



安徽海螺水泥股份有限公司

ANHUI CONCH CEMENT COMPANY LIMITED

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 0914)

2008 FIRST QUARTERLY REPORT

Highlights of the results of the Group for the three months ended 31 March 2008 are as follows:

During the Reporting Period, the Group's revenue amounted to RMB4,614,990,808, representing an increase of 27.46% from that of the corresponding period of the previous year, while its net profit attributable to shareholders of the Company amounted to RMB449,604,623, representing an increase of 98.51% from that of the corresponding period of the previous year.

In accordance with the applicable rules of the Shanghai Stock Exchange of the People's Republic of China ("PRC") (being the stock exchange on which the A shares of the Company are listed), the quarterly report ("Quarterly Report") of Anhui Conch Cement Company Limited ("Company") and its subsidiaries (together with the Company referred to as the "Group") for the first quarter of 2008 ("Reporting Period") will be published in newspapers circulated in the PRC on 22 April 2008. The financial information set out in this Quarterly Report was prepared in accordance with the accounting standards generally accepted in the PRC ("PRC Accounting Standards"). Unless stated otherwise, the currency unit in this Quarterly Report refers to Renminbi ("RMB"), the lawful currency of the PRC.

In accordance with the requirement of Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the main text of the Quarterly Report is set out as below:

1. IMPORTANT NOTICE

1.1 The board ("Board") of directors ("Directors"), supervisory committee, and the Directors, supervisors and the senior management of the Company warrant that in respect of the information contained in this Quarterly Report, there are no misrepresentations,

misleading statements or material omission, and they individually and collectively accept responsibility for the truthfulness, accuracy and completeness of the information contained in this Quarterly Report.

1.2 The financial report as contained in this Quarterly Report was not audited.

1.3 The Company's chairman, Mr Guo Wensan, the officer-in-charge of the accounting functions, Mr Ren Yong and the head of the accounting department, Mr Zhou Bo hereby declare that they warrant the financial report contained in this Quarterly Report is true and complete.

2. BASIC CORPORATE INFORMATION

2.1 Major accounting data and financial indicators of the Group

	As at the end of Reporting Period	As at the end of the previous year	Changes in percentage as at the end of the Reporting Period compared with that of the previous year (%)
Total Assets (RMB)	32,715,782,671	31,040,609,420	5.40
Total equity attributable to shareholders of the Company (RMB)	11,466,922,445	11,079,605,265	3.50
Net assets per share attributable to shareholders of the Company (RMB)	7.32	7.07	3.54
	From the beginning of this year to the end of the Reporting Period		Changes in percentage as compared with that of the corresponding period of the previous year (%)
Net cash generated from operating activities (RMB)	349,241,719		45.86
Net cash generated from operating activities per share (RMB)	0.22		15.79

	Reporting Period	From the beginning of this year to the end of the Reporting Period	Changes in percentage as compared with that of the corresponding period of the previous year(%)
Net profit attributable to shareholders of the Company (RMB)	449,604,623	449,604,623	98.51
Basic earnings per share (RMB)	0.29	0.29	61.11
Return on net assets	3.92%	3.92%	Increased by 1.88 percentage points
Return on net assets after extraordinary items	3.68%	3.68%	Increased by 0.94 percentage points
Basic earnings per share after extraordinary items from the beginning of the year to the end of the Reporting Period (RMB)	0.27		
Extraordinary items	Amount from the beginning of this year to the end of the Reporting Period (RMB)		
Government subsidy income	36,461,860		
Other extraordinary items	982,063		
Effect of extraordinary items on income tax	(8,338,327)		
Effect of extraordinary items on minority interests	(1,042,722)		
Total	28,062,874		

2.2 The total number of shareholders and the shareholdings of the top 10 holders of the Company's floating shares without trading restriction as at the end of the Reporting Period

Total number of shareholders as at the end of the Reporting Period			9, 750
The shareholding condition of the top 10 holders of the Company’s floating shares without trading restriction			
Serial number	Name of shareholders (in full)	Number of floating shares without trading restriction	Type

		held as at the end of the Reporting Period	
1	HKSCC Nominees Limited	432,622,997	Overseas listed foreign shares
2	Anhui Conch Holdings Company Limited	110,290,113	RMB-denominated ordinary shares
3	China Construction Bank Corporation – Yinhua Selected Core Value Equity Investment Fund	8,661,557	RMB-denominated ordinary shares
4	Rongtong New Blue Chip Securities Investment Fund	7,415,414	RMB-denominated ordinary shares
5	Bank of Communications – Fuguo Tianyi Value Securities Investment Fund	7,180,450	RMB-denominated ordinary shares
6	Industrial and Commercial Bank of China – Guangfa Stable Growth Securities Investment Fund	6,826,316	RMB-denominated ordinary shares
7	Industrial and Commercial Bank of China – Guangfa Strategic Aborative-select Composite Securities Investment Fund	6,336,792	RMB-denominated ordinary shares
8	Agricultural Bank of China – China Post Core Selected Securities Investment Fund	6,204,500	RMB-denominated ordinary shares
9	China Construction Bank Corporation- Greatwall Brand Aborative-select Securities Investment Fund	5,661,165	RMB-denominated ordinary shares
10	Industrial and Commercial Bank of China – Guangfa Jufeng Securities Investment Fund	5,460,671	RMB-denominated ordinary shares

