	DB50/656-2023	26.68	198.61	No
46	Liangping Conch Cement Co., Ltd.	Particulate matter	Organised	254	General discharge outlet	6.55	DB50/656-2023	43.78		No
		Sulfur dioxide	Organised	1	Kiln tail	4.19	DB50/656-2023	15.49	152.46	No
		Nitrogen oxides	Organised	1	Kiln tail	96.02	DB50/656-2023	350.21	435.60	No
		Particulate matter	Organised	2	Kiln head and tail	4.01	DB50/656-2023	19.72	170.26	No
		Particulate matter	Organised	85	General discharge outlet	8.46	DB50/656-2023	19.63		No

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No.	Name of companies	Name of major pollutants and special types of pollutants	Discharge mode	Number of		Average discharge concentration (mg/m ³)	Implemented standards for discharge of pollutants	Total amount of actual discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
				discharge outlets	Distribution of discharge outlets					
47	Basu Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	5.43	GB4915-2013	15.23	79.58	No
		Nitrogen oxides	Organised	1	Kiln tail	197.68	Environmental impact evaluation approval document for construction project	563.76	567.74	No
		Particulate matter	Organised	1	Kiln head and tail	6.24	GB4915-2013	28.04	151.20	No
48	Pingliang Conch Cement Co., Ltd.	Particulate matter	Organised	80	General discharge outlet	3.62	GB4915-2013	7.83		No
		Sulfur dioxide	Organised	2	Kiln tail	11.85	GB4915-2013	46.82	1515.00	No
		Nitrogen oxides	Organised	2	Kiln tail	54.42	GB4915-2013	184.58	3030.00	No
		Particulate matter	Organised	4	Kiln head and tail	3.56	GB4915-2013	18.98	645.88	No
		Particulate matter	Organised	147	General discharge outlet	6.91	GB4915-2013	15.36		No
49	Liquan Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	3.31	DB61/941-2018	23.18	208.69	No
		Nitrogen oxides	Organised	2	Kiln tail	39.04	DB61/941-2018	213.43	1908.00	No
		Particulate matter	Organised	4	Kiln head and tail	2.03	DB61/941-2018	17.73	335.96	No
		Particulate matter	Organised	162	General discharge outlet	4.85	DB61/941-2018	18.13		No
50	Qianyang Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	1.90	DB61/941-2018	3.77	293.99	No
		Nitrogen oxides	Organised	1	Kiln tail	42.40	DB61/941-2018	82.29	1061.78	No
		Particulate matter	Organised	2	Kiln head and tail	2.20	DB61/941-2018	7.69	204.98	No
		Particulate matter	Organised	126	General discharge outlet	5.20	DB61/941-2018	4.99		No
51	Baoji Zhongxi Jinlinghe Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	10.70	DB61/941-2018	16.99	174.38	No
		Nitrogen oxides	Organised	1	Kiln tail	39.60	DB61/941-2018	50.68	1116.00	No
		Particulate matter	Organised	2	Kiln head and tail	3.65	DB61/941-2018	7.71	176.33	No
		Particulate matter	Organised	107	General discharge outlet	4.20	DB61/941-2018	7.06		No
52	Qianxian Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	12.48	DB61/941-2018	33.51	191.81	No
		Nitrogen oxides	Organised	1	Kiln tail	44.22	DB61/941-2018	115.98	1227.60	No
		Particulate matter	Organised	2	Kiln head and tail	0.91	DB61/941-2018	3.29	183.30	No
		Particulate matter	Organised	125	General discharge outlet	5.64	DB61/941-2018	12.71		No
53	Baoji Zhongxi Fenghuangshan Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	7.39	DB61/941-2018	19.20	279.00	No
		Nitrogen oxides	Organised	1	Kiln tail	40.58	DB61/941-2018	93.98	1116.00	No
		Particulate matter	Organised	2	Kiln head and tail	2.72	DB61/941-2018	9.29	176.33	No
		Particulate matter	Organised	127	General discharge outlet	4.64	DB61/941-2018	12.49		No



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No.	Name of companies	Name of major pollutants and special types of pollutants	Discharge mode	Number of		Average discharge concentration (mg/m ³)	Implemented standards for discharge of pollutants	Total amount of actual discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
				discharge outlets	Distribution of discharge outlets					
54	Shaanxi Tongchuan	Sulfur dioxide	Organised	1	Kiln tail	12.33	DB61/941-2018	23.90	337.00	No
	Fenghuang Construction Materials Co., Ltd.	Nitrogen oxides	Organised	1	Kiln tail	95.58	DB61/941-2018	182.30	1080.00	No
		Particulate matter	Organised	2	Kiln head and tail	1.60	DB61/941-2018	6.20	173.00	No
		Particulate matter	Organised	80	General discharge outlet	4.40	DB61/941-2018	11.65		No
55	Hami Hongyi Construction Materials Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	13.89	GB4915-2013	15.71	45.00	No
		Nitrogen oxides	Organised	1	Kiln tail	147.83	GB4915-2013	166.15	450.00	No
		Particulate matter	Organised	2	Kiln head and tail	9.27	GB4915-2013	15.86	91.61	No
		Particulate matter	Organised	63	General discharge outlet	14.58	GB4915-2013	12.29		No
56	Linxia Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	6.77	GB4915-2013	24.07	90.85	No
		Nitrogen oxides	Organised	1	Kiln tail	98.63	GB4915-2013	351.78	359.10	No
		Particulate matter	Organised	2	Kiln head and tail	2.15	GB4915-2013	9.20	69.30	No
		Particulate matter	Organised	84	General discharge outlet	5.02	GB4915-2013	23.09		No
57	Guiyang Conch Panjiang Cement Co., Ltd.	Sulfur dioxide	Organised	3	Kiln tail	13.15	GB4915-2013	87.31	706.56	No
		Nitrogen oxides	Organised	3	Kiln tail	258.14	GB4915-2013	1778.21	3901.51	No
		Particulate matter	Organised	6	Kiln head and tail	4.86	GB4915-2013	35.50	585.83	No
		Particulate matter	Organised	172	General discharge outlet	6.29	GB4915-2013	17.10		No
58	Zunyi Conch Panjiang Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	126.12	GB4915-2013	872.73	1633.50	No
		Nitrogen oxides	Organised	2	Kiln tail	91.08	GB4915-2013	635.34	3267.00	No
		Particulate matter	Organised	4	Kiln head and tail	5.67	GB4915-2013	38.20	671.18	No
		Particulate matter	Organised	120	General discharge outlet	5.46	GB4915-2013	14.06		No
59	Tongren Conch Panjiang Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	31.32	GB4915-2013	58.81	1485.00	No
		Nitrogen oxides	Organised	2	Kiln tail	138.80	GB4915-2013	250.09	2970.00	No
		Particulate matter	Organised	4	Kiln head and tail	3.24	GB4915-2013	9.67	593.44	No
		Particulate matter	Organised	131	General discharge outlet	4.76	GB4915-2013	8.71		No
60	Guiding Conch Panjiang Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	1.23	GB4915-2013	10.05	1633.60	No
		Nitrogen oxides	Organised	2	Kiln tail	318.43	GB4915-2013	1153.16	3267.00	No
		Particulate matter	Organised	4	Kiln head and tail	8.09	GB4915-2013	42.53	405.41	No
		Particulate matter	Organised	137	General discharge outlet	6.40	GB4915-2013	23.59		No
61	Qianxinan Resource Development Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	40.63	GB4915-2013	34.45	241.00	No
		Nitrogen oxides	Organised	1	Kiln tail	171.19	GB4915-2013	142.34	620.00	No
		Particulate matter	Organised	2	Kiln head and tail	4.56	GB4915-2013	6.93	134.06	No
		Particulate matter	Organised	103	General discharge outlet	7.84	GB4915-2013	4.39		No

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No.	Name of companies	Name of major pollutants and special types of pollutants	Discharge mode	Number of		Average discharge concentration (mg/m ³)	Implemented standards for discharge of pollutants	Total amount of actual discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
				discharge outlets	Distribution of discharge outlets					
62	Shuicheng Conch Panjiang Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	9.02	GB4915-2013	33.92	493.28	No
		Nitrogen oxides	Organised	2	Kiln tail	185.29	GB4915-2013	654.23	2365.44	No
		Particulate matter	Organised	4	Kiln head and tail	1.96	GB4915-2013	12.50	493.28	No
		Particulate matter	Organised	132	General discharge outlet	7.28	GB4915-2013	10.71		No
63	Guizhou Liukuangruian Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	64.68	GB4915-2013	137.17	347.75	No
		Nitrogen oxides	Organised	1	Kiln tail	174.41	GB4915-2013	363.76	1485.00	No
		Particulate matter	Organised	2	Kiln head and tail	4.48	GB4915-2013	12.06	315.87	No
		Particulate matter	Organised	75	General discharge outlet	6.30	GB4915-2013	12.63		No
64	Guizhou New Shuanglong Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	/	GB4915-2013	0.00	102.30	No
		Nitrogen oxides	Organised	1	Kiln tail	/	GB4915-2013	0.00	620.00	No
		Particulate matter	Organised	2	Kiln head and tail	/	GB4915-2013	0.00	192.26	No
		Particulate matter	Organised	65	General discharge outlet	7.00	GB4915-2013	0.46		No
65	Baoshan Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	14.13	GB4915-2013	40.75	150.76	No
		Nitrogen oxides	Organised	1	Kiln tail	357.72	GB4915-2013	1050.10	1395.00	No
		Particulate matter	Organised	2	Kiln head and tail	3.68	GB4915-2013	12.26	304.23	No
		Particulate matter	Organised	113	General discharge outlet	7.70	GB4915-2013	12.40		No
66	Longling Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	/	GB4915-2013	0.00	43.00	No
		Nitrogen oxides	Organised	1	Kiln tail	/	GB4915-2013	0.00	750.00	No
		Particulate matter	Organised	2	Kiln head and tail	/	GB4915-2013	0.00	163.40	No
		Particulate matter	Organised	106	General discharge outlet	7.42	GB4915-2013	1.47		No
67	Yingjiang Yunhan Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	3.87	GB4915-2013	7.25	60.15	No
		Nitrogen oxides	Organised	1	Kiln tail	236.67	GB4915-2013	327.68	1304.05	No
		Particulate matter	Organised	2	Kiln head and tail	1.76	GB4915-2013	4.21	260.22	No
		Particulate matter	Organised	97	General discharge outlet	8.89	GB4915-2013	12.57		No
68	Wenshan Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	0.62	GB4915-2013	3.23	241.10	No
		Nitrogen oxides	Organised	2	Kiln tail	235.94	GB4915-2013	1353.93	2790.00	No
		Particulate matter	Organised	4	Kiln head and tail	4.70	GB4915-2013	23.38	603.89	No
		Particulate matter	Organised	134	General discharge outlet	6.99	GB4915-2013	18.85		No
69	Kunming Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	1.94	GB4915-2013	0.11	62.20	No
		Nitrogen oxides	Organised	1	Kiln tail	257.75	GB4915-2013	4.80	775.00	No
		Particulate matter	Organised	2	Kiln head and tail	2.38	GB4915-2013	0.08	94.80	No
		Particulate matter	Organised	48	General discharge outlet	7.01	GB4915-2013	1.43		No



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No.	Name of companies	Name of major pollutants and special types of pollutants	Discharge mode	Number of		Average discharge concentration (mg/m ³)	Implemented standards for discharge of pollutants	Total amount of actual discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
				discharge outlets	Distribution of discharge outlets					
70	Yunnan Zhuangxiang Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	/	GB4915-2013	0.00	172.00	No
		Nitrogen oxides	Organised	1	Kiln tail	/	GB4915-2013	0.00	370.00	No
		Particulate matter	Organised	2	Kiln head and tail	/	GB4915-2013	0.00	88.88	No
		Particulate matter	Organised	41	General discharge outlet	6.00	GB4915-2013	8.90		No
71	Tengchong Tengyue Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	2.80	GB4915-2013	1.79	86.43	No
		Nitrogen oxides	Organised	1	Kiln tail	233.62	GB4915-2013	158.77	775.00	No
		Particulate matter	Organised	2	Kiln head and tail	7.71	GB4915-2013	7.36	160.38	No
		Particulate matter	Organised	97	General discharge outlet	7.79	GB4915-2013	4.35		No
72	Anhui Conch Siam Refractory Material Co., Ltd.	Sulfur dioxide	Organised	2	Tunnel kiln tail	34.83	Environmental impact evaluation approval document for construction project	12.04	110.38	No
		Nitrogen oxides	Organised	2	Tunnel kiln tail	81.55	Environmental impact evaluation approval document for construction project	40.15	250.18	No
		Particulate matter	Organised	2	Tunnel kiln tail	2.92	Environmental impact evaluation approval document for construction project	0.87	33.10	No
		Particulate matter	Organised	31	General discharge outlet	4.00	GB16297-1996	1.30	16.55	No
73	Naimanqi Hongji Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	10.80	GB4915-2013	4.21	118.80	No
		Nitrogen oxides	Organised	1	Kiln tail	269.80	GB4915-2013	324.60	980.00	No
		Particulate matter	Organised	2	Kiln head and tail	6.30	GB4915-2013	13.31	157.82	No
		Particulate matter	Organised	46	General discharge outlet	9.85	GB4915-2013	18.11		No
74	Inner Mongolia Yuexing Environmental Protection Technology Co., Ltd.	Non-methane hydrocarbon	Organised	1	General discharge outlet	5.44	GB16297-1996	/	/	No
		Non-methane hydrocarbon	Organised	1	Major discharge outlet	5.58	GB16297-1996	/	/	No
		Particulate matter	Organised	4	General discharge outlet	9.15	GB16297-1996	/	/	No
		Odor concentration	Organised	1	Major discharge outlet	1561.00	GB 14554-93	/	/	No
		Odor concentration	Organised	1	General discharge outlet	1257.00	GB 14554-93	/	/	No

6. Environment and Social Responsibility

No.	Name of companies	Name of major pollutants and special types of pollutants	Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Average discharge concentration (mg/m ³)	Implemented standards for discharge of pollutants	Total amount of actual discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
75	Zhenjiang Beigu Conch Cement Co., Ltd.	Particulate matter	Organised	13	General discharge outlet	3.32	DB32/4149-2021	1.51	/	No
76	Baling Conch	Particulate matter	Organised	98	General discharge outlet	5.17	DB32/4149-2021	15.13	/	No
77	Ningbo Conch Cement Co., Ltd.	Particulate matter	Organised	89	General discharge outlet	7.32	DB33/1346-2023	17.23	/	No
78	Xiangshan Conch Cement Co., Ltd.	Particulate matter	Organised	122	General discharge outlet	6.52	DB33/1346-2023	40.06	/	No
79	Ninghai Qianjiao Conch Cement Co., Ltd.	Particulate matter	Organised	94	General discharge outlet	7.10	DB33/1346-2023	34.68	/	No
80	Shaoxing Shangyu Conch Cement Co., Ltd.	Particulate matter	Organised	42	General discharge outlet	7.27	DB33/1346-2023	10.10	16.40	No
81	Taizhou Conch Cement Co., Ltd.	Particulate matter	Organised	54	General discharge outlet	6.47	DB33/1346-2023	21.54	/	No
82	Yueqing Conch Cement Co., Ltd.	Particulate matter	Organised	111	General discharge outlet	6.78	DB33/1346-2023	29.30	/	No
83	Anhui Changfeng Conch Cement Co., Ltd.	Particulate matter	Organised	54	General discharge outlet	2.48	DB34/3576-2020	1.69	38.01	No
84	Bengbu Conch Cement Co., Ltd.	Particulate matter	Organised	72	General discharge outlet	1.16	DB34/3576-2020	1.44	/	No
85	Bozhou Conch Cement Co., Ltd.	Particulate matter	Organised	49	General discharge outlet	3.20	DB34/3576-2020	2.92	/	No
86	Ma'anshan Conch Cement Co., Ltd.	Particulate matter	Organised	93	General discharge outlet	2.56	DB34/3576-2020	6.67	/	No
87	Fujian Jianyang Conch Cement Co., Ltd.	Particulate matter	Organised	29	General discharge outlet	7.96	GB4915-2013	2.06	/	No
88	Haimen Conch Cement Co., Ltd.	Particulate matter	Organised	138	General discharge outlet	3.34	DB32/4149-2021	26.56	/	No
89	Huai'an Conch Cement Co., Ltd.	Particulate matter	Organised	49	General discharge outlet	5.93	DB32/4149-2021	9.19	/	No

Note: During the Reporting Period, clinker production systems of Guizhou New Shuanglong Cement Co., Ltd., Longling Conch Cement Co., Ltd. and Yunnan Zhuangxiang Cement Co., Ltd. were not in operation and no pollutant emission was generated.



6. Environment and Social Responsibility

2. Discharge status of major pollutants by subsidiaries other than key pollutant discharging units

No.	Name of companies	Name of major pollutants and special types of pollutants		Number of discharge		Distribution of discharge outlets	Implemented standards for discharge of pollutants		Total amount		
		Discharge mode	outlets	discharge outlets	Average discharge concentration (mg/m ³)		standards for discharge of pollutants	of actual discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge	
1	Huangshan Conch Cement Co., Ltd.	Particulate matter	Organised	65	General discharge outlet	2.10	DB34/3576-2020	2.48	/	No	
2	Lu'an Conch Cement Co., Ltd.	Particulate matter	Organised	77	General discharge outlet	1.69	DB34/3576-2020	5.58	/	No	
3	Huainan Conch Cement Co., Ltd.	Particulate matter	Organised	108	General discharge outlet	3.98	DB34/3576-2020	17.90	/	No	
4	Taicang Conch Cement Co., Ltd.	Particulate matter	Organised	53	General discharge outlet	2.46	DB32/4149-2021	8.94	/	No	
5	Shanghai Conch Mingzhu Cement Co., Ltd.	Particulate matter	Organised	32	General discharge outlet	4.23	GB4915-2013	5.31	17.00	No	
6	Zhangjiagang Conch Cement Co., Ltd.	Particulate matter	Organised	79	General discharge outlet	4.30	DB32/4149-2021	13.73	/	No	
7	Yangwan Conch	Particulate matter	Organised	148	General discharge outlet	7.10	DB32/4149-2021	12.57	/	No	
8	Yangzhou Conch Cement Co., Ltd.	Particulate matter	Organised	108	General discharge outlet	7.00	DB32/4149-2021	15.9	/	No	
9	Jiangxi Lushan Conch Cement Co., Ltd.	Particulate matter	Organised	84	General discharge outlet	6.37	GB4915-2013	44.40	/	No	
10	Jiangxi Ganjiang Conch Cement Co., Ltd.	Particulate matter	Organised	105	General discharge outlet	5.73	GB4915-2013	22.53	/	No	
11	Ningde Conch Cement Co., Ltd.	Particulate matter	Organised	37	General discharge outlet	0.28	DB35/1311-2013	7.22	/	No	
12	Jiangmen Conch Cement Co., Ltd.	Particulate matter	Organised	119	General discharge outlet	4.09	GB4915-2013	9.15	/	No	
13	Foshan Conch Cement Co., Ltd.	Particulate matter	Organised	91	General discharge outlet	4.34	GB4915-2013	13.07	/	No	

6. Environment and Social Responsibility

No.	Name of companies	Name of major pollutants and special types of pollutants	Discharge mode	Number of		Average discharge concentration (mg/m ³)	Implemented standards for discharge of pollutants	Total		
				discharge outlets	Distribution of discharge outlets			amount of actual discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
14	Zhanjiang Conch Cement Co., Ltd.	Particulate matter	Organised	96	General discharge outlet	4.01	GB4915-2013	11.98	/	No
15	Wuhu Conch Plastic Products Company Limited	Non-methane hydrocarbon	Organised	3	General discharge outlet	2.23	DB13/2322-2016	0.29	/	No
16	Jinxian Conch Cement Co., Ltd.	Particulate matter	Organised	60	General discharge outlet	7.83	GB4915-2013	32.29	/	No
17	Nanchang Conch Cement Co., Ltd.	Particulate matter	Organised	41	General discharge outlet	2.67	GB4915-2013	54.61	/	No
18	Maoming Dadi Cement Co., Ltd.	Particulate matter	Organised	51	General discharge outlet	4.25	GB4915-2013	4.07	/	No
19	Huai'an Chuzhou Conch Cement Co., Ltd.	Particulate matter	Organised	170	General discharge outlet	3.12	DB32/4149-2021	9.39	/	No
20	Guangyuan Conch Plastic Packaging Co., Ltd.	Particulate matter	Organised	3	General discharge outlet	13.65	GB16297-1996	0.26	/	No
		Non-methane hydrocarbon	Organised			0.66	HJ 38-2017	0.02	/	No
		Odor concentration	Organised			530.00	GB T14675-1993	/	/	No
						Dimensionless				
21	Yingde Conch Plastic Packaging Company Limited	Particulate matter	Organised	2	General discharge outlet	1.40	DB44/27-2001	0.15	/	No
		Volatile organic compound	Organised			2.53	DB44/815-2010	0.37	/	No
22	Jianghua Conch Plastic Packaging Company Limited	Non-methane hydrocarbon	Organised	3	General discharge outlet	2.79	DB34/1357-2017	0.25	/	No
		Particulate matter	Organised			2	General discharge outlet	4.17	DB34/1357-2017	0.35
23	Anhui Ningchang Plastic Packaging Co., Ltd.	Particulate matter	Organised	1	General discharge outlet	13.00	GB31572-2012	3.01	/	No
		Non-methane hydrocarbon	Organised			3	General discharge outlet	1.76	GB31572-2012	4.40
24	Baoji Conch Plastic Packaging Co., Ltd.	Non-methane hydrocarbon	Organised	2	General discharge outlet	5.15	DB61/T1061-2017	0.14	/	No



6. Environment and Social Responsibility

No.	Name of companies	Name of major pollutants and special types of pollutants		Number of discharge		Distribution of discharge outlets	Average discharge concentration (mg/m ³)	Implemented standards for discharge of pollutants	Total amount		
		Discharge mode	Discharge outlets	Discharge outlets	of actual discharge (tonne)				Total amount of approved discharge (tonne/year)	Excessive discharge	
25	Guiding Conch Plastic Packaging Co., Ltd.	Non-methane hydrocarbon	Organised	2	General discharge outlet	4.93	GB16297-1996	0.48	/	No	
		Particulate matter	Organised	2	General discharge outlet	17.00	GB16297-1996	1.46	/	No	
26	Changjiang Conch Huangsheng Plastic Packaging Co., Ltd.	Non-methane hydrocarbon	Organised	2	General discharge outlet	1.16	GB31572-2015	0.07	/	No	
		Particulate matter	Organised	85	General discharge outlet	1.67	GB16297-1996	7.99	/	No	
27	Chizhou Conch New Material Co., Ltd.	Particulate matter	Organised	85	General discharge outlet	1.67	GB16297-1996	7.99	/	No	
28	Jiangxi Yiyang Conch New Building Material Co., Ltd.	Particulate matter	Organised	82	General discharge outlet	6.00	GB16297-1996	2.32	/	No	
29	Chongqing Fuling Conch Building Material Co., Ltd.	Particulate matter	Organised	5	General discharge outlet	4.33	DB50/656-2023	11.45	/	No	
30	Chifeng Conch Cement Co., Ltd.	Particulate matter	Organised	28	General discharge outlet	11.50	GB4915-2013	5.98	/	No	
		Sulfur dioxide	Organised	1	General discharge outlet	64.30	GB4915-2013	42.38	/	No	
		Nitrogen oxides	Organised	1	General discharge outlet	89.71	GB4915-2013	95.47	/	No	
31	Naimanqi Xingta Renewable Resources Co., Ltd.	Particulate matter	Organised	1	Kiln tail	/	GB31573-2015	/	/	No	
		Sulfur dioxide	Organised	1	Kiln tail	/	GB31573-2015	/	/	No	
		Nitrogen oxides	Organised	1	Kiln tail	/	GB31573-2015	/	/	No	
		Sulfur dioxide	Organised	1	Vertical mill	9.00	GB16297-1996	0.73	/	No	
		Nitrogen oxides	Organised	1	Vertical mill	83.25	GB16297-1996	6.77	/	No	
		Particulate matter	Organised	1	Vertical mill	14.10	GB16297-1996	1.15	/	No	
		Particulate matter	Organised	17	General discharge outlet	/	GB31573-2015	/	/	No	
32	Fenyi Conch Construction Materials Co., Ltd.	Particulate matter	Organised	3	General discharge outlet	10.27	GB16297-1996	0.17	/	No	
		Particulate matter	Organised	43	General discharge outlet	5.40	GB16297-1996	56.32	/	No	
33	Mengcheng Conch	Particulate matter	Organised	75	General discharge outlet	2.26	DB34/3576-2020	1.27	/	No	

6. Environment and Social Responsibility

No.	Name of companies	Name of major pollutants and special types of pollutants	Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Average discharge concentration (mg/m ³)	Implemented	Total		
							standards for discharge of pollutants	amount of actual discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
34	Nantong Conch Cement Co., Ltd.	Particulate matter	Organised	59	General discharge outlet	2.19	DB32/4149-2021	7.90	/	No
35	Liquan Conch Construction Technology Co., Ltd.	Particulate matter	Organised	34	General discharge outlet	4.67	DB61/941-2018	8.17	/	No
36	Xingye Conch New Material Co., Ltd.	Particulate matter	Organised	14	General discharge outlet	4.59	GB16297-1996	4.33	/	No
37	Shuangfeng Conch Green Construction Materials Co., Ltd.	Particulate matter	Organised	32	General discharge outlet	1.00	GB 4915-2013	2.70	/	No
38	Wuhu Conch Green Construction Technology Co., Ltd.	Particulate matter	Organised	22	General discharge outlet	1.00	DB34/3576-2020	2.10	/	No

Note: During the Reporting Period, the lime kiln system of Naimanqi Xingta Renewable Resources Co., Ltd. was not in production and operation and no pollutant emission was generated.

3. Environmental protection effort and achievements of the Group

During the Reporting Period, the Group comprehensively implemented the national environmental protection policy, strictly executed the requirements of various environmental protection laws, regulations and standards and continuously strengthened environmental protection management. The Group constantly increased effort for environmental protection and actively leveraged the advantages of resources coordination between the Company's headquarters and regions to guide the subordinate subsidiaries in strengthening the operation and maintenance of environmental protection equipment, and coordinated the promotion of various environmental protection technological modification works. Therefore, the level of environmental protection management has continued to increase, various environmental pollution control measures operated efficiently and various pollutants were stably emitted in compliance with discharge standards. During the Reporting Period, the Group invested a total of RMB846 million in the implementation of various environmental protection technological modification.



6. Environment and Social Responsibility

During the Reporting Period, the Group has established standardized plans for the ultra-low emission enterprises and accelerated the ultra-low emission transformation of its subsidiaries in batches, so as to maintain its leadership in the industry in terms of the environmental protection management, and the relevant work has been unanimously recognized by the ecological environment bureau and other relevant competent departments and experts at various levels. In terms of reducing nitrogen oxide emissions, the Group has completed SCR denitration technological modification for 13 clinker production lines and continued to promote the construction of SCR denitration technological modification for 3 clinker production lines. As of the end of the Reporting Period, the SCR denitration technological modification for a total of 96 clinker production lines have completed, achieving an ultra-low emission rate for nitrogen oxides after technological modification. In terms of reducing sulfur dioxide emission, the Group has completed wet desulfurization technological modification for 3 clinker production lines and continued to promote the construction of wet desulfurization technological modification for 1 clinker production line. As of the end of the Reporting Period, the ancillary wet desulfurization projects for a total of 43 clinker production lines had been in operation. The average emission concentration of sulfur dioxide is controlled below $35\text{mg}/\text{m}^3$ after technological modification. Through technological modification and management improvement, all production subsidiaries in the key regions of the Group have met the requirements of ultra-low emission control in terms of organized emissions. During the Reporting Period, the fly ash disposal project of Wuhu Conch Environmental Protection Technology Co., Ltd., a subsidiary of the Company was selected as the first batch of regional hazardous waste (fly ash) centralized disposal centers of the State level; a total of 3 subsidiaries passed the A-Class enterprise appraisal of performance grading in terms of heavy pollution weather in cement industry and a total of 5 subsidiaries passed the leading enterprise appraisal of performance grading in terms of heavy pollution weather in cement industry. As at the end of the Reporting Period, a total of 24 subsidiaries of the Group passed the A-Class enterprise appraisal of performance grading in terms of heavy pollution weather in cement industry and 23 subsidiaries passed the leading enterprise appraisal of performance grading in terms of heavy pollution weather in cement industry.



6. Environment and Social Responsibility

In terms of reducing carbon dioxide emission, the Group earnestly implemented the requirements of national carbon peak and carbon neutral policies, and promoted the implementation of carbon emission reduction projects in an orderly manner in accordance with the Company's mid and long-term route for reduction of carbon emission. During the Reporting Period, the Group continuously promoted the technological modification for comprehensive energy efficiency improvement. At the same time, the Group made use of advanced energy-saving and emission-reduction technology and equipment in the industry, and extensively implemented the utilization of high-efficiency fans and new insulative nanomaterials. During the Reporting Period, a total of 9 clinker production lines completed technological modification for comprehensive energy efficiency improvement, resulting in a cumulative total of 63 clinker production lines having completed technological modification for comprehensive energy efficiency improvement as at the end of the Reporting Period. After the modification, the production line can reach the first-class standard of comprehensive energy consumption per unit product of clinker as set out in the Norm of Energy Consumption per Unit Product of Cement. At the same time, the Group actively adopted coal combustion accelerants to lower energy consumption indicators and reduce carbon dioxide emissions. The Group has accelerated the promotion of using alternative fuels. In combination with the surrounding supply chain, its subsidiaries expanded the use of alternative fuels according to local conditions. The ratio of alternative fuel consumption to coal consumption increased to more than 10% and hence the carbon dioxide emissions from the combustion of fossil fuels further reduced. The Group actively explored the area of new energy, accelerated the development of new energy industry chain, and continued to promote the construction of integrated photovoltaic industry projects in Fengyang County, Chuzhou City, so as to build a photovoltaic whole industry chain and industrial clusters. The Group continued to strengthen the research and development of advanced technologies for carbon reduction, and actively explored cutting-edge technologies in the fields of energy saving, carbon reduction and carbon dioxide utilization. The Group cooperated with Sichuan University to develop the integrated technology for desulfurization, decarbonization and mineralization of solid waste gypsum in Tongling Conch, and it built the first low-carbon cementitious material demonstration line in China jointly with Xi'an University of Architecture and Technology in Baoji Zhongxi Fenghuangshan Cement Co., Ltd., a subsidiary of the Company. During the Reporting Period, the Company has also established a low-carbon standardization workstation of the building materials industry (cement) and launched the "World's First Zero-purchased Electricity Demonstration Plant in the Cement Industry" at the 2024 Building Materials Industry Conference. According to the Group's self-accounting data, in 2024, the cumulative carbon dioxide emission of domestic companies of the Group amounted to 172.29 million tonnes, representing a decrease of 11.48 million tonnes and a year-on-year decrease of 6.2% as compared to 2023, and the cumulative carbon dioxide emission of overseas companies amounted to 9.87 million tonnes.



6. Environment and Social Responsibility

All the subsidiaries of the Group have implemented the environmental assessment procedure and applied for the emission permit in strict compliance with the requirements of Law of the People's Republic of China on Appraising of Environment Impacts (《中華人民共和國環境影響評價法》). The subsidiaries of the Group were equipped with online monitoring equipment in strict compliance with the requirements of national and local environmental protection policies. They have commissioned third-party institutions to implement regulated operation maintenance and formulated monitoring plans and conducted self-monitoring in strict compliance with the requirements of the industry's self-monitoring technology guidelines. The subsidiaries have made timely report and payments of environmental protection tax based on surveillance data, submitted pollutant discharge permit enforcement reports quarterly on a timely basis, and accepted public supervision by disclosing the companies' information on pollutant discharge and legal compliance. The subsidiaries have formulated environmental emergency response plan which had been filed with the environmental protection authorities in strict compliance with the requirements of the Management Measures for Environmental Emergencies (《突發環境事件應急管理辦法》) and other documents. They also carried out emergency drills regularly to ensure that the Group is able to respond in a quick, orderly and efficient manner to reduce harm upon occurrence of any environmental pollution incidents (accidents), thereby achieving the purpose of public and environmental protection.

4. Administrative penalties due to environmental issues during the Reporting Period

During the Reporting Period, Feixi Conch New Material Co., Ltd., a subsidiary of the Company, breached the Regulations on Environmental Protection Management of Construction Projects in the process of project construction, and Hefei Ecological Environment Bureau issued an administrative penalty decision and imposed a fine of RMB200,000. As the scale of the construction project changed significantly after obtaining the approval of the environmental impact assessment document for the project, and the environmental impact assessment document of the construction project was not re-submitted for approval, Hefei Ecological Environment Bureau issued an administrative penalty decision and imposed a fine of RMB101,829.

Save as disclosed above, during the Reporting Period, the Group had no other administrative penalties due to environmental issues which shall be disclosed.

5. Other required disclosures related to environmental information

During the Reporting Period, the Group had no other environmental information that should be disclosed but had not been so disclosed.



6. Environment and Social Responsibility

(2) SOCIAL RESPONSIBILITY WORK

For the social responsibility work proactively carried out by the Group during the Reporting Period, please refer to the 2024 Environment, Social and Governance Report of the Company published on the websites of the SSE, the Stock Exchange and the Company on the same day as this annual report.

(3) CONSOLIDATING AND EXPANDING ACHIEVEMENTS IN POVERTY ALLEVIATION AND RURAL REVITALIZATION

The Group attached importance to social responsibility, continued to consolidate and expand the achievements in poverty alleviation, and made positive contributions to serving the national rural revitalization strategy.

During the Reporting Period, the Group thoroughly implemented various decisions and plans of the State and the Anhui Provincial Government on poverty alleviation, concentrated the advantage of talents, funds and resources. It has selected and assigned 10 outstanding cadres on the basis of merit, who continued to assist in certain areas in Anhui Province, including Jianglaojia Village in Jiangji Town of Lixin County, Wangren Town of Lixin County, Zhong Village in Banqiaotou Town of Jixi County, and Pingding Village in Yanqiao Town of Wuwei City. The Group strove to stimulate the endogenous motivation of industrial revitalization, coordinated internal and external resources to organize and carry out agricultural knowledge and modern management training, cultivated technical experts and large planting and breeding households, and helped them to build distinctive agricultural products brands. The Group actively implemented consumer assistance, strengthened field survey during the harvest season of agricultural products to make suggestions for the sales of agricultural products, promoted the assisted products to enter the employee canteen of the Group, and purchased products for supporting Xinjiang with a total value of RMB3.05 million in response to Anhui Provincial Government's work arrangement on the targeted support of Xinjiang. At the same time, the Group promoted the governance of living environment, carried out rural cleaning actions, and continuously improved rural basic living facilities. The Group promoted the construction of spiritual civilization, and organized and carried out the selection and commendation of "Five Good Civilized Families", the preaching of red culture and the special activities of traditional festivals, in order to create civilized, healthy, well-meaning and progressive local customs and traditions.



6. Environment and Social Responsibility

By giving full play to its industrial characteristics and investing and building factories in rural areas, the Group played a positive role in increasing local financial tax revenue, promoting employment of rural population and boosting rural economic development. At the same time, the Group drove the flow of production factors such as technology, equipment, manpower and capital, thus injecting new momentum for rural revitalization. Adhering to the business tenet of “the highest quality and the sincerest service”, the Group strove to provide high-quality cement products for the construction of new village, improved the conditions for infrastructure construction such as roads, water resources and power supply and built a favorable living environment in rural areas. In addition, during the daily production and operation process, the Group adhered to respecting nature, adapting nature and protecting nature, firmly established and practiced the concept of “lucid waters and lush mountains are invaluable assets” and strictly kept the ecological redlines. Oriented at the ecological environment-friendly and effective use of resources, the Group continuously carried out restoration treatment towards ecological environment, attached great importance to the preservation of biodiversity and persistently promoted the construction of green factory and green mines. As of the end of the Reporting Period, 47 subsidiaries of the Group were selected into the list of “Green Plant” at provincial or municipal level, 29 subsidiaries were selected into the list of “Green Plant” at the State level, and 44 national green mines and 41 provincial green mines were awarded. The Group also made great effort to build digital and smart mines, pushed forward the changes of production and life style, so as to build villages with a pleasant living environment featuring natural and beautiful landscape, stable and sound ecosystem, and harmony between humankind and nature, thus promoting a healthy cycle of ecological and economic growth, and assisting rural revitalization with the concept of green, low-carbon, and sustainable development.



7. Significant Events

(1) APPROPRIATION OF FUNDS FOR NON-OPERATING PURPOSE

During the Reporting Period, there was no appropriation of the Company's funds for non-operating purpose by controlling shareholders of the Company and other related parties. Specific statement issued by Ernst & Young Hua Ming was published on the websites of SSE, Stock Exchange and the Company on the same date of publication of this report.

(2) NON-COMPLIANCE IN PROVIDING GUARANTEES

During the Reporting Period, no external guarantee was provided in violation of the established decision-making procedures by the Company.

(3) ANALYSIS AND EXPLANATION ON THE REASONS AND IMPACT OF THE CHANGE IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATES

During the Reporting Period, there was no change in the accounting policy and accounting estimates of the Company.

(4) APPOINTMENT AND TERMINATION OF APPOINTMENT OF ACCOUNTING FIRMS (AUDITORS)

Upon completing the annual audit work of the Company for 2023, KPMG Huazhen and KPMG HK have provided PRC and international audit services to the Company for 18 consecutive years, respectively. The financial audit services fees and internal control audit services fees payable to KPMG by the Company for 2023 amounted to RMB5.4 million and RMB0.8 million, respectively, totaling RMB6.2 million.



7. Significant Events

As the tenure of KPMG for providing audit services to the Company has reached the prescribed time limit for consecutive appointment of accounting firms as permitted under the Administrative Measures for the Appointment of Accounting Firms by State-owned Enterprises and Listed Companies issued by the Ministry of Finance of the People's Republic of China, the State-owned Assets Supervision and Administration Commission of the State Council and the CSRC, upon consideration and approval of the 2023 annual general meeting of the Company, the Company has appointed Ernst & Young Hua Ming and Ernst & Young HK as the PRC and international auditors of the Company for 2024 respectively, and appointed Ernst & Young Hua Ming as the internal control auditor of the Company for 2024. The authorised signatories of the accountants of Ernst & Young Hua Ming are Meng Dong and He Zhaofeng (both of them have provided audit services to the Company for one year). The financial audit service fees and internal control audit service fees payable by the Company to EY for 2024 amounted to RMB4.32 million and RMB0.64 million, respectively, totaling RMB4.96 million. Such fees were determined in consideration of the volume of audit work under principles of fairness and reasonableness and as confirmed through tender, which represented a decrease as compared to that for 2023.

(5) EVENTS REGARDING INSOLVENCY AND RESTRUCTURING

During the Reporting Period, there was no event regarding insolvency or restructuring of the Group.

(6) MATERIAL LITIGATION AND ARBITRATION

During the Reporting Period, the Group was not involved in any material litigation and arbitration.

(7) PENALTIES AND/OR REMEDIES FOR LEGAL AND REGULATORY NON-COMPLIANCE BY THE COMPANY AND ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT MEMBERS, CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS

During the Reporting Period, none of the Company, its current Directors, Supervisors, senior management members, controlling shareholder and de facto controller was subject to any penalties by the competent authorities.

(8) STATUS OF INTEGRITY OF THE COMPANY, ITS CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS

During the Reporting Period, none of the Company, its controlling shareholders and de facto controllers failed to perform any obligations from effective legal instruments of the court or settle any due debt in large amount.



7. Significant Events

(9) MATERIAL CONNECTED TRANSACTIONS

The following significant connected transactions of the Group were subsisting during the Reporting Period under the SSE Listing Rules and the HKSE Listing Rules:

1. Connected transactions or continuing connected transactions related to daily operations

(1) *Transactions with Conch Holdings – use of trademarks*

On 23 September 1997, the Company and Conch Holdings, being its controlling shareholder, entered into a trademark licensing agreement (the “Trademark Licensing Agreement”), pursuant to which the Company has been granted a license to use certain permitted trademarks (including trademarks of “海螺” and “CONCH”) on permitted products in permitted regions for the period as set out in the Trademark Licensing Agreement. The validity period of the Trademark Licensing Agreement is provided to be the same as the validity period of the permitted trademarks, and where the validity period of the permitted trademarks is extended, the validity period of the Trademark Licensing Agreement in respect of the trademarks would be extended automatically. On 22 March 2018, the Company and Conch Holdings entered into a supplemental agreement to the Trademark Licensing Agreement, pursuant to which it was agreed that the annual fees paid by the Company to Conch Holdings in respect of the use of the trademarks consist of fixed license fee and variable license fee, of which the fixed license fee is RMB15 million per annum, and the variable license fee is a license fee for the use of the permitted trademarks by the companies (not being wholly-owned subsidiaries of the Company) in which the Company holds not less than 20% shares, equity interest or registered capital, at an amount to be determined according to the sales volume of cement and clinker.

