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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)

2009 FIRST QUARTERLY REPORT

In accordance with the applicable rules of the Shanghai Stock Exchange of the People's Republic of China ("PRC"), 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 2009 ("Reporting Period") will be published in newspapers circulating in the PRC on 25 April 2009. The full text of the Quarterly Report is set out below pursuant to Rule 13.09(2) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

1. IMPORTANT NOTICE

- 1.1 The board ("Board") of directors ("Directors"), supervisory committee ("Supervisory Committee"), and the Directors, supervisors and members of 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 full responsibility for the truthfulness, accuracy and completeness of the information contained in this Quarterly Report.
- 1.2 The financial report of this quarter has not been 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, declare that the financial report contained in this Quarterly Report is warranted to be true and complete.
- 1.4 Unless stated otherwise, the currency unit in this Quarterly Report refers to Renminbi ("RMB"), the lawful currency of the PRC; unless stated otherwise, all financial information was prepared under the generally accepted accounting principles of the PRC.

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 as at the end of the Reporting Period compared with that as at the end of the previous year (%)
Total assets (RMB)	41,584,413,746	42,532,122,806	(2.23)
Total equity attributable to equity shareholders of the Company (RMB)	25,733,247,665	24,796,664,298	3.78
Net assets per share attributable to equity shareholders of the Company (RMB)	14.57	14.04	3.78
	From the beginning of this year to the end of the Reporting Period		Changes as compared with that of the corresponding period of the previous year (%)
Net cash flow generated from operating activities (RMB)	2,045,307,125		485.64
Net cash flow generated from operating activities per share (RMB)	1.16		419.34
	Reporting Period	From the beginning of this year to the end of the Reporting Period	Changes for the Reporting Period compared with that of the corresponding period of the previous year (%)
Net profit attributable to equity shareholders of the Company (RMB)	408,937,957	408,937,957	(9.04)
Basic earnings per share (RMB/ share)	0.23	0.23	(20.69)
Basic earnings per share after extraordinary items (RMB/share)	0.22	0.22	(18.52)
Diluted earnings per share (RMB/share)	0.23	0.23	(20.69)
Return on net assets attributable to equity shareholders of the Company (diluted)	1.59%	1.59%	Decreased by 2.33 percentage points
Return on net assets attributable to equity shareholders of the Company after extraordinary items (diluted)	1.51%	1.51%	Decreased by 2.17 percentage points
Extraordinary items	Amount from the beginning of this year to the end of the Reporting Period (RMB)		

Gain/ (loss) on disposals of long term equity investment and fixed assets	23,748
Government subsidy income	21,211,466
Net realized gain on disposal of trading equity securities and available-for-sale equity securities	6,119,173
Other extraordinary items	478,939
Effect of extraordinary items on income tax	(6,747,620)
Effect of extraordinary items on minority interest	(196,547)
Total	20,889,159

2.2 The total number of shareholders and the shareholdings of the top 10 holders of 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		28,505	
Shareholding of the top 10 holders of floating shares without trading restriction			
Number	Name of shareholder (in full)	Number of floating shares without trading restriction held at the end of the Reporting Period	Class
1	Anhui Conch Holdings Company Limited	607,202,113	RMB-denominated ordinary shares
2	HKSCC Nominees Limited	432,640,997	Overseas listed foreign shares
3	Bank of Communications – E Fund Kexun Stock Securities Investment Fund	15,276,326	RMB-denominated ordinary shares
4	China Construction Bank – Yinhua Core Value Selected Equity Investment Fund	10,000,000	RMB-denominated ordinary shares
5	Bank of China – E Fund Stable Growth Securities Investment Fund	9,020,022	RMB-denominated ordinary shares
6	Industrial and Commercial Bank of China – Hua An Mid-cap and Small-cap Growth Stock Securities Investment Fund	8,378,907	RMB-denominated ordinary shares
7	China Life Insurance Company Ltd. – Bonus – Personal bonus – 005L –	8,205,519	RMB-denominated ordinary shares

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8	Shanghai Pudong Development Bank – Guangfa Small-cap Growth Stock Securities Investment Fund	8,000,000	RMB-denominated ordinary shares
9	Bank of Communications – Fuguo Tianyi Value Securities Investment Fund	7,808,838	RMB-denominated ordinary shares
10	Yale University	7,420,263	RMB-denominated ordinary shares

§ 3. MAJOR EVENTS

3.1 Significant changes and reasons for such changes in major items of the accounting statements and financial indicators of the Group

1. As at the end of the Reporting Period, the balance of bills receivable of the Group decreased by 46% from that of the beginning of the year. The decrease was mainly due to the maturity during the Reporting Period of the endorsed and discounted and unexpired bank acceptance bills, which made up a large proportion of the bills receivable at the beginning of the year, thereby leading to a relatively significant decrease in the balance of bills receivable.