3. MAJOR EVENTS

3.1 Items of and reasons for significant changes in major items of the accounting statements and financial indicators of the Group

(1) During the Reporting Period, net profit attributable to shareholders of the Group amounted to RMB450 million, representing an increase of 98.51% from that of the same period last year. The surge was mainly due to the expansion of production capacity, increase in sales, improvement in the balance of supply and demand in the market and increase in average selling prices of the Group when compared with those of the same period last year, and in addition, the Company's acquisition of the minority interest of certain subsidiaries in April 2007.

(2) As at the end of the Reporting Period, cash at bank and in hand, construction materials and short term borrowings increased by 41.55%, 34.64% and 56.55% from those as at the end of last year respectively, which were mainly due to the increased capital expenditure and loans in connection with large number of continuing projects and new projects of the Group.

(3) During the Reporting Period, the Group's cash outflow for purchasing and construction of fixed assets, intangible assets and other long term assets, and cash inflow from borrowings increased by 36.90% and 44.79% respectively from those of the same period last year, this was mainly due to the increased capital expenditure and loans in connection with the increase in the number of continuing projects and new projects of the Group.

3.2 Progress of significant events and analysis on their effects and solutions

The Company's public issue of A shares was conditionally approved by the Public Offering Review Committee of China Securities Regulatory Commission ("CSRC") on 30 January 2008. On 3 April 2008, the document, Zheng Jian Xu Ke (2008) No. 496 "Reply in relation to the approval to the issue of shares by Anhui Conch Cement Company Limited" was obtained from the CSRC. Please refer to the relevant announcements of the Company published in Shanghai Securities Journal on 26 June 2007, 29 June 2007, 10 August 2007, 16 August 2007, 31 January 2008 and 9 April 2008, and the relevant announcements of the Company published on the respective websites of the Shanghai Stock Exchange, The Stock Exchange of Hong Kong Limited and the Company for details.

3.3 Implementation of undertakings made by the Company, its shareholders and beneficial controllers

In 2007, the Company issued A shares to Anhui Conch Venture Investment Company Limited (“Conch Venture”) as consideration for the acquisition of the equity interests in four subsidiaries of the Company held by Conch Venture, which were 49% equity interests in Anhui Digang Conch Cement Co., Limited, 49% equity interests in Anhui Zongyang Conch Cement Co., Limited, 49% equity interests in Anhui Chizhou Conch Cement Co., Limited and 31.86% equity interests in Anhui Tongling Conch Cement Co., Limited (collectively referred to as the “Four Companies”). Conch Venture undertook that if the aggregate audited net profit attributable to the equity interests of the Four Companies acquired by the Company for the three years of 2006, 2007 and 2008 prepared in accordance with the PRC Accounting Standards is on average less than RMB319.198 million, Conch Venture agreed that the Company could repurchase a certain amount of shares in the Company at a consideration of RMB1.00. However, such undertakings have not yet expired. The repurchase of shares by the Company shall be subject to the audited results on the net profits of the Four Companies for 2008.

3.4 Warning of and explanation for the accumulated net profit from the beginning of the year to the end of the next reporting period forecast to be a probable loss or to be significantly differed from that of the corresponding period of the last year

☐Applicable ☒Not applicable

3.5 Securities Investment

Stock Code	Stock Name	Number of shares held as at the end of the Reporting Period	Initial Investment (RMB)	Book value at the end of the Reporting Period (RMB)	Book value at the beginning of the Reporting Period (RMB)	Accounting subject
600318	Chaodong Shares	39,385,700	98,019,695	259,274,724	326,901,310	Available-for-sale financial assets

Note: The full version of the Company’s balance sheet, income statement and cash flow statement are published on the website of the Shanghai Stock Exchange at

<http://www.sse.com.cn>

By order of the Board
Anhui Conch Cement Company Limited
Zhang Mingjing
Company Secretary

Wuhu City, Anhui Province, the PRC
21 April 2008

As at the date of this announcement, the Board comprises (i) Mr Guo Wensan, Mr Yu Biao, Mr Guo Jingbin, Mr Li Shunan, and Mr Ren Yong as executive Directors, and (ii) Mr Kang Woon, Mr Chan Yuk Tong, and Mr Ding Meicai as independent non-executive Directors.