During the Reporting Period, the fees payable by the Company to Conch Holdings in respect of the use of the trademarks amounted to RMB35.58 million. Pursuant to the HKSE Listing Rules and the SSE Listing Rules, no announcements were required to be made in respect of such connected transaction, nor was such connected transaction subject to the independent shareholders’ approval requirement.



7. Significant Events

(2) Transactions with Haihui Company – receiving supply chain logistic transportation service

- ① Transportation Service Contract (2024) and Supplemental Contract to Transportation Service Contract (2024)

On 29 December 2023, the Company and Haihui Company entered into the Supply Chain Logistic Transportation Service Contract (the “Transportation Service Contract (2024)”), with a validity period from 1 January 2024 to 31 December 2024. Pursuant to the contract, Haihui Company would provide supply chain logistic transportation service for the Group’s cement, clinker, aggregate, coal and other products. The aggregate transaction amount (i.e. the annual cap) was estimated to be not more than RMB2.3 billion.

The estimated aggregate transaction amount under the Transportation Service Contract (2024) was determined mainly after taking into account the reasonable estimation of the transportation volume (with reference to the production and transportation volume of various products in 2023) according to the Group’s production plans for cement, clinker, aggregate and other products for the year of 2024, and the transportation unit price of various types of products, as determined through open tender to be conducted by the relevant subsidiaries of the Company through Haihui Company. During the process of open tender through Haihui Company, the relevant subsidiaries of the Company shall, based on factors including the quantity of consigned products, mode of transportation and transportation distance, review and compare the transportation quotations offered by not less than three independent third party qualified carriers who submitted a bid; and the bidder who offered the lowest price shall be selected. The relevant subsidiaries of the Company may further negotiate with the successful bidder on an arm’s length basis, with the aim to further lower the transportation unit price as quoted in the successful bid. In addition, the Company had also made reference to the historical transaction amount under the contracts for 2022 and 2023 when determining the estimated aggregate transaction amount under the Transportation Service Contract (2024).



7. Significant Events

Through the evaluation and analysis of the Group on the transportation service provided by Haihui Company, the Company believed that the logistic and transportation costs had been reduced by way of conducting transportation tenders through Haihui Company, thereby attracting more subsidiaries of the Company to use the supply chain logistics transportation services of Haihui Company, while the subsidiaries which were using such services also increased the transportation volume through tenders conducted by Haihui Company. Further, as a number of commodity concrete projects of the Group were successively put into operation in 2024, demand for the transportation service provided by Haihui Company increased. On 13 November 2024, taking into account the actual transaction amount under the Transportation Service Contract (2024) and the estimation of the transportation volume of products of the Group up to 31 December 2024, the Company and Haihui Company entered into the Supplemental Contract to the Supply Chain Logistic Transportation Service Contract (the “Supplemental Contract to Transportation Service Contract (2024)”) to adjust the aggregate transaction amount (i.e. the annual cap) under the Transportation Service Contract (2024) from not more than RMB2.3 billion to not more than RMB2.65 billion. The validity period of the Supplemental Contract to Transportation Service Contract (2024) was from 13 November 2024 to 31 December 2024. Save for the revision of the annual cap for 2024 as amended by the Supplemental Contract to Transportation Service Contract (2024), all other terms and conditions of the Transportation Service Contract (2024) remained the same and were in full force and effect.

During the Reporting Period, the actual transaction amount (inclusive of tax) under the Transportation Service Contract (2024) (as amended by the Supplemental Contract to Transportation Service Contract (2024)) was RMB2,502 million.

② Transportation Service Contract (2025)

On 27 December 2024, the Company and Haihui Company entered into the Supply Chain Logistic Transportation Service Contract (the “Transportation Service Contract (2025)”), with a validity period from 1 January 2025 to 31 December 2025. Pursuant to the contract, Haihui Company will provide supply chain logistic transportation service for the Group’s cement, clinker, aggregate, commodity concrete, coal and other products. The aggregate transaction amount (i.e. the annual cap) shall be RMB3 billion.

The aggregate transaction amount under the Transportation Service Contract (2025) was mainly determined after taking into account the reasonable estimation of the transportation volume (with reference to the production and transportation volume



7. Significant Events

of various products in 2024, and the estimation of further increase in the production and transportation volume of commodity concrete for the year of 2025 due to the Group's promotion of the commodity concrete business development) according to the Group's production plans for cement, clinker, aggregate, commodity concrete and other products for the year of 2025, and the transportation unit price of various types of products, as determined through open tender to be conducted by the relevant subsidiaries or branch companies of the Company through Haihui Company. During the process of open tender through Haihui Company, the relevant subsidiaries or branch companies of the Company shall, based on factors including the quantity of consigned products, mode of transportation and transportation distance, review and compare the transportation quotations offered by not less than three independent third party qualified carriers who submitted a bid; and the bidder who offered the lowest price shall be selected. The relevant subsidiaries or branch companies of the Company may further negotiate with the successful bidder on an arm's length basis, with the aim to further lower the transportation unit price as quoted in the successful bid. In addition, the Company had also made reference to the historical transaction amount under the contracts for 2022 to 2024 when determining the aggregate transaction amount under the Transportation Service Contract (2025).



7. Significant Events

Haihui Company is a non-wholly owned subsidiary of the Company. As at the date of entering into the Transportation Service Contract (2024), the Company, Conch New Material and Conch IT Engineering held 65.6%, 20% and 10% of the registered capital of Haihui Company respectively, while Beijing Huitong Tianxia IOT Technology Co., Ltd. (“Beijing Huitong”) held 4.4% of the registered capital of Haihui Company. Both Conch New Material and Conch IT Engineering were subsidiaries of Conch Holdings. Accordingly, each of Conch New Material and Conch IT Engineering was an associate of Conch Holdings and hence a connected person of the Company. As at the date of entering into the Supplemental Contract to Transportation Service Contract (2024) and the Transportation Service Contract (2025), the Company, Conch New Material and Beijing Huitong held 75.6%, 20% and 4.4% of the registered capital of Haihui Company respectively. Pursuant to Chapter 14A of the HKSE Listing Rules, Haihui Company was a connected subsidiary of the Company and hence a connected person of the Company. The transactions contemplated under the Transportation Service Contract (2024) (as amended by the Supplemental Contract to Transportation Service Contract (2024)) and the Transportation Service Contract (2025) thus constituted continuing connected transactions for the Company. For details, please refer to the announcements published by the Company on the websites of the Stock Exchange and the Company on 29 December 2023, 13 November 2024 and 27 December 2024. According to the SSE Listing Rules, Haihui Company was not a connected party of the Company, and hence the aforementioned transactions did not constitute connected transactions for the Company as prescribed under the SSE Listing Rules.

(3) Transactions with Conch Technology – procurement of admixtures

① Procurement of Admixtures Framework Agreement

On 2 January 2024, the Company and Conch Technology entered into the Procurement of Admixtures Framework Agreement, with a validity period from 1 January 2024 to 31 December 2024, pursuant to which, the Group agreed to procure admixture products from Conch Technology, its branch companies and its subsidiaries (hereinafter referred to as “Conch Technology Group”). The annual cap for the transactions under the Procurement of Admixtures Framework Agreement shall be RMB860 million.



7. Significant Events

The annual cap for the transactions under the Procurement of Admixtures Framework Agreement was determined mainly after taking into account the estimated total procurement quantity of admixture products according to the Group's cement and concrete production plan for the year of 2024 and the unit prices of the admixture products as determined based on the results of the tender or price enquiry and comparison and upon arm's length negotiation between the parties. The unit prices of the admixture products shall be determined by the parties by one of the following manners: (i) by tender: the Group shall conduct open tenders or invite tenders from at least three potential suppliers (including Conch Technology and other independent third parties) offering similar admixture products. The tenders would be rated based on technical evaluation and commercial evaluation. The successful tenderer shall achieve the highest or best overall rating results of the technical evaluation and commercial evaluation. The unit prices of the admixture products under the individual sub-contracts of the Procurement of Admixtures Framework Agreement shall be determined with reference to the results of the tenders; or (ii) by price enquiry and comparison and upon negotiation: the Group shall obtain fair market prices of the products by conducting price inquiry and comparison from at least four potential suppliers (including Conch Technology and other independent third parties) offering similar admixture products. Potential suppliers shall be comprehensively reviewed based on various factors and the supplier shall be selected based on its overall price-performance value and its reliability in terms of secured supply. The Group and Conch Technology shall determine the unit prices of the products after arm's length negotiations on normal commercial terms, and such unit prices shall not be higher than the prices of similar admixture products procured by the Group from Conch Technology Group for the year 2023 by way of tender, and not higher than the prices of similar admixture products procured by the Group from independent third party suppliers for the year 2023. In addition, when determining the annual cap for the transactions under the Procurement of Admixtures Framework Agreement, the Company had also made reference to the historical transaction amounts for procurement of cement admixtures and concrete admixtures by the Group from 2021 to 2023.

During the Reporting Period, the actual transaction amount (inclusive of tax) under the Procurement of Admixtures Framework Agreement was RMB812 million.



7. Significant Events

② Procurement of Cement Admixtures Contract

On 23 December 2024, the Company and Conch Technology entered into the Procurement of Cement Admixtures (Grinding Aids) Contract (the “Procurement of Cement Admixtures Contract”), with a validity period from 1 January 2025 to 31 December 2025. Pursuant to the contract, the Group will procure cement admixtures from Conch Technology Group. The annual cap for the transactions under the Procurement of Cement Admixtures Contract shall be RMB720 million.

The annual cap for the transactions under the Procurement of Cement Admixtures Contract was determined mainly based on the estimated total procurement quantity of cement admixtures according to the Group’s cement production plan for the year of 2025, and the unit price of the products as determined based on the results of the open tender. In conducting the open tender of the Company, a total of three suppliers (one of which being Conch Technology and the other two being independent third parties) participated in this open tender. The tenders were rated based on technical evaluation and commercial evaluation. According to the overall rating results based on the technical evaluation and commercial evaluation, Conch Technology has been selected as the Group’s cement admixture supplier. The unit price of cement admixture products under the Procurement of Cement Admixtures Contract was determined based on the results of the open tender. In addition, when determining the annual cap for the transactions under the Procurement of Cement Admixtures Contract, the Company had also made reference to the historical transaction amounts under the contracts for 2022 to 2024.

③ Procurement of Concrete and Other Admixtures Framework Agreement

On 23 December 2024, the Company and Conch Technology entered into the Procurement of Concrete and Other Admixtures Framework Agreement, with a validity period from 1 January 2025 to 31 December 2025. Pursuant to the contract, the Group will procure concrete admixtures and other admixtures such as coupling agent and chromium remover (“Concrete Admixtures and Other Admixtures”) from Conch Technology Group. The annual cap for the transactions under the Procurement of Concrete and Other Admixtures Framework Agreement shall be RMB60 million.



7. Significant Events

The annual cap for the transactions under the Procurement of Concrete and Other Admixtures Framework Agreement was determined mainly based on the estimated total procurement quantity of concrete admixtures and other admixtures according to the Group's concrete and cement production plan for the year of 2025, and the unit prices of the products as determined based on the results of the tender or price enquiry and comparison and upon arm's length negotiation between the parties. The unit prices of the admixture products shall be determined by the parties by one of the following manners: (i) by tender: the Group shall conduct open tenders or invite tenders from at least three potential suppliers (including Conch Technology and other independent third parties) offering similar admixture products. The tenders would be rated based on technical evaluation and commercial evaluation. The successful tenderer shall achieve the highest or best overall rating results of the technical evaluation and commercial evaluation. The unit prices of the admixture products under the individual sub-contracts of the Procurement of Concrete and Other Admixtures Framework Agreement shall be determined with reference to the results of the tenders; or (ii) by price enquiry and comparison and upon negotiation: the Group shall obtain fair market prices of the products by conducting price inquiry and comparison from at least three potential suppliers (including Conch Technology and other independent third parties) offering similar admixture products. Potential suppliers shall be comprehensively reviewed based on various factors and the supplier shall be selected based on its overall price-performance value and its reliability in terms of secured supply. After making reference to the prices of similar admixture products procured by the Group from Conch Technology Group and independent third party suppliers for the year 2024, the Group and Conch Technology shall determine the unit prices of the products after arm's length negotiations on normal commercial terms. In addition, when determining the annual cap for the transactions under the Procurement of Concrete and Other Admixtures Framework Agreement, the Company had also made reference to the historical transaction amounts for procurement by the Group for concrete admixtures and other admixtures from 2022 to 2024.



7. Significant Events

As at the date of entering into the Procurement of Admixtures Framework Agreement, the Procurement of Cement Admixtures Contract and the Procurement of Concrete and Other Admixtures Framework Agreement, Conch Holdings, a controlling shareholder of the Company, held 100% shares in Conch Tech Innovation Material. Conch Tech Innovation Material held 48.62% shares in Conch Technology. Therefore, Conch Technology was an associate of Conch Holdings and hence a connected person of the Company. The transactions contemplated under the Procurement of Admixtures Framework Agreement, the Procurement of Cement Admixtures Contract and the Procurement of Concrete and Other Admixtures Framework Agreement thus constituted continuing connected transactions for the Company under Chapter 14A of the HKSE Listing Rules. For details, please refer to the announcements published by the Company on the websites of the Stock Exchange and the Company on 2 January 2024 and 23 December 2024. According to the SSE Listing Rules, Conch Technology was also a connected party of the Company and the transactions under the above three contracts also constituted connected transactions as prescribed under the SSE Listing Rules. For details of the Procurement of Admixtures Framework Agreement, please refer to the announcement published by the Company on the website of the SSE on 3 January 2024. As the transaction amounts under the Procurement of Cement Admixtures Contract and the Procurement of Concrete and Other Admixtures Framework Agreement had not reached 0.5% of the Company's latest audited net assets, and the transactions contemplated under the Procurement of Cement Admixtures Contract were conducted by way of open tender, the Company was not required to publish an ad hoc announcement for the aforesaid transactions on the website of the SSE according to the SSE Listing Rules.

(4) Transactions with Conch Accelerants Manufacturing High-tech Company – procurement of combustion accelerants, melting accelerants and desulfurizers

① Combustion Accelerants Procurement Contract

On 19 January 2024, the Company and Conch Accelerants Manufacturing High-tech Company entered into the Combustion Accelerants Procurement Contract, with a validity period from 19 January 2024 to 31 December 2024. Pursuant to the contract, the Group would procure combustion accelerants from Conch Accelerants Manufacturing High-tech Company. The aggregate transaction amount (i.e. the annual cap) under the Combustion Accelerants Procurement Contract was estimated to be not more than RMB103 million.



7. Significant Events

The estimated aggregate transaction amount (i.e. the annual cap) under the Combustion Accelerants Procurement Contract was determined mainly after taking into account the estimated total procurement quantity of combustion accelerants according to the Group's production plan for cement and clinker for the year of 2024 and the unit price of combustion accelerant products. The unit price for procurement of the combustion accelerant products under the Combustion Accelerants Procurement Contract was determined based on the following factors: with reference to (i) the product unit price under the Combustion Accelerants Procurement Contract entered into between the Company and Conch Accelerants Manufacturing on 25 August 2022 (the "August 2022 Procurement Contract") (such product unit price was determined based on the results of the open tender and was adjusted downward upon negotiations), and in order to maximise the Group's benefits from the procurement by lowering its procurement costs, after arm's length negotiation between the parties, the parties agreed that the final unit price under the Combustion Accelerants Procurement Contract would be adjusted downward by approximately 25% of the product unit price under the August 2022 Procurement Contract; and (ii) the selling prices of similar products offered by Conch Accelerants Manufacturing Group to two of its independent third party customers during the year of 2024, which shall not be lower than the unit price of the combustion accelerant products offered to the Group by Conch Accelerants Manufacturing High-tech Company. In addition, the Company had also made reference to the historical transaction amounts for procurement of the combustion accelerants in 2022 and 2023 and the utilisation plan of alternative fuel for the year of 2024 when determining the estimated aggregate transaction amount (i.e. the annual cap) under the Combustion Accelerants Procurement Contract.

During the Reporting Period, the actual transaction amount (inclusive of tax) under the Combustion Accelerants Procurement Contract was RMB37.39 million.



7. Significant Events

② Combustion Accelerants Sales and Purchase Contract

On 31 December 2024, the Company and Conch Accelerants Manufacturing High-tech Company entered into the Combustion Accelerants Sales and Purchase Contract, with a validity period from 1 January 2025 to 31 December 2025. Pursuant to the contract, the Group will procure combustion accelerants from Conch Accelerants Manufacturing High-tech Company. The aggregate contract amount (i.e. the annual cap) under the Combustion Accelerants Sales and Purchase Contract shall be not more than RMB56.70 million.

The aggregate contract amount under the Combustion Accelerants Sales and Purchase Contract was mainly determined based on the estimated total procurement quantity of combustion accelerants according to the Group's production plan for clinker and the utilisation plan of alternative fuel for the year of 2025, and the unit price of the combustion accelerants products. The unit price for procurement of the combustion accelerant products under the Combustion Accelerants Sales and Purchase Contract was determined based on the following factors: (i) the Company conducted price inquiry from three independent third party suppliers offering similar products, and such price quotations were not lower than the unit price of combustion accelerants products supplied to the Group by Conch Accelerants Manufacturing High-tech Company; and (ii) after making reference to the selling prices of similar products offered by Conch Accelerants Manufacturing High-tech Company to two of its independent third party customers recently, and such prices were not lower than the unit price of combustion accelerants products supplied to the Group by Conch Accelerants Manufacturing High-tech Company. In addition, when determining the aggregate contract amount under the Combustion Accelerants Sales and Purchase Contract, the Company had also made reference to the historical transaction amounts for procurement of combustion accelerants from 2022 to 2024.



7. Significant Events

③ Melting Accelerants Sales and Purchase Contract

On 31 December 2024, the Company and Conch Accelerants Manufacturing High-tech Company entered into the Melting Accelerants Sales and Purchase Contract, with a validity period from 1 January 2025 to 31 December 2025. Pursuant to the contract, the Group will procure melting accelerants from Conch Accelerants Manufacturing High-tech Company. The aggregate contract amount (i.e. the annual cap) under the Melting Accelerants Sales and Purchase Contract shall be not more than RMB15.50 million.

The aggregate contract amount under the Melting Accelerants Sales and Purchase Contract was mainly determined based on the estimated total procurement quantity of melting accelerants according to the Group's production plan for clinker for the year of 2025, and the unit prices of melting accelerant products. The unit price for procurement of the melting accelerant products under the Melting Accelerants Sales and Purchase Contract was determined based on the following factors: (i) the Group has set a standard consumption amount of melting accelerants and a benchmark coal-saving amount for each tonne of clinker during the production process. The unit price for procurement of melting accelerants was determined based on the cost of benchmark coal-saving amount and the standard consumption amount of melting accelerants. In order to protect the interests of the Group, the settlement price of the melting accelerants shall be adjusted downwards in a timely manner based on the actual coal-saving results, to ensure that the consumption cost would not exceed the cost of actual savings in coal consumption; and (ii) after making reference to the selling prices of similar products provided by Conch Accelerants Manufacturing High-tech Company to two of its independent third party customers recently, which were not lower than the unit price of melting accelerants products supplied to the Group by Conch Accelerants Manufacturing High-tech Company. In addition, when determining the aggregate contract amount under the Melting Accelerants Sales and Purchase Contract, the Company had also made reference to the historical transaction amounts for procurement of melting accelerants from 2023 to 2024.



7. Significant Events

④ Desulfurizer Procurement Framework Agreement

On 31 December 2024, the Company and Conch Accelerants Manufacturing High-tech Company entered into the Desulfurizer Procurement Framework Agreement, with a validity period from 1 January 2025 to 31 December 2025. Pursuant to the contract, the Group will procure desulfurizers from Conch Accelerants Manufacturing High-tech Company. The aggregate transaction amount (i.e. the annual cap) under the Desulfurizer Procurement Framework Agreement was estimated to be not more than RMB120 million.

The estimated aggregate transaction amount under the Desulfurizer Procurement Framework Agreement was mainly determined based on the estimated total procurement quantity of desulfurizers according to the Group's production plan for clinker for the year of 2025, and the unit prices of the products as determined based on the results of the tender or price enquiry and comparison and upon arm's length negotiation between the parties. The unit prices of desulfurizers shall be determined by the parties to the contract by one of the following manners: (i) by tender: the Group shall conduct open tenders or invite tenders from at least three potential suppliers (including Conch Accelerants Manufacturing High-tech Company and other independent third parties) offering similar products. The tenders would be rated based on technical evaluation and commercial evaluation. The successful tenderer shall achieve the highest or best overall rating results of the technical evaluation and commercial evaluation. The unit prices of the products under the sub-contracts of the Desulfurizer Procurement Framework Agreement shall be determined with reference to the results of the tender; or (ii) by price enquiry and comparison and upon negotiation: the Group shall obtain fair market prices of the products by conducting price inquiry and comparison from at least three potential suppliers (including Conch Accelerants Manufacturing High-tech Company and independent third parties) offering similar products. Potential suppliers shall be comprehensively reviewed based on various factors and the supplier shall be selected based on its overall price-performance value and its reliability in terms of secured supply. The Group and Conch Accelerants Manufacturing High-tech Company shall determine the unit prices of the products after arm's length negotiations on normal commercial terms. In addition, when determining the annual cap for the transactions under the Desulfurizer Procurement Framework Agreement, the Company had also made reference to the historical transaction amounts for procurement of desulfurizers by the Group for the year of 2024 and expected increase in use of relevant products in 2025.



7. Significant Events

Conch Holdings, a controlling shareholder of the Company, held 100% equity interests in Conch Tech Innovation Material. Conch Tech Innovation Material held 100% equity interests in Conch Accelerants Manufacturing, and Conch Accelerants Manufacturing held 100% equity interests in Conch Accelerants Manufacturing High-tech Company. Therefore, Conch Accelerants Manufacturing High-tech Company was an associate of Conch Holdings and hence a connected person of the Company. The transactions contemplated under the above four contracts thus constituted continuing connected transactions for the Company under Chapter 14A of the HKSE Listing Rules. For details, please refer to the announcements published by the Company on the websites of the Stock Exchange and the Company on 19 January 2024 and 31 December 2024. According to the SSE Listing Rules, Conch Accelerants Manufacturing High-tech Company was also a connected party of the Company and the transactions under the above contracts also constituted connected transactions for the Company as prescribed under the SSE Listing Rules. However, as the transaction amounts of the Combustion Accelerants Procurement Contract and total transaction amounts of the other three contracts at the time of signing the relevant contracts or agreements had not reached 0.5% of the Company's latest audited net assets, respectively, therefore, the Company was not required to publish an ad hoc announcement for the aforesaid transactions on the website of the SSE.

(5) Transactions with Conch Technology and Conch New Material—supplying supply chain logistic transportation service

On 29 December 2023, Haihui Company and Conch Technology entered into the Supply Chain Logistic Transportation Service Framework Contract (the “Conch Technology Transportation Service Framework Contract”), with a validity period from 1 January 2024 to 31 December 2024. Pursuant to the contract, Haihui Company would provide supply chain logistic transportation service for products of Conch Technology such as admixture products. The aggregate transaction amount (i.e. the annual cap) was estimated to be not more than RMB26 million.

On 19 January 2024, Haihui Company and Conch New Material entered into the Supply Chain Logistic Transportation Service Contract (the “Conch New Material Transportation Service Contract”), with a validity period from 19 January 2024 to 31 December 2024. Pursuant to the contract, Haihui Company would provide supply chain logistic transportation service for the plastic steel, aluminum alloy profiles and raw materials, etc. of Conch New Material. The aggregate transaction amount (i.e. the annual cap) was estimated to be not more than RMB61 million.



7. Significant Events

The respective contract prices of the Conch Technology Transportation Service Framework Contract and the Conch New Material Transportation Service Contract were determined mainly based on the transportation volume which was reasonably estimated according to the production plan for the relevant products of Conch Technology and Conch New Material for the year of 2024 (with reference to the production and transportation volume of various types of products in 2023), the historical transportation unit price for the services provided by Haihui Company, and the transportation unit price of various types of products, as determined through open tender to be conducted by the relevant subsidiaries of Conch Technology and Conch New Material through Haihui Company. During the process of open tender through Haihui Company, the relevant subsidiaries of Conch Technology or Conch New Material shall, based on factors including the quantity of consigned products, mode of transportation and transportation distance, review and compare the transportation quotations offered by not less than three independent third party qualified carriers who submitted a bid, and the bidder who offered the lowest price shall be selected. The relevant subsidiaries of Conch Technology or Conch New Material may further negotiate with the successful bidder through Haihui Company on an arm's length basis, and to determine the final transportation unit price. In addition, the Group had also made reference to the historical transaction amount in 2023 when determining the estimated aggregate transaction amount (i.e. the annual cap) under the Conch Technology Transportation Service Framework Contract and more subsidiaries of Conch Technology were expected to utilize the Haihui Supply Chain Logistic Platform in 2024. The Group had also made reference to the historical transaction amount from 2022 to 2023 when determining the estimated aggregate transaction amount (i.e. the annual cap) under the Conch New Material Transportation Service Contract, and it was expected that Conch New Material would increase the use of the supply chain logistic transportation service provided by Haihui Company in the year 2024 in terms of both product types and product volume.

During the Reporting Period, the actual transaction amount (inclusive of tax) under the Conch Technology Transportation Service Framework Contract was RMB18.11 million and the actual transaction amount (inclusive of tax) under the Conch New Material Transportation Service Contract was RMB34.43 million.



7. Significant Events

Haihui Company is a non-wholly owned subsidiary of the Company. As at the date of entering into the Conch New Material Transportation Service Contract, Conch Holdings held 30.63% of the shares of Conch New Material, and Conch Holdings indirectly held approximately 48.62% of the shares of Conch Technology through Conch Tech Innovation Material, its wholly-owned subsidiary. Accordingly, each of Conch New Material and Conch Technology is an associate of Conch Holdings and hence a connected person of the Company. The transactions contemplated under the Conch Technology Transportation Service Framework Contract and the Conch New Material Transportation Service Contract thus constituted continuing connected transactions for the Company under Chapter 14A of the HKSE Listing Rules. For details, please refer to the announcement published by the Company on the websites of the Stock Exchange and the Company on 19 January 2024. According to the SSE Listing Rules, each of Conch New Material and Conch Technology is a connected party of the Group, and the transactions under the above two contracts also constitute connected transactions for the Company as prescribed under the SSE Listing Rules. However, as the aggregate amount of the two contracts had not reached 0.5% of the latest audited net assets of the Company, the Company was not required to publish an ad hoc announcement for the aforesaid transactions on the SSE website according to the SSE Listing Rules.

2. Transactions with Conch Design Institute – receiving engineering project design and technology service, SCR denitration technology modification service

(1) *Engineering project design and technology service*

On 13 May 2024, the Company and Conch Design Institute entered into the Engineering Project Design and Technology Service Contract, pursuant to which Conch Design Institute would provide engineering design and/or technology modification services for projects such as aggregate, manufactured sand, commodity concrete, dry mix mortar, grinding stations, slag powder transit project and comprehensive projects of certain subsidiaries of the Company, as well as large-scale special modification projects and engineering consulting service of the Company. The contract price amounted to RMB111.67 million.



7. Significant Events

The contract price of the Engineering Project Design and Technology Service Contract was determined with reference to the requirements of the Engineering Survey Design Fee Standard (2002 Revised Version) jointly promulgated by the National Development and Reform Commission of the PRC and the Ministry of Housing and Urban-Rural Development of the PRC (hereinafter referred to as the “Engineering Survey Design Fee Standard”), and the Information on the Cost Components of Engineering Survey Service (2022 Edition) published by China Engineering & Consulting Association, as well as the characteristics of the Group’s engineering construction projects, and the scale, investment amount, scope of design, technology indicators of each project, the prevailing market prices for provision of similar services, and agreed between both parties on the basis of equality and mutual benefit.

During the Reporting Period, the actual transaction amount (inclusive of tax) in relation to the execution of the Engineering Project Design and Technology Service Contract was RMB25.87 million. If including the amount incurred in connection with the performance of relevant contracts entered into in previous years, the accumulated transaction amounts (inclusive of tax) with respect to the transactions relating to engineering project design and technology services between the Group and Conch Design Institute during the Reporting Period amounted to RMB108 million.

(2) SCR denitration technology modification service

On 2 January 2024, the Company and Conch Design Institute entered into the SCR Denitration Project Engineering Design and Equipment Supply (EP) General Contract (the “January 2024 SCR Denitration General Contract”), pursuant to which Conch Design Institute would provide engineering design, technology calibration and equipment supply and adjustment services for the SCR denitration technology modification projects for seven clinker production lines of certain subsidiaries of the Company. The contract price amounted to RMB56.70 million.

On 13 May 2024, the Company and Conch Design Institute entered into the SCR Denitration Project Engineering Design and Equipment Supply (EP) General Contract (the “May 2024 SCR Denitration General Contract”), pursuant to which Conch Design Institute would provide engineering design, technology calibration, equipment supply and adjustment services for the SCR denitration technology modification projects for four clinker production lines of certain subsidiaries of the Company. The contract price amounted to RMB34.70 million.



7. Significant Events

The contract prices of the January 2024 SCR Denitration General Contract and the May 2024 SCR Denitration General Contract were determined with reference to the requirements under the Engineering Survey Design Fee Standard, respectively, as well as the project scale, scope of design, technology indicators and the market prices for SCR denitration technology modification services, and as agreed between the parties on the basis of equality and mutual benefit. The Company had also made enquiries and comparisons of prices offered by two independent third party service providers and the price offered to the Company by Conch Design Institute had significant price advantage.

During the Reporting Period, the transaction amount (inclusive of tax) in relation to the execution of the January 2024 SCR Denitration General Contract was RMB46.80 million; the transaction amount (inclusive of tax) in relation to the execution of the May 2024 SCR Denitration General Contract was RMB25.44 million. If including the amount incurred in connection with the performance of relevant contracts entered into in previous years, the accumulated transaction amounts (inclusive of tax) with respect to the transactions relating to SCR denitration technology modification services between the Company and Conch Design Institute during the Reporting Period amounted to RMB133 million.

Conch Design Institute is a wholly-owned subsidiary of Conch Holdings. Pursuant to Chapter 14A of the HKSE Listing Rules, Conch Design Institute is an associate of Conch Holdings and hence a connected person of the Company. Therefore, pursuant to Chapter 14A of the HKSE Listing Rules, the transactions contemplated under the Engineering Project Design and Technology Service Contract, the January 2024 SCR Denitration General Contract and the May 2024 SCR Denitration General Contract constituted connected transactions for the Company. For details about the abovementioned three contracts, please refer to the announcement published by the Company on the websites of the Stock Exchange and the Company on 13 May 2024. According to the SSE Listing Rules, Conch Design Institute is also a connected party of the Company and the transactions under the abovementioned three contracts also constituted connected transactions as prescribed under the SSE Listing Rules. However, as the aggregate contract amount of the contracts (including the abovementioned three contracts) entered into by the Group with Conch Design Institute within 12 consecutive months accounted for less than 0.5% of the latest audited net assets of the Company, the Company was not required to publish an ad hoc announcement for the said connected transactions on the website of the SSE.



7. Significant Events

3. Transactions with Conch Design Institute – preheater equipment design and supply services

On 3 February 2023, the Company and Conch Design Institute entered into two Sale and Purchase Contracts in relation to preheater equipment design and supply service (the “two Preheater Sale and Purchase Contracts”), pursuant to which Conch Design Institute provided Grade-6 preheater equipment design and supply service for the clinker production lines of two subsidiaries of the Company, respectively. The contract price of each contract amounted to RMB32.00 million and the total contract prices of the two Preheater Sale and Purchase Contracts amounted to RMB64.00 million.

The contract price of the two Preheater Sale and Purchase Contracts was determined (i) based on the quotation provided by Conch Design Institute in an open tender, and upon arm’s length negotiations between the Company and Conch Design Institute, the price of the contract was reduced by about 10% of the price quoted in the open tender, and (ii) according to the information supplied by Conch Design Institute to the Company, the Company took reference to the prices offered by Conch Design Institute to its independent third party customers for similar or comparable equipment design and supply services in the past 12 months, being not more favorable than those offered to the Company by Conch Design Institute.

During the Reporting Period, the actual transaction amount (inclusive of tax) under the two Preheater Sale and Purchase Contracts was RMB12.80 million.

Conch Design Institute is a wholly-owned subsidiary of Conch Holdings. Pursuant to Chapter 14A of the HKSE Listing Rules, Conch Design Institute is an associate of Conch Holdings and hence a connected person of the Company. The transactions contemplated under the two Preheater Sale and Purchase Contracts constituted connected transactions for the Company. For details, please refer to the announcement published by the Company on the websites of the Stock Exchange and the Company on 17 July 2023. According to the SSE Listing Rules, Conch Design Institute is also a connected party of the Company and the transactions under the two Preheater Sale and Purchase Contracts also constituted connected transactions. However, as the aggregate contract amount of the contracts (including the abovementioned contracts) entered into by the Group and Conch Design Institute within 12 consecutive months had not reached 0.5% of the latest audited net assets of the Company, the Company was not required to publish an ad hoc announcement for the said connected transactions on the website of the SSE.



7. Significant Events

Confirmation by independent non-executive Directors on connected transactions

During the Reporting Period, the Group's connected transactions had been entered into in the ordinary and usual course of business of the Group, and were entered into on normal commercial terms or better and on an arm's length basis. Such transactions were conducted in accordance with relevant agreements, and the terms thereof are fair and reasonable to the Group and in the interests of the shareholders of the Company as a whole, and did not exceed the caps (if any) disclosed in the previous announcements. All the continuing connected transactions as stated above were reviewed and confirmed by the independent non-executive Directors.

In respect of the continuing connected transactions disclosed above (the "Transactions"), Ernst & Young HK has taken the necessary procedures and issued a letter to the Board (who has confirmed the receipt of the letter), stating that: nothing has come to their attention that causes them to believe that the Transactions (1) have not been approved by the Board; (2) were not, in all material aspects, in accordance with the pricing policies of the Group if the Transactions involve the provision of goods or services by the Group; (3) were not entered into, in all material respects, in accordance with the relevant agreement governing the Transactions; and (4) have exceeded the cap(s).

In respect of the above material connected transactions of the Group during the Reporting Period, the Company confirmed that it has complied with the disclosure requirements in accordance with Chapter 14A of the HKSE Listing Rules.

7. Significant Events

(10) MATERIAL CONTRACTS

1. **During the Reporting Period or during the previous periods and subsisting in the Reporting Period, the Company was not involved in any material entrustment, contracting or leasing of assets of other companies, nor were any other companies involved in any entrustment, contracting or leasing of assets of the Company.**

2. Guarantees

During the Reporting Period, all the external guarantees of the Group were in compliance with the approval procedures of the Board and/or the general meeting of the Company. The guarantees provided by the Group to its majority-owned and invested companies in aggregate amounted to RMB806.79 million, all being guarantees for collateral liabilities, the details of which are as follows:

No.	Guaranteed company	Guarantor	Shareholding proportion of the guarantor	Amount guaranteed by the guarantor (RMB'000)	Guaranteed period	Date of guarantee contract	Name of creditor
1	Qingyuan Conch Environmental Protection Technology Co., Ltd. ("Qingyuan Conch Environmental Protection")	Conch Environment Group	54.9%	75,000	7 years	2024.1.8	China Merchants Bank, Wuhu Branch
2	Lanzhou Haizhong Environmental Protection Technology Co., Ltd.	Anhui Haizhong Environmental	100%	50,000	8 years	2024.1.29	Bank of China, Lanzhou Anning Center Branch
3	Fuping Conch Environmental Protection Technology Co., Ltd. ("Fuping Conch Environmental Protection")	Conch Environment Group	60%	17,000	1 year	2024.2.28	China Merchants Bank, Xi'an Branch
4	Fujian Sanming Haizhong Environmental Protection Technology Co., Ltd.	Anhui Haizhong Environmental	100%	10,000	1 year	2024.6.28	Industrial Bank, Sanming Branch
5	Hangzhou Fuyang Haizhong Environmental Protection Technology Co., Ltd.	Anhui Haizhong Environmental	55%	5,500	1 year	2024.10.16	Industrial Bank, Hangzhou Fuyang Branch

7. Significant Events

No.	Guaranteed company	Guarantor	Shareholding proportion of the guarantor	Amount guaranteed by the guarantor (RMB'000)	Guaranteed period	Date of guarantee contract	Name of creditor
6	Yunfu Guangjia Haizhong Environmental Protection Technology Co., Ltd. ("Guangjia Haizhong Environmental Protection")	Anhui Haizhong Environmental	40%	24,000	5 years	2024.12.2	Bank of China, Yunfu Branch
7	West Papua Conch	The Company	100%	549,910 (USD76.50 million)	8 months	2024.12.27	HSBC Indonesia
8	West Papua Conch	The Company	100%	75,380 (USD10.49 million)	71 days	2024.12.30	Bank of China, Jakarta Branch
Total				806,790			

- Notes:
1. Conch Environment Group provided guarantees for the loans of Qingyuan Conch Environmental Protection and Fuping Conch Environmental Protection on a 100% basis, among which Qingyuan Conch Environmental Protection provided a counter-guarantee to Conch Environment Group through asset pledge; the remaining guarantees were provided by the guarantors to guaranteed companies in proportion to their respective shareholding ratio.
 2. The amount presented in RMB for the USD-denominated loans guaranteed by the Company was converted at the mid-point rate of the USD/RMB exchange rate published by the People's Bank of China on the last trading day in 2024.

During the Reporting Period, the aggregate amount of guarantees provided by the Company to subsidiaries was RMB625.29 million, and the aggregate amount of guarantees provided by the Company's subsidiaries to subsidiaries which are within the scope of the consolidated financial statements of the Group was RMB157.5 million and the aggregate amount of guarantees provided by the Company's subsidiaries to joint ventures was RMB24 million.



7. Significant Events

As at the end of the Reporting Period, the balance of guarantee provided by the Company to subsidiaries which are within the scope of the consolidated financial statements of the Group amounted to an equivalent of RMB2,276.08 million (comprising RMB1,050 million and USD170.56 million), the balance of the external guarantees provided by the Company's subsidiaries (including guarantees provided to subsidiaries within the scope of the financial statements and joint ventures) was RMB1,219.96 million, and the aggregate amount of guarantees amounted to RMB3,496.04 million, representing 1.86% of the net assets of the Group as at the end of the Reporting Period, of which the aggregate balance of guarantees provided to subsidiaries amounted to RMB3,472.04 million and that to joint ventures amounted to RMB24.00 million.

During the Reporting Period, the amount of guarantees provided by the Group to companies with a gearing ratio of over 70% amounted to RMB700.29 million.

As at the end of the Reporting Period, save for the provision of guarantee to Guangjia Haizhong Environmental Protection, a joint venture, the Group did not provide guarantee for its controlling shareholders, de facto controllers, other related parties and any unincorporated entities or individuals. Save for the guarantees as disclosed above, the Group did not provide any other guarantees and pledges, nor did the Group have any other significant contingent liabilities.



7. Significant Events

(11) FINANCIAL ENTRUSTMENT AND LOAN ENTRUSTMENT

1. Financial entrustment

In combination of the Company's daily fund arrangements and unutilized fund situation and in order to make full use of the unutilized fund, the Company used part of its own idle funds for financial entrustment after comprehensive consideration of security and return rate. Particulars of the financial entrustment subsisting during the Reporting Period are as follows:

Trustee	Inception date	Expiry date	Product name	Performance comparison		Undue amount (RMB in billion)	Actual income (RMB'000)
				Amount (RMB in billion)	benchmark		
CCB Wealth Management Co., Ltd.	30 December 2021	26 December 2024	CCB Wealth Management Institutions Exclusive "Ruixin" Fixed Income Close-ended Products 2021 Tranche 34	1	5.66%	0	63,986

During the Reporting Period, the Company had no restricted and overdue financial entrustment which was not recovered.

2. Loan entrustment

In June 2022, the Company provided entrusted loans in the amount of not more than RMB10 billion to Fengkai Conch Transportation Investment Green Construction Material Co., Ltd., a majority-owned subsidiary of the Company, through Wuhu Zheshan Subbranch of Industrial and Commercial Bank of China Limited. The counterparty shareholder, Zhaoqing Transportation Investment Mining Co., Ltd., provided counter-guarantee to the Company by pledging its 32% equity interest. The loan has a term from 15 June 2022 to 31 October 2026 with an interest rate of 4.65% per annum. As at the end of the Reporting Period, the outstanding principal amounted to RMB1.674 billion.

Save as disclosed above, during the Reporting Period, the Group had no other new loan entrustment arrangement.