2. As at the end of the Reporting Period, the bills payable of the Group increased by RMB207 million from that of the beginning of the year. The increase was due to the Company's issuance of bank acceptance bills in the aggregate amount of RMB207 million for payment to suppliers during the Reporting Period, for the main purpose of reducing financing costs.

3. As at the end of the Reporting Period, the available-for-sale equity securities of the Group increased by 35% from that of the beginning of the year, mainly due to the increase in the market value of the shares held by the Company in other cement companies as strategic investment.

4. As at the end of the Reporting Period, the Group's balance of short-term borrowings decreased by 47% from that of the beginning of the year. The decrease was mainly due to the maturity during the Reporting Period of the discounted and unexpired bank acceptance bills, which were made up a large proportion of the short-term borrowings, thereby leading to a relatively significant decrease in the amount of short term borrowings.

5. As at the end of the Reporting Period, wages payables of the Group decreased by 73% from that of the beginning of the year, mainly due to the distribution during the Reporting Period of year-end bonus, which was provided for in the previous year.

6. During the Reporting Period, the Group's financial expenses dropped by 59% as compared with that of the same period last year. The relatively significant decrease was mainly attributable to

the reduction in the Group's outstanding balance of borrowings during the Reporting Period as compared with that of the same period last year, drop in loan interest rate, and a substantial increase in the receipt of deposit interest income.

7. During the Reporting Period, the Group's net cash flow generated from operating activities increased by 486% as compared with that of the same period last year. The increase was mainly attributable to the expansion in scale of the Group, increase in sales volume and the maturity during the Reporting Period of most of the endorsed and discounted and unexpired bank acceptance bills, which were made up a large proportion of the bills receivable at the beginning of the year.

8. During the Reporting Period, the Group's net cash flow generated from financing activities significantly decreased as compared with that of the same period last year. The relatively significant increase in the cash outflow for financing activities was mainly attributable to the Group's repayment of bank borrowings, bank acceptance bills and commercial acceptance bills.

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

☐ Applicable ✓ Not applicable

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

☐ Applicable ✓ Not applicable

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 previous year

☐ Applicable ✓ Not applicable

3.5 Implementation of cash dividend distribution

During the Reporting Period, the Company did not distribute any cash dividends.

Board of Anhui Conch Cement Company Limited

24 April 2009

§ 4 Appendix

4.1 Balance Sheet

Balance Sheet

Prepared by: Anhui Conch Cement Company Limited Unit: RMB Type of audit: Unaudited

Items	As at 31 March 2009 Consolidated	As at 31 December 2008 Consolidated	As at 31 March 2009 The Company	As at 31 December 2008 The Company
Current Assets:				
Monetary capital	6,111,472,260	6,799,363,846	4,561,266,233	5,438,149,950
Tradable equity securities	2,053,600	-	-	-
Bills receivable	2,033,162,867	3,762,045,813	937,649,889	1,408,989,714
Accounts receivable	410,786,267	446,538,846	18,867,649	46,599,145
Advance payments	293,850,267	305,900,926	31,523,957	32,541,075
Dividends receivable	-	-	-	140,000,000
Other receivables	213,986,781	200,183,574	7,363,999,371	6,947,648,190
Inventory	2,064,039,843	1,870,366,227	250,235,243	231,818,388
Other current assets	101,325,550	148,745,438	5,794,108	3,948,777
Total current assets	11,230,677,435	13,533,144,670	13,169,336,450	14,249,695,239
Non-current assets:				
Available-for-sale equity securities	1,623,149,923	1,201,757,498	1,623,149,923	1,201,757,498
Long-term equity investment	402,671,325	322,939,011	15,356,840,568	14,560,970,753
Net amount of fixed assets	23,183,917,346	22,435,101,126	1,007,563,153	1,026,900,084
Construction in progress	1,923,634,199	1,695,613,659	7,921,200	6,884,027
Construction materials	1,240,553,045	1,375,490,140	23,583,970	24,705,410
Net amount of intangible assets	1,677,821,379	1,660,242,713	217,697,551	219,467,702
Goodwill	16,119,621	16,119,621	-	-
Deferred income tax assets	71,861,662	68,969,584	11,285,069	11,285,069
Other non-current assets	214,007,811	222,744,784	-	-
Total non-current assets	30,353,736,311	28,998,978,136	18,248,041,434	17,051,970,543
Total assets	41,584,413,746	42,532,122,806	31,417,377,884	31,301,665,782

Legal representative: Guo Wensan

Officer-in-charge of the accounting functions: Ren Yong

Head of the accounting department: Zhou Bo

Balance Sheet (Continued)

Prepared by: Anhui Conch Cement Company Limited Unit: RMB Type of audit: Unaudited

Items	As at 31 March 2009 Consolidated	As at 31 December 2008 Consolidated	As at 31 March 2009 The Company	As at 31 December 2008 The Company
Current liabilities:				
Short-term borrowings	1,196,292,000	2,268,375,685	150,000,000	503,949,503
Bills payable	207,000,000	-	207,000,000	200,000,000
Accounts payable	2,922,275,697	3,470,635,887	935,951,598	1,199,162,545
Receipts in advance	543,804,870	547,375,471	101,949,869	99,896,738
Wages payable	35,519,211	129,806,082	3,358,635	20,682,552
Tax payable	363,754,395	445,305,480	57,416,415	65,093,690
Interests payable	32,853,245	24,580,408	17,828,890	10,281,098
Dividends payable	-	50,000,000	-	-
Other payables	1,604,607,985	1,704,029,537	2,602,644,159	2,533,650,067
Non-current liabilities due within one year	2,342,124,931	2,534,124,931	1,185,000,000	885,000,000
Total current liabilities	9,248,232,334	11,174,233,481	5,261,149,566	5,517,716,193
Non-current liabilities:				
Long-term borrowings	6,112,954,546	6,033,454,546	1,000,000,000	1,300,000,000
Long-term payables	31,463,149	33,230,850	-	-
Deferred income tax liabilities	19,801,196	19,907,085	-	-
Other non-current liabilities	3,038,500	3,090,000	-	-
Total non-current liabilities	6,167,257,391	6,089,682,481	1,000,000,000	1,300,000,000
Total liabilities:	15,415,489,725	17,263,915,962	6,261,149,566	6,817,716,193
Owners' equity:				
Share capital	1,766,434,193	1,766,434,193	1,766,434,193	1,766,434,193
Capital reserve	14,644,160,381	14,116,514,971	20,806,514,338	20,311,927,029
Surplus reserve	471,503,760	471,503,760	471,503,760	471,503,760
Unappropriated profits	8,851,149,331	8,442,211,374	2,111,776,027	1,934,084,607
Equity attributable to owners of the Company	25,733,247,665	24,796,664,298	-	-
Minority interests	435,676,356	471,542,546	-	-
Total owners' equity	26,168,924,021	25,268,206,844	25,156,228,318	24,483,949,589
Total liabilities and owners' equity	41,584,413,746	42,532,122,806	31,417,377,884	31,301,665,782

Legal representative: Guo Wensan

Officer-in-charge of the accounting functions: Ren Yong

Head of the accounting department: Zhou Bo

4.2 Income Statement

Income Statement

Prepared by: Anhui Conch Cement Company Limited Unit: RMB Type of audit: Unaudited

Items	January to March 2009 Consolidated	January to March 2008 Consolidated	January to March 2009 The Company	January to March 2008 The Company
I. Total revenue	5,145,160,472	4,614,990,808	1,479,443,622	1,403,515,755
Less: Operating cost	(4,007,125,225)	(3,446,904,573)	(1,401,807,164)	(1,334,368,687)
Business tax and surcharges	(25,819,546)	(29,643,149)	(2,063,724)	(2,696,255)
Selling expenses	(333,154,241)	(305,561,271)	(22,919,330)	(8,618,978)
Administrative expenses	(197,278,293)	(175,473,542)	(28,815,815)	(14,197,944)
Financial expenses	(90,508,616)	(222,865,856)	6,055,573	(53,306,457)
Loss on impairment of assets	-	-	(1,532,227)	(1,543,287)
Add: Gain or loss on changes of fair value	(12,030)	-	-	-
Add: Investment income	5,851,488	365,297	147,766,869	365,297
Including: investment income from associates	(267,685)	365,297	(267,685)	365,297
II. Operating profit	497,114,009	434,907,714	176,127,804	(10,850,556)
Add: Non-operating income	31,472,313	49,887,495	3,183,502	51,873
Less: Non-operating expenses	(635,994)	(1,460,411)	(25,546)	-
Including: Loss from disposal of non-current assets	(64,097)	(407,116)	-	-
III. Total profits	527,950,328	483,334,798	179,285,760	(10,798,683)
Less: Income tax expenses	(107,846,061)	(12,459,028)	(1,594,339)	13,352,794
IV. Net profit	420,104,267	470,875,770	177,691,421	2,554,111
Including: Net profit realised by the entity to be included in the consolidated statements before the consolidation	-	-	-	-
Net profit attributable to owners of the Company	408,937,957	449,604,623		
Minority interests	11,166,310	21,271,147		
V. Earnings per share				
(1) Basic earnings per share	0.23	0.29		
(2) Diluted earnings per share				