8. Changes in Shareholdings and Shareholders

(1) TOTAL NUMBER OF SHARES AND THE SHAREHOLDING STRUCTURE

There was no change in the total number of shares and the shareholding structure of the Company during the Reporting Period, as detailed below:

Class of shares	Before change		Increase/decrease (+, -)			After change	
	Number	Percentage (%)	Transfer		Subtotal	Number	Percentage (%)
			Issue of new shares	from capital reserve			
I. Shares subject to trading restrictions	-	-	-	-	-	-	-
1. State-owned legal person shares	-	-	-	-	-	-	-
2. Other domestic shares	-	-	-	-	-	-	-
II. Shares not subject to trading restrictions	5,299,302,579	100	-	-	-	5,299,302,579	100
1. RMB-denominated ordinary shares							
(i.e. A Shares)	3,999,702,579	75.48	-	-	-	3,999,702,579	75.48
2. Overseas-listed foreign shares							
(i.e. H Shares)	1,299,600,000	24.52	-	-	-	1,299,600,000	24.52
III. Total number of shares	5,299,302,579	100	-	-	-	5,299,302,579	100

(2) SUMMARY OF TRADING OF THE COMPANY'S SHARES IN 2024

	A Share/RMB	H Share/HK\$
Opening price on the first trading day of the year	22.55	18.04
Closing price on the last trading day of the year	23.78	19.88
Highest trading price during the year	28.75	26.60
Lowest trading price during the year	19.53	15.18

8. Changes in Shareholdings and Shareholders

(3) SHAREHOLDERS

- As at 31 December 2024, the total number of registered shareholders of the Company was 221,374, of which 118 were registered holders of H Shares. As at 28 February 2025, the total number of registered shareholders of the Company was 219,648, of which 121 were registered holders of H Shares.
- As at 31 December 2024, the shareholdings of the top ten registered shareholders of the Company (excluding shares lent through refinancing) are set out as follows:

Name of shareholder	Nature of shareholder	Number of shares		Percentage of shareholding (%)	Class of share	Pledged, marked or frozen	
		Change during the Reporting Period (share)	held at the end of the Reporting Period (share)			Status	Number of shares (share)
1. Conch Holdings ^(Note 1)	State-owned legal person	-	1,928,870,014	36.40	A Share	Nil	-
2. HKSCC Nominees Limited ^(Note 2)	Foreign legal person	-50,120	1,297,971,590	24.49	H Share	Unknown	Unknown
3. Hong Kong Securities Clearing Company Limited	Foreign legal person	85,684,068	173,984,943	3.28	A Share	Unknown	Unknown
4. China Securities Finance Corporation Limited	State-owned legal person	-	158,706,314	2.99	A Share	Unknown	Unknown
5. Central Huijin Asset Management Ltd.	State-owned legal person	-	68,767,400	1.30	A Share	Unknown	Unknown
6. Industrial and Commercial Bank of China Limited – Huatai Borui CSI 300 Trading Open-end Index Securities Investment Fund	Others	23,684,719	41,470,611	0.78	A Share	Unknown	Unknown
7. Industrial Bank Co., Ltd. – Xingquan Trend Investment Hybrid Securities Investment Fund	Others	5,673,301	33,672,945	0.64	A Share	Unknown	Unknown
8. China Construction Bank Corporation – E Fund CSI 300 Trading Open-end Index Initiating Securities Investment Fund	Others	23,553,006	28,584,184	0.54	A Share	Unknown	Unknown
9. Industrial and Commercial Bank of China Limited – ChinaAMC CSI 300 Trading Open-end Index Securities Investment Fund	Others	14,131,754	18,993,087	0.36	A Share	Unknown	Unknown
10. Guosen Securities Co., Ltd.	Others	4,600	18,537,301	0.35	A Share	Unknown	Unknown

8. Changes in Shareholdings and Shareholders

Notes:

- (1) During the Reporting Period, there was no change in the number of shares of the Company held by Conch Holdings. The shares held by Conch Holdings were not subject to any pledge, marked, freezing order or trust.
- (2) As at the end of the Reporting Period, HKSCC Nominees Limited held 1,297,971,590 H Shares, representing 24.49% of the total share capital of the Company, and 99.87% of the issued H Shares of the Company. These shares were held on behalf of its various clients.
- (3) All the above shares are floating shares not subject to trading restrictions.
- (4) The Board is not aware of any connected relationship or acting in concert relationship among the above-mentioned shareholders.
- (5) Shareholding in the Company's designated securities account for repurchase is not shown in the above table. As at the end of the Reporting Period, the number of A Shares held in the Company's designated securities account for repurchase was 22,242,535, accounting for 0.42% of the Company's total issued share capital.

Shares lent through refinancing by shareholders with more than 5% shareholding, the top 10 shareholders and the top 10 shareholders without restrictions on trading:

Name of shareholder	Shares in ordinary account and credit account at the beginning of the Reporting Period		Shares lent through refinancing and not been returned at the beginning of the Reporting Period		Shares in ordinary account and credit account at the end of the Reporting Period		Shares lent through refinancing and not been returned at the end of the Reporting Period	
	Total number of shares	Percentage	Total number of shares	Percentage	Total number of shares	Percentage	Total number of shares	Percentage
	(Share)	(%)	(Share)	(%)	(Share)	(%)	(Share)	(%)
Industrial and Commercial Bank of China Limited – Huatai Borui CSI 300 Trading Open-end Index Securities Investment Fund	17,785,892	0.34	44,100	0	41,470,611	0.78	0	0
China Construction Bank Corporation – E Fund CSI 300 Trading Open-end Index Initiating Securities Investment Fund	5,031,178	0.09	19,600	0	28,584,184	0.54	0	0

8. Changes in Shareholdings and Shareholders

3. As at 31 December 2024, the following persons (other than the Directors, Supervisors or chief executive of the Company) held interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of shareholder	Number of ordinary shares held	Nature of interest	Percentage of shareholding of the relevant class of shares	Percentage of shareholding of all issued shares
Conch Holdings	1,928,870,014 A Shares (long position) ^(Note 1)	Beneficial owner	48.23% ^(Note 2)	36.40%
Anhui Provincial Investment Group Holding Co., Ltd.	1,928,870,014 A Shares (long position) ^(Note 1)	Interest of a controlled corporation	48.23% ^(Note 2)	36.40%
Conch Venture Enterprise	1,928,870,014 A Shares (long position) ^(Note 1)	Interest of a controlled corporation	48.23% ^(Note 2)	36.40%
Conch Venture	1,928,870,014 A Shares (long position) ^(Note 1)	Interest of a controlled corporation	48.23% ^(Note 2)	36.40%
Taiwan Cement Corporation	116,568,000 H Shares (long position) ^(Note 4)	Interest of a controlled corporation	8.97% ^(Note 3)	2.20%
Lazard Asset Management LLC	72,888,328 H Shares (long position) ^(Note 5)	Investment manager	5.61% ^(Note 3)	1.51%

Notes:

- (1) Anhui Provincial Investment Group Holding Co., Ltd. (“Anhui Provincial Investment Group”) and Conch Venture Enterprise held 51% and 49% of the equity interests in Conch Holdings, respectively. Conch Venture Enterprise is wholly owned by Anhui Conch Venture New Energy-saving Building Material Co., Ltd. (“CV New Building Material”), which is in turn wholly owned by China Conch Venture Holdings (HK) Limited (“CV HK”). CV HK is wholly owned by China Conch Venture Holdings International Limited (“CV International”). CV International is a wholly-owned subsidiary of Conch Venture. Pursuant to the SFO, Anhui Provincial Investment Group, Conch Venture Enterprise, CV New Building Material, CV HK, CV International and Conch Venture were deemed to have interests in the entire number of shares of the Company held by Conch Holdings.
- (2) The total number of domestic shares in issue was 3,999,702,579 shares, all of which were A Shares.
- (3) The total number of H Shares in issue was 1,299,600,000 shares.



8. Changes in Shareholdings and Shareholders

- (4) Based on the disclosure of interests form submitted by Taiwan Cement Corporation on 12 December 2008 in respect of the relevant event that occurred on 11 December 2008, 38,856,000 H Shares were held by Taiwan Cement Corporation through certain of its subsidiaries. Assuming that the company has not disposed of any shares, upon implementation of the proposal of capitalization of capital reserve fund by the Company in 2010 and 2011, Taiwan Cement Corporation held 116,568,000 H Shares of the Company correspondingly.
- (5) Based on the disclosure of interests form submitted by Lazard Asset Management LLC on 7 September 2024 in respect of the relevant event that occurred on 30 August 2024, these shares were held by Lazard Asset Management LLC in the capacity of an investment manager.

Save for the aforesaid shareholders, as at 31 December 2024, the Company was not aware of any interests and short positions as recorded in the register required to be kept pursuant to section 336 of the SFO.

4. Information on the controlling shareholder of the Company

Name in English:	Anhui Conch Holdings Co., Ltd.
Legal representative:	Yang Jun
Date of establishment:	7 November 1996
Registered capital:	RMB800 million
Principal business activities:	Asset operation, investment, financing, property transactions, production and sale of construction materials, chemical and industrial products (excluding hazardous products), electronic apparatus and instruments and ordinary machinery and equipment, electricity, transportation, warehousing, construction project, import and export trading, sale of mineral products (operated by subsidiaries), metal materials, craftwork and general merchandise, property management, development of technological products, technical services, printing, contracting of overseas building materials project and domestic and international bidding projects, and dispatch of service personnel for implementing the above overseas projects.

As at the end of the Reporting Period, Conch Holdings was also the controlling shareholder of Conch New Material with a direct equity shareholding of 43.4% and the controlling shareholder of Conch Technology with an indirect equity shareholding of 48.62%, and held 5.39% equity interest in Conch Venture. During the Reporting Period, there was no change of the controlling shareholder of the Company.



8. Changes in Shareholdings and Shareholders

5. Information on the shareholding and controlling relationship between the Company and its controlling shareholder's controlling shareholders

Anhui Provincial Investment Group is a wholly state-owned company with limited liability under the State-owned Assets Supervision and Administration Commission of Anhui Province ("Anhui SASAC"), and accordingly, Anhui SASAC is the de facto controller of the Company. As at 31 December 2024, the shareholding relationship structure among Conch Holdings, Anhui Provincial Investment Group and Anhui SASAC is set out as follows:



6. Public float

Up to the date of this report, based on publicly available information and to the knowledge of the Directors, the Company has been complying with the prescribed public float requirement under the HKSE Listing Rules.



8. Changes in Shareholdings and Shareholders

(4) ISSUE OF PREFERENCE SHARES AND PRE-EMPTIVE RIGHTS

During the Reporting Period, the Company did not issue any preference shares. Under the Articles and the laws of the PRC, the Company is not required to offer to its existing shareholders preemptive right to acquire new shares in proportion to their shareholdings.

(5) TRANSACTIONS IN RESPECT OF ITS OWN SECURITIES

During the year ended 31 December 2024, the Group had not issued or granted any shares, securities, convertible securities, options, warrants or other similar rights, nor did the Group exercise delegation or subscription rights pursuant to the convertible securities, options, warrants or other similar rights issued or granted by the Group at any time. In addition, as at the end of the Reporting Period, the Group had no redeemable securities.

(6) TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

During the year ended 31 December 2024, holders of the Company's listed securities were not entitled to any tax relief and exemptions by virtue of their holdings of such securities under their legal status of the PRC.

9. Information on Bonds

I. DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES ON THE INTER-BANK BOND MARKET

- In 2022, in order to meet its operational and development needs, further broaden financing channels, reduce financing costs and optimize its debt structure, upon the approval of the Board and the general meeting, the Company applied to the National Association of Financial Market Institutional Investors of the PRC (the “NAFMII”) for registration of issuing medium-term notes of not more than RMB10 billion (inclusive). In October 2022, the NAFMII agreed to accept the Company’s registration for the issue of the medium-term notes, with a total registration amount of RMB10 billion. The registration amount would be valid for two years from 14 October 2022. During the Reporting Period, the Company issued medium-term notes with an aggregate amount of RMB10 billion with details below:

Name of bond	Short name	Code	Issue date	Value date	Maturity date	Balance of bond (RMB billion)	Interest rate (%)	Mode of repayment of principal and interest	Trading market	Investor suitability arrangements (if any)	Trading mechanism	Whether the risk of termination of listing exists
First Tranche of Green Medium-term Notes of Anhui Conch Cement Company Limited for Year 2024	24 Conch Cement (Green)	102481853	2024.4.26	2024.4.29	2027.4.29	1.5	2.20	Interest is payable annually, and the principal is payable at maturity in one lump sum	PRC Interbank Bond Market	-	-	No
Second Tranche of Green Medium-term Notes of Anhui Conch Cement Company Limited for Year 2024	24 Conch Cement (Green)	102481812	2024.4.25	2024.4.29	2027.4.29	1.5	2.20	Interest is payable annually, and the principal is payable at maturity in one lump sum	PRC Interbank Bond Market	-	-	No

9. Information on Bonds

Name of bond	Short name	Code	Issue date	Value date	Maturity date	Balance of bond (RMB billion)	Interest rate (%)	Mode of	Trading market	Investor arrangements (if any)	Trading mechanism	Whether the risk of termination of listing exists
								repayment of principal and interest				
Third Tranche of Medium-term Notes of Anhui Conch Cement Company Limited for Year 2024	24 Conch Cement MTN003	102484129	2024.9.12	2024.9.18	2029.9.18	3.5	2.12	Interest is payable annually, and the principal is payable at maturity in one lump sum	PRC Interbank Bond Market	-	-	No
Fourth Tranche of Medium-term Notes of Anhui Conch Cement Company Limited for Year 2024	24 Conch Cement MTN004	102484128	2024.9.12	2024.9.18	2029.9.18	3.5	2.10	Interest is payable annually, and the principal is payable at maturity in one lump sum	PRC Interbank Bond Market	-	-	No



9. Information on Bonds

2. During the Reporting Period, in order to meet the operational and development needs of Conch Environment Group, a subsidiary of the Company, the Board and the general meeting of the Company considered and approved the application of Conch Environment Group with the NAFMII for registration of the issue of medium-term notes of not more than RMB3 billion (inclusive). In July 2024, the NAFMII agreed to accept the registration of Conch Environment Group for the issue of the medium-term notes, with a registration amount of RMB3 billion. The registration amount would be valid for two years from 25 July 2024. In August 2024, Conch Environment Group issued medium-term notes of RMB1.5 billion with details as below:

Name of bond	Short name	Code	Issue date	Value date	Maturity date	Balance of bond (RMB billion)	Interest rate (%)	Mode of repayment of principal and interest	Trading market	Investor suitability arrangements (if any)	Trading mechanism	Whether the risk of termination of listing exists
First Tranche of Green Medium-term Notes of Anhui Conch Environment Group Co., Ltd. for Year 2024	24 Conch Environment GN001	132480069	2024.8.5	2024.8.7	2029.8.7	1.5	2.13	Interest is payable annually, and the principal is payable at maturity in one lump sum	PRC Interbank Bond Market	-	-	No

Conch Environment Group will continue to issue medium-term notes at appropriate time within the validity period of the registration and the registration amount in accordance with relevant requirements and based on the market condition and the company's needs.

9. Information on Bonds

II. INTERMEDIARIES PROVIDING SERVICES FOR BOND ISSUANCE AND SUBSISTENCE

Name of intermediaries	Office address	Name of signing accountant	Contact persons	Telephone no.
China CITIC Bank Corporation Limited	Building No. 1, 10 Guanghua Road, Chaoyang District, Beijing	-	Li Yuqiao	010-66635907
Industrial and Commercial Bank of China Limited	No. 55 Fuxingmennei Avenue, Xicheng District, Beijing	-	Dai Ying	010-66109649
Industrial Bank Co., Ltd.	Industrial Bank Building, 398 Jiangbin Middle Avenue, Taijiang District, Fuzhou, Fujian Province	-	Peng Weiyao	010-89926604
Huishang Bank Corporation Limited	Huishang Bank Building, No. 1699 Yungu Road, Baohe District, Hefei, Anhui Province	-	Shi Xinjie	0551-63898768
Bank of Communications Co., Ltd.	No. 188 Yin Cheng Zhong Lu, Shanghai	-	Zhu Dong	010-58781234
China Zheshang Bank Co., Ltd.	No. 1788, Hongning Road, Xiaoshan District, Hangzhou, Zhejiang Province	-	Cheng Xiang	0551-65722159
CHINA BOHAI BANK CO., LTD.	No. 218 Haihe East Road, Hedong, District, Tianjin	-	Chen Liyichun	022-58316743
Shanghai Pudong Development Bank Corporation	No. 12 Zhongshan East 1st Road, Shanghai	-	Qin Zhaoyang	021-61616251
China Minsheng Banking Corp., Ltd.	No. 2 Fuxingmennei Avenue, Xicheng District, Beijing,	-	Lv Jinting	010-57092734
China Everbright Bank Company Limited	China Everbright Center, No. 25 and 25A Taipingqiao Avenue, Xicheng District, Beijing	-	Yu Huanshun	0551-65101789
China Construction Bank Corporation	No. 25, Financial Street, Xicheng District, Beijing	-	Wang Wenjia	010-67595589
Bank of China Limited	No. 1 Fuxingmennei Avenue, Beijing	-	Cao Zhe	010-65592485



9. Information on Bonds

III. USE OF PROCEEDS AS AT THE END OF THE REPORTING PERIOD

Name of Bond	Total proceeds raised (RMB100 million)	Utilized amount (RMB100 million)	Unutilized amount (RMB100 million)	Operation of designated account for proceeds raised (if any)	Rectification	Whether align with the purposes, usage plan and other agreements as committed in the prospectus
					of non- compliant utilization of proceeds raised (if any)	
First Tranche of Green Medium-term Notes of Anhui Conch Cement Company Limited for Year 2024	15	3.54	11.46	Normal	-	Yes
Second Tranche of Green Medium- term Notes of Anhui Conch Cement Company Limited for Year 2024	15	6.06	8.94	Normal	-	Yes
Third Tranche of Medium-term Notes of Anhui Conch Cement Company Limited for Year 2024	35	35	0	-	-	Yes
Fourth Tranche of Medium-term Notes of Anhui Conch Cement Company Limited for Year 2024	35	35	0	-	-	Yes
First Tranche of Green Medium-term Notes of Anhui Conch Environment Group Co., Ltd. for Year 2024	15	15	0	Normal	-	Yes

9. Information on Bonds

According to the commitments in the prospectus, the proceeds raised from the first tranche of green medium-term notes of Anhui Conch Cement Company Limited for year 2024 and the second tranche of green medium-term notes of Anhui Conch Cement Company Limited for year 2024 shall be used for the construction of new energy projects, and the proceeds raised from the third tranche of medium-term notes and the fourth tranche of medium-term notes for year 2024 were used to repay the existing debts of the issuer and subsidiaries. At present, relevant projects are under construction according to the schedule and projects are in normal progress. The proceeds raised from the first tranche of green medium-term notes of Anhui Conch Environment Group Co., Ltd. for year 2024 shall be used for project construction and repayment of loans of projects. At present, relevant loans of projects are repaid and the projects are in normal progress.

IV. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY

Major indicators	31 December 2024	31 December 2023	Increase or decrease at the end of the Reporting Period as compared to that at the end of the previous year	Reason for the change
Current ratio (%)	324.52	340.00	Decreased by 15.48 percentage points	Mainly due to the fact that the new fixed term deposit with maturity over one year placed during the Reporting Period were classified as other non-current assets based on their holding purpose
Quick ratio (%)	288.17	292.04	Decreased by 3.87 percentage points	Mainly due to the fact that the new fixed term deposit with maturity over one year placed during the Reporting Period were classified as other non-current assets based on their holding purpose
Gearing ratio (%)	21.31	19.62	Increased by 1.69 percentage points	Mainly due to the increase in the balance of liabilities such as bonds payable



9. Information on Bonds

Major indicators	2024	2023	Increase or decrease for the Reporting Period over the corresponding period of the previous year (%)	Reason for the change
Net profit after extraordinary items attributable to equity shareholders of the Company (RMB'000)	7,364,704	9,960,488	-26.06	Mainly due to the year-on-year decrease in revenue as a result of the decrease in selling price of products
EBITDA/total debts ratio	0.36	0.45	-21.71	Mainly due to the year-on-year decrease in profit before taxation and the year-on-year increase in total liabilities
Interest coverage ratio	12.46	13.88	-10.22	Mainly due to the year-on-year decrease in profit before taxation
Cash interest coverage ratio	21.31	19.19	11.05	Mainly due to the year-on-year decrease in interest expenses
EBITDA interest coverage ratio	22.27	21.01	6.04	Mainly due to the year-on-year decrease in interest expenses
Loan repayment rate (%)	100	100	-	-
Interest payment ratio (%)	100	100	-	-

10. INDEPENDENT AUDITOR'S REPORT



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To the shareholders of Anhui Conch Cement Company Limited
(Incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Anhui Conch Cement Company Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 172 to 399, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

10. INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the matter:
Revenue recognition	
<p>The Group recognised revenue from the manufacture, sale and trading of clinker and cement products and other materials of RMB87,864,375,000 in the consolidated financial statements for the year ended 31 December 2024.</p> <p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Group and has a significant impact on the consolidated financial statements.</p>	<p>Our audit procedures to assess the revenue recognition included, among others:</p> <ol style="list-style-type: none">1. Obtaining an understanding, evaluated the design, and tested the operating effectiveness of the key controls over the Group's revenue recognition from the sale and trading of clinker and cement products and other materials;2. Inspecting customer contracts and key contract terms, on a sample basis, and evaluating the Group's accounting policies of revenue recognition;

10. INDEPENDENT AUDITOR'S REPORT

Key audit matter	How our audit addressed the matter:
Revenue recognition	
<p>Please refer to note 2(w) Revenue recognition and note 5 Revenue and segment reporting for disclosures of revenue recognition in the financial statements.</p>	<ol style="list-style-type: none"> 3. Obtaining an understanding of the commercial substance of the Group's trade business, inspecting the purchase and sales contracts entered into with its suppliers and customers, respectively, on a sample basis, identifying the contract terms and conditions related to the commodities purchased by the Group before revenue recognition, and assessing the Group's justification of presenting the related revenue on a gross basis with reference to the requirements of prevailing accounting standards; 4. Performing analytical review procedures, comparing current year revenue with the previous year revenue, and analysing the reasonableness of changes in revenue composition and gross margin; 5. Testing details of sales revenue, on a sample basis, comparing revenue transactions with sales contracts and goods delivery notes or delivery receipts and title transfer document for goods and other relevant supporting documents to assess whether the related revenue was recognised in accordance with the Group's accounting policies; selecting samples to perform confirmation procedures for revenue transaction amounts and accounts receivable balances;

10. INDEPENDENT AUDITOR'S REPORT

Key audit matter	How our audit addressed the matter:
Revenue recognition	
	<p>6. Performing cut-off tests to to evaluate whether revenue was recorded in the appropriate financial period;</p> <p>7. Inspecting underlying documentation for journal entries relating to revenue recognised during the year which were considered to meet specific risk-based criteria;</p> <p>8. Inspecting the relevant disclosure of revenue in the financial statements.</p>

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

10. INDEPENDENT AUDITOR'S REPORT

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

10. INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is HO Siu Fung, Terence.

Ernst & Young
Certified Public Accountants
Hong Kong
24 March 2025

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024

(Expressed in Renminbi Yuan ("RMB"))

	Note	2024 RMB'000	2023 RMB'000 (restated) (Note 4(b))
Revenue	5	91,029,615	141,157,207
Cost of sales and services rendered		(72,217,019)	(118,744,854)
Gross profit		18,812,596	22,412,353
Other income	6	2,695,110	3,172,177
Selling and marketing costs		(3,415,437)	(3,425,519)
Administrative expenses		(5,611,367)	(5,430,673)
Research and development costs		(1,257,068)	(1,901,540)
Impairment loss on trade and other receivables		(43,814)	(32,476)
Impairment loss on property, plant and equipment and prepayments		(309,918)	(301,419)
Profit from operations		10,870,102	14,492,903
Finance costs	7(a)	(778,705)	(930,404)
Share of profits of associates		235,352	178,788
Share of profits of joint ventures		65,798	122,270
Profit before taxation	7	10,392,547	13,863,557
Income tax	8(b)	(2,365,989)	(2,849,535)
Profit for the year		8,026,558	11,014,022

The notes on pages 182 to 399 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 39(b).

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024 (continued)

(Expressed in Renminbi Yuan ("RMB"))

	Note	2024 RMB'000	2023 RMB'000 (restated) (Note 4(b))
Attributable to:			
Equity shareholders of the Company		8,051,954	10,686,594
Non-controlling interests		(25,396)	327,428
Profit for the year		8,026,558	11,014,022
Earnings per share			
	12		
– Basic		RMB1.53	RMB2.02
– Diluted		RMB1.53	RMB2.02

The notes on pages 182 to 399 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 39(b).

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024 (continued)

(Expressed in Renminbi Yuan ("RMB"))

	Note	2024 RMB'000	2023 RMB'000 (restated) (Note 4(b))
Profit for the year		8,026,558	11,014,022
Other comprehensive income for the year (after tax and reclassification adjustments)	11		
Item that will not be reclassified to profit or loss:			
Equity investments at fair value through other comprehensive income ("FVOCI") – net movement in fair value reserve (non-recycling)		143,201	(805,698)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries		(115,365)	(110,705)
Share of other comprehensive income of investees		(163,113)	(3,749)
Other comprehensive income for the year		(135,277)	(920,152)
Total comprehensive income for the year		7,891,281	10,093,870
Attributable to:			
Equity shareholders of the Company		7,896,634	9,770,701
Non-controlling interests		(5,353)	323,169
Total comprehensive income for the year		7,891,281	10,093,870

The notes on pages 182 to 399 form part of these financial statements.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Consolidated statement of financial position

(Expressed in Renminbi Yuan)

	Note	31 December 2024 RMB'000	31 December 2023 RMB'000 (restated) (Note 4(b))
Non-current assets			
Property, plant and equipment			
– Investment properties	13	66,978	55,140
– Other property, plant and equipment	14	107,951,772	104,967,820
Intangible assets	15	26,181,623	24,675,978
Goodwill	16	1,451,587	1,147,072
Interest in associates	18	5,737,374	5,575,551
Interests in joint ventures	19	2,038,295	2,189,641
Loans and receivables	20	381,045	250,256
Long-term prepayments	21	2,696,777	3,109,509
Financial assets measured at FVOCI	22	1,506,953	1,348,011
Deferred tax assets	38(b)	1,486,466	1,553,842
Time deposits		11,142,845	–
Amounts due from related parties	28	231,495	–
		160,873,210	144,872,820
Current assets			
Inventories	23	8,108,521	10,155,442
Assets held for sale	24	11,442	23,538
Trade and bills receivables	25	11,023,115	12,615,230
Financial assets measured at fair value through profit and loss (FVPL)	26	509,203	2,210,733
Prepayments and other receivables	27	3,361,857	7,163,463
Amounts due from related parties	28	183,693	505,870
Tax recoverable	38(a)	334,855	427,058
Restricted cash deposits		1,033,408	774,871
Bank deposits with original maturity over three months		52,858,793	56,035,319
Cash and cash equivalents	29	16,337,147	11,572,016
		93,762,034	101,483,540

The notes on pages 182 to 399 form part of these financial statements.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Consolidated statement of financial position (continued)

(Expressed in Renminbi Yuan)

	Note	31 December 2024 RMB'000	31 December 2023 RMB'000 (restated) (Note 4(b))
Current liabilities			
Trade and bills payables	30	5,816,206	6,329,344
Other payables and accruals	31	10,958,894	11,270,653
Current portion of long-term payables	36	102,665	61,845
Current portion of corporate bonds	34	101,404	–
Contract liabilities	32	2,569,098	2,885,306
Bank loans and other borrowings	33	7,486,649	7,249,964
Lease liabilities	35	30,932	35,389
Amounts due to related parties	28	938,654	1,007,642
Current taxation	38(a)	887,590	934,173
		28,892,092	29,774,316
Net current assets			
		64,869,942	71,709,224
Total assets less current liabilities			
		225,743,152	216,582,044
Non-current liabilities			
Corporate bonds	34	11,500,000	–
Bank loans and other borrowings	33	10,086,381	15,611,937
Lease liabilities	35	240,355	198,018
Long-term payables	36	694,716	264,038
Deferred income	37	1,095,482	928,827
Deferred tax liabilities	38(b)	1,703,301	1,616,292
Provisions		86,115	–
		25,406,350	18,619,112
NET ASSETS			
		200,336,802	197,962,932

The notes on pages 182 to 399 form part of these financial statements.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Consolidated statement of financial position (continued)

(Expressed in Renminbi Yuan)

	Note	31 December 2024 RMB'000	31 December 2023 RMB'000 (restated) (Note 4(b))
CAPITAL AND RESERVES			
Share capital	39(c)	5,299,303	5,299,303
Reserves		182,606,024	180,038,278
Total equity attributable to equity shareholders of the Company		187,905,327	185,337,581
Non-controlling interests		12,431,475	12,625,351
TOTAL EQUITY		200,336,802	197,962,932

Approved and authorised for issue by the board of directors on 24 March 2025.

Yang Jun
Director

Li Qunfeng
Director

The notes on pages 182 to 399 form part of these financial statements.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Consolidated statement of changes in equity for the year ended 31 December 2024

(Expressed in Renminbi Yuan)

	Note	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Capital reserve RMB'000	Exchange reserve RMB'000	Statutory surplus reserve RMB'000	Fair value reserve (non-recycling) RMB'000	State of other comprehensive income of investees RMB'000	Other reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2024		5,299,303	(339,160)	9,987,109	417,209	(754,119)	2,649,654	(1,557,573)	(86,571)	402,983	169,201,102	185,289,537	12,640,828	197,930,365
Acquisition of subsidiaries under common control		-	-	91,919	-	-	-	-	-	-	(23,875)	68,044	(15,477)	52,567
Balance at 1 January 2024		5,299,303	(339,160)	10,079,028	417,209	(754,119)	2,649,654	(1,557,573)	(86,571)	402,983	169,177,227	185,337,581	12,625,351	197,962,932
Changes in equity for the year:														
Profit for the year		-	-	-	-	-	-	-	-	-	8,051,954	8,051,954	(25,396)	8,026,558
Other comprehensive income	11	-	-	-	-	(135,408)	-	143,201	(163,113)	-	-	(155,320)	20,043	(135,277)
Total comprehensive income		-	-	-	-	(135,408)	-	143,201	(163,113)	-	8,051,954	7,896,634	(5,353)	7,891,281
Acquisition of subsidiaries under common control		-	-	(126,400)	-	-	-	-	-	-	-	(126,400)	-	(126,400)
Purchase of own shares	39(i)	-	(161,428)	-	-	-	-	-	-	-	-	(161,428)	-	(161,428)
Dividends declared to non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	(378,982)	(378,982)
Dividends approved in respect of the previous year	39(b)(i)	-	-	-	-	-	-	-	-	-	(5,065,978)	(5,065,978)	-	(5,065,978)
Capital contribution received from non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	179,354	179,354
Acquisition of a subsidiary with non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	(243)	(243)
Acquisition of non-controlling interests		-	-	2,119	-	-	-	-	-	-	-	2,119	(3,361)	(1,242)
Disposal of interest in subsidiaries without loss of control		-	-	(925)	-	-	-	-	-	-	-	(925)	14,709	13,784
Transfer of fair value reserve upon the disposal of financial assets at FVOCI		-	-	-	-	-	-	(10,297)	-	-	10,297	-	-	-
Share of change of capital reserve of investees		-	-	-	23,724	-	-	-	-	-	-	23,724	-	23,724
Safety production fund	39(e)(iv)	-	-	-	-	-	-	-	-	339,322	(339,322)	-	-	-
Balance at 31 December 2024		5,299,303	(500,588)	9,953,822	440,933	(889,527)	2,649,654	(1,424,699)	(199,864)	741,905	171,834,178	187,905,327	12,431,475	200,336,802

The notes on pages 182 to 399 form part of these financial statements.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Consolidated statement of changes in equity for the year ended 31 December 2024 (continued)

(Expressed in Renminbi Yuan)

Note	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Capital reserve RMB'000	Exchange reserve RMB'000	Statutory surplus reserve RMB'000	Fair value reserve (non-recycling) RMB'000	Share of other comprehensive income of investees			Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
								Other reserve RMB'000	income of investees RMB'000	investees RMB'000				
Balance at 31 December 2022	5,299,303	-	9,907,044	381,529	(647,673)	2,649,654	(751,875)	(32,822)	168,085	166,593,387	183,562,652	12,346,253	195,908,885	
Acquisition of subsidiaries under common control	-	-	61,119	-	-	-	-	-	-	108,712	169,831	(1,653)	168,178	
Balance at 1 January 2023, as restated	5,299,303	-	9,968,163	381,529	(647,673)	2,649,654	(751,875)	(32,822)	168,085	166,698,099	183,732,463	12,344,600	196,077,063	
Changes in equity for 2023:														
Profit for the year	-	-	-	-	-	-	-	-	-	10,686,594	10,686,594	327,428	11,014,022	
Other comprehensive income	11	-	-	-	(106,446)	-	(805,698)	(3,749)	-	-	(915,893)	(4,259)	(920,152)	
Total comprehensive income	-	-	-	-	(106,446)	-	(805,698)	(3,749)	-	10,686,594	9,770,701	323,169	10,093,870	
Acquisition of subsidiaries under common control	-	-	30,800	-	-	-	-	-	-	(130,000)	(99,200)	(11,742)	(110,942)	
Purchase of own shares	-	(393,160)	-	-	-	-	-	-	-	-	(339,160)	-	(339,160)	
Dividends declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(358,919)	(358,919)	
Dividends approved in respect of the previous year	-	-	-	-	-	-	-	-	-	(7,842,968)	(7,842,968)	-	(7,842,968)	
Capital contribution received from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	676,811	676,811	
Acquisition of non-controlling interests	-	-	48,478	-	-	-	-	-	-	-	48,478	(511,981)	(463,503)	
Disposal of interest in subsidiaries without loss of control	-	-	31,587	-	-	-	-	-	-	-	31,587	163,413	195,000	
Share of change of capital reserve of investees	-	-	-	35,680	-	-	-	-	-	-	35,680	-	35,680	
Safety production fund	-	-	-	-	-	-	-	-	234,498	(234,498)	-	-	-	
Balance at 31 December 2023	5,299,303	(393,160)	10,079,028	417,209	(754,119)	2,649,654	(1,557,573)	(36,571)	402,583	169,177,227	185,337,361	12,625,351	197,962,932	

The notes on pages 182 to 399 form part of these financial statements.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Consolidated cash flow statement for the year ended 31 December 2024

(Expressed in Renminbi Yuan)

	Note	2024 RMB'000	2023 RMB'000 (restated) (Note 4(b))
Operating activities			
Cash generated from operations	29(b)	20,658,739	22,785,277
Income tax paid	38(a)	(2,182,486)	(2,711,121)
Interest paid		(883,591)	(1,028,276)
Net cash generated from operating activities		17,592,662	19,045,880
Investing activities			
Payment for the purchase of property, plant and equipment		(9,560,370)	(13,171,881)
Proceeds from disposal of property, plant and equipment		368,000	233,097
Proceeds from sale of financial assets measured at FVPL		5,108,778	12,726,968
Payment for the purchase of intangible assets		(1,753,888)	(994,976)
Payment for the purchase of financial assets measured at FVPL		(3,503,442)	(3,245,000)
Proceeds from the sale of financial assets measured at FVOCI		15,510	–
New advances to government		(119,929)	(41,159)
Receipts of advances to government		38,160	31,959
Receipts of advances to related parties		–	12,910
New bank deposits with maturity over three months		(23,414,642)	(32,615,359)
Proceeds from maturity of bank deposits over three months		18,206,968	17,479,591
Interest received		1,340,492	1,324,434
Proceeds from disposal of an associate		33,707	13,224
Payment for investments in associates		(172,500)	(774,986)
Dividends received from joint ventures		243,039	3,883
Dividends received from associates		38,685	108,668
Dividends received from investment in listed equity securities		82,343	99,948
Acquisition of subsidiaries, net of cash acquired	29(e)	(277,149)	(497,658)
Net cash used in investing activities		(13,326,238)	(19,306,337)

The notes on pages 182 to 399 form part of these financial statements.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Consolidated cash flow statement for the year ended 31 December 2024 (continued)

(Expressed in Renminbi Yuan)

	Note	2024 RMB'000	2023 RMB'000 (restated) (Note 4(b))
Financing activities			
Capital and interest element of lease rentals paid	29(c)	(73,710)	(74,110)
Proceeds from new bank loans and other borrowings	29(c)	10,596,422	15,681,519
Repayment of bank loans and other borrowings	29(c)	(15,906,201)	(12,123,940)
Dividends paid to non-controlling shareholders	29(c)	(405,264)	(358,919)
Dividends paid to equity shareholders of the Company	39(b)	(5,065,978)	(7,972,968)
Capital contribution from non-controlling shareholders		179,354	694,611
Payment for acquisition of subsidiaries under common control		(126,400)	–
Payment for repurchase of shares		(161,428)	(339,160)
Installment purchase of mining rights		(49,722)	–
Payment of debt acceptance for acquisition of subsidiaries in prior years	29(c)	(1,500)	(150,655)
Proceeds from issue of corporate bonds		11,500,000	–
Proceeds from disposal of interest in subsidiaries without losing control		13,784	195,000
Acquisition of non-controlling interests		(1,242)	(71,503)
Net cash generated from/(used in) financing activities		498,115	(4,520,125)
Net increase/(decrease) in cash and cash equivalents		4,764,539	(4,780,582)
Effect of foreign exchange rate changes, net		592	30,641
Cash and cash equivalents at 1 January	29(a)	11,572,016	16,321,957
Cash and cash equivalents at 31 December	29(a)	16,337,147	11,572,016

The notes on pages 182 to 399 form part of these financial statements.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements

(Expressed in Renminbi Yuan unless otherwise indicated)

1 GENERAL INFORMATION

Anhui Conch Cement Company Limited (the “Company”) was incorporated in the People’s Republic of China (the “PRC”) on 1 September 1997 as a joint stock limited company. The Company and its subsidiaries are collectively referred to as the Group. The principal activities of the Group are the manufacturing, sale and trading of clinker and cement products.

The registered office of the Company is No. 39 Wenhua Road, Wuhu City, Anhui Province, the PRC.

2 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRSs”), which collective term includes all applicable individual IFRSs, International Accounting Standards (“IASs”) and Interpretations issued by the International Accounting Standards Board (“IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain amendments to IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting periods reflected in these financial statements.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2024 comprise the Group and the Group's interests in associates and joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- equity investments (see note 2(g));
- bank acceptance notes receivable measured at FVOCI (recycling) (see note 2(g)(i)); and
- structured deposits and wealth management products measured at FVPL (see note 2(g)(i)).

Non-current assets held for sale are stated at the lower of carrying amount and fair value less costs to sell (see note 2(z)).

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation of the financial statements (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

(c) Changes in accounting policies

The Group has applied the following amended IFRSs issued by the IASB for the first time to this financial report for the current accounting period:

- Amendments to IFRS 16, Lease Liability in a Sale and Leaseback
- Amendments to IAS 1, Classification of Liabilities as Current or Non-current (the “2020 Amendments”)
- Amendments to IAS 1, Non-current Liabilities with Covenants (the “2022 Amendments”)
- Amendments to IAS 7 and IFRS 7, Supplier Finance Arrangements

None of these amendments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Business combination, subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interest (“NCI”) either at fair value or at the NCI’s proportionate share of the subsidiary’s net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 2(r) or 2(s) depending on the nature of the liability.

Changes in the Group’s interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Business combination, subsidiaries and non-controlling interests (continued)

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(m)), unless it is classified as held for sale (or included in a disposal group that is classified as held for sale).

(e) Associates and joint ventures

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group or the Company has joint control, whereby the Group or the Company has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

An interest in an associate or a joint venture is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate or the joint venture, after applying the ECL model to such other long-term interests where applicable (see note 2(m)(i)).

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Associates and joint ventures (continued)

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

In the Company's statement of financial position, an investment in an associate or a joint venture is stated at cost less impairment losses (see note 2(m)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

(f) Goodwill

Goodwill arising on acquisition of businesses is measured at cost less accumulated impairment losses and is tested annually for impairment (see note 2(m)).

(g) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries, associates and joint ventures, are set out below:

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 39(f). These investments are subsequently accounted for as follows, depending on their classification.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Other investments in securities (continued)

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see note 2(w)(ii)(c)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
- FVOCI – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in OCI. When the investment is derecognised, the amount accumulated in OCI is recycled from equity to profit or loss.
- FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Other investments in securities (continued)

(ii) Equity investments

An investment in equity securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income (see note 2(w)(ii)(b)).