Legal representative: Guo Wensan

Officer-in-charge of the accounting functions: Ren Yong

Head of the accounting department: Zhou Bo

4.3 Cash Flow Statement

Cash Flow Statement

Prepared by: Anhui Conch Cement Company Limited. Unit: RMB Type of audit: Unaudited

Items	2009 Q1 Consolidated	2008 Q1 Consolidated	2009 Q1 The Company	2008 Q1 The Company
1. Cash flow generated from operating activities:				
Cash received from sale of goods and rendering of services	8,149,641,249	5,350,552,429	2,237,662,329	1,556,109,500
Tax and charges refund	7,410,700	10,744,010	-	-
Cash received relating to other operating activities	58,690,446	27,143,485	18,210,611	-
Sub-total of cash inflow from operating activities	8,215,742,395	5,388,439,924	2,255,872,940	1,556,109,500
Cash paid for goods and services	(5,150,609,213)	(3,917,355,407)	(1,868,907,438)	(1,405,239,876)
Cash paid to and on behalf of employees	(297,813,906)	(229,774,796)	(39,651,711)	(30,082,558)
Various types of tax paid	(641,591,340)	(758,810,341)	(60,455,224)	(18,370,741)
Cash paid relating to other operating activities	(80,420,811)	(133,257,661)	(155,761,335)	(173,166,970)
Sub-total of cash outflow from operating activities	(6,170,435,270)	(5,039,198,205)	(2,124,775,708)	(1,626,860,145)
Net cash flow generated from operating activities	2,045,307,125	349,241,719	131,097,232	(70,750,645)
2. Cash flow generated from investing activities:				
Cash received from sales of investments	34,883,915	-	33,709,438	374,139,792
Cash received from investment income	-	-	242,000,000	-
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	-	-	-	-
Net cash received from disposal of subsidiaries and other operation entities	-	-	-	-
Cash received from other investing activities	59,923,119	5,527,818	46,744,136	2,278,659
Sub-total of cash inflow from investing activities	94,807,034	5,527,818	322,453,574	376,418,451
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	(1,355,920,148)	(1,483,144,356)	(2,789,954)	(30,304,482)

Cash paid for investments	(3,155,488)	(10,709,000)	-	-
Net cash paid for acquisition of subsidiaries and other operation entities	(80,000,000)	-	(676,897,500)	(80,000,000)
Cash paid for other investing activities	(11,000,000)	(17,800,000)	(303,880,000)	0
Sub-total of cash outflow from investing activities	(1,450,075,636)	(1,511,653,356)	(983,567,454)	(110,304,482)
Net cash flow generated from investing activities	(1,355,268,602)	(1,506,125,538)	(661,113,880)	266,113,969
3. Cash flow generated from financing activities:				
Cash received from contribution of investments	-	-	-	-
Cash received from borrowings	1,126,292,000	2,890,627,237	100,000,000	300,000,000
Cash received from other financing activities	-	-	-	-
Sub-total of cash inflow from financing activities	1,126,292,000	2,890,627,237	100,000,000	300,000,000
Cash paid for repaying borrowings	(2,310,875,685)	(930,000,000)	(453,949,503)	(30,000,000)
Cash paid for distribution of dividends, profits or payment of interest	(226,264,904)	(214,584,965)	(24,437,794)	(46,252,009)
Cash paid for other financing activities	-	-	-	-
Sub-total of cash outflow from financing activities	(2,537,140,589)	(1,144,584,965)	(478,387,297)	(76,252,009)
Net cash flow generated from financing activities	(1,410,848,589)	1,746,042,272	(378,387,297)	223,747,991
4. Effect of changes in foreign exchange rates on cash and cash equivalents	-	-	-	-
5. Net increase in cash and cash equivalents	(720,810,066)	589,158,453	(908,403,945)	419,111,315
Add: Cash and cash equivalents at the beginning of the period	6,751,210,705	1,411,707,022	5,395,168,650	469,638,962
6. Cash and cash equivalents at the end of the period	6,030,400,639	2,000,865,475	4,486,764,705	888,750,277

Legal representative: Guo Wensan

Officer-in-charge of the accounting functions: Ren Yong

Head of the accounting department: Zhou Bo

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

Wuhu City, Anhui Province, the PRC
24 April 2009

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