(h) Investment properties

Investment properties are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated to write off the cost of investment property, less their estimated residual value, using the straight-line method over their estimated useful lives as follows:

– Buildings	30 years
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11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Property, plant and equipment

The following items of property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses (see note 2(m)):

- right-of-use assets arising from leases over freehold or leasehold properties where the Group is not the registered owner of the property interest; and
- items of plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment (see note 2(l)).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

– Buildings	30 years
– Plant and machinery	15 years
– Office and other equipment	5 years
– Vehicles	5 – 10 years
– Land use rights (including acquired or leased land use rights)	3 – 50 years
– Other properties leased for own use	1 – 10 years

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Property, plant and equipment (continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(j) Construction-in-progress

Construction-in-progress represents buildings and plant under construction and machinery and equipment under installation and testing, and is stated at cost less accumulated impairment loss, if any (see note 2(m)). The cost includes cost of construction, plant and equipment and other direct costs plus borrowing costs which include interest charges and exchange differences arising from foreign currency borrowings used to finance these projects during the construction period, to the extent these are regarded as an adjustment to borrowing costs (see note 2(y)).

Construction-in-progress is not depreciated until such time as the assets are completed and ready for operational use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated in note 2(i).

(k) Intangible assets (other than goodwill)

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognised in profit or loss as incurred. Capitalised development expenditure is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Intangible assets (other than goodwill) (continued)

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see note 2(m)).

Expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, from the date they are available for use and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

– Limestone and clay mining rights	5 – 30 years
– Technology	10 years
– Customer relationship	10 years
– Others	5 – 50 years

The technology and customer relationship of the Group are arising from business combinations and acquisitions from third parties.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(I) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items such as laptops and office furniture. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(l) Leased assets (continued)

(i) As a lessee (continued)

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(i) and 2(m)(iii)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(I) Leased assets (continued)

(i) As a lessee (continued)

The Group presents right-of-use assets that do not meet the definition of investment property in “other property, plant and equipment” and presents lease liabilities separately in the statement of financial position.

(ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 2(w)(ii)(a).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in note 2(l)(i), then the Group classifies the sub-lease as an operating lease.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and Impairment of assets

(i) Credit losses from financial instruments and contract assets

The Group recognises a loss allowance for expected credit losses (ECLs) on:

- financial assets measured at amortised cost (including cash and cash equivalents, restricted cash deposits, bank deposits with maturity over three months, trade receivables and other receivables, amounts due from related parties and loans and receivables); and
- contract assets as defined in IFRS 15 (see note 2(o))

Financial assets measured at fair value, including equity securities measured at FVPL, equity securities designated at FVOCI (non-recycling), are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets, trade receivables, prepayments and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and Impairment of assets (continued)

(i) Credit losses from financial instruments and contract assets (continued)

Measurement of ECLs (continued)

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and Impairment of assets (continued)

(i) Credit losses from financial instruments and contract assets (continued)

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position (see note 2(g)).

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and Impairment of assets (continued)

(i) Credit losses from financial instruments and contract assets (continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and Impairment of assets (continued)

(i) Credit losses from financial instruments and contract assets (continued)

Write-off policy

The gross carrying amount of a receivable or contract asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group otherwise determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Credit losses from financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the “holder”) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees issued are initially recognised at fair value, which is determined by reference to fees charged in an arm’s length transaction for similar services, when such information is obtainable, or to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group’s policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and Impairment of assets (continued)

(ii) Credit losses from financial guarantees issued (continued)

The amount initially recognised as deferred income is subsequently amortised in profit or loss over the term of the guarantee as income (see note 2(w)(ii)(e))

The Group monitors the risk that the specified debtor will default on the contract and remeasures the above liability at a higher amount when ECLs on the financial guarantees are determined to be higher than the carrying amount in respect of the guarantees.

A 12-month ECL is measured unless the risk that the specified debtor will default has increased significantly since the guarantee is issued, in which case a lifetime ECL is measured. The same definition of default and the same assessment of significant increase in credit risk as described in note 2(m)(i) apply.

As the Group is required to make payments only in the event of a default by the specified debtor in accordance with the terms of the instrument that is guaranteed, an ECL is estimated based on the expected payments to reimburse the holder for a credit loss that it incurs less any amount that the Group expects to receive from the holder of the guarantee, the specified debtor or any other party. The amount is then discounted using the current risk-free rate adjusted for risks specific to the cash flows.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and Impairment of assets (continued)

(iii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and other contract costs, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets not available for use are tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and Impairment of assets (continued)

(iv) *Interim financial reporting and impairment*

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with IAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 2(m)(i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

(n) Inventories

(i) *Inventories*

Inventories except for spare parts and consumables are measured at the lower of cost and net realisable value as follows:

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) Inventories (continued)

(i) Inventories (continued)

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Spare parts and consumables are stated at cost less any provision for obsolescence.

(o) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see note 2(w)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECLs (see note 2(m)(i)) and are reclassified to receivables when the right to the consideration becomes unconditional (see note 2(p)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 2(w)(i)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see note 2(p)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 2(w)).

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(p) Trade and bills receivables and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. Except for certain bank acceptance notes receivable measured at fair value (see note 2(g)(i)), receivables are subsequently stated at amortised cost (see note 2(m)(i)).

Insurance reimbursement is recognised and measured in accordance with note 2(v).

(q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, property pre-sale proceeds held by solicitors that are held for meeting short-term cash commitments, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECL (see note 2(m)(i)).

(r) Trade payables, other payables and accruals

Trade payables, other payables and accruals are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(s) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with note 2(y).

(t) Employee benefits

(i) *Short-term employee benefits and contributions to defined contribution retirement plans*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) *Defined contribution plan obligations*

In accordance with the rules and regulations in the PRC, the Group has arranged for its local employees to join defined contribution retirement plans organised by the PRC government. The PRC government undertakes to assume the retirement benefit obligations of all existing and future retired employees payable under the plans. The assets of those plans are held separately from those of the Group in an independent fund managed by the PRC government. The Group is required to make monthly defined contributions to these plans at certain rates of their total salary subject to a certain ceiling. In addition, the Group joined the corporate annuity plan approved by relevant PRC authorities. Contribution to the annuity plan is charged to expense as incurred.

The Group has no other obligations for the payment of retirement and other post-retirement benefits of employees or retirees other than the payments disclosed above.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(t) Employee benefits (continued)

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

(u) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(u) Income tax (continued)

- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner, in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(v) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see note 2(m)(iii)).

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(w) Revenue recognition

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

The Group is the principal for its revenue transactions and recognises revenue on a gross basis. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

(a) Sale of goods

Revenue is recognised when the control over the underlying products is transferred to customers which is generally at the point of time when the products leave the Group's own warehouses or designated warehouses, or when other materials are delivered to customers and the Group obtain the notes of goods transfer, in accordance with the terms of the sales contracts. Revenue excludes value-added tax or other sales taxes and is after deduction of any trade discounts.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(w) Revenue recognition (continued)

(i) Revenue from contracts with customers (continued)

(b) Rendering of services

Revenue for rendering of services mainly includes managed service, construction, solid and hazardous waste treatment and logistic service.

Managed service and construction service are recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation as the customer simultaneously receives the benefits provided by the Group's performance as the Group performs.

Regarding solid and hazardous waste treatment service, the Group provides stand-ready solid and hazardous waste treatment solutions to customers, and generally charges a fixed price per volume of services during the contract period. The Group recognises services revenue for which it has a right to invoice in the period during which the related volume of services is performed.

Logistic service are recognised at the point of time when the service is provided and collection vouchers obtained.

(ii) Revenue from other sources and other income

(a) Rental income from operating lease

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(w) Revenue recognition (continued)

(ii) Revenue from other sources and other income (continued)

(b) Dividends

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(c) Interest income

Interest income is recognised using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(d) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(w) Revenue recognition (continued)

(ii) *Revenue from other sources and other income (continued)*

(d) Government grants (continued)

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss and other comprehensive income over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss and other comprehensive income by way of a reduced depreciation charge.

(e) Income from financial guarantees issued

Income from financial guarantees issued is recognised over the term of the guarantees (see note 2(m)(ii)).

(x) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(x) Translation of foreign currencies (continued)

However, foreign currency differences arising from the translation of an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss).

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates at the reporting date. The income and expenses of foreign operations are translated at the approximate exchange rates at the dates of the transactions. Foreign currency differences are recognised in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognised, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(y) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(y) Borrowing costs (continued)

Capitalization commences during the period in which expenses are incurred on assets that are part of the cost of qualifying assets, borrowing costs are incurred and the provision necessary to place the assets for the intended use or sale is made. Capitalization of borrowing costs is suspended or discontinued when a substantial portion of the provision necessary to place the qualifying asset for its intended use is suspended or completed.

(z) Non-current assets held for sale

Non-current assets, or disposal group comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to deferred tax assets, employee benefits assets, financial assets (other than investments in subsidiaries, associates and joint ventures) and investment properties, which continue to be measured in accordance with IFRS 5. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(aa) Asset acquisition

Groups of assets acquired and liabilities assumed are assessed to determine if they are business or asset acquisitions. On an acquisition-by-acquisition basis, the Group chooses to apply a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or Group of similar identifiable assets.

When a Group of assets acquired and liabilities assumed do not constitute a business, the overall acquisition cost is allocated to the individual identifiable assets and liabilities based on their relative fair values at the date of acquisition. An exception is when the sum of the individual fair values of the identifiable assets and liabilities differs from the overall acquisition cost. In such case, any identifiable assets and liabilities that are initially measured at an amount other than cost in accordance with the Group's policies are measured accordingly, and the residual acquisition cost is allocated to the remaining identifiable assets and liabilities based on their relative fair values at the date of acquisition.

(bb) Related parties

(a) *A person, or a close member of that person's family, is related to the Group if that person:*

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(bb) Related parties (continued)

(b) *An entity is related to the Group if any of the following conditions applies:*

- (i) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a Group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(cc) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENT AND ESTIMATES

(a) Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgements:

Control over and consolidation of China Conch Environment Protection Holdings Limited ("Conch Environment Protection")

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

3 ACCOUNTING JUDGEMENT AND ESTIMATES (CONTINUED)

(a) Critical accounting judgements in applying the Group's accounting policies (continued)

The Company has concluded that the Group has control over Conch Environment Protection, although the Group holds less than 50% of the voting rights in the investee. In arriving at this conclusion, the Company has made a holistic assessment of the relevant facts and circumstances taking into account such factors as the size of the Group's holding of voting rights relative to the size and dispersion of the voting rights of the other shareholders, the nature of the Group's relationships with other shareholders including those parties acting in concert with the Group, any history of any other shareholders collaborating to exercise their votes collectively or to out vote the Group, the Group's control of the investee's board, and the Group's relationship with the key management personnel of the investee. The Company would continue to re-evaluate such conclusion on an ongoing basis as facts and circumstances change.

(b) Sources of estimation uncertainty

Notes 14, 16 and 40(f) contain information about the assumptions and their risk factors relating to property, plant and equipment impairment, goodwill impairment and fair value of financial instruments. Other key sources of estimation uncertainty are as follows:

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

3 ACCOUNTING JUDGEMENT AND ESTIMATES (CONTINUED)

(b) Sources of estimation uncertainty (continued)

(i) Depreciation and amortisation

As described in note 2(h) and note 2(i), investment properties and property, plant and equipment and right-of-use assets are depreciated on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual value. As described in note 2(k), intangible assets are amortised on a straight-line basis over the estimated useful lives. Management reviews annually the useful lives of the assets and residual values, if any, in order to determine the amount of depreciation and amortisation expenses to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and taking into account anticipated technological and other changes, as well as the environmental goals. The depreciation and amortisation expenses for future periods are adjusted if there are significant changes from previous estimates.

(ii) Inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. In addition, these estimates could change significantly as a result of change in customer preference, environmental goals and competitor actions in response to industry cycles. Management measures these estimates at each statement of financial position date.

(iii) Loss allowance for expected credit losses

The Group estimates impairment losses for bad and doubtful debts by using expected credit loss models. Expected credit loss on these trade receivables and prepayments and other receivables are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

3 ACCOUNTING JUDGEMENT AND ESTIMATES (CONTINUED)

(b) Sources of estimation uncertainty (continued)

(iv) Recognition of deferred tax assets

Deferred tax assets in respect of unused tax losses and deductible temporary differences are recognised and measured based on the expected manner of realisation or settlement of the carrying amount of the assets, using tax rates enacted or substantively enacted at the end of the reporting period. In determining the carrying amounts of deferred tax assets, expected taxable profits are estimated which involves a number of assumptions relating to the operating environment of the Group and require a significant level of judgment exercised by the directors.

Any change in such assumptions and judgment would affect the carrying amounts of deferred tax assets to be recognised and hence the profit or loss in future years.

4 BUSINESS COMBINATION

(a) Business combination not under common control

On 27 December 2024, the Group acquired 51% of the equity interests in PT Conch West Papua Cement, which is engaged in the production and sale of cement. This acquisition is part of the Group's strategy to expand its market share in Southeast Asia. The consideration for the acquisition was paid in cash and was completed on 27 December 2024. Details of the acquired subsidiary is as follows:

Name of the company	Voting rights/ effective equity interests	Date of acquisition	Principal activities
PT Conch West Papua Cement ("West Papua Conch")	100%/ 100%	27 December 2024	Manufacture and sale of clinker and cement products

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

4 BUSINESS COMBINATION (CONTINUED)

(a) Business combination not under common control (continued)

Summary of net assets of the acquisitions and the goodwill arising at the acquisition date are as follows:

The fair value of identifiable assets acquired and liabilities assumed at the acquisition date:

	West Papua Conch RMB'000
Property, plant and equipment	1,082,172
Trade and other receivables	40,539
Inventories	106,059
Cash and cash equivalents	82,414
Bank loans and other borrowings	1,244,995
Trade payables and other liabilities	145,121
Share of fair value of identifiable net assets	(78,932)
Non-controlling interests	(243)
Total equity attributable to equity shareholders of the Company	(78,689)

The fair values of other receivables as at the date of acquisition amounted to RMB39,369,000. The gross contractual amounts of other receivables were RMB39,369,000.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

4 BUSINESS COMBINATION (CONTINUED)

(a) Business combination not under common control (continued)

Goodwill has been recognised as a result of the acquisitions as follows:

	West Papua Conch	Total
	RMB'000	RMB'000
Total cash consideration	225,826	225,826
Fair value of net identifiable assets	(78,689)	(78,689)
Goodwill	304,515	304,515

The goodwill arises from the acquisition represents the benefits of expected synergies to be achieved from integrating the business into the Group's existing business, future market development potential and cost savings. None of the goodwill recognised above is expected to be deductible for tax purposes.

Revenue and profit or loss of the acquirees since the respective acquisition date included in the consolidated statement of profit or loss and other comprehensive income for the year are disclosed as below:

	West Papua Conch	Total
	RMB'000	RMB'000
Year of the acquisition	2024	
Contributed to Group		
Revenue	-	-
Net loss	-	-

Had the acquisitions occurred on 1 January 2024, management estimates that the consolidated revenue of the Group for the year ended 31 December 2024 would have been RMB91,601,344,000 and the consolidated net profit for the year would have been RMB7,885,286,000. In determining these amounts, management has assumed that the fair value adjustments that arose on the acquisition date would remain the same as if the acquisition had occurred on 1 January 2024.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

4 BUSINESS COMBINATION (CONTINUED)

(b) Business combination under common control

During the year ended 31 December 2024, the Group acquired equity interest of below subsidiary from related parties. Details of the acquired subsidiary are as follows:

Name of the company	Voting rights/ effective equity interests	Date of merger	Principal activities	Total cash consideration RMB'000
Anhui Conch Information technology Engineering Co.,Ltd ("Conch IT Engineering")	100%	2 January, 2024	Information platform construction and operation	126,400

As Conch IT Engineering and the Group are under common control of Anhui Conch Holding Co., Limited ("Conch Holdings") before and after the business combination and the control is not transitory, the acquisition of Conch IT Engineering was considered as a business combination involving entities under common control.

The financial performance previously reported by the Group for the year ended 31 December 2023 have been restated to include the operating results of the combining entities from the earliest date presented under the control of the ultimate shareholder, regardless of the date of the common control combination, as set out below:

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

4 BUSINESS COMBINATION (CONTINUED)

(b) Business combination under common control (continued)

	The Group RMB'000 (as previously reported)	Conch IT Engineering RMB'000	Inter-company Elimination RMB'000	The Group RMB'000 (as restated)
Revenue	140,999,428	250,760	(92,981)	141,157,207
Cost of sales and services rendered	(118,634,454)	(196,151)	85,751	(118,744,854)
Gross profit	22,364,974	54,609	(7,230)	22,412,353
Other income	3,165,495	6,682	-	3,172,177
Selling and marketing costs	(3,423,656)	(1,863)	-	(3,425,519)
Administrative expenses	(5,414,236)	(16,437)	-	(5,430,673)
Research and development costs	(1,859,553)	(41,987)	-	(1,901,540)
Impairment loss on trade receivables	(32,476)	-	-	(32,476)
Impairment loss on property, plant and equipment	(301,231)	(188)	-	(301,419)
Profit from operations	14,499,317	816	(7,230)	14,492,903
Finance costs	(930,404)	-	-	(930,404)
Share of profits of associates	178,788	-	-	178,788
Share of profits of joint ventures	122,270	-	-	122,270
Profit before taxation	13,869,971	816	(7,230)	13,863,557
Income tax	(2,851,281)	300	1,446	(2,849,535)
Profit for the period	11,018,690	1,116	(5,784)	11,014,022

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

4 BUSINESS COMBINATION (CONTINUED)

(b) Business combination under common control (continued)

	The Group RMB'000 (as previously reported)	Conch IT Engineering RMB'000	Inter-company Elimination RMB'000	The Group RMB'000 (as restated)
Other comprehensive income for the period (after tax and reclassification adjustments):				
Item that will not be reclassified to profit or loss:				
Equity investments at FVOCI – net movement in fair value reserve (non-recycling)	(805,698)	–	–	(805,698)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of financial statements of overseas subsidiaries	(110,705)	–	–	(110,705)
Shares of other comprehensive income of investees	(3,749)	–	–	(3,749)
Other comprehensive income for the period	(920,152)	–	–	(920,152)
Total comprehensive income for the period	10,098,538	1,116	(5,784)	10,093,870

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

4 BUSINESS COMBINATION (CONTINUED)

(b) Business combination under common control (continued)

	The Group RMB'000 (as previously reported)	Conch IT Engineering RMB'000	Inter-company Elimination RMB'000	The Group RMB'000 (as restated)
Attributable to:				
Equity shareholders of the Company	9,773,287	829	(3,415)	9,770,701
Non-controlling interests	325,251	287	(2,369)	323,169
 Total comprehensive income for the period	 10,098,538	 1,116	 (5,784)	 10,093,870

The financial position previously reported by the Group as at 31 December 2023 has been restated to include the assets and liabilities of the combining entities recognised at the carrying value based on the controlling shareholder's financial statements (i.e. Conch Holdings) as set out below:

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

4 BUSINESS COMBINATION (CONTINUED)

(b) Business combination under common control (continued)

	The Group RMB'000 (as previously reported)	Conch IT Engineering RMB'000	Inter-company Elimination RMB'000	The Group RMB'000 (as restated)
Non-current assets				
Property, plant and equipment				
– Investment properties	55,140	–	–	55,140
– Other property, plant and equipment	105,011,652	8,883	(52,715)	104,967,820
Intangible assets	24,613,705	62,273	–	24,675,978
Goodwill	1,147,072	–	–	1,147,072
Interest in associates	5,575,551	17,531	(17,531)	5,575,551
Interests in joint ventures	2,189,641	–	–	2,189,641
Loans and receivables	250,256	–	–	250,256
Long-term prepayments	3,108,137	1,372	–	3,109,509
Financial assets measured at FVOCI	1,348,011	–	–	1,348,011
Deferred tax assets	1,543,300	–	10,542	1,553,842
	144,842,465	90,059	(59,704)	144,872,820
Current assets				
Inventories	10,100,346	55,096	–	10,155,442
Assets held for sale	23,538	–	–	23,538
Trade and bills receivables	12,566,632	70,709	(22,111)	12,615,230
Financial assets measured at fair value through profit and loss (FVPL)	2,210,733	–	–	2,210,733
Prepayments and other receivables	7,146,508	16,955	–	7,163,463
Amounts due from related parties	510,492	–	(4,622)	505,870
Tax recoverable	426,887	171	–	427,058
Restricted cash deposits	774,871	–	–	774,871
Bank deposits with original maturity over three months	56,035,319	–	–	56,035,319
Cash and cash equivalents	11,551,409	20,607	–	11,572,016
	101,346,735	163,538	(26,733)	101,483,540

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

4 BUSINESS COMBINATION (CONTINUED)

(b) Business combination under common control (continued)

	The Group RMB'000 (as previously reported)	Conch IT Engineering RMB'000	Inter-company Elimination RMB'000	The Group RMB'000 (as restated)
Current liabilities				
Trade and bills payables	6,219,448	110,781	(885)	6,329,344
Other payables and accruals	11,242,368	28,285	-	11,270,653
Current portion of long-term payables	61,845	-	-	61,845
Contract liabilities	2,883,152	2,154	-	2,885,306
Bank loans and other borrowings	7,249,964	-	-	7,249,964
Lease liabilities	35,389	-	-	35,389
Amounts due to related parties	1,033,490	-	(25,848)	1,007,642
Current taxation	934,173	-	-	934,173
	29,659,829	141,220	(26,733)	29,774,316
Net current assets	71,686,906	22,318	-	71,709,224
Total assets less current liabilities	216,529,371	112,377	(59,704)	216,582,044
Non-current liabilities				
Bank loans and other borrowings	15,611,937	-	-	15,611,937
Lease liabilities	198,018	-	-	198,018
Long-term payables	263,932	106	-	264,038
Deferred income	928,827	-	-	928,827
Deferred tax liabilities	1,616,292	-	-	1,616,292
	18,619,006	106	-	18,619,112
NET ASSETS	197,910,365	112,271	(59,704)	197,962,932

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

4 BUSINESS COMBINATION (CONTINUED)

(b) Business combination under common control (continued)

	The Group RMB'000 (as previously reported)	Conch IT Engineering RMB'000	Inter-company Elimination RMB'000	The Group RMB'000 (as restated)
CAPITAL AND RESERVES				
Share capital	5,299,303	50,000	(50,000)	5,299,303
Reserves	179,970,234	60,217	7,827	180,038,278
Total equity attributable to equity shareholders of the Company	185,269,537	110,217	(42,173)	185,337,581
Non-controlling interests	12,640,828	2,054	(17,531)	12,625,351
TOTAL EQUITY	197,910,365	112,271	(59,704)	197,962,932

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

4 BUSINESS COMBINATION (CONTINUED)

(b) Business combination under common control (continued)

The cash flows previously reported by the Group for the year ended 31 December 2023 have been restated to include the cash flows of the combining entities from the earliest date presented or since the date when combining entities first came under common control, regardless of the date of the common control combination, as set out below:

	The Group	Conch IT Engineering	Inter-company Elimination	The Group
	RMB'000	RMB'000	RMB'000	RMB'000
	(as previously reported)			(as restated)
Net cash generated from operating activities	19,077,288	10,298	(41,706)	19,045,880
Net cash used in investing activities	(19,307,018)	(54,625)	55,306	(19,306,337)
Net cash used in financing activities	(4,407,925)	(98,600)	(13,600)	(4,520,125)
Net (decrease)/increase in cash and cash equivalents	(4,637,655)	(142,927)	-	(4,780,582)
Cash and cash equivalents as at 1 January 2023	16,158,423	163,534	-	16,321,957
Effect of foreign exchange rate changes	30,641	-	-	30,641
Cash and cash equivalents as at 31 December 2023	11,551,409	20,607	-	11,572,016

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

5 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the manufacturing, sale and trading of clinker and cement products and other materials. Further details regarding the Group's revenue from principal activities are disclosed below.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	2024 RMB'000	2023 RMB'000 (restated) (Note 4(b))
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by service lines		
– Sales and trading of clinker and cement products	74,156,371	86,407,007
– Sales and trading of other materials	13,708,004	50,254,286
– Service income	3,165,240	4,495,914
	91,029,615	141,157,207

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is disclosed in note 5(b).

The Group's customer base is diversified and there is no single customer with whom transactions have exceeded 10% of the Group's revenue.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

5 REVENUE AND SEGMENT REPORTING (CONTINUED)

(a) Revenue (continued)

- (ii) *Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date.*

The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its revenue contracts such that the report does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts that have an original expected duration of one year or less.

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2024 RMB'000	2023 RMB'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year:		
Sales and trading of clinker and cement products	2,885,306	3,564,849

- (iii) *Performance obligations*

Information about the Group's performance obligations is summarised below:

Sales of cement, cement products and other materials

The performance obligation is satisfied upon delivery of the products, and payment is generally required in advance or due within 90 to 180 days after delivery.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

5 REVENUE AND SEGMENT REPORTING (CONTINUED)

(a) Revenue (continued)

(iii) Performance obligations (continued)

Service revenue

The performance obligation is satisfied over time as services are provided or upon delivery of the services, and payment is generally received based on the progress of the services or upon completion of the services.

(b) Segment reporting

The Group manages its businesses by segments, which are organised by a mix of two business lines, including cement and cement related business and solid and hazardous waste treatment business, of which cement and cement related business is organised by geographical location. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following five reportable segments based on the region in which the Group's cement and cement related business operates: Eastern China, Central China, Southern China, Western China and overseas. The solid and hazardous waste treatment business is one reportable segment as the performance assessment is based on the results of the solid and hazardous waste treatment business as a whole. No operating segments have been aggregated to form the following reportable segments.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

5 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(i) Segment results, assets and liabilities (continued)

Segment assets include all assets in the financial statements prepared in accordance with Accounting Standards for Business Enterprises or referred to as China Accounting Standards (“CAS”) issued by the Ministry of Finance (“MOF”) of the PRC. Segment liabilities include all liabilities in the financial statements prepared in accordance with CAS.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments in accordance with CAS.

The measure used for reporting segment profit is profit before taxation in accordance with CAS.

In addition to receiving segment information concerning profit before taxation, management is provided with segment information concerning revenue (including inter-segment revenue), interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations. Inter-segment revenue are priced with reference to prices charged to external parties for similar orders.

Disaggregation of revenue from contracts with customers by the type and timing of revenue recognition, as well as information regarding the Group’s reportable segments as provided to the Group’s most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2024 and 2023 is set out below.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

5 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(i) Segment results, assets and liabilities (continued)

For the year ended 31 December 2024

	Cement and cement related						Subtotal	Solid and hazardous waste		Total
	Eastern	Central	Southern	Western	Overseas	Elimination		treatment	Elimination	
	China	China	China	China	RMB'000	RMB'000		RMB'000	RMB'000	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Disaggregated by type of business										
Sales and trading of clinker and cement products	20,235,882	21,500,736	13,829,584	13,695,748	4,894,421	-	74,156,371	-	-	74,156,371
Sales and trading of other materials	3,732,034	7,389,819	421,623	1,829,033	269,765	-	13,642,274	65,730	-	13,708,004
Service income	37,334	1,526,471	11,235	29,667	858	-	1,605,565	1,559,675	-	3,165,240
Revenue from external customers	24,005,250	30,417,026	14,262,442	15,554,448	5,165,044	-	89,404,210	1,625,405	-	91,029,615
Disaggregated by timing of revenue recognition										
Point in time	23,992,672	30,297,880	14,255,479	15,552,520	5,164,361	-	89,262,912	65,730	-	89,328,642
Over time	12,578	119,146	6,963	1,928	683	-	141,298	1,559,675	-	1,700,973
Revenue from external customers	24,005,250	30,417,026	14,262,442	15,554,448	5,165,044	-	89,404,210	1,625,405	-	91,029,615
Inter-segment revenue	5,835,726	22,016,681	612,062	144,088	334,783	(28,879,668)	63,672	61,584	(125,256)	-
Reportable segment revenue	29,840,976	52,433,707	14,874,504	15,698,536	5,499,827	(28,879,668)	89,467,882	1,686,989	(125,256)	91,029,615
Reportable segment profit (profit before taxation)	1,378,060	7,102,324	1,350,451	1,140,871	233,416	(1,107,746)	10,097,376	(68,187)	-	10,029,189

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

5 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(i) Segment results, assets and liabilities (continued)

For the year ended 31 December 2024 (continued)

	Cement and cement related						Subtotal	Solid and hazardous waste treatment	Elimination	Total
	Eastern China	Central China	Southern China	Western China	Overseas	Elimination				
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000				
Interest income	14,193	2,476,910	23,504	18,783	74,891	(532,900)	2,075,381	6,038	-	2,081,419
Interest expense	(9,765)	(229,425)	(57,773)	(59,985)	(496,034)	191,536	(661,446)	(117,259)	-	(778,705)
Depreciation and amortisation for the year	(643,420)	(3,680,880)	(1,219,812)	(2,081,527)	(787,433)	-	(8,413,072)	(92,638)	-	(8,505,710)
Reportable segment assets (including interests in associates and joint ventures)	17,184,817	216,004,974	40,096,699	30,255,593	20,793,199	(79,867,338)	244,467,944	10,233,083	(65,783)	254,635,244
Investments in associates and joint ventures	-	4,088,433	-	-	3,613,293	-	7,701,726	73,943	-	7,775,669
Additions to non-current segment assets during the year	605,070	4,231,157	1,469,543	456,222	2,214,489	-	8,976,481	494,594	-	9,471,075
Reportable segment liabilities	7,444,644	39,463,462	20,227,742	10,836,176	17,926,103	(47,795,594)	48,102,533	6,221,057	(65,783)	54,257,807

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

5 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(i) Segment results, assets and liabilities (continued)

For the year ended 31 December 2023 (restated)

	Cement and cement related							Solid and hazardous waste treatment	Elimination	Total
	Eastern China	Central China	Southern China	Western China	Overseas	Elimination	Subtotal			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000			
Disaggregated by type of business										
Sales and trading of clinker and cement products	25,094,964	25,453,609	16,128,869	15,025,804	4,703,761	-	86,407,007	-	-	86,407,007
Sales and trading of other materials	15,294,813	16,213,268	5,569,674	12,697,293	386,519	-	50,161,567	92,719	-	50,254,286
Service income	190,091	2,458,725	24,667	10,916	22,678	-	2,707,077	1,788,837	-	4,495,914
Revenue from external customers	40,579,868	44,125,602	21,723,210	27,734,013	5,112,958	-	139,275,651	1,881,556	-	141,157,207
Disaggregated by timing of revenue recognition										
Point in time	40,575,593	44,001,105	21,721,457	27,732,264	5,090,289	-	139,120,708	92,719	-	139,213,427
Over time	4,275	124,497	1,753	1,749	22,669	-	154,943	1,788,837	-	1,943,780
Revenue from external customers	40,579,868	44,125,602	21,723,210	27,734,013	5,112,958	-	139,275,651	1,881,556	-	141,157,207
Inter-segment revenue	5,578,191	31,743,393	581,325	2,424,292	98,724	(40,336,010)	89,915	-	(89,915)	-
Reportable segment revenue	46,158,059	75,868,995	22,304,535	30,158,305	5,211,682	(40,336,010)	139,365,566	1,881,556	(89,915)	141,157,207
Reportable segment profit (profit before taxation)	1,947,832	14,787,960	1,464,995	1,394,639	108,074	(6,401,726)	13,301,774	292,278	-	13,594,052

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

5 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(i) Segment results, assets and liabilities (continued)

For the year ended 31 December 2023 (restated) (continued)

	Cement and cement related							Solid and hazardous waste	Elimination	Total
	Eastern		Southern	Western		Elimination	Subtotal			
	China	Central China	China	China	Overseas					
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Interest income	20,141	2,529,313	19,274	34,199	45,812	(441,512)	2,207,227	10,137	-	2,217,364
Interest expense	(4,545)	(188,230)	(90,050)	(50,639)	(544,757)	49,320	(828,901)	(101,503)	-	(930,404)
Depreciation and amortisation for the year	(599,964)	(3,120,856)	(1,117,508)	(1,822,099)	(558,389)	55,729	(7,163,087)	(289,138)	-	(7,452,225)
Reportable segment assets (including interests in associates and joint ventures)	18,182,964	207,252,970	38,058,418	31,624,926	19,155,734	(77,857,785)	236,417,227	9,939,910	(777)	246,356,360
Investments in associates and joint ventures	-	3,851,343	-	3,607,045	233,944	-	7,692,332	72,860	-	7,765,192
Additions to non-current segment assets during the year	1,187,646	6,512,232	3,484,230	1,802,354	2,722,488	-	15,708,950	260,436	-	15,969,386
Reportable segment liabilities	9,117,270	31,080,399	19,495,510	13,023,136	17,077,753	(47,283,684)	42,510,384	5,825,457	(777)	48,335,064

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

5 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(ii) Reconciliations of reportable segment revenues, profit, assets and liabilities to the consolidated figures as reported in the consolidated financial statements

	2024 RMB'000	2023 RMB'000 (restated) (Note 4)
Revenue		
Reportable segment revenue	120,034,540	181,583,132
Inter-segment revenue	(29,004,925)	(40,425,925)
Consolidated revenue	91,029,615	141,157,207
Profit		
Reportable segment profit (profit before taxation)	11,136,938	19,995,778
Inter-segment profit	(1,107,746)	(6,401,726)
Difference between CAS and IFRS*	363,355	269,506
Consolidated profit before taxation	10,392,547	13,863,558

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

5 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(ii) Reconciliations of reportable segment revenues, profit, assets and liabilities to the consolidated figures as reported in the consolidated financial statements (continued)

	31 December 2024 RMB'000	31 December 2023 RMB'000
Assets		
Reportable segment assets	334,568,365	324,214,922
Inter-segment assets	(79,933,121)	(77,858,562)
Consolidated total assets	254,635,244	246,356,360
Liabilities		
Reportable segment liabilities	102,119,184	95,619,526
Inter-segment liabilities	(47,861,377)	(47,284,461)
Difference between CAS and IFRS*	40,635	58,363
Consolidated total liabilities	54,298,442	48,393,428

* The difference mainly arises from deferred income in respect of certain government grants recognised in profit and loss under IFRS and special reserve recognised under CAS.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

5 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(iii) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, intangible assets, goodwill, interests in associates and joint ventures, loans and receivables ("specified non-current assets"). The geographical location of customers is based on the location at where the services were provided or the goods delivered to. The geographical location of the specified non-current assets is based on the physical locations of the assets or the locations of the operations.

	Revenue from external customers		Specified non-current assets	
	2024 RMB'000	2023 RMB'000	31 December 2024 RMB'000	31 December 2023 RMB'000
The PRC	85,864,571	136,044,249	129,429,551	130,770,455
Others	5,165,044	5,112,958	17,307,394	11,451,331
	91,029,615	141,157,207	146,736,945	142,221,786

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

6 OTHER INCOME

	2024 RMB'000	2023 RMB'000 (restated) (Note 4(b))
Interest income on financial assets measured at amortised cost	2,081,419	2,217,364
Subsidy income*	914,746	1,117,293
Net loss on disposal of property, plant and equipment and right-of-use assets	(59,359)	(105,249)
Net realised and unrealised loss on financial assets measured at FVPL	(96,195)	(63,520)
Dividend income from financial assets measured at FVPL	13,147	24,115
Dividend income from financial assets measured at FVOCI	69,195	75,833
Net foreign exchange loss	(121,107)	(159,999)
Others	(106,736)	66,340
	2,695,110	3,172,177

* Subsidy income comprises refunds of value-added tax in connection with sales of certain cement products and government grants received.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs

	2024	2023
	RMB'000	RMB'000
		(restated)
		(Note 4(b))
Interest on bank loans and other borrowings	854,483	1,039,139
Interest on lease liabilities	12,619	7,093
Interest expense on financial liabilities not at FVPL	867,102	1,046,232
Less: Interest expense capitalised into construction-in-progress*	(88,397)	(115,828)
	778,705	930,404

* The borrowing costs have been capitalized at rates of 2.20% – 4.65% for the year ended 31 December 2024 (2023: 2.40% – 4.30%).

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

7 PROFIT BEFORE TAXATION (CONTINUED)

(b) Staff costs

	2024 RMB'000	2023 RMB'000 (restated) (Note 4(b))
Salaries, wages and other benefits	7,853,838	7,762,646
Contributions to defined contribution retirement plans	905,650	824,215
Annuity	372,447	323,536
	9,131,935	8,910,397

Employees of the Group's PRC subsidiaries are required to participate in a defined contribution retirement plans administered and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the plan to fund the retirement benefits of the employees.

The Group's contributions to the defined contribution retirement plans are expensed as incurred and not reduced by contributions forfeited by those employees who leave the plans prior to vesting fully in the contributions. The Group has no other material obligation for the payment of retirement benefits associated with the scheme beyond the annual contributions and annuity described above.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

7 PROFIT BEFORE TAXATION (CONTINUED)

(c) Other items

	Note	2024 RMB'000	2023 RMB'000 (restated) (Note 4)
Amortisation			
– intangible assets	15	872,492	643,816
Depreciation			
– investment properties	13	3,263	3,550
– property, plant and equipment	14	7,629,955	6,798,552
Impairment losses			
– trade receivables	40(a)	32,956	32,476
– other receivables		10,858	–
– property, plant and equipment	14	218,687	301,231
– prepayments		91,231	–
Auditors' remuneration			
– audit services (note (i))		7,155	8,100
– other services		590	810
Research and development costs		1,257,068	1,901,540
Cost of inventories (note (ii))	23(b)	68,434,425	111,810,205

Notes:

- (i) The auditors' remuneration for audit service includes the audit fee of RMB1,900,000 (2023: RMB1,900,000) for Conch Environment Protection for the year ended 31 December 2024.
- (ii) Cost of inventories includes RMB11,934,825,000 (2023: RMB10,114,098,000) relating to staff costs, depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in note 7(b) for each of these types of expenses.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

8 INCOME TAX

(a) The income tax expense of the Group are as follows:

	2024 RMB'000	2023 RMB'000 (restated) (Note 4)
Current tax		
Provision for the year	2,205,071	3,091,019
Under/(over)-provision in respect of prior years	23,035	(33,270)
	2,228,106	3,057,749
Deferred tax		
Origination and reversal of temporary differences	137,883	(208,214)
	2,365,989	2,849,535

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

8 INCOME TAX (CONTINUED)

(a) The income tax expense of the Group are as follows: (continued)

The Company and the Group's subsidiaries in the mainland China are generally subject to Corporate Income Tax at 25% on taxable income determined according to the PRC income tax laws, except for:

Subsidiaries' Name	Tax rates
Qianxinan Resource Development Co., Ltd. ("Qianxinan") (Note (i))	15%
Pingliang Conch Cement Co., Ltd. ("Pingliang Conch") (Note (i))	15%
Dazhou Conch Cement Co., Ltd. ("Dazhou Conch") (Note (i))	15%
Guangyuan Conch Cement Co., Ltd. ("Guangyuan Conch") (Note (i))	15%
Chongqing Conch Cement Co., Ltd. ("Chongqing Conch") (Note (i)) (Note (ii))	15%
Liquan Conch Cement Co., Ltd. ("Liquan Conch") (Note (i))	15%
Guiyang Conch Panjiang Cement Co., Ltd. ("Guiyang Conch") (Note (i))	15%
Guiding Conch Panjiang Cement Co., Ltd. ("Guiding Conch") (Note (i))	15%
Zunyi Conch Panjiang Cement Co., Ltd. ("Zunyi Conch") (Note (i))	15%
Qianyang Conch Cement Co., Ltd. ("Qianyang Conch") (Note (i))	15%
Bazhong Conch Cement Co., Ltd. ("Bazhong Conch") (Note (i))	15%
Wenshan Conch Cement Co., Ltd. ("Wenshan Conch") (Note (i))	15%
Shuicheng Conch Panjiang Cement Co., Ltd. ("Shuicheng Conch") (Note(i))	15%

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

8 INCOME TAX (CONTINUED)

(a) The income tax expense of the Group are as follows: (continued)

Subsidiaries' Name	Tax rates
Linxia Conch Cement Co., Ltd. ("Linxia Conch") (Note (i))	15%
Tongren Conch Panjiang Cement Co., Ltd. ("Tongren Conch") (Note (i))	15%
Guizhou Liukuangruian Cement Co., Ltd. ("Liukuangruian") (Note (i))	15%
Qianxian Conch Cement Co., Ltd. ("Qianxian Conch") (Note (i))	15%
Tengchong Tengyue Cement Co., Ltd. ("Tengchong Tengyue") (Note (i))	15%
Yunnan Zhuangxiang Cement Co., Ltd. ("Zhuangxiang Conch") (Note (i))	15%
Liangping Conch Cement Co., Ltd. ("Liangping Conch") (Note (i)) (Note (ii))	15%
Baoji Zhongxi Fenghuangshan Cement Co., Ltd. ("Fenghuangshan") (Note (i))	15%
Baoji Zhongxi Jinlinghe Cement Co., Ltd. ("Jinlinghe") (Note (i))	15%
Guangxi Lingyun Tonghong Cement Co., Ltd. ("Lingyun Tonghong") (Note (i))	15%
Baoshan Conch Cement Co., Ltd. ("Baoshan Conch") (Note (i))	15%
Ganzhou Conch Cement Co., Ltd. ("Ganzhou Conch") (note (i))	15%
Hami Hongyi Building Material Co., Ltd. ("Hami Building Material") (Note (i))	15%
Yingjiangyunhan Cement Co., Ltd. ("Yingjiangyunhan") (Note (i))	15%
Kunming Conch Cement Co., Ltd. ("Kunming Conch") (Note (i))	15%

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

8 INCOME TAX (CONTINUED)

(a) The income tax expense of the Group are as follows: (continued)

Subsidiaries' Name	Tax rates
Shaanxi Tongchuan Fenghuang Building Material Co., Ltd. ("Fenghuang Building Material") (Note (i))	15%
Anhui Wuhu Conch Construction and Installation Engineering Co., Ltd. ("Conch Construction") (Note (ii))	15%
Anhui Conch Siam Refractory Material Co., Ltd. ("Refractory Material") (Note (ii))	15%
Zunyi Haihui New Materials Co., Ltd. ("Zunyi Haihui") (Note (i))	15%
Naiman Hongji Cement Co., Ltd. ("Hongji Cement") (Note (i))	15%
Chongqing Fuling Conch Building Materials Co., Ltd. ("Fuling Coach") (Note(i))	15%
Bazhong Conch Building Material Co., Ltd. ("Bazhong Building Material") (Note (i))	15%
Guangyuan Conch New Materials Co., Ltd. ("Guangyuan New Materials") (Note (i))	15%
Guiyang Conch Green Building Materials Co., Ltd. ("Guiyang Green Building Materials") (Note (i))	15%
Anhui Jinggong Testing and Inspection Center Co., Ltd. ("Jinggong Testing") (Note(ii))	15%
Anhui Haibo Intelligent Technology Co., Ltd. ("Haibo Intelligent") (Note(ii))	15%
Shanghai Zhizhi Technology Co., Ltd. ("Shanghai Zhizhi") (Note(ii))	15%
Certain subsidiaries of China Conch Environment Protection Holdings Co., Ltd. ("Conch Environment Protection") (Note(i))	15%
Hainan Changjiang Conch Cement Co., Ltd. (Note(v))	15%

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

8 INCOME TAX (CONTINUED)

(a) The income tax expense of the Group are as follows: (continued)

Subsidiaries' Name	Tax rates
Changjiang Conch Huasheng Plastic Packaging Co., Ltd. (Note(v))	15%
Anhui Xuancheng Conch Cement Co., Ltd. ("Xuancheng Conch") (Note(ii))	15%
Anhui Zongyang Conch Cement Co., Ltd ("Zongyang Conch") (Note(ii))	15%
Anhui Conch Zhongnan Intelligent Robot Co., Ltd ("Zhongnan Intelligent") (Note(ii))	15%
Anhui Conch Information Technology Engineering Co., Ltd ("Conch IT Engineering") (Note(ii))	15%
Xiangshan Conch Cement Co., Ltd. ("Xiangshan Conch") (Note (ii))	15%
Yangchun Conch Cement Co., Ltd. ("Yangchun Conch") (Note (ii))	15%
Anhui Zhizhi Engineering Technology Co., Ltd. ("Anhui Zhizhi") (Note (ii))	15%

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

8 INCOME TAX (CONTINUED)

(a) The income tax expense of the Group are as follows: (continued)

Notes:

- (i) Pursuant to Notice No.23 issued by the Ministry of Finance, State Administration of Taxation, National Development and Reform Commission of the PRC on 23 April 2020 and relevant local tax authorities' notices, these companies are entitled to a preferential income tax rate of 15% as qualifying companies located in western areas in the PRC.
- (ii) Pursuant to Chapter 28 of the Law of the PRC on Enterprise Income Tax, nation supported enterprises recognised as high and new technology enterprise are entitled to a preferential income tax rate of 15%.

Conch Construction obtained a high and new technology enterprise certification in 2015 and obtained a renewed certification in 2024. Accordingly, it is entitled to a preferential income tax rate of 15% from 2024 to 2026.

Refractory Material obtained a high and new technology enterprise certification in 2019 and obtained a renewed certification in 2022. Accordingly, it is entitled to a preferential income tax rate of 15% from 2022 to 2024.

Jinggong Testing obtained a high and new technology enterprise certification in 2021 and obtained a renewed certification in 2024. Accordingly, it is entitled to a preferential income tax rate of 15% from 2024 to 2026.

Haibo Intelligent obtained a high and new technology enterprise certification in 2022. Accordingly, it is entitled to a preferential income tax rate of 15% from 2022 to 2024.

Shanghai Zhizhi obtained a high and new technology enterprise certification in 2022. Accordingly, it is entitled to a preferential income tax rate of 15% from 2022 to 2024.

Liangping Conch obtained a high and new technology enterprise certification in 2023. Accordingly, it is entitled to a preferential income tax rate of 15% from 2023 to 2025.

Xuancheng Conch obtained a high and new technology enterprise certification in 2023. Accordingly, it is entitled to a preferential income tax rate of 15% from 2023 to 2025.

Zongyang Conch obtained a high and new technology enterprise certification in 2023. Accordingly, it is entitled to a preferential income tax rate of 15% from 2023 to 2025.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

8 INCOME TAX (CONTINUED)

(a) The income tax expense of the Group are as follows: (continued)

Notes: (continued)

(ii) (continued)

Zhongnan Intelligent obtained a high and new technology enterprise certification in 2022. Accordingly, it is entitled to a preferential income tax rate of 15% from 2022 to 2024.

Conch IT Engineering obtained a high and new technology enterprise certification in 2021 and obtained a renewed certification in 2024. Accordingly, it is entitled to a preferential income tax rate of 15% from 2024 to 2026.

Xiangshan Conch obtained a high and new technology enterprise certification in 2024. Accordingly, it is entitled to a preferential income tax rate of 15% from 2024 to 2026.

Yangchun Conch obtained a high and new technology enterprise certification in 2024. Accordingly, it is entitled to a preferential income tax rate of 15% from 2024 to 2026.

Anhui Zhizhi Conch obtained a high and new technology enterprise certification in 2024. Accordingly, it is entitled to a preferential income tax rate of 15% from 2024 to 2026.

Chongqing Conch obtained a high and new technology enterprise certification in 2024. Accordingly, it is entitled to a preferential income tax rate of 15% from 2024 to 2026.

(iii) According to Caishui [2022] No. 13, "The Announcement of Further Implementation of Inclusive Tax Relief Policy on Small-scaled Minimal Profit Enterprise" issued by Ministry of Finance of the PRC and the State Administration of Taxation of the PRC on 14 March 2022, small-scaled minimal profit enterprises with an annual taxable income between RMB1,000,000 and RMB3,000,000 (RMB3,000,000 included) is entitled to a preferential tax treatment of 75% exemption of taxable income and application of income tax rate as 20% from 2022 to 2024. According to Caishui [2023] No. 6, "The Announcement of Implementation of Inclusive Tax Relief Policy on Small-scaled Minimal Profit Enterprise", small-scaled minimal profit enterprises with an annual taxable income below RMB1,000,000 is entitled to a preferential tax treatment of 75% exemption of taxable income and application of income tax rate as 20% from 2023 to 2024.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

8 INCOME TAX (CONTINUED)

(a) The income tax expense of the Group are as follows: (continued)

Notes: (continued)

- (iv) According to Article 27 of the Law of the PRC on Enterprise Income Tax, the income from investment and operation of public infrastructure projects supported by the state can enjoy preferential tax policy. As further explained by Article 87 of Regulations on the Implementation of Enterprise Income Tax, public infrastructure projects supported by the state refers to the ports, airports, railways, highways, urban public transportation, electric power, water conservancy and other projects stipulated in the Catalogue of Enterprise Income Tax Preferential for Public Infrastructure Projects. The preferential policy allows full exemption from PRC income tax for the first three years starting from the initial year of production and operation and 50% of the standard tax rates will be levied for the following three years.
- (v) According to Caishui [2020] No. 31, “The Notice on Preferential Policies for Enterprise Income Tax in Hainan Free Trade Port”, from 1 January 2020 to 31 December 2024, encouraged industrial enterprises registered in Hainan Free Trade Port with substantive operation will be subject to enterprise income tax at a reduced rate of 15%.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

8 INCOME TAX (CONTINUED)

(a) The income tax expense of the Group are as follows: (continued)

The corporate income tax rates of the subsidiaries outside mainland China are as following:

Subsidiaries' Name	Tax rates
Conch International Holdings (HK) Limited. ("Conch International") a subsidiary in Hong Kong	16.5%
Luangprabang Conch Cement Co., Ltd. ("Luangprabang Conch") a subsidiary in Laos	20%
Vientian Conch Cement Co.,Ltd.("Vientian Conch") a subsidiary in Laos	20%
Conch Cement Volga Limited Liability Company ("Volga Conch") a subsidiary in Russia	20%
Conch KT Cement (Phnom Penh) Company Limited ("Phnom Penh Conch") a subsidiary in Cambodia	20%
PT Conch Cement Indonesia ("Indonesia Conch") a subsidiary in Indonesia	22%
PT Conch South Kalimantan Cement ("Indonesia South Conch") a subsidiary in Indonesia	22%
PT Conch International Trade Indonesia ("Indonesia International Trade Conch") a subsidiary in Indonesia	22%
PT Conch Maros South Sulawesi Mine ("South Sulawesi Conch") a subsidiary in Indonesia	22%
PT Conch Maros Cement Indonesia ("Maros Conch") a subsidiary in Indonesia	22%
PT Conch Barru Cement Indonesia ("Barru Conch") a subsidiary in Indonesia	22%
PT Conch North Sulawesi Cement ("North Sulawesi Conch") a subsidiary in Indonesia	22%
PT Conch West Kalimantan Trade Cement ("West Kalimantan Conch") a subsidiary in Indonesia	22%

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

8 INCOME TAX (CONTINUED)

(a) The income tax expense of the Group are as follows: (continued)

Subsidiaries' Name	Tax rates
Tonga Conch Mining Co., Ltd. ("Tonga Mining") a subsidiary in Indonesia	22%
Beisu Conch Mining Co., Ltd. ("Beisu Mining") a subsidiary in Indonesia	22%
West Papua Conch a subsidiary in Indonesia	22%
Battambang Conch Cement Company Limited ("Battambang Conch"). a subsidiary in Cambodia (note (i))	–
Qarshi Conch Cement Limited Liability Company ("Qarshi Conch") a subsidiary in Uzbekistan	15%
Tashkent Conch Cement Joint Venture Co., Ltd. ("Tashkent Conch"), a subsidiary in Uzbekistan	15%
Shangfeng Bridge of Friendship Co., Ltd., a subsidiary in Uzbekistan	15%
Conch Environment Protection, a company in the Cayman Islands and its subsidiaries in the Cayman Islands and British Virgin Islands ("BVI") (note (ii))	–
Subsidiaries of Conch Environment Protection in Hong Kong	16.5%

Notes:

- (i) Battambang Conch was accredited as a Qualified Investment Project by the Cambodian Development Council in April 2016. According to local investment laws, it can enjoy income tax exemption for 9 years from the year in which the company generates its revenue and income tax exemption for 6 years from the year in which the company generates its profit, whichever is shorter. According to the policy, the income tax-free period for Battambang Conch is from 2018 to 2024.
- (ii) Pursuant to the rules and regulations of the Cayman Islands and the BVI, these subsidiaries are not subject to any income tax in the Cayman Islands and the BVI.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

8 INCOME TAX (CONTINUED)

(b) Reconciliation between actual tax expense and accounting profit at applicable tax rate

	2024 RMB'000	2023 RMB'000
Profit before taxation	10,392,547	13,863,557
Notional tax on profit before taxation calculated at 25% (2023: 25%)	2,598,137	3,465,889
Tax effect of non-taxable income	(76,144)	(96,869)
Reversal of previously recognised deferred tax assets from prior years	114,931	12,814
Tax effect of current deductible temporary differences and tax losses not recognised	212,320	119,161
Under/(Over)-provision in respect of prior years	23,035	(33,270)
Tax effect of subsidiaries subject to tax rates other than 25%	(227,235)	(225,644)
Tax effect of non-deductible expenses	43,434	58,783
Income tax credit for investment in energy-saving and water-saving equipment	(43,341)	(49,391)
Tax effect of bonus additional deduction for research and development costs	(267,177)	(375,427)
Tax effect of change in tax rate	(11,971)	(26,511)
Actual tax expense	2,365,989	2,849,535

The Group is within the scope of the Pillar Two model rules. The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted but not yet in effect as at 31 December 2024 in certain jurisdictions in which the Group operates.

The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current year. As such, it may not be entirely representative of future circumstances. In 2024, the Group does not expect a material exposure to Pillar Two income taxes.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

9 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	Directors' fee RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Retirement plan contributions RMB'000	2024 Total RMB'000
Chairman					
Yang Jun*	-	-	-	-	-
Vice chairman and Executive director					
Zhu Shengli (appointed on 21 Aug 2024)	-	-	-	-	-
Wang Jianchao (resigned on 12 Jul 2024)	-	-	-	-	-
Executive directors					
Li Qunfeng	-	930	951	60	1,941
Zhou Xiaochuan (resigned on 19 Jun 2024)	-	372	-	46	418
Wu Tiejun	-	814	780	60	1,654
Yu Shui (appointed on 21 Aug 2024)	-	769	749	100	1,618
Independent non-executive directors					
Qu Wenzhou	180	-	-	-	180
Ho Shuk Yee Samantha	180	-	-	-	180
Zhang Yunyan	180	-	-	-	180
Supervisors					
He Chengfa*	-	-	-	-	-
Chen Yongbo*	-	-	-	-	-
Liu Tiantian	-	678	740	60	1,478
	540	3,563	3,220	326	7,649

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

9 DIRECTORS' EMOLUMENTS (CONTINUED)

	Directors' fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement plan contributions	2023 Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Chairman					
Yang Jun*	-	-	-	-	-
Vice chairman and Executive director					
Wang Jianchao*	-	-	-	-	-
Executive directors					
Wu Tiejun	-	770	862	57	1,689
Li Qunfeng	-	903	978	100	1,981
Zhou Xiaochuan	-	755	866	90	1,711
Independent non-executive directors					
Qu Wenzhou	180	-	-	-	180
Ho Shuk Yee Samantha	180	-	-	-	180
Zhang Yunyan	180	-	-	-	180
-	-	-	-	-	-
Supervisors					
He Chengfa* (appointed on 2 Nov 2023)	-	-	-	-	-
Chen Yongbo*	-	-	-	-	-
Wu Xiaoming* (resigned on 2 Nov 2023)	-	-	-	-	-
Liu Tiantian	-	694	1,083	57	1,834
	540	3,122	3,789	304	7,755

* No remuneration is paid or payable by the Group for the year ended 31 December 2024 and 2023 as their remunerations are paid by Conch Holdings. In addition, no remuneration is due to these directors and supervisors in respect of their services in connection with the management of the affairs of the Group.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

10 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, four (2023: four) are directors whose emoluments are disclosed in Note 9. The aggregate of the emoluments in respect of the other one (2023: one) individuals are as follows:

	2024 RMB'000	2023 RMB'000
Salaries and other emoluments	762	755
Discretionary bonuses	752	990
Retirement plan contributions	70	98
	1,584	1,843

The emoluments of the one (2023: one) individuals with the highest emoluments are within the following bands:

	2024 Number of individuals	2023 Number of individuals
HKD1,500,001 – HKD2,000,000	1	1
HKD2,000,001 – HKD2,500,000	–	–

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

11 OTHER COMPREHENSIVE INCOME

(a) Tax effects relating to each component of other comprehensive income

	2024			2023		
	Before-tax amount RMB'000	Tax benefit RMB'000 (Note 37(b))	Net-of-tax amount RMB'000	Before-tax amount RMB'000	Tax benefit RMB'000 (Note 37(b))	Net-of-tax amount RMB'000
Exchange differences on translation of financial statements of overseas subsidiaries	(115,365)	-	(115,365)	(110,705)	-	(110,705)
Equity investments measured at FVOCI: Movement in fair value reserve (non-recycling) (Note (b))	159,704	(16,503)	143,201	(987,745)	182,047	(805,698)
Share of investees' other comprehensive income	(163,113)	-	(163,113)	(3,749)	-	(3,749)
Other comprehensive income	(118,774)	(16,503)	(135,277)	(1,102,199)	182,047	(920,152)

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

11 OTHER COMPREHENSIVE INCOME (CONTINUED)

(b) Components of other comprehensive income, including reclassification adjustments

	2024 RMB'000	2023 RMB'000
Equity investments measured at FVOCI:		
Changes in fair value recognised during the year	159,704	(987,745)
Tax effect of changes in fair value recognised during the year	(16,503)	182,047
Transfer of fair value reserve upon the disposal of financial assets at FVOCI	(10,297)	–
Net movement in the fair value reserve (non-recycling) during the year recognised in other comprehensive income	132,904	(805,698)

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

12 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company for the year ended 31 December 2024 of RMB8,051,954,000 (2023: RMB10,686,595,000) and the weighted average number of shares in issue during the year ended 31 December 2024 of 5,277,365,000 shares after adjusting for the repurchasing of own shares during the year (2023: 5,298,303,000 shares), calculated as follows:

Weighted average number of ordinary shares

	2024	2023
Issued ordinary shares at 1 January	5,284,238,000	5,299,303,000
Effect of repurchase of own shares	(6,873,000)	(1,000,000)
Weighted average number of ordinary shares at 31 December	5,277,365,000	5,298,303,000

(b) Diluted earnings per share

The Company had no dilutive potential ordinary shares outstanding during the years ended 31 December 2024 and 2023, therefore diluted earnings per share is the same as the basic earnings per share.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

13 INVESTMENT PROPERTIES

	RMB'000
Cost:	
At 1 January 2023	101,362
Impact of exchange rate changes	7
Transfer out to property, plant and equipment	(18,827)
At 31 December 2023 and 1 January 2024	82,542
Transfer from construction in progress	77
Transfer from property, plant and equipment	34,722
Transfer out to property, plant and equipment	(15,550)
At 31 December 2024	101,791
Accumulated depreciation:	
At 1 January 2023	27,953
Impact of exchange rate changes	1
Transfer out to property, plant and equipment	(4,102)
Charge for the year	3,550
At 31 December 2023 and 1 January 2024	27,402
Transfer from property, plant and equipment	11,519
Transfer out to property, plant and equipment	(7,371)
Charge for the year	3,263
At 31 December 2024	34,813
Net book value:	
At 31 December 2024	66,978
At 31 December 2023	55,140

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

13 INVESTMENT PROPERTIES (CONTINUED)

During the year ended 31 December 2024, the Group terminated two leased property agreement (2023: two) with carrying amount of RMB8,179,000 (2023: RMB14,725,000) under operating lease and classified the properties as property, plant and equipment accordingly.

The rental income earned by the Group during the year from its investment properties amounted to RMB11,572,000 (2023: RMB8,308,000). Direct operating expenses arising from the investment properties amounted to RMB3,263,000 (2023: RMB3,551,000).

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

14 OTHER PROPERTY, PLANT AND EQUIPMENT

(a) Reconciliation of carrying amount

	Freehold land, plant and buildings RMB'000	Machinery RMB'000	Office and other equipment RMB'000	Vehicles RMB'000	Construction- in-progress RMB'000	Right-of-use assets-land use rights RMB'000	Right-of-use assets-other properties RMB'000	Total RMB'000
Cost:								
At 31 December 2022	58,824,190	75,605,328	1,498,052	2,620,052	8,475,169	9,632,356	85,317	156,740,464
At 31 December 2022, as previously reported								
Business combinations under common control	-	(26,683)	(875)	850	(4,248)	-	-	(30,956)
At 1 January 2023, as restated	58,824,190	75,578,645	1,497,177	2,620,902	8,470,921	9,632,356	85,317	156,709,508
Impact of exchange rate changes	72,792	37,704	531	14,824	-	269	-	126,120
Transfer from/(out) construction-in-progress	4,780,908	5,406,671	13,962	1,475	(10,498,707)	62,181	-	(233,510)
Increase through business combination not under common control	57,245	29,504	987	9,302	1,973	33,642	-	132,653
Additions	3,625	745,921	132,342	278,141	12,917,613	501,048	138,431	14,717,121
Disposals	(139,062)	(1,003,035)	(22,128)	(107,606)	-	(23,260)	(1,084)	(1,296,175)
Reclassification to assets held for sale (Note 24)	(67,358)	(189,734)	(546)	-	-	-	-	(257,638)
Transfer in from investment properties	18,827	-	-	-	-	-	-	18,827
At 31 December 2023	63,551,167	80,605,676	1,622,325	2,817,038	10,891,800	10,206,236	222,664	169,916,906
At 1 January 2024, as restated	63,551,167	80,605,676	1,622,325	2,817,038	10,891,800	10,206,236	222,664	169,916,906
Impact of exchange rate changes	(69,639)	(56,415)	(705)	(4,120)	-	-	-	(130,879)
Transfer from/(out) construction-in-progress	3,697,946	5,905,111	52,680	59,619	(9,849,468)	47,757	-	(86,355)
Increase through business combination not under common control	670,740	404,296	700	4,540	1,896	-	-	1,082,172
Additions	148,065	410,946	101,152	149,524	8,539,550	771,280	80,741	10,201,258
Transfer in from investment properties	15,550	-	-	-	-	-	-	15,550
Disposals	(107,473)	(1,648,709)	(11,413)	(58,004)	-	(1,212)	(23,363)	(1,850,174)
Reclassification to assets held for sale (Note 24)	(8,898)	(102,669)	-	-	-	-	-	(111,567)
Transfer out to investment properties	(34,722)	-	-	-	-	-	-	(34,722)
At 31 December 2024	67,862,736	85,518,236	1,764,739	2,968,597	9,583,778	11,024,061	280,042	179,002,189

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

14 OTHER PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliation of carrying amount (continued)

	Freehold land, plant and buildings RMB'000	Machinery RMB'000	Office and other equipment RMB'000	Vehicles RMB'000	Construction- in-progress RMB'000	Right-of-use assets-land use rights RMB'000	Right-of-use assets-other properties RMB'000	Total RMB'000
Accumulated depreciation and impairment:								
At 1 January 2022	16,874,892	37,756,384	909,708	1,824,713	2,853	1,634,236	16,035	59,018,821
At 31 December 2022, as previously reported Business combinations under common control	-	(1,429)	6,455	713	-	-	-	5,739
At 1 January 2023, as restated	16,874,892	37,754,955	916,163	1,825,426	2,853	1,634,236	16,035	59,024,560
Impact of exchange rate changes	23,483	33,753	563	1,228	-	-	-	59,027
Charge for the year	1,925,058	4,191,591	184,010	257,729	-	220,467	19,697	6,798,552
Impairment loss	170,038	129,107	1,712	374	-	-	-	301,231
Reversal of impairment loss due to disposal	-	(1,080)	-	-	-	-	-	(1,080)
Reversal of impairment loss due to reclassification to assets held for sale (Note 24)	(10,351)	(14,595)	(14)	-	-	-	-	(24,960)
Written off on disposals	(27,765)	(845,865)	(26,006)	(86,091)	-	(16,395)	(1,084)	(1,003,206)
Reclassification to assets held for sale (Note 24)	(47,245)	(161,376)	(519)	-	-	-	-	(209,140)
Transfer in from investment properties	4,102	-	-	-	-	-	-	4,102
At 31 December 2023	18,912,212	41,086,490	1,075,909	1,998,666	2,853	1,838,308	34,648	64,949,086

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

14 OTHER PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliation of carrying amount (continued)

	Freehold land, plant and buildings RMB'000	Machinery RMB'000	Office and other equipment RMB'000	Vehicles RMB'000	Construction- in-progress RMB'000	Right-of-use assets-land use rights RMB'000	Right-of-use assets-other properties RMB'000	Total RMB'000
At 1 January 2024, as restated	18,912,212	41,086,490	1,075,909	1,998,666	2,853	1,838,308	34,648	64,949,086
Impact of exchange rate changes	(6,630)	(3,680)	(311)	(1,164)	-	-	-	(11,785)
Charge for the year	2,390,107	4,551,157	179,781	196,876	-	266,475	45,559	7,629,955
Impairment loss	98,641	119,570	401	75	-	-	-	218,687
Transfer in from investment properties	7,371	-	-	-	-	-	-	7,371
Reversal of impairment loss due to disposal	(16,164)	(7,287)	(3)	(11)	-	-	-	(23,465)
Reversal of impairment loss due to reclassification to assets held for sale (Note 24)	-	(7,210)	-	-	-	-	-	(7,210)
Written off on disposals	(51,149)	(1,475,824)	(9,919)	(46,808)	-	(725)	(23,363)	(1,607,788)
Reclassification to assets held for sale (Note 24)	(4,802)	(88,113)	-	-	-	-	-	(92,915)
Transfer out to investment properties	(11,519)	-	-	-	-	-	-	(11,519)
At 31 December 2024	21,318,067	44,175,103	1,245,858	2,147,634	2,853	2,104,058	56,844	71,050,417
Net book value:								
At 31 December 2024	46,544,669	41,343,133	518,881	820,963	9,580,925	8,920,003	223,198	107,951,772
At 31 December 2023	44,638,955	39,519,186	546,416	818,372	10,888,947	8,367,928	188,016	104,967,820

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

14 OTHER PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliation of carrying amount (continued)

Certain property, plant and equipment of the Group have been pledged as security for bank loans. Details are set out below:

	31 December 2024 RMB'000	31 December 2023 RMB'000
Plant and buildings	191,137	80,347
Land use rights	55,952	61,380
	247,089	141,727

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

14 OTHER PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliation of carrying amount (continued)

Impairment loss

During the year ended 31 December 2024, management assessed certain production lines of the Group had indicators of impairment, as certain subsidiaries of the Group closed certain production lines or underutilised their production capacity and incurred operating loss. The Group assessed the recoverable amounts of these property, plant and equipment, which were higher of the value in use (“VIU”) and the fair value less costs of disposal (“FVLCS”). Based on the impairment test as disclosed below, a total of impairment loss of RMB218,687,000 was recognised in “impairment loss” for the year ended 31 December 2024.

The Group assessed the recoverable amounts of these property, plant and equipment, which were higher of the value in use and the fair value less costs of disposal.

For those recoverable amounts determined based on VIU

To determine the VIU, the Group used a discounted cash flow forecast for each separately identifiable cash-generating unit (“CGU”). The forecast period is estimated based on the remaining economic benefit life of the main equipment of the production line. The pre-tax discount rate reflects specific risks related to CGUs. As a result, the carrying amounts of these property, plant and equipment were written down to their recoverable amounts of RMB61,327,000. An impairment loss of RMB10,370,000 for these assets was recognised in “impairment loss” for the year ended 31 December 2024.

For those recoverable amounts determined based on FVLCS

The fair value less costs of disposal is determined based on the production lines’ fair values less costs of disposal, using market comparison approach by reference to recent sales price of similar assets within the same industry, adjusted for differences such as capacity volume. As a result, the carrying amounts of these property, plant and equipment were written down to their recoverable amounts of RMB126,780,000. An impairment loss of RMB208,316,000 for these assets was recognised in “impairment loss” for the year ended 31 December 2024.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

14 OTHER PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	Notes	31 December 2024 RMB'000	31 December 2023 RMB'000
Land use rights carried at depreciated cost	(i)	8,920,003	8,367,928
Other properties leased for own use, carried at depreciated cost	(ii)	223,198	188,016
		9,143,201	8,555,944

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2024 RMB'000	2023 RMB'000
Depreciation charge of right-of-use assets by class of underlying asset:		
Land use rights	266,475	220,467
Other properties leased for own use	45,559	19,697
	312,034	240,164

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

14 OTHER PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Right-of-use assets (continued)

	2024 RMB'000	2023 RMB'000
Interest on lease liabilities	12,619	7,093
Expense relating to short-term leases	28,385	22,290
Variable lease payments not included in the measurement of lease liabilities	22,869	24,773

Notes:

(i) Land use rights

All lands in the PRC are state-owned or collectively owned and no individual ownership right exists. The Group acquired the rights to use certain lands. The consideration paid for such rights are treated as right-of-use assets and depreciated over the period of lease term using straight-line method.

Up to the issuance date of these financial statements, the Group has been in the process of applying for registration of the ownership certificates for certain land use rights. The aggregate carrying value of such land use rights of the Group as at 31 December 2024 was approximately RMB35,572,000 (2023: RMB39,147,000). The directors are of the opinion that the Group is entitled to legally use these land use rights.

(ii) Other leases

The Group leases office buildings and cement transfer storages under leases expiring from 1 to 10 years.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

15 INTANGIBLE ASSETS

	Limestone mining rights RMB'000	Clay mining rights RMB'000	Technology RMB'000	Customer relationship RMB'000	Others RMB'000	Total RMB'000
Cost:						
At 1 January 2023, as restated	25,697,938	68,970	211,000	175,000	1,173,615	27,326,523
Additions, as restated	322,192	-	-	3,310	74,226	399,728
Increase through business combination not under common control	-	-	-	17,550	2,600	20,150
Transfer from construction-in- progress	228,600	-	-	-	4,910	233,510
At 31 December 2023	26,248,730	68,970	211,000	195,860	1,255,351	27,979,911
At 1 January 2024	26,248,730	68,970	211,000	195,860	1,255,351	27,979,911
Additions	2,217,056	11,395	-	-	63,409	2,291,860
Transfer from construction-in- progress	86,277	-	-	-	-	86,277
At 31 December 2024	28,552,063	80,365	211,000	195,860	1,318,760	30,358,048

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

15 INTANGIBLE ASSETS (CONTINUED)

	Limestone mining rights RMB'000	Clay mining rights RMB'000	Technology RMB'000	Customer relationship RMB'000	Others RMB'000	Total RMB'000
Accumulated amortisation:						
At 1 January 2023, as restated	2,458,122	33,820	2,917	3,517	161,741	2,660,117
Charge for the year, as restated	543,634	3,626	21,100	17,500	57,956	643,816
At 31 December 2023	3,001,756	37,446	24,017	21,017	219,697	3,303,933
At 1 January 2024	3,001,756	37,446	24,017	21,017	219,697	3,303,933
Charge for the year	730,022	4,545	21,100	35,459	81,366	872,492
At 31 December 2024	3,731,778	41,991	45,117	56,476	301,063	4,176,425
Net book value:						
At 31 December 2024	24,820,285	38,374	165,883	139,384	1,017,697	26,181,623
At 31 December 2023	23,246,974	31,524	186,983	174,843	1,035,654	24,675,978

Technology and customer relationship were acquired through the business combination of Conch Environment Protection. They are recognised at fair value at the date of acquisition and is subsequently amortised on a straight-line basis over 5-10 years.

Others mainly represented the acquisition cost for software, the rights of using maritime space and emission rights.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

15 INTANGIBLE ASSETS (CONTINUED)

Certain intangible assets of the Group have been pledged as security for bank loans. Details are set out below:

	2024 RMB'000	2023 RMB'000
Limestone mining rights	–	1,195,204

16 GOODWILL

	31 December 2024 RMB'000	31 December 2023 RMB'000
Carrying amount:		
At 1 January	1,147,072	1,145,964
Acquisitions through business combinations	304,515	1,108
At 31 December	1,451,587	1,147,072

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

16 GOODWILL (CONTINUED)

Impairment tests for cash-generating units containing goodwill

For the purpose of impairment testing of goodwill, goodwill is allocated to groups of cash-generating units (being subsidiaries acquired in each acquisition). Such groups of cash-generating units represent the lowest level within the Group at which the goodwill is monitored for internal management purposes as follows:

	31 December 2024	31 December 2023
	RMB'000	RMB'000
West Papua Conch	304,515	–
Conch Environment Protection	209,634	209,634
Guan Teng Companies	256,117	256,117
Multiple units without material goodwill	681,321	681,321
Total	1,451,587	1,147,072

West Papua Conch

The recoverable amount of the cash-generating units is determined based on value-in-use calculations. The Group engaged an independent professional valuer to assist with the calculation. These calculations use discounted cash flow projections primarily based on the respective financial budgets of the cash-generating units covering a five-year period approved by management. The key assumptions used in estimating the recoverable amount are as follows:

	2024
Expected average revenue growth rate during the forecast period	23.89%
Gross profit margin	13% – 31%
Growth rate beyond the forecast period	–
Pre-tax discount rate	14.85%

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

16 GOODWILL (CONTINUED)

Impairment tests for cash-generating units containing goodwill (continued)

West Papua Conch (continued)

As at 31 December 2024, the Group considers that reasonably possible change in the key assumptions above would not cause the CGU's carrying amount at 31 December 2024 to exceed its recoverable amount.

Based on the impairment tests, no impairment was recorded as at 31 December 2024 (2023: none).

Conch Environment Protection

The recoverable amount of the cash-generating units is determined based on value-in-use calculations. The Group engaged an independent professional valuer to assist with the calculation. These calculations use discounted cash flow projections primarily based on the respective financial budgets of the cash-generating units covering a five-year period approved by management. The key assumptions used in estimating the recoverable amount are as follows:

	2024
Expected average revenue growth rate during the forecast period	13.39%
Gross profit margin	36% – 49%
Growth rate beyond the forecast period	–
Pre-tax discount rate	9.6%

As at 31 December 2024, the Group considers that reasonably possible change in the key assumptions above would not cause the CGU's carrying amount at 31 December 2024 to exceed its recoverable amount.

Based on the impairment tests, no impairment was recorded as at 31 December 2024 (2023: none).

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

16 GOODWILL (CONTINUED)

Impairment tests for cash-generating units containing goodwill (continued)

Guan Teng Companies

The recoverable amount of the cash-generating units is determined based on value-in-use calculations. The Group engaged an independent professional valuer to assist with the calculation. These calculations use discounted cash flow projections primarily based on the respective financial budgets of the cash-generating units covering a five-year period approved by management. The key assumptions used in estimating the recoverable amount are as follows:

	2024
Expected average revenue growth rate during the forecast period	18.45%
Gross profit margin	18% – 28%
Growth rate beyond the forecast period	–
Pre-tax discount rate	10.3%

As at 31 December 2024, the Group considers that reasonably possible change in the key assumptions above would not cause the CGU's carrying amount at 31 December 2024 to exceed its recoverable amount.

Based on the impairment tests, no impairment was recorded as at 31 December 2024 (2023: none).

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

16 GOODWILL (CONTINUED)

Impairment tests for cash-generating units containing goodwill (continued)

Other individual not material CGUs

Apart from Conch Environment, other CGUs are related to cement and cement related business and all individual not significant.

For these CGUs, the calculations use discounted cash flow projections primarily based on the respective financial budgets of the cash-generating units covering a five-year period approved by management. The key assumptions used in estimating the recoverable amount are as follows:

	2024
Expected average revenue growth rate during the forecast period	0.26% – 15.38%
Gross profit margin	9.13% – 30.16%
Growth rate beyond the forecast period	–
Pre-tax discount rate	9.39%

As at 31 December 2024, the Group considers that reasonably possible change in the key assumptions above would not cause the CGU's carrying amount at 31 December 2024 to exceed its recoverable amount.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

17 INVESTMENTS IN SUBSIDIARIES

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Ningbo Conch Cement Co., Ltd. ("Ningbo Conch") 寧波海螺水泥有限公司	PRC/ Mainland China	RMB 171,000,000	75%	75%	-	Manufacture and sale of clinker and cement products
Shanghai Mingzhu Conch Cement Co., Ltd. ("Mingzhu Conch") 上海海螺明珠水泥有限公司	PRC/ Mainland China	RMB 30,000,000	94.2%	94.2%	-	Manufacture and sale of clinker and cement products
Anhui Tongling Conch Cement Co., Ltd. ("Tongling Conch") 安徽銅陵海螺水泥有限公司	PRC/ Mainland China	RMB 742,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Anhui Changfeng Conch Cement Co., Ltd. ("Changfeng Conch") 安徽長豐海螺水泥有限公司	PRC/ Mainland China	RMB 10,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Zhangjiagang Conch Cement Co., Ltd. ("Zhangjiagang Conch") 張家港海螺水泥有限公司	PRC/ Mainland China	RMB 35,000,000	98.71%	98.71%	-	Manufacture and sale of clinker and cement products
Nantong Conch Cement Co., Ltd. ("Nantong Conch") 南通海螺水泥有限公司	PRC/ Mainland China	RMB 50,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Anhui Digang Conch Cement Co., Ltd. ("Digang Conch") 安徽荻港海螺水泥股份有限公司	PRC/ Mainland China	RMB 590,000,000	100%	99.75%	0.25%	Manufacture and sale of clinker and cement products

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Jianyang Conch Cement Co., Ltd. ("Jianyang Conch") 福建省建陽海螺水泥有限責任公司	PRC/ Mainland China	RMB 14,000,000	76%	76%	-	Manufacture and sale of clinker and cement products
Anhui Zongyang Conch Cement Co., Ltd. ("Zongyang Conch") 安徽縱陽海螺水泥股份有限公司	PRC/ Mainland China	RMB 410,000,000	100%	99.27%	0.73%	Manufacture and sale of clinker and cement products
Anhui Chizhou Conch Cement Co., Ltd. ("Chizhou Conch") 安徽池州海螺水泥股份有限公司	PRC/ Mainland China	RMB 950,000,000	100%	99.67%	0.33%	Manufacture and sale of clinker and cement products
Taizhou Conch Cement Co., Ltd. ("Taizhou Conch") 泰州海螺水泥有限責任公司	PRC/ Mainland China	RMB 11,520,000	100%	93.75%	6.25%	Manufacture and sale of clinker and cement products
Bengbu Conch Cement Co., Ltd. ("Bengbu Conch") 蚌埠海螺水泥有限責任公司	PRC/ Mainland China	RMB 54,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Shanghai Conch Cement Sales Co., Ltd. ("Shanghai Sales") 上海海螺水泥銷售有限公司	PRC/ Mainland China	RMB 5,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Fenyi Conch Cement Co., Ltd. ("Fenyi Conch") 分宜海螺水泥有限責任公司	PRC/ Mainland China	RMB 110,000,000	100%	100%	-	Manufacture and sale of clinker and cement products

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Shangyu Conch Cement Co., Ltd. ("Shangyu Conch") 紹興上虞海螺水泥有限責任公司	PRC/ Mainland China	RMB 16,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Jiande Conch Cement Co., Ltd. ("Jiande Conch") 建德海螺水泥有限責任公司	PRC/ Mainland China	RMB 200,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Jiangxi Lushan Conch Cement Co., Ltd. ("Lushan Conch") 江西廬山海螺水泥有限公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Taizhou Yangwan Conch Cement Co., Ltd. ("Yangwan Conch") 泰州楊灣海螺水泥有限責任公司	PRC/ Mainland China	RMB 170,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Nanchang Conch Cement Co., Ltd. ("Nanchang Conch") 南昌海螺水泥有限責任公司	PRC/ Mainland China	RMB 20,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Anhui Huaining Conch Cement Co., Ltd. ("Huaining Conch") 安徽懷寧海螺水泥有限公司	PRC/ Mainland China	RMB 273,250,000	100%	100%	-	Manufacture and sale of clinker and cement products
Zhongguo Cement Co., Ltd. ("Zhongguo Plant") 中國水泥廠有限公司	PRC/ Mainland China	RMB 194,600,000	100%	100%	-	Manufacture and sale of clinker and cement products

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Huai'an Conch Cement Co., Ltd. ("Huai'an Conch") 淮安海螺水泥有限責任公司	PRC/ Mainland China	RMB 20,000,000	100%	-	100%	Manufacture and sale of clinker and cement products
Taicang Conch Cement Co., Ltd. ("Taicang Conch") 太倉海螺水泥有限責任公司	PRC/ Mainland China	RMB 20,000,000	100%	-	100%	Manufacture and sale of clinker and cement products
Taizhou Conch Cement Co., Ltd. ("Taizhou Conch") 台州海螺水泥有限公司	PRC/ Mainland China	RMB 70,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Nantong Haimen Conch Cement Co., Ltd. ("Haimen Conch") 南通海門海螺水泥有限責任公司	PRC/ Mainland China	RMB 50,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Jiangmen Conch Cement Co., Ltd. ("Jiangmen Conch") 江門海螺水泥有限公司	PRC/ Mainland China	RMB 105,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Ma'anshan Conch Cement Co., Ltd. ("Ma'anshan Conch") 馬鞍山海螺水泥有限責任公司	PRC/ Mainland China	RMB 80,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Jiangsu Baling Conch Cement Co., Ltd. ("Baling Conch") 江蘇八菱海螺水泥有限公司	PRC/ Mainland China	RMB 32,960,000	75%	75%	-	Manufacture and sale of clinker and cement products

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Shuangfeng Conch Cement Co., Ltd. ("Shuangfeng Conch") 雙峰海螺水泥有限公司	PRC/ Mainland China	RMB 492,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Anhui Xuancheng Conch Cement Co., Ltd. ("Xuancheng Conch") 安徽宣城海螺水泥有限公司	PRC/ Mainland China	RMB 406,500,000	100%	100%	-	Manufacture and sale of clinker and cement products
Wuhu Conch Cement Co., Ltd. ("Wuhu Conch") 蕪湖海螺水泥有限公司	PRC/ Mainland China	RMB 660,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Hunan Conch Cement Co., Ltd. ("Hunan Conch") 湖南海螺水泥有限公司	PRC/ Mainland China	RMB 400,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Prosperity Conch Cement Co., Ltd. ("Prosperity Conch") 英德海螺水泥有限公司	PRC/ Mainland China	RMB 580,000,000	75%	70.01%	4.99%	Manufacture and sale of clinker and cement products
Xingye Kuiyang Conch Cement Co., Ltd. ("Kuiyang Conch") 興業蕪陽海螺水泥有限公司	PRC/ Mainland China	RMB 300,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Fusui Xinning Conch Cement Co., Ltd. ("Xinning Conch") 扶綏新寧海螺水泥有限公司	PRC/ Mainland China	RMB 328,000,000	100%	100%	-	Manufacture and sale of clinker and cement products

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Conch Construction 安徽蕪湖海螺建築安裝工程有限責任公司	PRC/ Mainland China	RMB 30,000,000	100%	100%	-	Provision of construction and installation services for industrial purposes
Xing'an Conch Cement Co., Ltd. ("Xing'an Conch") 興安海螺水泥有限責任公司	PRC/ Mainland China	RMB 350,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Ninghai Qiangjiao Conch Cement Co., Ltd. ("Ninghai Conch") 寧海強蛟海螺水泥有限公司	PRC/ Mainland China	RMB 110,240,000	100%	100%	-	Manufacture and sale of clinker and cement products
Beiliu Conch Cement Co., Ltd. ("Beiliu Conch") 北流海螺水泥有限責任公司	PRC/ Mainland China	RMB 450,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Zhanjiang Conch Cement Co., Ltd. ("Zhanjiang Conch") 湛江海螺水泥有限責任公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Xiangshan Conch Cement Co., Ltd. ("Xiangshan Conch") 象山海螺水泥有限責任公司	PRC/ Mainland China	RMB 189,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Pingliang Conch 平涼海螺水泥有限責任公司	PRC/ Mainland China	RMB 470,000,000	100%	100%	-	Manufacture and sale of clinker and cement products

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Linxiang Conch Cement Co., Ltd. ("Linxiang Conch") 臨湘海螺水泥有限責任公司	PRC/ Mainland China	RMB 290,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Yueqing Conch Cement Co., Ltd. ("Yueqing Conch") 樂清海螺水泥有限責任公司	PRC/ Mainland China	RMB 238,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Quanjiao Conch Cement Co., Ltd. ("Quanjiao Conch") 全椒海螺水泥有限責任公司	PRC/ Mainland China	RMB 350,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Ningde Conch Cement Co., Ltd. ("Ningde Conch") 寧德海螺水泥有限責任公司	PRC/ Mainland China	RMB 150,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Guangyuan Conch 廣元海螺水泥有限責任公司	PRC/ Mainland China	RMB 480,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Guangdong Qingxin Cement Co., Ltd. ("Qingxin Conch") 廣東清新水泥有限公司	PRC/ Mainland China	RMB 320,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Chongqing Conch 重慶海螺水泥有限責任公司	PRC/ Mainland China	RMB 550,000,000	100%	100%	-	Manufacture and sale of clinker and cement products

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Jiangxi Ganjiang Conch Cement Co., Ltd. ("Ganjiang Conch") 江西赣江海螺水泥有限責任公司	PRC/ Mainland China	RMB 165,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Foshan Conch Cement Co., Ltd. ("Foshan Conch") 佛山海螺水泥有限責任公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Lu'an Conch Cement Co., Ltd. ("Lu'an Conch") 六安海螺水泥有限責任公司	PRC/ Mainland China	RMB 89,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Dazhou Conch 達州海螺水泥有限責任公司	PRC/ Mainland China	RMB 480,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Liquan Conch 禮泉海螺水泥有限責任公司	PRC/ Mainland China	RMB 480,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Qianyang Conch 千陽海螺水泥有限責任公司	PRC/ Mainland China	RMB 490,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Huainan Conch Cement Co., Ltd. ("Huainan Conch") 淮南海螺水泥有限責任公司	PRC/ Mainland China	RMB 160,000,000	100%	100%	-	Manufacture and sale of clinker and cement products

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Yangchun Conch Cement Co., Ltd. ("Yangchun Conch") 陽春海螺水泥有限責任公司	PRC/ Mainland China	RMB 550,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Jining Conch Cement Co., Ltd. ("Jining Conch") 濟寧海螺水泥有限責任公司	PRC/ Mainland China	RMB 235,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Qiyang Conch Cement Co., Ltd. ("Qiyang Conch") 祁陽海螺水泥有限責任公司	PRC/ Mainland China	RMB 200,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Hunan Yiyang Conch Cement Co., Ltd. ("Yiyang Conch") 湖南益陽海螺水泥有限責任公司	PRC/ Mainland China	RMB 200,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Suzhou Conch Cement Co., Ltd. ("Suzhou Conch") 宿州海螺水泥有限責任公司	PRC/ Mainland China	RMB 200,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Huangshan Conch Cement Co., Ltd. ("Huangshan Conch") 黃山海螺水泥有限責任公司	PRC/ Mainland China	RMB 80,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Huazhou Conch Cement Co., Ltd. ("Huazhou Conch") 化州海螺水泥有限責任公司	PRC/ Mainland China	RMB 200,000,000	100%	100%	-	Manufacture and sale of clinker and cement products

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Jianghua Conch Cement Co., Ltd. ("Jianghua Conch") 江華海螺水泥有限責任公司	PRC/ Mainland China	RMB 266,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Jianghua Conch Plastic Packaging Co., Ltd. ("Jianghua Plastic") 江華海螺塑膠包裝有限責任公司	PRC/ Mainland China	RMB 20,000,000	100%	100%	-	Manufacture and sale of cement packaging
Longling Conch Cement Co., Ltd. ("Longling Conch") 龍陵海螺水泥有限責任公司	PRC/ Mainland China	RMB 225,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Guangyuan Conch Plastic Packaging Co., Ltd. ("Guangyuan Plastic") 廣元海螺塑膠包裝有限責任公司	PRC/ Mainland China	RMB 20,000,000	100%	100%	-	Manufacture and sale of cement packaging
Guiyang Conch 貴陽海螺盤江水水泥有限責任公司	PRC/ Mainland China	RMB 706,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Guiding Conch 貴定海螺盤江水水泥有限責任公司	PRC/ Mainland China	RMB 460,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Zunyi Conch 遵義海螺盤江水水泥有限責任公司	PRC/ Mainland China	RMB 530,000,000	100%	100%	-	Manufacture and sale of clinker and cement products

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Zhuangxiang Conch 雲南壯鄉水泥股份有限公司	PRC/ Mainland China	RMB 50,000,000	100%	99%	1%	Manufacture and sale of clinker and cement products
Baoshan Conch 保山海螺水泥有限責任公司	PRC/ Mainland China	RMB 300,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Longan Conch 隆安海螺水泥有限責任公司	PRC/ Mainland China	RMB 120,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Refractory Material 安徽海螺暹羅耐火材料有限公司	PRC/ Mainland China	RMB 168,000,000	70%	70%	-	Manufacture, development and sale of refractory material
Tongren Conch 銅仁海螺盤江水水泥有限責任公司	PRC/ Mainland China	RMB 510,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Jinlinghe 寶雞市眾喜金陵河水泥有限公司	PRC/ Mainland China	RMB 372,376,000	100%	100%	-	Manufacture and sale of clinker and cement products
Fenghuangshan 寶雞眾喜鳳凰山水泥有限公司	PRC/ Mainland China	RMB 928,800,000	100%	100%	-	Manufacture and sale of clinker and cement products
Qianxian Conch 乾縣海螺水泥有限責任公司	PRC/ Mainland China	RMB 560,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Liukuangruian 貴州六礦瑞安水泥有限公司	PRC/ Mainland China	RMB 477,450,000	51%	51%	-	Manufacture and sale of clinker and cement products

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Liangping Conch 梁平海螺水泥有限責任公司	PRC/ Mainland China	RMB 300,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Qianxinan 黔西南州發展資源開發有限公司	PRC/ Mainland China	RMB 250,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Bazhong Conch 巴中海螺水泥有限責任公司	PRC/ Mainland China	RMB 280,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Wenshan Conch 文山海螺水泥有限責任公司	PRC/ Mainland China	RMB 280,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Bozhou Conch Cement Co., Ltd. ("Bozhou Conch") 亳州海螺水泥有限責任公司	PRC/ Mainland China	RMB 30,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Nanwei Cement 四川南威水泥有限公司	PRC/ Mainland China	RMB 168,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Zhenjiang Beigu Conch Cement Co., Ltd. ("Beigu Conch") 鎮江北固海螺水泥有限責任公司	PRC/ Mainland China	RMB 50,000,000	80%	80%	-	Manufacture and sale of clinker and cement products

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Hami Building Material 哈密弘毅建材有限責任公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Hami Xingyi Mining Co., Ltd. ("Hami Mining") 哈密興義礦業有限責任公司	PRC/ Mainland China	RMB 3,000,000	100%	-	100%	Mining and related service
Lingyun Tonghong 廣西凌雲通鴻水泥有限公司	PRC/ Mainland China	RMB 80,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Maoming Dadi Cement Co., Ltd. ("Maoming Dadi") 茂名市大地水泥有限公司	PRC/ Mainland China	RMB 60,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Jinxian Conch Cement Co., Ltd. ("Jinxian Conch") 進賢海螺水泥有限責任公司	PRC/ Mainland China	RMB 42,000,000	70%	70%	-	Manufacture and sale of clinker and cement products
Linxia Conch 臨夏海螺水泥有限責任公司	PRC/ Mainland China	RMB 350,000,000	100%	100%	-	Manufacture and sale of clinker and cement products

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Conch Material Trading Co., Ltd. ("Conch Material") 安徽海螺物資貿易有限責任公司	PRC/ Mainland China	RMB 300,000,000	100%	100%	-	Sale of clinker and cement products
Wuxi Conch Sales Cement Co., Ltd. ("Wuxi Sales") 無錫海螺水泥銷售有限公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Sale of clinker and cement products
Yingjiangyunhan 盈江縣允罕水泥有限公司	PRC/ Mainland China	RMB 300,000,000	99%	99%	-	Manufacture and sale of clinker and cement products
Baoji Conch Plastic Packaging Co., Ltd. ("Baoji Plastic") 寶雞海螺塑膠包裝有限責任公司	PRC/ Mainland China	RMB 10,000,000	100%	100%	-	Manufacture and sale of cement packaging
Shaoyang Yeafing New Energy Co., Ltd. ("Yeafing New Energy") 邵陽市雲峰新能源科技有限公司	PRC/ Mainland China	RMB 120,000,000	65%	65%	-	Sale and development of profile and related products
Hunan Yeafing Cement Co., Ltd. ("Yeafing Cement") 湖南省雲峰水泥有限公司	PRC/ Mainland China	RMB 93,000,000	65%	65%	-	Manufacture and sale of clinker and cement products
Shuicheng Conch Panjiang Cement Co., Ltd. ("Shuicheng Conch") (note(i)) 水城海螺盤江水泥有限責任公司	PRC/ Mainland China	RMB 800,000,000	87.22%	87.22%	-	Manufacture and sale of clinker and cement products

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Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Kunming Conch 昆明海螺水泥有限公司	PRC/ Mainland China	USD 30,506,700	80%	80%	-	Manufacture and sale of clinker and cement products
Lianyuan Conch Cement Co., Ltd. ("Lianyuan Cement") 漣源海螺水泥有限公司	PRC/ Mainland China	USD 74,800,000	80%	80%	-	Manufacture and sale of clinker and cement products
Ganzhou Conch 贛州海螺水泥有限責任公司	PRC/ Mainland China	RMB 400,000,000	55%	55%	-	Manufacture and sale of clinker and cement products
Chaohu Conch Cement Co., Ltd. ("Chaohu Conch") 巢湖海螺水泥有限責任公司	PRC/ Mainland China	RMB 500,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Guiding Conch Plastic Packaging Co., Ltd. ("Guiding Plastic") 貴定海螺塑膠包裝有限責任公司	PRC/ Mainland China	RMB 20,000,000	100%	100%	-	Manufacture and sale of cement packaging
Fenghuang Building Material 陝西銅川鳳凰建材有限公司	PRC/ Mainland China	RMB 584,612,000	65%	65%	-	Manufacture and sale of clinker and cement products

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Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Haihui New Material 遵義海匯新材料有限責任公司	PRC/ Mainland China	RMB 45,000,000	60%	60%	-	Manufacture and sale of concrete products
Chizhou Conch New Material Co., Ltd. ("Chizhou New Material") 池州海螺新材料有限責任公司	PRC/ Mainland China	RMB 250,000,000	100%	100%	-	Manufacture and sale of concrete products
Guangyuan Conch New Material Co., Ltd. ("Guangyuan New Material") 廣元海螺新材料有限責任公司	PRC/ Mainland China	RMB 40,000,000	90%	90%	-	Manufacture and sale of concrete products
Bazhong Construction 巴中海螺建材有限責任公司	PRC/ Mainland China	RMB 50,000,000	90%	90%	-	Manufacture and sale of clinker and cement products
Chongqing Trading 重慶海螺物資貿易有限責任公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Wuhu Conch Mining Co., Ltd. ("Wuhu Mining") 蕪湖海螺礦業有限責任公司	PRC/ Mainland China	RMB 12,000,000	70%	70%	-	Mining and selling aggregates
Wuhu Southeast Asia International Trading Co., Ltd. ("Southeast Asia Trading") 蕪湖東南亞國際貿易有限公司	PRC/ Mainland China	USD 40,000,000	55%	55%	-	Sale and trading of clinker and cement products and provision of related services

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Guangdong Qingyuan Guangying Cement Co., Ltd. ("Guangying Cement") 廣東清遠廣英水泥有限責任公司	PRC/ Mainland China	RMB 345,000,000	80%	80%	-	Manufacture and sale of clinker and cement products
Basu Conch 八宿海螺水泥有限責任公司	PRC/ Mainland China	RMB 827,500,000	70%	70%	-	Manufacture and sale of clinker and cement products
Chuzhou Conch Cement New Construction Materials Co., Ltd. ("Chuzhou New Material") 滁州海螺新型建材有限公司	PRC/ Mainland China	RMB 11,000,000	70%	70%	-	Manufacture and sale of concrete products
Jiangsu Conch Cement Construction Materials Co., Ltd. ("Jiangsu Material") 江蘇海螺建材有限責任公司	PRC/ Mainland China	RMB 50,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Hunan Haizhong Trading Co., Ltd. ("Hunan Haizhong") 湖南海中貿易有限責任公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Yunnan Haizhong Trading Co., Ltd. ("Yunnan Haizhong") 雲南海中貿易有限責任公司	PRC/ Mainland China	RMB 50,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Yangzhou Conch Cement Co., Ltd. ("Yangzhou Conch") 揚州海螺水泥有限責任公司	PRC/ Mainland China	RMB 210,000,000	100%	100%	-	Manufacture and sale of clinker and cement products

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Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Yiyang Conch Cement Co., Ltd. ("Yiyang Conch") 弋陽海螺水泥有限責任公司	PRC/ Mainland China	RMB 457,500,000	100%	100%	-	Manufacture and sale of clinker and cement products
Shimen Conch Cement Co., Ltd. ("Shimen Conch") 石門海螺水泥有限責任公司	PRC/ Mainland China	RMB 421,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Shanghai Conch Construction Material International Trading Co. Ltd. ("Conch International Trading") 上海海螺建材國際貿易有限公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Sale, exporting and trading of clinker and cement products
Wuhu Conch Plastic Products Co., Ltd. ("Wuhu Plastic") 蕪湖海螺塑膠製品有限公司	PRC/ Mainland China	RMB 30,000,000	100%	100%	-	Manufacture and sale of cement packaging
Anhui Ningchang Plastic Packaging Co., Ltd. ("Ningchang Plastic") 安徽寧昌塑膠包裝有限公司	PRC/ Mainland China	RMB 53,554,100	100%	100%	-	Manufacture and sale of cement packaging
Shanghai Conch Logistic Co., Ltd. ("Conch Logistic") 上海海螺物流有限公司	PRC/ Mainland China	RMB 10,000,000	100%	100%	-	Logistic services
Guangdong Yinglong Conch Logistic Co., Ltd. ("Yinglong Logistic") 廣東英龍海螺物流有限公司	PRC/ Mainland China	RMB 10,000,000	100%	100%	-	Logistic services

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Yingde Conch Plastic Packaging Co., Ltd. ("Yingde Plastic") 英德海螺塑膠包裝有限責任公司	PRC/ Mainland China	RMB 6,000,000	100%	100%	-	Manufacture and sale of cement packaging
Huai'an Chuzhou Conch Cement Co., Ltd. ("Chuzhou Conch") 淮安楚州海螺水泥有限責任公司	PRC/ Mainland China	RMB 113,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Jiangxi Haizhong Trading Co., Ltd. ("Jiangxi Haizhong") 江西海中貿易有限責任公司	PRC/ Mainland China	RMB 50,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Guizhou Haizhong Trading Co., Ltd. ("Guizhou Haizhong") 貴州海中貿易有限責任公司	PRC/ Mainland China	RMB 10,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Nanjing Haizhong Trading Co., Ltd. ("Nanjing Haizhong") 南京海中貿易有限公司	PRC/ Mainland China	RMB 50,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Shanxi Haizhong Trading Co., Ltd. ("Shanxi Haizhong") 陝西海中貿易有限責任公司	PRC/ Mainland China	RMB 50,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Guangxi Chongzuo Haizhong Trading Co., Ltd. ("Chongzuo Haizhong") 廣西崇左海中貿易有限責任公司	PRC/ Mainland China	RMB 50,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services

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Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Tongchuan Conch New Material 銅川海螺新材料有限責任公司	PRC/ Mainland China	RMB 40,000,000	65%	65%	-	Manufacture and sale of concrete products
Linqan Conch Cement Co., Ltd. ("Linqan Conch") 臨泉海螺水泥有限責任公司	PRC/ Mainland China	RMB 50,000,000	100%	100%	-	Warehouse Logistics
Zhuhai Haizhong Trading Co., Ltd. ("Zhuhai Haizhong") 珠海海中貿易有限責任公司	PRC/ Mainland China	RMB 50,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Fenyi Conch Construction Materials Co., Ltd. ("Fenyi Material") 分宜海螺建築材料有限責任公司	PRC/ Mainland China	RMB 1,000,000,000	97.51%	97.51%	-	Processing and sales of construction stones
Jiangxi Yiyang Conch New Construction Material Co., Ltd. ("Yiyang Construction Material") 江西弋陽海螺新型建材有限責任公司	PRC/ Mainland China	RMB 100,000,000	70%	70%	-	Production and sales of construction materials
Jiangxi Yiyang Conch New Material Co., Ltd. ("Yiyang New Material") 江西弋陽海螺新材料有限責任公司	PRC/ Mainland China	RMB 30,000,000/ RMB 12,000,000	70%	70%	-	Production and sales of concrete and related products
Anhui Haizhong Investment ("Haizhong Investment") 安徽海中投資有限公司	PRC/ Mainland China	RMB 1,450,000,000	51%	51%	-	Investment and trading

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Nanjiang Conch Cement Co., Ltd. ("Nanjiang Conch") 南江海螺水泥有限公司	PRC/ Mainland China	RMB 300,000,000	51%	51%	-	Manufacture and sale of clinker and cement products
Quanjiao Conch Construction Technology Co., Ltd. ("Quanjiao Construction") 全椒海螺建筑科技有限责任公司	PRC/ Mainland China	RMB 300,000,000	90%	90%	-	Provision of construction and installation services for industrial purposes
Anhui Haibo Intelligent Technology Co., Ltd. ("Haibo Intelligent") 安徽海博智能科技有限公司	PRC/ Mainland China	RMB 80,000,000	60%	60%	-	Research and experimental development
Nantong Conch Concrete Co., Ltd. ("Nantong Concrete") 南通海螺混凝土有限公司	PRC/ Mainland China	RMB 60,000,000	70%	70%	-	Production and sales of concrete and related products
Anhui Conch Zhongnan Intelligent Robot Co., Ltd. ("Zhongnan Intelligent") 安徽海螺中南智能机器人有限公司	PRC/ Mainland China	RMB 50,000,000	51%	51%	-	Research development and manufacture of automation machinery
Tongling Conch New Material Co., Ltd. ("Tongling New Material") 铜陵海螺新材料有限公司	PRC/ Mainland China	RMB 25,000,000	70%	70%	-	Production and sales of concrete and related products
Liquan Conch Construction Technology Co., Ltd. ("Liquan Construction Technology") 禮泉海螺建筑科技有限责任公司	PRC/ Mainland China	RMB 200,000,000	100%	100%	-	Industrial and civil building construction

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Xiaoxian Conch Cement Co., Ltd. ("Xiaoxian Conch") 蕭縣海螺水泥有限責任公司	PRC/ Mainland China	RMB 600,000,000	60%	60%	-	Manufacture and sale of clinker and cement products
Anhui Haihui Supply Chain Technology Co., Ltd. ("Haihui Supply Chain Technology") (note(iv)) 安徽海慧供應鏈科技有限公司	PRC/ Mainland China	RMB 150,000,000	75.6%	75.6%	-	Logistics transportation agency service
Hainan Changjiang Conch Cement Co., Ltd. ("Changjiang Conch") 海南昌江海螺水泥有限公司	PRC/ Mainland China	RMB 650,000,000	100%	-	100%	Manufacture and sale of clinker and cement products
Wuhu South Cement Co., Ltd ("Wuhu South Cement") 蕪湖南方水泥有限公司	PRC/ Mainland China	RMB 300,000,000	26.01%	-	51%	Manufacture and sale of clinker and cement products
Nantong Haimen Conch New Material Co., Ltd. ("Haimen New Material") 南通市海門海螺新材料有限責任公司	PRC/ Mainland China	RMB 300,000,000	100%	100%	-	Production and sales of new materials
Tongling Conch New Construction ("Tongling Construction") 銅陵海螺新型建材有限公司	PRC/ Mainland China	RMB 200,000,000	100%	100%	-	Processing and sales of construction stones
Changjiang Conch Huangsheng Plastic Packaging ("Changjiang Plastic Packaging") 昌江海螺華盛膠包裝有限公司	PRC/ Mainland China	RMB 50,000,000	60%	60%	-	Manufacture and sale of cement packaging

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Tianjin Haihui Supply Chain Technology ("Tianjin Haihui") (note(iv)) 天津海慧供應鏈科技有限公司	PRC/ Mainland China	RMB 10,000,000	75.6%	-	100%	Logistic services
Nantong Conch Construction Material Co., Ltd. ("Nantong Construction") 南通海螺建築材料有限責任公司	PRC/ Mainland China	RMB 30,000,000	100%	100%	-	Sales of construction materials
Conch New Energy and its subsidiaries ("Conch New Energy") (note(v)) 安徽海螺新能源有限公司及其附屬公司	PRC/ Mainland China	RMB 5,000,000,000	100%	100%	-	Photovoltaic and wind power generation and energy storage system development
Jiande Conch Green Construction ("Jiande Green Construction") 建德海螺綠色建材有限公司	PRC/ Mainland China	RMB 40,000,000	100%	100%	-	Photovoltaic and wind power generation and energy storage system development
Zhaoqing Trading Green Quarry ("Zhaoqing Quarry") 肇慶交投綠色石場有限公司	PRC/ Mainland China	RMB 1,500,000,000	51%	-	51%	Processing and sales of construction stones
Fengkai Conch Trading Green Construction ("Fengkai Green Construction") 封開海螺交投綠色建材有限公司	PRC/ Mainland China	RMB 10,000,000	68%	68%	-	Processing and sales of construction stones
Tengchong Teng Yue Cement Co., Ltd. ("Tengchong Tengyue") 騰沖市騰越水泥有限公司	PRC/ Mainland China	RMB 56,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Guizhou New Shuanglong Cement Co., Ltd. ("Guizhou New Shuanglong") 貴州新雙龍水泥有限公司	PRC/ Mainland China	RMB 200,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Youxi Conch Cement Co., Ltd ("Youxi Conch") 尤溪海螺水泥有限責任公司	PRC/ Mainland China	RMB 800,000,000/ RMB 200,000,000	33.81%	-	66.3%	Sale and trading of clinker and cement products and provision of related services
Anhui Green New Material 安徽海螺綠色新型材料有限公司	PRC/ Mainland China	RMB 1,500,000,000	65%	65%	-	Manufacture and sales of new construction materials
Bozhou Huayi New Material 亳州市華誼新型材料有限公司	PRC/ Mainland China	RMB 50,300,000	65%	-	100%	Production and sales of concrete and related products
Zhonglian New Material 安徽省中聯新型材料有限公司	PRC/ Mainland China	RMB 50,300,000	65%	-	100%	Production and sales of concrete and related products
Zhonglian Xiangqiao Construction 中聯湘謙建材有限公司	PRC/ Mainland China	RMB 100,000,000	65%	-	100%	Production and sales of concrete and related products
Motai New Material 安徽省墨泰新型材料有限公司	PRC/ Mainland China	RMB 50,300,000	65%	-	100%	Production and sales of concrete and related products
Huasheng Road Engineering 亳州市華盛道路工程有限公司	PRC/ Mainland China	RMB 26,000,000	65%	-	100%	Production and sales of concrete and related products

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Zhonglian Construction 亳州市中聯建設工程有限公司	PRC/ Mainland China	RMB 10,000,000	65%	-	100%	Construction of highway engineering
Xiangqiao Construction 亳州湘謙建築工業化有限公司	PRC/ Mainland China	RMB 50,300,000	65%	-	100%	Provision of construction and installation services for industrial purposes
Feixi Conch New Materials Co., Ltd 肥西海螺新材料有限公司 (前稱安徽中聯觀騰新型材料有限公司)	PRC/ Mainland China	RMB 50,300,000	65%	-	100%	Design and technical service for industrial products
Feixi Conch New Building Materials Co., Ltd 肥西海螺新型建材有限公司 (前稱安徽中聯摩泰克新型材料有限公司)	PRC/ Mainland China	RMB 50,300,000	65%	-	100%	Processing and sales of manufactured sand
Wuhu Conch Green Construction Technology Co., Ltd. ("Wuhu Green Construction") 蕪湖海螺綠色建築科技有限責任公司	PRC/ Mainland China	RMB 200,000,000	100%	100%	-	Construction of building intelligent engineering
Hongfeng Cement 廣東海螺鴻豐水泥有限公司	PRC/ Mainland China	RMB 1,000,000,000/ RMB 800,000,000	100%	51%	49%	Production of cement products and exploitation of mineral resources
Yingde Shengde 英德市聖德混凝土有限公司	PRC/ Mainland China	RMB 5,000,000	70%	-	100%	Production and sales of concrete and related products

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Yingde Tongde 英德市通德混凝土有限公司	PRC/ Mainland China	RMB 5,000,000	70%	-	100%	Road freight transport and sales of cement products
Wuhu Conch Green Construction Co., Ltd. ("Wuhu Green Construction") 蕪湖海螺綠色建材有限責任公司	PRC/ Mainland China	RMB 500,000,000	67%	67%	-	Processing and sales of construction stones
Ningguo Conch Green Construction ("Ningguo Green Construction") 寧國海螺綠色建材有限公司	PRC/ Mainland China	RMB 500,000,000	60%	60%	-	Processing and sales of construction stones
Ma'an Mountain Conch Green Construction ("Ma'an Mountain Green Construction") 馬鞍山海螺綠色建材有限公司	PRC/ Mainland China	RMB 2,000,000,000	100%	100%	-	Processing and sales of construction stones
Yingde Conch Green New Material ("Yingde Green New Material") 英德海螺綠色新型材料有限公司	PRC/ Mainland China	RMB 100,000,000	70%	-	70%	Production and sales of nonmetallic mineral products and investment
Huai'an Conch Green Construction Technology ("Huai'an Green Construction") 淮安海螺綠色建築科技有限公司	PRC/ Mainland China	RMB 70,000,000	100%	100%	-	Providing technical services and production and sales of cement products
Zongyang Conch New Material Technology ("Zongyang New Material") 縱陽海螺新材料科技有限公司	PRC/ Mainland China	RMB 1,000,000,000	51%	51%	-	Production and sales of nonmetallic mineral products and related products

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration/ and business	Particulars of issued and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
PT Conch Cement Indonesia ("Indonesia Conch") 印尼海螺水泥有限公司	Indonesia	USD 51,000,000	75%	75%	-	Manufacture and sale of clinker and cement products investment and trading
PT Conch South Kalimantan Cement ("Indonesia South Conch") 南加裡曼丹海螺水泥有限公司	Indonesia	USD 90,000,000	71.25%	-	71.25%	Manufacture and sale of clinker and cement products
PT Conch International Trade Indonesia ("Indonesia International Trade Conch") 印尼海螺國際貿易有限公司	Indonesia	USD 30,000,000	100%	10%	90%	Investment and trading
PT Conch Barru Cement Indonesia ("Barru Conch") 印尼巴魯海螺水泥有限公司	Indonesia	USD 50,000,000	100%	-	100%	Sale of cement products and provision of related services
PT Conch North Sulawesi Cement ("North Sulawesi Conch") 北蘇海螺水泥有限公司	Indonesia	USD 80,000,000	100%	-	100%	Manufacture and sale of clinker and cement products
PT Conch West Kalimantan Cement ("West Kalimantan Conch") 西加裡曼丹海螺水泥貿易有限公司	Indonesia	USD 4,000,000	100%	-	100%	Sale of cement products and provision of related services
Battambang Conch 馬德望海螺水泥有限公司	Cambodia	USD 50,000,000	60%	-	60%	Sale of cement products and provision of related services
Volga Conch 伏爾加海螺水泥有限責任公司	Russia	RUB 132,477,680	75%	75%	-	Manufacture and sale of clinker and cement products

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of issued and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Luangprabang Conch 璦勃拉邦海螺水泥有限公司	Laos	USD 23,000,000	70%	-	70%	Manufacture and sale of clinker and cement products
Vientiane Conch 萬象海螺水泥有限公司	Laos	USD 50,000,000	75%	-	75%	Manufacture and sale of clinker and cement products
Myanmar Conch Cement (Mandalay) Co., Ltd. ("Mandalay Conch") 緬甸海螺(曼德勒)水泥有限公司	Myanmar	USD 45,000,000	55%	55%	-	Manufacture and sale of clinker and cement products
Qarshi Conch 卡爾希海螺水泥外國企業有限責任公司	Uzbekistan	USD 60,000,000	100%	-	100%	Manufacture and sale of clinker and cement products
Phnom Penh Conch 海螺KT水泥(金邊)有限公司	Cambodia	USD 80,000,000	55%	-	55%	Manufacture and sale of clinker and cement products
Conch International 海螺國際控股(香港)有限公司	Hong Kong	USD503,100,000	100%	100%	-	Investment and Trading
Beisu Conch Mining Co., Ltd. ("Beisu Mining") 北蘇海螺礦山有限公司	Indonesia	USD1,000,000/ USD0	100%	-	100%	Mining and related service
Tashkent Conch 塔什干海螺合資企業水泥有限公司	Uzbekistan	USD 34,300,000	65%	-	65%	Manufacture and sale of clinker and cement products
Andijan Conch 上峰友誼之橋有限責任公司	Uzbekistan	USD 5,000,000	51%	-	51%	Manufacture and sale of clinker and cement products
Conch Environment Protection (note(v)(vi)) 中國海螺環保控股有限公司及其附屬公司	Cayman Islands/ Mainland China	HKD 150,000,000	21.21%	5.55%	15.66%	Industrial waste storage and disposal

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Hongji Cement 奈曼旗宏基水泥有限公司	PRC/ Mainland China	RMB 465,260,000	80%	80%	-	Manufacture and sale of clinker and cement products
Chifeng Conch Cement Co., Ltd. ("Chifeng Conch") 赤峰海螺水泥有限公司	PRC/ Mainland China	RMB 120,000,000	80%	-	100%	Manufacture and sale of clinker and cement products
Naiman Xingta Renewable Resources Co., Ltd. ("Xingta Renewable Resources") 奈曼旗興塔再生資源有限公司	PRC/ Mainland China	RMB 80,000,000	80%	-	100%	Processing and sales of construction stones
Inner Mongolia Yuexing Environmental Technology Co., Ltd. ("Yuexing Environmental Technology") 內蒙古躍興環保科技有限公司	PRC/ Mainland China	RMB 70,000,000	80%	-	100%	Industrial waste storage and disposal
Qingyuan Guangying Mining Industry Co., Ltd. ("Guangying Mining Industry") 清遠市廣英礦業有限公司	PRC/ Mainland China	RMB 62,950,000	80%	-	100%	Mining and selling aggregates
Chongqing Duoji Renewable Resources Co., Ltd. ("Chongqing Duoji") 重慶涪陵海螺建材有限公司 (前稱重慶市多吉再生資源有限公司)	PRC/ Mainland China	RMB 20,408,163	51%	51%	-	Renewable resources sales and Renewable resource processing
Shuangfeng Conch Green Construction Co., Ltd. ("Shuangfeng Green Construction") 雙峰海螺綠色建材有限公司	PRC/ Mainland China	RMB 500,000,000/ RMB 100,000,000	65%	65%	-	Manufacture and sales of new construction materials
Changsha Yongyun Building Materials 長沙永運建材有限公司	PRC/ Mainland China	RMB 30,000,000	100%	-	100%	Sales of construction materials

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Liuzhi Conch New Construction Co., Ltd. ("Liuzhi New Construction") 六枝海螺溢鑫綠色新型建材有限公司	PRC/ Mainland China	RMB 50,000,000	100%	-	100%	Manufacture and sales of new construction materials
Mengcheng Conch Construction Co., Ltd. ("Mengcheng Construction") 蒙城海螺建材有限公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Sales of construction materials
Lianyungang Conch Green Construction Co., Ltd. ("Lianyungang Green Construction") 連雲港海螺綠色建材有限公司	PRC/ Mainland China	RMB 50,000,000	100%	100%	-	Sale and trading of cement products and provision of related services
Conch (Guizhou) Holding, Ltd. ("Guizhou Holding") 海螺(貴州)控股有限公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Conch (Hunan) Holding, Ltd. ("Hunan Holding") 海螺(湖南)控股有限公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Conch (Shanxi) Holding, Ltd. ("Shanxi Holding") 海螺(陝西)控股有限公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Conch (Yunnan) Holding, Ltd. ("Yunnan Holding") 海螺(雲南)控股有限公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Shanghai Zhizhi 上海智質科技有限公司	PRC/ Mainland China	RMB 80,000,000	55%	-	100%	Construction of intelligent building engineering

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Anhui Zhizhi Engineering Technology Co., Ltd. ("Anhui Zhizhi") 安徽智質工程技術有限公司	PRC/ Mainland China	RMB 134,361,900	55%	55%	-	Technical services and technical development and technical consulting
Jinggong Testing 安徽精工檢測檢驗中心有限公司	PRC/ Mainland China	RMB 8,000,000	100%	100%	-	Product testing and inspection and Environmental inspection
Changde Dingxing 常德頂興混凝土製品有限公司	PRC/ Mainland China	RMB 10,000,000	100%	-	100%	Road freight transport and sales of cement products
Pingliang Conch New Green Material Co., Ltd. ("Pingliang New Green Material") 平涼海螺綠色新型材料有限公司	PRC/ Mainland China	RMB 35,000,000	100%	100%	-	Manufacture and sales of new construction materials
Guiyang Conch Green Construction Co., Ltd. ("Guiyang Green Construction") 貴陽海螺綠色建材有限公司	PRC/ Mainland China	RMB 50,000,000	100%	100%	-	Manufacture and sales of new construction materials
Nanjing Conch New Green Material Technology Co., Ltd. ("Nanjing New Green Material") 南京海螺綠色新型材料科技有限公司	PRC/ Mainland China	RMB 50,000,000	100%	-	100%	Manufacture and sales of new construction materials
Zongyang Conch New Green Material Co., Ltd. ("Zongyang New Green Material") 縱陽海螺綠色新型材料有限公司	PRC/ Mainland China	RMB 35,000,000	100%	100%	-	Manufacture and sales of new construction materials

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Xingye Conch New Material Co., Ltd. ("Xingye New Material") 興業海螺新材料有限責任公司	PRC/ Mainland China	USD 6,000,000	100%	-	100%	Manufacture and sales of new construction materials
Anhui Conch Construction Machinery Technology Co., Ltd. ("Anhui Construction Machinery") 安徽海螺工程機械科技有限責任公司	PRC/ Mainland China	RMB 40,000,000	77%	-	77%	Machinery installation and maintenance
Bozhou Conch Construction Sales Co., Ltd. ("Bozhou Construction Sales") 亳州海螺建材銷售有限公司	PRC/ Mainland China	RMB 100,000,000/ RMB25,000,000	52%	-	65%	Sales of construction materials and cement products
Guixi Conch New Materials Co., Ltd. 貴溪海螺新材料有限責任公司 (前稱貴溪市鷹貴預拌砂漿有限公司)	PRC/ Mainland China	RMB 26,000,000	100%	-	100%	Road freight transport and sales of cement products
Linxia Tianxiang 臨夏縣天翔商砼有限責任公司	PRC/ Mainland China	RMB 40,000,000	100%	-	100%	Road freight transport and sales of cement products
Conch (Hefei) Holding, Ltd. ("Hefei Holding") 海螺(合肥)控股有限公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Conch (Guangxi) Holding, Ltd. ("Guangxi Holding") 海螺(廣西)控股有限公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Conch (Zhejiang) Holding, Ltd. ("Zhejiang Holding") 海螺(浙江)控股有限公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Shandong Panshi 邵東市磐石混凝土有限公司	PRC/ Mainland China	RMB 25,000,000	100%	-	100%	Production and sales of concrete and related products
Tongling Conch Environmental Technology Co. ("Tongling Environmental Technology") 銅陵海螺環境科技有限公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Chemical fibre manufacturing
Rugao Conch New Material Co. ("Rugao New Material") 如皋海螺新材料有限責任公司	PRC/ Mainland China	RMB 30,000,000	100%	100%	-	Production and sales of concrete and related products
Conch (Jiangsu) Holding, Ltd. ("Jiangsu Holding") 海螺(江蘇)控股有限公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Nantong Tongzhou Conch New Material Co. ("Tongzhou New Material") 南通通州海螺新型材料有限公司	PRC/ Mainland China	RMB 30,000,000	100%	100%	-	Sales of construction materials and cement products
Longnan Conch Cement Co. ("Longnan Conch") 龍南海螺水泥有限責任公司	PRC/ Mainland China	RMB 20,000,000	55%	-	100%	Manufacture and sale of clinker and cement products

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Zhangjiagang Conch New Building Material Co. ("Zhangjiagang New Material") 張家港海螺新型建材有限公司	PRC/ Mainland China	RMB 30,000,000	100%	100%	-	Sales of construction materials and cement products
Anhui Conch Financial Services Co. ("Conch Financial Service") 安徽海螺財務服務有限公司	PRC/ Mainland China	RMB 50,000,000	100%	100%	-	Financial supporting services
Bengbu Conch Building Materials Co. ("Bengbu Material") 蚌埠海螺建材有限公司	PRC/ Mainland China	RMB 150,000,000/ RMB700,000	70%	-	70%	Sales of construction materials and cement products
Fusui Conch Commodity Concrete Co., Ltd. ("Fusui Commodity Concrete") (note(ii)) 扶綏海螺商品混凝土有限公司	PRC/ Mainland China	RMB 30,000,000	65%	-	65%	Production and sales of concrete and related products
Zhongtan (Anhui) Environmental Technology Co., Ltd. ("Zhongtan Technology") 中碳(安徽)環境科技有限公司	PRC/ Mainland China	RMB 30,000,000	65%	65%	-	Production and sales of concrete and related products
Anhui Conch Information Technology Engineering Co., Ltd. ("Conch IT Engineering") (note(ii)) 安徽海螺信息技術工程有限責任公司	PRC/ Mainland China	RMB 50,000,000	100%	100%	-	Technology Services
Lianshui Conch Green Construction Technology Co., Ltd. ("Lianshui Conch") (note(ii)) 澆水海螺綠色建築科技有限公司	PRC/ Mainland China	RMB 30,000,000/ RMB0	100%	100%	-	Manufacture and sale of clinker and cement products

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Zhenjiang Conch Cement Co., Ltd. ("Zhenjiang Conch") (note(ii)) 鎮江海螺水泥有限責任公司	PRC/ Mainland China	RMB 200,000,000/ RMB0	100%	100%	-	Manufacture and sale of clinker and cement products
West Papua Conch (note(iii)) 西巴布亞海螺水泥有限公司	Indonesia	USD 167,293,400	100%	49%	51%	Manufacture and sale of clinker and cement products
PT.SDIC INDONESIA (note(iii)) 印尼西巴布亞礦山有限公司	Indonesia	IDR 5,200,000,000	90%	-	90%	Mining and related service
Zhoushan Conch New Building Material Co., Ltd. ("Zhoushan Conch") (note(ii)) 舟山海螺新型建材有限公司	PRC/ Mainland China	RMB 300,00,000	100%	100%	-	Sales of construction materials and cement products
Guangde Conch Building Material Co., Ltd. ("Guangde Building Material") (note(ii)) 廣德海螺建材有限公司	PRC/ Mainland China	RMB 30,000,000	100%	100%	-	Sales of construction materials and cement products
Jining Conch Green New Building Material Co., Ltd. ("Jining New Building Material") (note(ii)) 濟寧海螺綠色新型建材有限公司	PRC/ Mainland China	RMB 30,000,000	100%	90%	10%	Manufacture and sale of clinker and cement products

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

- (i) Pursuant to the Articles of Association of the subsidiary, except for special resolutions relating to certain protective rights, the voting rights of the Group in the subsidiary are 100%.
- (ii) These subsidiaries were newly established by the Group in 2024.
- (iii) These subsidiaries were acquired by the Group in 2024.
- (iv) Pursuant to the Articles of Association of the subsidiary, except for special resolutions relating to certain protective rights, the voting rights of the Group in the subsidiary are 60%.
- (v) These subsidiaries are intermediate holding companies of subsidiaries with non-controlling interests.
- (vi) As described in note 3(a), the Group has established de facto control over Conch Environmental Protection, resulting in a discrepancy between its shareholding and voting rights.

All of the subsidiaries are limited liability companies except for Digang Conch, Chizhou Conch and Zhuangxiang Conch, which are joint stock limited companies.

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The following table lists out the information relating to Prosperity Conch Cement Co., Ltd. and Conch Environment Protection, the subsidiaries of the Group which have a material non-controlling interest (NCI). The summarised financial information presented below represents the amounts before any inter-company elimination.

	Prosperity Conch Cement Co., Ltd.	
	2024	2023
	RMB'000	RMB'000
NCI percentage	25%	25%
Current assets	5,460,779	5,252,802
Non-current assets	1,701,424	1,728,510
Current liabilities	240,953	275,325
Non-current liabilities	103,984	113,089
Net assets	6,817,266	6,592,898
Carrying amount of NCI	1,704,317	1,648,225
Revenue	2,030,725	2,437,379
Profit for the year	217,373	300,419
Total comprehensive income	217,373	300,419
Profit allocated to NCI	54,343	75,105
Dividend paid to NCI	–	20,000
Cash flows generated from operating activities	610,919	677,358
Cash flows used in investing activities	(128,295)	(197,024)
Cash flows used in financing activities	(479,178)	(513,967)

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

	Conch Environment Protection	
	2024 RMB'000	2023 RMB'000
NCI percentage	78.79%	78.79%
Current assets	1,506,653	1,408,871
Non-current assets	8,726,430	8,564,538
Current liabilities	2,270,317	2,651,232
Non-current liabilities	3,950,740	3,180,064
Net assets	4,012,026	4,142,113
Carrying amount of NCI	3,331,354	3,415,430
Revenue	1,686,989	1,881,556
Profit for the year	(7,286)	305,932
Total comprehensive income	(7,286)	305,932
Adjustments based on fair value at the time of investments	(49,243)	(43,571)
Profit after adjustments for the year	(56,529)	262,361
Profit allocated to NCI	(47,271)	214,924
Dividend paid to NCI	40,445	–
Cash flows generated from operating activities	442,345	665,244
Cash flows used in investing activities	(540,178)	(1,021,138)
Cash flows used in financing activities	205,464	315,815

18 INTEREST IN ASSOCIATES

	31 December 2024 RMB'000	31 December 2023 RMB'000
Share of net assets	5,728,549	5,566,726
Goodwill	8,825	8,825
	5,737,374	5,575,551

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

18 INTEREST IN ASSOCIATES (CONTINUED)

The following list contains the associates of the Group, which are operating in the PRC:

Name of associate	Particulars of registered and paid up capital	Listed/ Unlisted Company	Proportion of ownership interest			Principal activities
			Group's Effective interest	Held by the Company	Held by a subsidiary	
West China Cement Limited ("West Cement") 中國西部水泥有限公司	GBP 20,000,000	Listed	29.67%	-	29.67%	Manufacture and sale of cement related products
China National Building Materials (Anhui) New Materials Industry Investment Fund partnership (Limited partnership) ("CNBM Investment") 中建材(安徽)新材料產業投資基金合夥企業(有限合夥)	RMB 15,000,000,000	Unlisted	10.67%	10.67%	-	Equity investment, asset management
China National Building Materials (Anhui) New Materials Fund Management Co., Ltd. ("CNBM Management") 中建材(安徽)新材料基金管理有限公司	RMB 50,000,000	Unlisted	7.62%	7.62%	-	Equity investment, asset management
Anhui Conch Haitong Industrial Internet Master Fund Partnership (Limited Partnership) ("Haitong Internet") 安徽海螺海通工業互聯網母基金合夥企業(有限合夥)	RMB 5,000,000,000	Unlisted	30.00%	30.00%	-	Equity investment, asset management
Anhui Conch Goldstone Innovation Development Investment Fund Partnership (Limited Partnership) ("Goldstone Innovation") 安徽海螺金石創新發展投資基金合夥企業(有限合夥)	RMB 5,000,000,000	Unlisted	20.00%	20.00%	-	Equity investment, asset management
Jiangsu Jiexia Environmental Protection Technology Co., Ltd. ("Jiangsu Jiexia") 江蘇傑夏環保科技有限公司	RMB80,000,000	Unlisted	7.42%	-	35.00%	Industrial solid and hazardous waste treatment

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

18 INTEREST IN ASSOCIATES (CONTINUED)

Name of associate	Particulars of registered and paid up capital	Listed/ Unlisted Company	Proportion of ownership interest			Principal activities
			Group's Effective interest	Held by the Company	Held by a subsidiary	
Yunfu Guangjia Haizhong Environmental Protection Technology Co., Ltd. ("Yunfu Guangjia") 雲浮光嘉海中環保科技有限公司	RMB60,000,000/	Unlisted	8.48%	-	40.00%	Industrial solid and hazardous waste treatment
Chongqing Nantong Environmental Protection Technology Co., Ltd. ("Chongqing Nantong") 重慶南桐環保科技有限公司	RMB 30,000,000	Unlisted	7.42%	-	35.00%	Industrial solid and hazardous waste treatment
Nanchen Nuoke Haizhong Environmental Protection Technology Co., Ltd. ("Nanchen Nuoke") 南城諾客海中環保科技有限責任公司	RMB 18,000,000	Unlisted	10.39%	-	49.00%	Industrial solid and hazardous waste treatment
Shanghai Conch Venture Dixin Protection Development Co., Ltd. ("Shanghai Conch Venture") 上海海創德鑫環保發展有限公司	RMB50,000,000/ RMB Nil	Unlisted	8.48%	-	40.00%	Resource recycling service technical consultation

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

18 INTEREST IN ASSOCIATES (CONTINUED)

Summarised financial information of the material associate West Cement, adjusted for fair value and any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

	2024	2023
	RMB'000	RMB'000
Revenue	8,344,946	9,020,901
Gain from continuing operations	626,181	421,278
Other comprehensive income	(700,995)	(51,577)
Total comprehensive income	(74,814)	369,701
Dividend received from the associate	37,285	105,519
<i>Reconciled to the Group's interests in the associate</i>		
Gross amount of net assets of the associate as at 31 December 2024/2023	12,031,163	11,973,943
Group's effective interest	29.67%	29.80%
Group's share of net assets of the associate	3,569,752	3,568,234
Goodwill	8,825	8,825
Others	23,957	22,953
Carrying amount in the consolidated financial statements as at 31 December 2024/2023	3,602,534	3,600,012

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

18 INTEREST IN ASSOCIATES (CONTINUED)

Summarised financial information of the material associate CNBM Investment, adjusted for fair value and any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

	2024 RMB'000	2023 RMB'000
Revenue	574,696	457,089
Gain from continuing operations	363,043	310,477
Other comprehensive income	–	–
Total comprehensive income	363,043	310,477
<i>Reconciled to the Group's interests in the associate</i>		
Gross amount of net assets of the associate as at 31 December 2024/2023	15,208,557	13,987,925
Group's effective interest	10.67%	10.67%
Group's share of net assets of the associate	1,622,246	1,492,512
Others	–	123,694
Carrying amount in the consolidated financial statements as at 31 December 2024/2023	1,622,246	1,616,206

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

18 INTEREST IN ASSOCIATES (CONTINUED)

Aggregate information of associates that are not individually material:

	2024	2023
	RMB'000	RMB'000
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	512,594	359,333

	2024	2023
	RMB'000	RMB'000
Aggregate amounts of the Group's share of those associates that are not individually material		
Profit from continuing operations	6,659	3,580
Total comprehensive income	6,659	3,580

19 INTERESTS IN JOINT VENTURES

	31 December	31 December
	2024	2023
	RMB'000	RMB'000
Share of net assets	2,006,623	2,157,969
Goodwill	31,672	31,672
	2,038,295	2,189,641

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

19 INTERESTS IN JOINT VENTURES (CONTINUED)

Details of the Group's interests in joint ventures, which are unlisted and operating in the PRC and overseas, at 31 December 2024 are as follows (Indonesian Rupiah referred to as "IDR"):

Name of joint venture	Particulars of registered capital and paid up capital	Proportion of ownership interest			Principal activities
		Group's effective interest	Held by the Company	Held by a subsidiary	
Anhui Conch Kawasaki Equipment Manufacturing Co., Ltd. ("Conch Kawasaki Equipment") 安徽海螺川崎裝備製造有限公司	RMB 348,000,000	50%	50%	-	Provision of installation and maintenance services of machinery
Sino-Myanmar International Trading Co., Ltd. ("Sino-Myanmar International") 中緬(蕪湖)國際貿易有限公司	USD 47,200,000	45%*	45%	-	Export and import business
Myanmar Conch Cement Company Limited ("Myanmar Conch") 緬甸海螺水泥有限公司	USD 44,000,000	45%*	45%	-	Manufacture and sale of clinker and cement product
Myanmar Conch Cement (Yangon) Company Limited ("Yangon Conch") 緬甸海螺(仰光)水泥有限公司	USD 10,000,000	50%	50%	-	Manufacture and sale of clinker and cement product
Huaibei Xiangshan Cement Company Limited ("Xiangshan Cement") 淮北相山水泥有限責任公司	RMB 408,628,000	40%*	40%	-	Manufacture and sale of clinker and cement product
PT Eternal Richway 印尼富恒利有限公司	USD 2,000,000	49%*	-	49%	Mining and related services

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

19 INTERESTS IN JOINT VENTURES (CONTINUED)

Name of joint venture	Particulars of registered capital and paid up capital	Proportion of ownership interest			Principal activities
		Group's effective interest	Held by the Company	Held by a subsidiary	
PT SULUT SOLOG TAMBANG 蘇魯特索隆礦山有限公司	IDR 10,100,000,000	49%*	-	49%	Mining and related services
Anhui Conch Clean Energy Co., Ltd. ("Conch Clean Energy") 國家電投安徽海螺清潔能源有限公司	RMB 50,000,000	49%*	-	49%	wind power, photovoltaic power generation services
Wuhu Conch Wind Power Energy Technology Co., Ltd. ("Conch Wind Power Energy Technology") 蕪湖海螺風電能源科技有限公司	RMB1,000,000/ RMB Nil	50%	-	50%	Wind power technology services and related engineering construction activities
Wuhu Fanchang Haixin Wind Power Energy Technology Co., Ltd. ("Haixin Wind Power Energy Technology") 蕪湖市繁昌區海鑫風電能源科技有限公司	RMB1,000,000/ RMB Nil	50%	-	50%	Wind power technology services and related engineering construction activities
Wuhu Jiuzi Conch New Energy Co., Ltd. ("Jiuzi New Energy") 蕪湖鳩茲海螺新能源有限責任公司	RMB 11,400,000	49%*	-	49%	Electricity, heat production and supply
Jiande Haicheng New Materials Co., Ltd. 建德海誠新型材料有限公司	RMB50,000,000/ RMB Nil	49%	-	49%	Manufacture of new construction materials

* According to the Articles of Association of these entities, the Group jointly controls these entities, together with other third parties.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

19 INTERESTS IN JOINT VENTURES (CONTINUED)

Summarised financial information of Xiangshan Cement, a material joint venture, adjusted for fair value and any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

	2024	2023
	RMB'000	RMB'000
Gross amounts of joint ventures		
Current assets	1,397,301	1,845,074
Non-current assets	2,088,713	2,221,433
Current liabilities	(411,771)	(410,253)
Non-current liabilities	(28,450)	(4,966)
Equity	3,045,793	3,651,288
Equity attributable to equity shareholders of the joint ventures	3,032,527	3,598,844
Included in the above assets and liabilities:		
Cash and cash equivalents	108,018	59,469
Revenue	1,217,912	1,574,505
Profit from continuing operations	67,533	130,953
Other comprehensive income	-	-
Total comprehensive income	67,533	130,953
Dividend received from the joint ventures	240,000	-
Included in the above profit:		
Depreciation and amortisation	(118,984)	(107,645)
Interest income	40,280	33,210
Interest expense	-	-
Income tax expense	(26,318)	(66,636)

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

19 INTERESTS IN JOINT VENTURES (CONTINUED)

	2024	2023
	RMB'000	RMB'000
Reconciled to the Group's interests in joint ventures		
Gross amounts of net assets	3,032,527	3,598,844
Group's effective interest	40%	40%
Group's share of net assets of the joint ventures	1,213,011	1,422,033
Goodwill	26,048	26,048
Carrying amount in the consolidated financial statements	1,239,059	1,448,081

Information of the other joint venture that are not material:

	2024	2023
	RMB'000	RMB'000
Carrying amount of the Group's interests in other joint ventures in the consolidated financial statements	799,236	741,560
Amount of the Group's share of the joint venture's		
Profit from continuing operations	31,885	72,499
Other comprehensive income	4,331	13,119
Total comprehensive income	36,216	85,618

20 LOANS AND RECEIVABLES

	31 December 2024	31 December 2023
	RMB'000	RMB'000
Loans and receivables	873,078	758,136
Less: current portion of loans and receivables (note 27)	(492,033)	(507,880)
	381,045	250,256

As at 31 December 2024, loans and receivables of the Group mainly represent advances made to local government authorities.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

21 LONG-TERM PREPAYMENTS

As at 31 December 2024, the long-term prepayments comprised of prepayments of RMB2,465,122,000 (2023: RMB2,783,974,000) for acquisition of limestone mining rights and machinery, long-term value-added tax recoverable of RMB231,655,000 (2023: RMB315,535,000) and the deposits of nil (2023: RMB10,000,000) for obtaining the mining resource rights. The deposits will not be refunded and are treated as part of the long-term assets when the acquisitions of such long-term assets are completed.

22 FINANCIAL ASSETS MEASURED AT FVOCI

	Notes	31 December 2024 RMB'000	31 December 2023 RMB'000 (restated) (Note 4(b))
Financial assets measured at FVOCI (non-recycling)			
– Listed equity securities (Non-trading purpose)	(i)	1,435,177	1,276,235
– Unlisted equity investment (Non-trading purpose)	(ii)	71,776	71,776
		1,506,953	1,348,011

Note (i): Financial assets measured at FVOCI – listed equity securities held by the Group are shares in Anhui Xinli Finance Co., Ltd. which is listed on the Shanghai Stock Exchange (“SSE”), China Conch Venture Holdings Limited and Huaxin Cement Co., Ltd. which are listed on Hong Kong Stock Exchanges (“HKEX”). The fair values of these investments are measured with reference to the respective quoted market prices as at 31 December 2024 and 31 December 2023.

Note (ii): As at 31 December 2024, the fair value of the unlisted equity investment is approximately the same as its cost.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

23 INVENTORIES

(a) Inventories in the consolidated statement of financial position comprise:

	31 December 2024 RMB'000	31 December 2023 RMB'000 (restated) (Note 4(b))
Raw materials	3,005,974	4,611,883
Work in progress	282,315	332,575
Finished goods	4,516,617	4,802,610
Spare parts	303,615	408,374
	8,108,521	10,155,442

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	31 December 2024 RMB'000	31 December 2023 RMB'000
Carrying amounts of inventories sold	68,434,425	111,810,205

All of the inventories are expected to be recovered within one year.

24 ASSETS HELD FOR SALE

In July 2024, the Group committed to a plan to sell one production line and reached an agreement with a third-party buyer via online auction platform. The sale is expected to complete in 2025. Accordingly, those assets are presented as assets held for sale. The selling price is RMB13,100,000 tax included, and the expected cost to sell is RMB151,000.

As at 31 December 2024, the carrying amount of the asset held for sale is RMB11,442,000, which is the same as the fair value less costs to sell of RMB11,442,000.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

25 TRADE AND BILLS RECEIVABLES

	31 December 2024 RMB'000	31 December 2023 RMB'000 (restated) (Note 4(b))
Trade debtors	3,826,496	4,504,319
Less: loss allowance for doubtful debts	(140,367)	(107,411)
	3,686,129	4,396,908
Bank acceptance notes receivable, carried at amortised cost	5,836,134	6,218,086
Finance company acceptance notes receivable, carried at amortised cost	75,179	87,503
Commercial acceptance notes receivable, carried at amortised cost	1,700	23,721
Bank acceptance notes receivable, carried at FVOCI	1,423,973	1,889,012
	11,023,115	12,615,230

All of the trade and bills receivables are expected to be recovered within one year.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

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25 TRADE AND BILLS RECEIVABLES (CONTINUED)

(a) Ageing analysis

The following ageing analysis of trade debtors (net of loss allowance) are based on invoice date as of the end of the reporting period:

	31 December 2024 RMB'000	31 December 2023 RMB'000 (restated) (Note 4(b))
Within 1 year	10,804,762	4,209,033
1 year or above	218,353	187,875
	11,023,115	4,396,908

Trade debtors are mainly due within 30 to 180 days from the date of billing, except for retention money in respect of certain sales contracts which is due upon the expiry of the retention period.

Bank acceptance notes receivables are due within 1 year from the date of issuance.

Further details on the Group's credit policy are set out in note 39(a).

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

25 TRADE AND BILLS RECEIVABLES (CONTINUED)

(b) Endorsed/discounted bank acceptance notes

The Group discounted bank acceptance bills to certain banks in Mainland China or endorsed them to the Group's suppliers and derecognised them ("derecognised notes"). As at 31 December 2024, bills discounted or endorsed but not yet due of the group and derecognised are RMB5,100,571,000 (31 December 2023: RMB8,160,955,000). As at 31 December 31, 2024, these undue notes receivable are shorter than one year.

According to the Bills Law of the PRC, if the accepting banks refused to make payment, the bearer of the bill may exercise the right of recourse against any one, several or all of the bill debtors, including the Group, without regard to the order of the debtors of the bill of exchange (the "continuous involvement"). The Group management considered that the risks and rewards of ownership of these undue bills have been substantially transferred, and therefore derecognised them and the settled accounts payable associated with it in full and recognised discount fees. The maximum exposures to loss and undiscounted cash flows from its continuous involvement and repurchases are equal to their carrying value. The Group management considered that the fair value of the continuous involvement is not material.

As at 31 December 2024, undue bank acceptance notes receivable of RMB630,376,000 (2023: RMB1,392,732,000) endorsed to its suppliers to settle the trade payables were not derecognised because management believed that the credit risks of ownership had not substantially transferred. All these undue bank acceptance notes receivable were due within 1 year.

As at 31 December 2024, undue bank acceptance notes receivable of RMB983,932,000 (2023: RMB567,081,000) discounted to banks were not derecognised because management believed that the credit risks of ownership had not substantially transferred. The short-term bank loan was recognised accordingly. All these undue bank acceptance notes receivable were due within 1 year.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

25 TRADE AND BILLS RECEIVABLES (CONTINUED)

(c) Bank acceptance notes receivable, carried at FVOCI

Due to the requirement of cash management, the Group endorsed part of the bank acceptance notes receivable to the suppliers. The business model of bank acceptance notes management is for the purpose of collecting cash flow of contracts and sales. Therefore, the Group classified bank acceptance notes receivable of RMB1,423,973,000 (2023: RMB1,889,012,000) as bank acceptance notes receivable carried at fair value and whose changes are included in other comprehensive income.

26 FINANCIAL ASSETS MEASURED AT FVPL

	Notes	31 December 2024 RMB'000	31 December 2023 RMB'000
Current Financial assets measured at FVPL			
Structured deposits	(i)	–	245,000
Wealth management products	(i)	–	1,039,885
Listed equity securities at FVPL	(ii)	509,203	925,848
		509,203	2,210,733

Note (i): As at 31 December 2024, investments in short-term wealth management products and structured deposits were both redeemed. The principal amounts of these products are nil (2023: RMB1,245,000,000).

Note (ii): Financial assets measured at FVPL – listed equity securities held by the Group are shares in Gansu Shangfeng Cement Co., Ltd., Jilin Yatai (Group) Co., Ltd. and Xinjiang Tianshan Cement Co., Ltd. which are listed on the SSE. These listed equity securities are held for trading purpose. The fair values of these investments are measured with reference to the respective quoted market prices as at 31 December 2024.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

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27 PREPAYMENTS AND OTHER RECEIVABLES

	31 December 2024 RMB'000	31 December 2023 RMB'000 (restated) (Note 4(b))
Purchase prepayments	1,031,589	2,338,496
Current portion of loans and receivables (note 20)	492,033	507,880
Value-added tax recoverable and other tax prepayment	1,103,375	1,270,062
Other receivables	864,860	3,074,936
	(130,000)	(27,911)
Less: Impairment allowance	(130,000)	(27,911)
	3,361,857	7,163,463

All of the prepayments and other receivables are expected to be recovered within one year.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

28 AMOUNTS DUE FROM/TO RELATED PARTIES

	31 December 2024 RMB'000	31 December 2023 RMB'000
Amounts due from:		
West Papua Conch	–	47,941
Conch Kawasaki Equipment	111,383	130,340
Anhui Conch Construction Materials Design Centre ("Conch Design Institute") 安徽海螺建材設計研究院有限責任公司	32,071	58,642
Anhui Conch Kawasaki Energy Conservation Equipment Manufacturing Co., Ltd. ("CK Equipment") 安徽海螺川崎節能設備製造有限公司	15,287	14,650
Myanmar Conch	24,458	57,420
Anhui Conch Venture Green Energy Environmental Protection Group Co., Ltd. ("Anhui Conch Venture Green Energy and its subsidiaries") 安徽海創綠能環保有限公司及其附屬公司	10,119	45,614
Anhui Conch Kawasaki Engineering Co., Ltd. and its subsidiaries ("CK Engineering and its subsidiaries") 安徽海螺川崎工程有限公司及其附屬公司	73,051	54,951
Xiangshan Cement and its subsidiaries	6,718	23,228
PT Eternal Richway	48,249	44,218
Other related parties	93,852	28,866
	415,188	505,870

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

28 AMOUNTS DUE FROM/TO RELATED PARTIES (CONTINUED)

	31 December 2024 RMB'000	31 December 2023 RMB'000
Amounts due to:		
Conch Kawasaki Equipment	123,305	189,340
CK Equipment	33,820	37,257
West Papua Conch	–	9,267
CK Engineering and its subsidiaries	111,719	53,553
Conch Design Institute	70,942	93,760
Other related parties	598,868	624,465
	938,654	1,007,642

The amounts due from/to related parties mainly arose from the related party transactions as disclosed in note 43. The amounts due from/to related parties are unsecured.

29 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

	31 December 2024 RMB'000	31 December 2023 RMB'000
Cash at bank and on hand	16,335,940	11,540,485
Other cash and cash equivalents	1,207	31,531
Cash and cash equivalents in the statement of financial position and consolidated cash flow statement	16,337,147	11,572,016

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

29 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(b) Reconciliation of profit before taxation to cash generated from operations

	Note	2024 RMB'000	2023 RMB'000 (restated) (Note 4(b))
Profit before taxation		10,392,547	13,863,557
Adjustments for:			
Depreciation of investment properties and other property, plant and equipment	7(c)	7,633,218	6,802,102
Accrual of impairment loss on trade and other receivables	7(c)	43,814	32,476
Impairment loss on property, plant and equipment and prepayments	7(c)	309,918	301,231
Reversal for impairment of inventories		(94)	–
Amortisation of intangible assets	7(c)	872,492	643,816
Finance costs	7(a)	778,705	930,404
Interest income	6	(2,081,419)	(2,217,364)
Share of profits of associates		(235,352)	(178,789)
Share of profits of joint ventures		(32,338)	(90,950)
Net loss on disposal of property, plant and equipment	6	59,359	105,249
Net realised and unrealised loss on financial assets measured at FVPL	6	96,195	63,520
Dividend income from financial assets measured at FVPL	6	(13,147)	(24,115)
Dividend income from financial assets measured at FVOCI	6	(69,195)	(75,833)
Others	6	79,411	–
Before changes in working capital carried forward		17,834,114	20,155,304

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

29 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(b) Reconciliation of profit before taxation to cash generated from operations (continued)

	2024 RMB'000	2023 RMB'000 (restated) (Note 4(b))
Before changes in working capital brought forward	17,834,114	20,155,304
Changes in working capital:		
Decrease in inventories	2,153,074	1,520,804
(Increase)/decrease in trade and bills receivables	(427,242)	2,295,684
Decrease/(increase) in prepayments and other receivables	1,502,595	(40,244)
Decrease in amounts due from related parties	90,682	153,134
Increase/(decrease) in trade and bills payables	484,394	(834,985)
Decrease in contract liabilities	(316,208)	(681,697)
(Decrease)/increase in other payables and accruals	(812,732)	28,700
(Decrease)/increase in amounts due to related parties	(16,593)	8,446
Increase in deferred income	166,655	180,131
Cash generated from operations	20,658,739	22,785,277

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

29 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Bank loans RMB'000 (Notes 33)	Corporate bonds RMB'000	Other payables and accruals RMB'000 (Note 31)	Lease liabilities RMB'000 (Note 35)	Total RMB'000
Balance at 31 December 2023 as previously reported	22,861,901	-	11,242,368	233,407	34,337,676
Business combination under common control	-	-	28,285	-	28,285
Balance at 1 January 2024	22,861,901	-	11,270,653	233,407	34,365,961
Changes from financing cash flows:					
Proceeds from new bank loans and other borrowings	10,596,422	11,500,000	-	-	22,096,422
Repayment of bank loans and other borrowings	(15,906,201)	-	-	-	(15,906,201)
Dividends paid to non-controlling interests of non-wholly owned subsidiaries	-	-	(405,264)	-	(405,264)
Other payments related to financing activities	-	-	(1,500)	-	(1,500)
Capital and interest element of lease rentals paid	-	-	-	(73,710)	(73,710)
Total changes from financing cash flows	(5,309,779)	11,500,000	(406,764)	(73,710)	5,709,747

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

29 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(c) Reconciliation of liabilities arising from financing activities (continued)

	Bank loans RMB'000 (Notes 33)	Corporate bonds RMB'000	Other payables and accruals RMB'000 (Note 31)	Lease liabilities RMB'000 (Note 35)	Total RMB'000
Exchange adjustments	-	-	-	-	-
Other changes:					
Increase through business combination not under common control	1,244,995	-	79,469	-	1,324,464
Non-cash settlement of bills discounted	(1,224,087)	-	-	-	(1,224,087)
Changes arising from operating and investing activities	-	101,404	(363,446)	-	(262,042)
Increase in lease liabilities from entering into new leases during the year	-	-	-	98,971	98,971
Interest expenses (note 7(a))	-	-	-	12,619	12,619
Dividends declared to non-controlling interests of non-wholly owned subsidiaries	-	-	378,982	-	378,982
Total other changes	20,908	101,404	95,005	111,590	328,907
At 31 December 2024	17,573,030	11,601,404	10,958,894	271,287	40,404,615

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

29 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(c) Reconciliation of liabilities arising from financing activities (continued)

	Bank loans RMB'000 (Notes 33)	Other payables and accruals RMB'000 (Note 31)	Lease liabilities RMB'000 (Note 35)	Total RMB'000
At 1 January 2023	21,989,192	11,283,855	80,918	33,353,965
Changes from financing cash flows:				
Proceeds from new bank loans and other borrowings	15,681,519	-	-	15,681,519
Repayment of bank loans and other borrowings	(12,123,940)	-	-	(12,123,940)
Dividends paid to non-controlling interests of non-wholly owned subsidiaries	-	(358,919)	-	(358,919)
Other payments related to financing activities	-	(150,655)	-	(150,655)
Capital and interest element of lease rentals paid	-	-	(74,110)	(74,110)
Total changes from financing cash flows	3,557,579	(509,574)	(74,110)	2,973,895

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

29 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(c) Reconciliation of liabilities arising from financing activities (continued)

	Bank loans RMB'000 (Notes 33)	Other payables and accruals RMB'000 (Note 31)	Lease liabilities RMB'000 (Note 35)	Total RMB'000
Exchange adjustments	11,229	–	–	11,229
Other changes:				
Increase through business combination not under common control	5,600	12,039	–	17,639
Non-cash settlement of bills discounted	(2,701,699)	–	–	(2,701,699)
Changes arising from operating and investing activities	–	125,414	–	125,414
Increase in lease liabilities from entering into new leases during the year	–	–	219,506	219,506
Interest expenses (note 7(a))	–	–	7,093	7,093
Dividends declared to non-controlling interests of non-wholly owned subsidiaries	–	358,919	–	358,919
Total other changes	(2,696,099)	496,372	226,599	(1,973,128)
At 31 December 2023	22,861,901	11,270,653	233,407	34,365,961

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

29 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(d) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

	2024 RMB'000	2023 RMB'000
Within operating cash flow	51,334	47,063
Within investing cash flow	753,050	420,241
Within financing cash flow	73,710	74,110
	878,094	541,414

These amounts relate to the following:

	2024 RMB'000	2023 RMB'000
Lease rentals paid	125,044	121,173
Purchase of leasehold land use rights	753,050	420,241
	878,094	541,414

(e) Net cash outflow arising from the acquisition of subsidiaries

	2024 RMB'000	2023 RMB'000
Consideration paid in cash in respect of prior year's acquisition	133,737	436,770
Consideration paid in cash in respect of current year's acquisition	225,826	64,252
Less: cash and cash equivalents of subsidiaries acquired during the year	(82,414)	(3,364)
	277,149	497,658

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

29 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(f) Major non-cash transactions

	2024 RMB'000	2023 RMB'000
Increase in right-of-use assets	481,720	219,506
Offset of payable for equity against receivables	392,000	–
Installment purchase of mining rights	521,221	16,901
	1,394,941	236,407

30 TRADE AND BILLS PAYABLES

	31 December 2024 RMB'000	31 December 2023 RMB'000 (restated) (Note 4(b))
Trade payables	5,544,098	6,059,405
Bills payables	272,108	269,939
	5,816,206	6,329,344

Included in trade and bills payables are trade creditors with the following ageing analysis based on invoice date at the end of reporting period:

	31 December 2024 RMB'000	31 December 2023 RMB'000
Within 1 year (inclusive)	5,816,206	6,329,344

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

31 OTHER PAYABLES AND ACCRUALS

	31 December 2024 RMB'000	31 December 2023 RMB'000 (restated) (Note 4(b))
Construction cost payables	4,563,548	4,117,218
Deposits from suppliers	1,703,414	2,096,087
Retention monies	495,222	528,623
Value-added tax payables	600,326	588,461
Other taxes payables	861,548	774,879
Payables for acquisition of subsidiaries	236,865	765,094
Payroll payables	1,597,655	1,512,588
Other payables	900,316	887,703
	10,958,894	11,270,653

32 CONTRACT LIABILITIES

	31 December 2024 RMB'000	31 December 2023 RMB'000 (restated) (Note 4(b))
Contract liabilities		
Receipts in advance from customers		
– For purchase of clinker and cement products	2,552,273	2,871,685
– For solid and hazardous waste treatment service	16,825	13,621
	2,569,098	2,885,306

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

32 CONTRACT LIABILITIES (CONTINUED)

Movements in contract liabilities

	31 December 2024 RMB'000	31 December 2023 RMB'000 (restated) (Note 4(b))
Balance at 1 January	2,885,306	3,564,849
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the period	(2,885,306)	(3,564,849)
Net increase in contract liabilities as a result of cash receipts in advance from customers for purchase of clinker and cement products (net off the contract liabilities as a result of recognising revenue during the year)	2,569,098	2,885,306
Balance at 31 December	2,569,098	2,885,306

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

33 BANK LOANS AND OTHER BORROWINGS

At 31 December 2024, the bank loans were repayable as follows:

	31 December 2024	31 December 2023
	RMB'000	RMB'000
Within 1 year or on demand	7,486,649	7,249,964
After 1 year but within 2 years	4,196,626	3,040,107
After 2 years but within 5 years	4,585,404	10,459,630
After 5 years	1,304,351	2,112,200
Total non-current bank loans	10,086,381	15,611,937
	17,573,030	22,861,901

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

33 BANK LOANS AND OTHER BORROWINGS (CONTINUED)

At 31 December 2024, the bank loans were secured as follows:

	31 December 2024	31 December 2023
	RMB'000	RMB'000
Bank loans		
– unsecured	14,773,458	21,734,110
– secured	1,818,307	566,372
– bills discounted	981,265	561,419
	17,573,030	22,861,901

Notes:

As at 31 December 2024, in addition to the bills discounted, certain bank loans, amounting RMB399,338,000 (2023: RMB535,320,000) were secured by certain assets of the Group. An analysis of the carrying value of these pledged assets is as follows:

	31 December 2024	31 December 2023
	RMB'000	RMB'000
Intangible assets (note 15)	–	1,195,204
Other property, plant and equipment (note 14)	247,089	141,727
	247,089	1,336,931

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

34 CORPORATE BONDS

	31 December 2024	31 December 2023
	RMB'000	RMB'000
Medium-term Bonds	11,601,404	–
Less: Bonds Payable Due within One Year	(101,404)	–
	11,500,000	–

According to the Notice of Acceptance of Registration issued by the National Association of Financial Market Institutional Investors, it is agreed the registration of the Company's medium-term notes with a total amount of RMB10 billion, and the registration amount is valid for two years from the date of signing the Notice of Acceptance of Registration (October 14, 2022). The Company publicly issued four green medium-term notes in the national inter-bank bond market in 2024, and issued medium-term notes of RMB10 billion at face value with a term of 3-5 years, the coupon rate is 2.10%-2.20% and the interest is paid annually.

According to the Notice of Acceptance of Registration issued by the National Association of Financial Market Institutional Investors, it is agreed the registration and issuance of medium-term notes of no more than RMB3 billion by Anhui Conch Environmental Protection Group Co., Ltd. The registered amount is valid for two years from the date of signing the Notice of Acceptance of Registration (that is, July 25, 2024). Conch Environmental Protection Group publicly issued the first phase of green medium-term notes in 2024 in the national inter-bank bond market on August 5, 2024, and issued medium-term notes of RMB1.5 billion at face value with a term of five years, a coupon rate of 2.13% and annual interest payment.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

35 LEASE LIABILITIES

At 31 December 2024, the lease liabilities were repayable as follows:

	At 31 December 2024		At 31 December 2023	
	Present value of the minimum lease payments RMB'000	Total minimum lease payments RMB'000	Present value of the minimum lease payments RMB'000	Total minimum lease payments RMB'000
Within 1 year	30,932	32,741	35,389	37,030
After 1 year but within 2 years	32,449	34,587	23,831	25,258
After 2 years but within 5 years	83,311	97,814	68,590	81,028
After 5 years	124,595	181,203	105,597	161,660
	240,355	313,604	198,018	267,946
	271,287	346,345	233,407	304,976
Less: total future interest expense		(75,058)		(71,569)
Present value of lease liabilities		271,287		233,407

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

36 LONG-TERM PAYABLES

The remaining contractual maturities of the Group's long-term payables at the end of the reporting period are as follows:

	At 31 December 2024		At 31 December 2023	
	Present value of the long-term payments RMB'000	Total long-term payments RMB'000	Present value of the long-term payments RMB'000	Total long-term payments RMB'000
Within 1 year	102,665	107,408	61,845	63,084
After 1 year but within 2 years	90,749	104,962	59,060	63,190
After 2 years but within 5 years	277,955	307,449	160,851	189,253
After 5 years	326,012	416,637	44,127	57,198
	694,716	829,048	264,038	309,641
	797,381	936,456	325,883	372,725
Less: total future interest expense		(139,075)		(46,842)
Present value of long-term payables		797,381		325,883

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

37 DEFERRED INCOME

	31 December 2024	31 December 2023
	RMB'000	RMB'000
At 1 January	928,827	748,696
Government grants received (note)	272,271	268,654
Recognised in the consolidated statement of profit or loss	(105,616)	(88,523)
At 31 December	1,095,482	928,827

Note: Deferred income mainly represents the government grants received from relevant PRC authorities for property, plant and equipment improvement, such as energy-efficiency improvement. The grants are recognised in the consolidated statement of profit or loss and other comprehensive income over the estimated useful lives of the respective assets. There are no unfulfilled conditions and contingencies relating to the grants.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

38 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	31 December 2024 RMB'000	31 December 2023 RMB'000 (restated) (Note 4(b))
Balance at 1 January	507,115	160,487
Provision for the year (note 8(a))	2,228,106	3,057,749
Tax paid during the year	(2,182,486)	(2,711,121)
Balance at 31 December	552,735	507,115
Representing:		
Tax recoverable	(334,855)	(427,058)
Tax payable	887,590	934,173
	552,735	507,115

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

38 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(b) Deferred tax assets and liabilities recognised:

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Expected credit loss allowances and impairment	Unrealised profits (Note)	Fair value adjustment arising from business combination	Tax losses	Deferred deductible expense	Depreciation of property, plant and equipment	Right-of-use assets	Lease liabilities	Deferred income	Fair value change of financial asset measured at FVOCI	Financial assets measured at FVPL	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Deferred tax arising from:												
At 1 January 2023	203,753	490,367	(796,125)	291,140	111,560	(1,116,636)	(32,350)	32,708	150,038	90,588	132,044	(442,933)
Charged/(credited) to income statement	36,444	131,370	92,039	47,482	(16,800)	(161,316)	(34,262)	14,861	37,221	-	61,175	208,214
Credited to reserves	-	-	-	-	-	-	-	-	-	182,045	-	182,045
Arising from acquisition	-	-	(9,776)	-	-	-	-	-	-	-	-	(9,776)
At 31 December 2023	240,197	621,737	(713,862)	338,622	94,760	(1,277,952)	(66,612)	47,569	187,259	272,613	193,219	(62,450)
At 1 January 2024	240,197	621,737	(713,862)	338,622	94,760	(1,277,952)	(66,612)	47,569	187,259	272,613	193,219	(62,450)
Charged/(credited) to income statement	19,472	139,932	37,402	(17)	(16,800)	(342,209)	3,647	7,198	36,033	-	(25,978)	(441,314)
Credited to reserves	-	-	-	-	-	-	-	-	-	(13,071)	-	(13,071)
Arising from acquisition	-	-	-	-	-	-	-	-	-	-	-	-
At 31 December 2024	259,669	761,669	(676,460)	338,605	77,960	(1,620,155)	(62,965)	54,767	223,292	259,542	167,241	(216,635)

Note: The unrealised profits arose from intra-group sales of inventories and property, plant and equipment, intra-group borrowings, and sale of inventories and property, plant and equipment to/from associates and joint ventures.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

38 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(b) Deferred tax assets and liabilities recognised: (continued)

(ii) Reconciliation to the consolidated statement of financial position

	31 December 2024 RMB'000	31 December 2023 RMB'000 (restated) (Note 4(b))
Net deferred tax assets recognised on the consolidated statement of financial position	(1,486,466)	(1,553,842)
Net deferred tax liabilities recognised on the consolidated statement of financial position	1,703,301	1,616,292
	216,835	62,450

(c) Deferred tax assets not recognised:

In accordance with the accounting policy set out in note 2(u), the Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB612,454,000 (2023: RMB358,227,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The Group has not recognised deferred tax assets in respect of temporary difference of RMB108,602,000 (2023: RMB77,599,000) for the same reason mentioned above.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

39 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

The Company	Note	Share capital	Treasury shares	Share premium	Capital reserve	Statutory surplus reserve	Fair value reserve (non-recycling)	Other reserves	Retained profits	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		RMB'000	RMB'000
Balance at 1 January 2023		5,299,303	-	16,442,082	217,270	2,649,654	(265,794)	15,429	129,897,827	154,255,771
Changes in equity for 2023:										
Profit for the year		-	-	-	-	-	-	-	17,797,508	17,797,508
Other comprehensive income		-	-	-	-	-	(546,139)	-	-	(546,139)
Total comprehensive income		-	-	-	-	-	(546,139)	-	17,797,508	17,251,369
Purchase of treasury shares		-	(339,160)	-	-	-	-	-	-	(339,160)
Dividends approved in respect of the previous year	39(b)	-	-	-	-	-	-	-	(7,842,968)	(7,842,968)
Others		-	-	-	-	-	-	27,441	(27,441)	-
Balance at 31 December										
2023		5,299,303	(339,160)	16,442,082	217,270	2,649,654	(811,933)	42,870	139,824,926	163,325,012

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

39 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(a) Movements in components of equity (continued)

The Company	Note	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Capital reserve RMB'000	Statutory	Fair value	Other reserves	Retained profits RMB'000	Total RMB'000
						surplus reserve RMB'000	reserve (non-recycling) RMB'000			
Balance at 1 January 2024		5,299,303	(339,160)	16,442,082	217,270	2,649,654	(811,933)	42,870	139,824,926	163,325,012
Changes in equity for 2024:										
Profit for the year		-	-	-	-	-	-	-	2,790,004	2,790,004
Other comprehensive income		-	-	-	-	-	54,098	-	-	54,098
Total comprehensive income		-	-	-	-	-	54,098	-	2,790,004	2,844,102
Acquisition of subsidiaries under common control		-	-	(16,531)	-	-	-	-	-	(16,531)
Purchase of treasury shares		-	(161,428)	-	-	-	-	-	-	(161,428)
Transfer of fair value reserve upon the disposal of financial assets at FVOCI		-	-	-	-	-	(10,297)	-	10,297	-
Dividends approved in respect of the previous year	39(b)	-	-	-	-	-	-	-	(5,065,978)	(5,065,978)
Share of change of capital reserve of investees		-	-	-	3,956	-	-	-	-	3,956
Safety production fund		-	-	-	-	-	-	3,088	(3,088)	-
Balance at 31 December 2024		5,299,303	(500,588)	16,425,551	221,226	2,649,654	(768,132)	45,958	137,556,161	160,929,133

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

39 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(b) Dividends

- (i) *Dividends payable to equity shareholders of the Company attributable to the year:*

	2024 RMB'000	2023 RMB'000
Final dividend proposed after the statement of financial position date of RMB0.71 (2023: RMB0.96) per ordinary share	3,746,713	5,065,978

The final dividend proposed for shareholders' approval after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

- (ii) *Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year:*

	2024 RMB'000	2023 RMB'000
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB0.96 (2023: RMB1.48) per ordinary share	5,065,978	7,842,968

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

39 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(c) Share capital

	31 December 2024		31 December 2023	
	No. of shares ('000)	Amount RMB'000	No. of shares ('000)	Amount RMB'000
Registered:				
H shares of RMB1 each	1,299,600	1,299,600	1,299,600	1,299,600
A shares of RMB1 each	3,999,703	3,999,703	3,999,703	3,999,703
	5,299,303	5,299,303	5,299,303	5,299,303
Issued and fully paid:				
H shares of RMB1 each	1,299,600	1,299,600	1,299,600	1,299,600
A shares of RMB1 each	3,999,703	3,999,703	3,999,703	3,999,703
	5,299,303	5,299,303	5,299,303	5,299,303

(d) Treasury shares

As at 31 December 2024, 22,242,535 ordinary shares are held as treasury shares (2023: 15,065,000 ordinary shares).

During the year, the Company repurchased its own ordinary shares on The Shanghai Stock Exchange as follow:

Month/year	Number of shares repurchased	Highest price paid per share RMB	Lowest price paid per share RMB	Aggregate price paid RMB'000
January 2024	6,837,535	23.24	21.58	153,601
February 2024	340,000	23.24	22.87	7,827
	7,177,535			161,428

The total amount paid on the repurchased shares of RMB500,588,000 was paid by cash.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

39 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(e) Nature and purpose of reserves

(i) Share premium

Share premium represents net assets acquired from Conch Holdings in excess of the par value of shares issued, proceeds from the issuance of H shares and A shares (or fair value of A shares) issued in excess of their par value, net of underwriting commissions, professional fees and other reorganisation costs for listing purpose, and the effect of combination under common control. The differences between the cost of acquisition of non-controlling interests in subsidiaries and the carrying amount of the net assets additionally acquired

(ii) Capital reserve

The capital reserve comprises the following:

- cash contributed by Conch Holdings; and
- share of change of capital reserve of the investees.

(iii) Statutory surplus reserve

In accordance with the Company Law of the PRC and the Company's articles of association, the Company and its subsidiaries shall appropriate 10% of their annual statutory net profit (after offsetting any prior years' losses) as determined in accordance with CAS to the statutory surplus reserve account. When the balance of such reserve fund reaches 50% of the registered capital of the Company or any of its subsidiaries, further appropriation to that company will become optional.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

39 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(e) Nature and purpose of reserves (continued)

(iii) Statutory surplus reserve (continued)

The statutory surplus reserve can be utilised to offset prior years' losses or to increase capital after proper approval. However, except for offsetting prior years' losses, the statutory surplus reserve of the Company and each subsidiary should be maintained at a minimum of 25% of the registered capital after utilisation.

For the year ended 31 December 2024, the subsidiaries of the Company appropriated the statutory surplus reserve in accordance with the articles of association. No statutory surplus reserve was appropriated for the Company in 2024, since the balance of the statutory surplus reserve reached 50% of the registered capital of the Company.

(iv) Other reserve

Pursuant to certain regulations issued by the Ministry of Finance and the State Administration of Work Safety, the Group is required to set aside from profit after tax an amount to a legal reserve for the safety production purpose. The reserve can be utilised for improvements of safety on the manufacturing work, and the amounts are generally expenses in nature and charged to the consolidated statement of profit or loss and other comprehensive income as incurred, and at the same time the corresponding amounts of safety reserve fund were utilised and transferred back to retained profits until such special reserve was fully utilised.

(v) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under IFRS 9 that are held at the end of the reporting period (see note 2(g)).

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

39 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(e) Nature and purpose of reserves (continued)

(vi) Retained profits

The distribution of dividends is made in accordance with the Company's articles of association at the recommendation of the Board of Directors and subject to approval by shareholders in general meetings. Pursuant to the Notice [1995] 31 issued by the Ministry of Finance of the PRC on 24 August 1995, the amount of profit available for distribution to equity shareholders will be determined based on the lower of unappropriated profits in the Company's financial statements determined in accordance with (i) CAS and regulations, and (ii) IFRSs.

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for equity shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of the adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is calculated as bank loans and other borrowings plus unaccrued proposed dividends, less cash and cash equivalents. Adjusted capital represents total equity attributable to equity shareholders of the Company, less unaccrued proposed dividends.

During 2024, the Group's strategy, which was unchanged from 2023, was to maintain the adjusted net debt-to-capital ratio at a range considered reasonable by management. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

39 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(f) Capital management (continued)

The Group's adjusted net debt-to-capital ratio at 31 December 2024 and 2023 was as follows:

	Note	31 December 2024 RMB'000	31 December 2023 RMB'000 (restated) (Note 4(b))
Current liabilities:			
Bank loans	33	7,486,649	7,249,964
Lease liabilities	35	30,932	35,389
Current portion of long-term payables	36	102,665	61,845
Current portion of corporate bonds		101,404	–
Non-current liabilities:			
Bank loans	33	10,086,381	15,611,937
Lease liabilities	35	240,355	198,018
Long-term payables	36	694,716	264,038
Corporate bonds	34	11,500,000	–
Total debt		30,243,102	23,421,191
Add: Proposed dividends	39(b)	3,746,713	5,065,978
Less: Cash and cash Equivalents	29(a)	(16,337,147)	(11,572,016)
Adjusted net debt		17,652,668	16,915,153
Total equity attributable to equity shareholders of the Company		200,336,802	197,962,932
Less: Proposed dividends	39(b)	(3,746,713)	(5,065,978)
Adjusted capital		196,590,089	192,896,954
Adjusted net debt-to-capital ratio		8.98%	8.77%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in listed entities.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables. The Group's exposure to credit risk arising from cash and cash equivalents, bank acceptance notes receivable is limited because the counterparties are banks and financial institutions, for which the Group considers to have low credit risk.

Except for the financial guarantees given by the Group as set out in note 42, the Group does not provide any other guarantees which would expose the Group to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the end of the reporting period is disclosed in note 42.

Trade and bills receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At 31 December 2024: 28.15% (2023: 26.22%) of the total trade receivables was due from the Group's five largest customers.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(a) Credit risk (continued)

Trade and bills receivables (continued)

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are mainly due within 30 to 180 days from the date of billing. Debtors with overdue accounts receivable will have their shipments suspended, and all payments made will be offset against the overdue debt. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. The Group segments its trade receivables based on different customer segments due to different loss patterns.

The following table provides information about the Group's exposure to credit risk and ECLs for trade debtors as at 31 December 2024 and 2023:

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(a) Credit risk (continued)

Trade and bills receivables (continued)

		2024	
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Debtors from sales and trading of clinker, cement products and other materials and others			
Current (not past due)	0%	8,987,429	–
1 – 6 months past due	1%	94,904	949
6 – 12 months past due	10%	58,310	5,831
12 – 24 months past due	20%	44,317	8,863
More than 24 months past due	100%	10,109	10,109
		9,195,069	25,752
Individual assessment			
	100%	12,096	12,096
		9,207,165	37,848
Debtors from sales and trading of concrete products			
Current (not past due)	0%	568,233	380
1 – 3 months past due	2%	106,308	2,164
3 – 6 months past due	4%	134,139	5,764
6 – 12 months past due	8%	105,205	8,006
12 – 24 months past due	19%	59,890	11,359
24-36 months past due	58%	6,587	4,026
More than 36 months past due	100%	439	439
		980,801	32,138

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(a) Credit risk (continued)

Trade and bills receivables (continued)

	Expected loss rate	2024 Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Debtors from sales and trading of clinker, cement products and other materials and others			
Debtors from solid and hazardous waste treatment service and others			
Current (not past due)	1%	785,158	3,703
1 – 6 months past due	6%	90,245	5,304
6 – 12 months past due	21%	42,075	8,994
1 to 2 years past due	79%	26,947	21,289
Over 2 years	100%	12,550	12,550
		956,975	51,840
Individual assessment	100%	18,541	18,541
		975,516	70,381

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(a) Credit risk (continued)

Trade and bills receivables (continued)

	Expected loss rate	2023	
		Gross carrying amount	Loss allowance
Debtors from sales and trading of clinker, cement products and other materials and others	%	RMB'000	RMB'000
Current (not past due)	0%	2,489,469	–
1 – 6 months past due	1%	175,402	1,755
6 – 12 months past due	10%	50,761	5,076
12 – 24 months past due	20%	21,676	4,335
More than 24 months past due	100%	10,385	10,385
		2,747,693	21,551
Individual assessment	100%	16,500	16,500
		2,764,193	38,051
Debtors from sales and trading of concrete products			
Current (not past due)	0%	420,351	504
1 – 3 months past due	2%	173,847	3,395
3 – 6 months past due	4%	118,331	4,943
6 – 12 months past due	8%	31,762	2,522
12 – 24 months past due	26%	26,240	6,751
24-36 months past due	56%	888	494
More than 36 months past due	0%	–	–
		771,419	18,609

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(a) Credit risk (continued)

Trade and bills receivables (continued)

		2023	
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Debtors from sales and trading of clinker, cement products and other materials and others			
Debtors from solid and hazardous waste treatment service and others			
Current (not past due)	1%	670,690	5,013
1 – 6 months past due	5%	252,948	12,997
6 – 12 months past due	19%	48,560	9,192
1 to 2 years past due	99%	7,014	6,909
Over 2 years	100%	6,099	6,099
		985,311	40,210
Individual assessment	100%	10,541	10,541
		995,852	50,751

Expected loss rates are based on the historical loss rate calculated by the migration model, with adjustments made for forward-looking factors on this basis.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(a) Credit risk (continued)

Trade and bills receivables (continued)

Movement in the expected credit loss allowance account in respect of trade debtors during the year is as follows:

	31 December 2024 RMB'000	31 December 2023 RMB'000
Balance at 1 January	107,411	74,935
Impairment losses recognised during the year	32,956	32,476
Balance at 31 December	140,367	107,411

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(b) Liquidity risk (continued)

Other than endorsed bank acceptance notes with full recourse which were derecognised by the Group (see note 25), the following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	2024 Contractual undiscounted cash outflow					Carrying amount RMB'000
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	
Trade and bills payables	5,816,206	-	-	-	5,816,206	5,816,206
Other payables and accruals	7,899,153	-	-	-	7,899,153	7,899,153
Bank loans	7,944,863	4,463,221	4,898,901	1,354,251	18,661,236	17,573,030
Corporate bonds	245,650	245,650	12,104,950	-	12,596,250	11,601,404
Lease liabilities	32,741	34,587	97,814	181,203	346,345	271,287
Long-term payables	107,408	104,962	307,449	416,637	936,456	797,381
Amounts due to related parties	938,654	-	-	-	938,654	938,654
	22,984,675	4,848,420	17,409,114	1,952,091	47,194,300	44,897,115

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(b) Liquidity risk (continued)

	2023 Contractual undiscounted cash outflow					Carrying amount RMB'000
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	
Trade and bills payables	6,329,344	-	-	-	6,329,344	6,329,344
Other payables and accruals	11,270,653	-	-	-	11,270,653	11,270,653
Bank loans	7,988,043	3,591,734	11,010,860	2,345,362	24,935,999	22,861,901
Lease liabilities	37,030	25,258	81,028	161,660	304,976	233,407
Long-term payables	63,084	63,190	189,253	57,198	372,725	325,883
Amounts due to related parties	1,007,642	-	-	-	1,007,642	1,007,642
	26,695,796	3,680,182	11,281,141	2,564,220	44,221,339	42,028,830

(c) Interest rate risk

The Group's interest rate risk arises primarily from borrowings. Borrowings issued at variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's interest rate profile as monitored by management is set out in (i) below.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(c) Interest rate risk (continued)

(i) Interest rate profile

The following table details the interest rate profile of the Group's net cash at the end of the reporting period.

	2024		2023	
	Interest rate %	RMB'000	Interest rate %	RMB'000
Net fixed rate borrowings:				
Bank loans	1.35% ~ 3.30%	6,594,325	1.55% ~ 6.46%	11,322,312
Lease liabilities	3.60% ~ 4.90%	271,287	4.35% ~ 4.90%	233,407
Corporate bonds	2.10% ~ 2.20%	11,500,000	-	-
Current portion of corporate bonds	2.10% ~ 2.20%	101,404	-	-
Long-term payables	2.73% ~ 4.90%	694,716	4.75% ~ 4.90%	264,038
Current portion of long-term payables	2.73% ~ 4.90%	102,665	4.75% ~ 4.90%	61,845
Less: Prepayments and other receivables	3.60%	(87,500)	-	-
Restricted cash deposits	0.10% ~ 3.25%	(696,368)	0.20% ~ 3.85%	(531,087)
Bank deposits with maturity over three months	1.15% ~ 13.00%	(64,001,638)	1.70% ~ 9.50%	(56,035,319)
Cash and cash equivalents	-	-	9.15%	(23,697)
		(45,521,109)		(44,708,501)
Variable rate borrowings:				
Bank loans	1.10% ~ 7.06%	10,978,705	1.55% ~ 6.19%	11,539,589
Less: Restricted cash deposits	0.10% ~ 2.30%	(338,247)	0.20% ~ 2.60%	(243,784)
Cash and cash equivalents	0.01% ~ 15.00%	(16,335,859)	0.01% ~ 6.00%	(11,546,777)
		(5,695,401)		(250,972)
Total		(51,216,510)		(44,959,473)

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(c) Interest rate risk (continued)

(ii) Sensitivity analysis

At 31 December 2024, the Group does not hold fixed-rate financial instruments measured at fair value. The risk of market interest rate fluctuations faced by the Group is primarily associated with its floating-rate financial instruments.

At 31 December 2024, for the floating-rate non-derivative financial instruments that expose to cash flow interest rate risk held by the group at the end of the reporting period, assuming all other variables remain unchanged, a hypothetical increase of 100 basis points in interest rates would result in an estimated increase in the Group's shareholder equity and net profit by RMB43,388,000 (2023: decreased RMB9,099,000).

(d) Currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables, bank loans and other borrowings and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are United States Dollar, Thai Baht, Hong Kong Dollar and RMB. The Group manages this risk as follows:

(i) Recognised assets and liabilities

In respect of cash and cash equivalents, receivables, payables, bank loans and other borrowings denominated in foreign currencies, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

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40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(d) Currency risk (continued)

(ii) Exposure to currency risk

At 31 December 2024, the following table details the Group's exposure currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the year end date (United States Dollar referred to as "USD", Thai Baht referred to as "THB", Hong Kong Dollar referred to as "HKD"):

	Exposure to foreign currencies (expressed in RMB'000)									
	2024					2023				
	USD	THB	HKD	RMB	EUR	USD	THB	HKD	RMB	EUR
The functional currency is RMB:										
Trade and bills payables	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	325,373	-	288,059	-	-	678,551	-	46,341	-	-
Bank loans	-	-	-	-	-	-	-	-	-	-
Other receivables	1,096,231	-	-	-	-	665,774	-	-	-	-
The functional currency is Indonesia Rupiah:										
Cash and cash equivalents	73,822	-	-	12,613	-	4,714	-	-	71,378	-
Bank loans	(1,226,071)	-	-	(2,858,000)	-	(16,134)	-	-	(1,758,000)	-
The functional currency is Lao Kip:										
Cash and cash equivalents	4,129	-	-	69	-	9,343	1	-	620	-
Bank loans	-	-	-	(697,500)	-	-	-	-	(697,500)	-

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(d) Currency risk (continued)

(ii) Exposure to currency risk (continued)

	Exposure to foreign currencies (expressed in RMB'000)									
	2024					2023				
	USD	THB	HKD	RMB	EUR	USD	THB	HKD	RMB	EUR
The functional currency is Myanmar Kyat:										
Cash and cash equivalents	3,149	-	-	7	-	3,267	-	-	2,521	-
Bank loans	-	-	-	(700,000)	-	-	-	-	-	-
The function currency is HKD:										
Cash and cash equivalents	78,265	-	-	414	-	4,805	-	-	303	-
Bank loans	-	-	-	(1,550,000)	-	-	-	-	(1,500,000)	-
The function currency is USD:										
Cash and cash equivalents	-	-	-	20,321	-	-	-	-	-	-
Bank loans	-	-	-	(35,000)	-	-	-	-	-	-
The function currency is Uzbekistani Som:										
Cash and cash equivalents	77	-	-	30,274	-	689	-	-	219,407	-
Bank loans	(503,188)	-	-	(2,697,000)	-	(602,030)	-	-	-	-
Net exposure arising from recognised assets and liabilities	(148,213)	-	288,059	(8,473,802)	-	748,979	1	46,341	(3,661,271)	-

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(d) Currency risk (continued)

(iii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax (and retained profits) and other components of consolidated equity that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

	2024		2023	
	Increase/(decrease) in foreign exchange rates	(Decrease)/increase in profit after tax and retained profits RMB'000	Increase/(decrease) in foreign exchange rates	(Decrease)/increase in profit after tax and retained profits RMB'000
USD	1%	(1,112)	1%	5,617
HKD	1%	2,160	1%	348
RMB	1%	(63,554)	1%	(27,460)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax and retained profits measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis is performed on the same basis for 2023.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(e) Equity price risk

The Group is exposed to equity price changes arising from listed equity investments held for trading and non-trading purpose (see notes 22 and 26). Other than unquoted securities held for strategic purposes, all of these investments are listed. The Group's listed investments are listed on SSE and HKEX. Decisions to buy or sell trading securities are based on daily monitoring of the performance of individual securities compared to that of the Index and other industry indicators, as well as the Group's liquidity needs. Listed investments that are not held for trading purposes have been chosen based on Group's longer-term strategic plans.

At 31 December 2024, it is estimated that an increase/(decrease) of 1% (2023: 1%) in the relevant stock price (for listed investments), with all other variables held constant, would have increased/decreased the Group's profit after tax (and retained profits) and other components of consolidated equity as follows:

	2024			2023		
	Effect on profit after tax and retained profits	Effect on fair value reserve	RMB'000	Effect on profit after tax and retained profits	Effect on fair value reserve	RMB'000
Change in quoted share price						
Increase	1%	3,819	16,424	1%	6,944	18,086
Decrease	(1%)	(3,819)	(16,424)	(1%)	(6,944)	(18,086)

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(f) Fair value measurement

(i) Financial instruments carried at fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1: Fair values measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3: Fair value measured using significant unobservable inputs

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(f) Fair value measurement (continued)

(i) Financial instruments carried at fair value (continued)

	Fair value measurements as at 31 December 2024 using			
	Fair value at 31 December 2024 RMB'000	Quoted prices in active market for identical assets (Level 1) RMB'000	Significant other observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000
Recurring fair value measurement				
Financial assets:				
Financial assets measured at FVPL:				
– Structured deposits	-	-	-	-
– Wealth management product issued by bank	-	-	-	-
– Listed equity securities	509,203	509,203	-	-
Financial assets measured at FVOCI:				
– Listed equity securities	1,435,177	1,435,177	-	-
– Unlisted equity securities	71,776	-	-	71,776
– Bank acceptance notes	1,423,973	-	1,423,973	-
Non-Recurring fair value measurement				
– Assets held for sale	11,442	-	11,442	-
	3,451,571	1,944,380	1,435,415	71,776

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(f) Fair value measurement (continued)

(i) Financial instruments carried at fair value (continued)

	Fair value measurements as at 31 December 2023 using			
	Fair value at 31 December 2023 RMB'000	Quoted prices in active market for identical assets (Level 1) RMB'000	Significant other observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000
Recurring fair value measurement				
Financial assets:				
Financial assets measured at FVPL:				
- Structured deposits	245,000	-	245,000	-
- Wealth management product issued by bank	1,039,885	-	1,039,885	-
- Listed equity securities	925,848	925,848	-	-
Financial assets measured at FVOCI:				
- Listed equity securities	1,276,235	1,276,235	-	-
- Unlisted equity securities	71,776	-	-	71,776
- Bank acceptance notes	1,889,012	-	1,889,012	-
Non-Recurring fair value measurement				
- Assets held for sale	23,538	-	23,538	-
	5,471,294	2,202,083	3,197,435	71,776

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(f) Fair value measurement (continued)

(i) Financial instruments carried at fair value (continued)

During the years ended 31 December 2024 and 2023, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Valuation techniques and inputs used in Level 2 fair value measurements

For wealth management products issued by banks that are measured at FVPL, the fair value is determined by net value of the products at the end of the reporting period that published by commercial banks.

For structured deposits issued by banks that are measured at FVPL, the fair value is determined by calculating based on the discounted cash flow method.

For bank acceptance notes that are measured at FVOCI, the fair value is estimated as the present value of the future cash flows, discounted at the market interest rates at the end of the reporting period.

For assets held for sale, that are measured at FVPL, the fair value is sales determined by reference to the selling price on market and sales order agreed with an independent third party.

Valuation techniques and inputs used in Level 3 fair value measurements

The fair value of unlisted equity securities is determined based on medium market multiples (e.g. price-to-earnings ratio, price-to-sales ratio) of comparable companies or comparable transactions with a discount for lack of marketability as appropriate. Since the operating and financial status of the invested company has not undergone major changes, the fair value of unlisted equity securities is approximate to the cost of obtaining the equity securities.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(f) Fair value measurement (continued)

(ii) Fair values of financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2024 and 2023.

41 COMMITMENTS

Capital commitments outstanding at 31 December not provided for in the financial statements were as follows:

	31 December 2024 RMB'000	31 December 2023 RMB'000
Contracted for	11,040,741	11,795,057
Authorised but not contracted for	5,343,670	6,592,351
	16,384,411	18,387,408

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

42 CONTINGENT LIABILITIES

On 31 December 2024, the Company provided guarantees for the bank loans of its subsidiaries, with a guarantee amount of RMB2,276,071,000 (31 December 2023: RMB2,651,950,000); The Company did not guarantee the bank credit of its subsidiaries (2023: Nil). The directors of the Company consider that the Company will not have significant risks due to such guarantees. On 31 December 2024, subsidiaries of the Company provided guarantees for subsidiaries within the scope of the Group's consolidated financial statements with a guarantee amount of RMB1,195,964,000 (31 December 2023: RMB3,433,377,000).

According to the Civil Ruling (2024) Gui 1402 Min Chu No.449-1 issued by the People's Court of Jiangzhou District, Chongzuo City, Guangxi Zhuang Autonomous Region on 28 October, 2024: freezing 51% equity of Haizhong Investment, a subsidiary of the Company, in Wuhu South, and 66.3% equity of Haizhong Investment in Youxi Conch, with a limit of RMB80,850,739. The matter relates to the contract dispute over the clinker capacity replacement transfer agreement signed between Chongzuo Southern Cement Co., Ltd. and Haizhong Investment on 20 April 2021. Haizhong Investment and the Company consider that this matter will not expose the Group to significant risk.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

43 MATERIAL RELATED PARTY TRANSACTIONS

(a) Related parties information

In addition to the associates and joint ventures of the Group as disclosed in notes 18 and 19 of these financial statements, the directors are of the view that the following entities are related parties of the Group.

Name of related party	Nature of relationship
Conch Holdings 安徽海螺集團有限責任公司	Substantial shareholder of the Company
China Conch Venture Holdings Limited ("China Conch Venture") 中國海螺創業控股有限公司	Major shareholder of Conch Holdings
Conch (Anhui) Energy Saving and Environment Protection New Material Co., Ltd. and its subsidiaries ("Conch Energy Saving and its subsidiaries") 海螺(安徽)節能環保新材料股份有限公司 及其附屬公司	Subsidiary of Conch Holdings
Wuhu Conch International Hotel Co., Ltd. ("WH Conch Hotel") 蕪湖海螺國際大酒店有限公司	Subsidiary of Conch Holdings
Anhui Conch Construction Materials Design Centre Co., Ltd. ("Conch Design Institute") 安徽海螺建材設計研究院有限責任公司	Subsidiary of Conch Holdings
Anhui Conch Material Technology Co., Ltd. and its subsidiaries ("Conch New Materials") 安徽海螺材料科技股份有限公司及其附屬公司	Subsidiary of Conch Holdings

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

43 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related parties information (continued)

Name of related party	Nature of relationship
Wuhu Conch Trading Co., Ltd. ("WH Trading") 蕪湖海螺貿易有限公司	Subsidiary of Conch Holdings
Anhui Conch Science and Technology Innovation Materials Co., Ltd. and its subsidiaries ("Conch Innovation Materials and its subsidiaries") 安徽海螺科創材料有限責任公司及其附屬公司	Subsidiary of Conch Holdings
Anhui International Trade Group Holding Co., Ltd. ("Anhui International Trade and its subsidiaries") 安徽國貿集團控股有限公司及其附屬公司	Subsidiary of Conch Holdings
Anhui Conch Capital Management Company Limited ("Conch Capital") 安徽海螺資本管理有限公司	Subsidiary of Conch Holdings
Anhui Conch Kawasaki Engineering Co., Ltd. and its subsidiaries ("CK Engineering and its subsidiaries") 安徽海螺川崎工程有限公司及其附屬公司	Subsidiary of China Conch Venture
Anhui Conch Kawasaki Energy Conservation Equipment Manufacturing Co., Ltd. ("CK Equipment") 安徽海螺川崎節能設備製造有限公司	Subsidiary of China Conch Venture
Yangzhou Haichang Port Industrial Co., Ltd. ("HC Port") 揚州海昌港務實業有限責任公司	Subsidiary of China Conch Venture

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

43 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related parties information (continued)

Name of related party	Nature of relationship
Anhui Conch Venture New Energy-saving Construction Material Co., Ltd. ("Conch Venture Green") 安徽海創新型節能建築材料有限責任公司	Subsidiary of China Conch Venture
Bozhou Conch Venture New Energy-saving Construction Material Co., Ltd. ("Bozhou Conch Venture Green") 亳州海創新型節能建築材料有限責任公司	Subsidiary of China Conch Venture
Anhui Conch Venture Green Energy and its subsidiaries 安徽海創綠能環保有限公司及其附屬公司	Subsidiary of China Conch Venture
Wuhu Conch Venture Enterprise Limited ("Conch Venture Wuhu") 蕪湖海創實業有限責任公司	Subsidiary of China Conch Venture
WH Electric Conch Clean Energy ("Clean Energy") 蕪湖市綠能清潔能源有限公司	Joint venture of the subsidiary of Conch Holdings
Anhui Conch Kawasaki Equipment Manufacturing Co., Ltd. ("Conch Kawasaki Equipment") 安徽海螺川崎裝備製造有限公司	Joint venture of the Company
West Papua Conch") (note(ii)) 西巴布亞海螺水泥有限公司	Joint venture of the Company prior to 27 December 2024
Sino-Myanmar International 中緬 (蕪湖) 國際貿易有限公司	Joint venture of the Company

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

43 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related parties information (continued)

Name of related party	Nature of relationship
Myanmar Conch Cement Company Limited ("Myanmar Conch") 緬甸海螺水泥有限公司	Joint venture of the Company
Myanmar Conch Cement (Yangon) Company Limited ("Yangon Conch") 緬甸海螺 (仰光) 水泥有限公司	Joint venture of the Company
PT Eternal Richway 印尼富恒利有限公司	Joint venture of the Company
PT SULUT SOLOG TAMBANG 蘇魯特索隆礦山有限公司	Joint venture of the Company
Huaibei Xiangshan Cement Company Limited ("Xiangshan Cement") 淮北相山水泥有限責任公司及其附屬公司	Joint venture of the Company
Chengli Construction Material (note(i)) 浙江成濤建築材料有限公司 (前稱建德市成利建材有限公司)	Under the trust of the Group

Note: (i) On 10 January 2023, Chengli Building Materials was entrusted with the operation and management of cement production projects and ceased to be a related party of the Group.

Note: (ii) On 27 December 2024, the Group obtained control over West Papua Conch through a business combination not under common control, thereby establishing West Papua Conch as a subsidiary of the Group. Related-party transactions involving West Papua Conch during the period from 1 January 2024 to 26 December 2024, remain classified as related transactions as defined under the Shanghai Stock Exchange (SSE) Listing Rules.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

43 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions between the Group and related parties

The Group has entered into the following material related party transactions:

(i) Transactions with Conch Holdings

	Note	2024 RMB'000	2023 RMB'000
Provision of services and sales of goods		5,378	6,674
Receiving services and purchase of goods		2,091	492
Trademark royalty fees		33,019	26,141
Acquisition of subsidiaries under common control	4(b)	126,400	–

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

43 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions between the Group and related parties (continued)

(ii) Transactions with other related parties

	2024 RMB'000	2023 RMB'000
Associates:		
Dividend income	38,685	108,668
Joint ventures:		
Sales of goods	87,822	61,548
Provision of services	72,266	53,222
Purchase of property, plant and equipment	443,898	698,217
Purchase of materials	461,960	290,516
Receiving services	26,829	47,009
Dividend income	243,039	3,883
Other related parties:		
Sales of goods	340,047	302,378
Provision of services	97,079	113,693
Purchase of property, plant and equipment	254,939	251,652
Purchase of materials	1,169,482	1,954,000
Purchase of right-of-use assets	38,854	1,997
Interest expense on lease liabilities	1,404	107
Receiving services	265,867	454,813
Repayment of loan lent	-	12,910
Interest on loans	-	68

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

43 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions between the Group and related parties (continued)

(ii) Transactions with other related parties (continued)

The company is a state-owned enterprise controlled by the Anhui Provincial People's Government State-owned Assets Supervision and Administration Commission. In the course of our daily business operations, the company has conducted sales transactions of cement and cement products, purchase of raw materials, and so on with several other state-owned enterprises controlled by the Anhui Provincial People's Government State-owned Assets Supervision and Administration Commission on a commercial basis. During the current year, whether considered individually or in the aggregate, these transactions do not constitute material related-party transactions that require separate disclosure.

As at 31 December 2024, no bank loans were guaranteed by Conch Investment, the subsidiary of substantial shareholder of the Company (2023: RMB0).

(iii) Partnership agreements for investment with related parties

On 6 June 2023, the Company, Conch Capital and other investors entered in one partnership agreement for the investment in the Haitong Internet. The total fund size of Haitong Internet is RMB5 billion, of which, the Company agreed to contribute RMB1.5 billion and Conch Capital agreed to contribute RMB0.5 billion, both as limited partners. As at 31 December 2024, the Company paid up RMB0.18 billion.

On 8 September 2023, the Company, Conch Capital and other investors entered in one partnership agreement for the investment in Goldstone Innovation. The total fund size of Goldstone Innovation is RMB5 billion, of which, the Company agreed to contribute RMB1 billion and Conch Capital agreed to contribute RMB1 billion, both as limited partners. As at 31 December 2024, the Company paid up RMB0.24 billion.

The above investments are accounted by the Group as interest in associates (see Note 18).

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

43 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions between the Group and related parties (continued)

(iv) Loan guarantees provided to other related parties

In 2024, the Group provided loan guarantees of RMB24,000,000 for Yunfu Guangjia, a associate of the Group.

(c) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 9 and certain of the highest paid employees as disclosed in note 10, is as follows:

	2024 RMB'000	2023 RMB'000
Short-term employee benefits	12,607	12,734
Post-employment benefits	578	587
	13,185	13,321

Total remuneration is included in "staff costs" (see note 7(b)).

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

43 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Related party commitments

		31 December 2024	31 December 2023
		RMB'000	RMB'000
Related Parties			
Haitong Internet	Investment commitments	1,320,000	1,320,000
Goldstone Innovation	Investment commitments	760,000	900,000
WH Conch Hotel	Venue lease commitments*	815	–
CK Engineering and its subsidiaries	Purchase commitments	490,981	468,853
CK Equipment	Purchase commitments	161,502	211,970
Conch Design Institute	Purchase commitments	367,336	417,689

* Venue lease commitments include only signed contracts applying the new leasing standard's simplified treatment with leases not yet commenced.

(e) Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of Conch Holdings, Conch Design Institute, Conch Energy Saving and its subsidiaries, WH Conch Hotel, Conch Investment and its subsidiaries, Conch New Materials and its subsidiaries and Anhui International Trade and its subsidiaries above constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The continuing connected transactions with Conch New Materials and its subsidiaries and Conch Investment and its subsidiaries are provided in section 7(10) of the Director's Report in accordance with Chapter 14A of the Listing Rules. The other transactions are exempt from the disclosure requirements in Chapter 14A of the Listing Rules as they are below the de minimis threshold under Rule 14A.56.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

44 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2024 RMB'000	31 December 2023 RMB'000
Non-current assets			
Property, plant and equipment		2,222,961	2,144,111
– Investment property		29,405	32,410
– Other property, plant and equipment		2,193,556	2,111,701
Intangible assets		549,381	127,840
Investments in subsidiaries	17	61,533,452	59,099,533
Interest in an associate		2,112,437	1,902,680
Interest in joint ventures		921,477	1,024,557
Loans and receivables		14,566,960	12,850,821
Financial assets measured at FVOCI		770,494	719,993
Deferred tax assets		357,586	412,771
Time deposits		11,142,845	–
		94,177,593	78,282,306
Current assets			
Inventories		398,581	425,966
Assets held for sale		–	23,538
Trade and bills receivables		2,279,251	1,380,841
Prepayments and other receivables		1,854,850	4,382,933
Financial assets measured at FVPL		509,203	1,965,733
Amounts due from subsidiaries		33,621,735	32,761,432
Amounts due from related parties		101,148	190,363
Tax recoverable		–	36,965
Restricted cash deposits		19,809	3,239
Bank deposits with original maturity over three months		52,020,599	55,367,500
Cash and cash equivalents		7,655,711	5,783,939
		98,460,887	102,322,449

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

44 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Notes	31 December 2024 RMB'000	31 December 2023 RMB'000
Current liabilities			
Trade and bills payables		191,415	336,819
Other payables and accruals		726,297	686,885
Contract liabilities		56,523	63,419
Bank loans and other borrowings		927,834	561,419
Lease liabilities		88,357	–
Amounts due to subsidiaries		19,554,813	15,517,518
Amounts due to related parties		124,831	108,297
Income tax payable		34,517	–
		21,704,587	17,274,357
Net current assets			
		76,756,300	85,048,092
Total assets less current liabilities			
		170,933,893	163,330,398
Non-current liabilities			
Deferred income		4,760	5,386
Corporate bonds		10,000,000	–
		10,004,760	5,386
NET ASSETS			
		160,929,133	163,325,012
CAPITAL AND RESERVES			
	39(a)		
Share capital		5,299,303	5,299,303
Reserves		155,629,830	158,025,709
TOTAL EQUITY			
		160,929,133	163,325,012

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

45 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of reporting period, the directors proposed a final dividend. Further details are disclosed in note 39(b).

46 IMMEDIATE AND ULTIMATE CONTROLLING COMPANY

At 31 December 2024, the directors consider the immediate parent and ultimate controlling company of the Group to be Conch Holdings and Anhui Provincial Investment Group Holding Co., Ltd. respectively, which are both state-owned enterprises established in the PRC.

47 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2024

The Group has not applied the following revised IFRSs, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these revised IFRSs, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements³</i>
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures³</i>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments²</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture⁴</i>
Amendments to IAS 21	<i>Lack of Exchangeability¹</i>
Annual Improvements to IFRS Accounting Standards -Volume 11	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7²</i>

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual/reporting periods beginning on or after 1 January 2027

⁴ No mandatory effective date yet determined but available for adoption

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

47 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

Further information about those IFRSs that are expected to be applicable to the Group is described below:

IFRS 18 replaces IAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss and other comprehensive income into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as IAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other IFRSs. IFRS 18 and the consequential amendments to other IFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRSs. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 Consolidated Financial Statements, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRSs. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19. Some of the Company's subsidiaries are considering the application of IFRS 19 in their specified financial statements.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

47 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

Amendments to IFRS 9 and IFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associatetor joint venture. The amendments are to be applied prospectively.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

47 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying Guidance on implementing IFRS 7), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- **IFRS 7 *Financial Instruments: Disclosures*:** The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

11. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

47 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

- **IFRS 9 *Financial Instruments*:** The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **IFRS 10 *Consolidated Financial Statements*:** The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **IAS 7 *Statement of Cash Flows*:** The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

12. Written Confirmation of the Directors, Supervisors and Senior Management Members on the 2024 Annual Report

Pursuant to the relevant requirements and provisions of Securities Law (as revised in 2019) and “Standards of Contents and Format for Information Disclosure of Companies which are Securities Issuers No.2–Contents and Format of Annual Reports” (as revised in 2021), as the Directors, Supervisors and members of the senior management of Anhui Conch Cement Company Limited, upon full understanding and review of the annual report of 2024 and summary of the annual report, we are of the view that:

1. the Company has strictly complied with the financial regulations for a joint stock company in its operation, the annual report for year 2024 and its summary have fairly reflected the financial position and operating results of the Company for the year;
2. the audit report of Anhui Conch Cement Company Limited for year 2024 as audited by Ernst & Young Hua Ming LLP and Ernst & Young are objective, true and fair.

We warrant that the information disclosed in the annual report for year 2024 and its summary is true, accurate and complete, and we undertake that they do not contain misrepresentation, misleading statement or material omissions, and we are severally and jointly responsible for the truthfulness, accuracy and completeness of its contents.

Name	Position	Name	Position
Yang Jun	Chairman and Executive Director	Zhu Shengli	Deputy Chairman and Executive Director
Qu Wenzhou	Independent Non-Executive Director	Ho Shuk Yee, Samantha	Independent Non-Executive Director
Zhang Yunyan	Independent Non-Executive Director	Li Qunfeng	Executive Director and General Manager
Wu Tiejun	Executive Director and Deputy General Manager	Yu Shui	Executive Director, Deputy General Manager, Secretary to the Board (Joint Company Secretary), General Legal Counsel and Chief Compliance Officer
He Chengfa	Supervisor and Chairman of the Supervisory Committee	Chen Yongbo	Supervisor
Liu Tiantian	Staff Representative Supervisor	Pan Zhonghong	Deputy General Manager
Li Xin	Assistant to General Manager	Xu Yue	Assistant to General Manager
Liu Qingxin	Assistant to General Manager		

24 March 2025

