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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: 914)

2012 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 2012 ("Reporting Period") will be published in newspapers circulating in the PRC on 20 April 2012. 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"), the 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 contained in this Quarterly Report has not been audited.
- 1.3 The Company's Chairman, Mr Guo Wensan, the officer-in-charge of the accounting functions, Mr Ji Qinying, 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 In this Quarterly Report, unless stated otherwise, the currency unit 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)	81,842,027,942	84,003,416,301	(2.57)
Total equity attributable to equity shareholders of the Company (RMB)	46,084,431,036	44,839,508,674	2.78
Net assets per share attributable to equity shareholders of the Company (RMB)	8.70	8.46	2.78
	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)	1,632,293,728		(6.65)
Net cash flow generated from operating activities per share (RMB/share)	0.31		(6.65)
	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)	1,249,018,186	1,249,018,186	(43.64)
Basic earnings per share (RMB/share)	0.24	0.24	(43.64)
Basic earnings per share after extraordinary items (RMB/share)	0.20	0.20	(51.23)
Diluted earnings per share (RMB/share)	0.24	0.24	(43.64)

Return on weighted average net assets attributable to equity shareholders of the Company	2.75%	2.75%	decreased by 3.32 percentage points
Return on weighted average net assets attributable to equity shareholders of the Company after extraordinary items	2.31%	2.31%	decreased by 3.60 percentage points
Extraordinary items	Amount from the beginning of this year to the end of the Reporting Period (RMB)		
Gain/ (loss) on disposals of non-current assets	4,894,698		
Government subsidy	252,343,719		
Gain/ (loss) on change in fair value of tradable securities	(2,892,996)		
Gain on cost for acquisition of subsidiaries less than the fair value of identifiable net assets	601,076		
Other non-operating income and expenses other than the abovementioned items	11,006,755		
Effect of extraordinary items on income tax	(66,481,348)		
Effect of extraordinary items on minority interest	(1,312,916)		
Total	198,158,988		

2.2 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	176,355		
Shareholding of the top 10 holders of floating shares without trading restriction			
Serial 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 (“Conch Holdings”)	1,918,329,108	RMB-denominated ordinary shares
2	HKSCC Nominees Limited	1,297,615,881	Overseas listed foreign shares
3	Anhui Conch Venture Investment Company Limited	286,713,246	RMB-denominated ordinary shares
4	Ping An Trust Company Limited – Conch’s Equity	74,083,633	RMB-denominated ordinary shares

5	China Construction Bank – Hua An Hongli Stock Securities Investment Fund	30,000,000	RMB-denominated ordinary shares
6	Anhui Conch Construction Materials Design Institute	28,953,736	RMB-denominated ordinary shares
7	UBS AG	25,145,272	RMB-denominated ordinary shares
8	The Industrial and Commercial Bank of China –Guang Fa Large-cap Growth Mixed Securities Investment Fund	22,999,936	RMB-denominated ordinary shares
9	Bank of Communications – Hua An Tactical Select Stock Securities Investment Fund	21,618,189	RMB-denominated ordinary shares
10	Morgan Stanley & Co. International Plc.	20,163,183	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 closing balance of bills receivable of the Group decreased by 30.34% from that at the beginning of the year. This was mainly due to the decrease in the amount of bank acceptance bills received from its customers during the Reporting Period, and certain bank acceptance bills not yet due at the beginning of the year becoming mature during the Reporting Period.

2. as at the end of Reporting Period, the closing balance of interest receivables increased by 45.73% from that at the beginning of the year. This was mainly due to the accrual of income from the Group's entrusted wealth investment, which was not yet due for payment;

3. as at the end of the Reporting Period, the closing balance of wages payable of the Group decreased by 91.96% from that at the beginning of the year. This was mainly due to the payment during the Reporting Period of the year-end bonus accrued for the previous year,

4. as at the end of the Reporting Period, the closing balance of tax payable of the Group decreased by 37.54% from that at the beginning of the year. This was mainly due to the payment during the Reporting Period of part of the tax accrued as at the beginning of the year;

5. as at the end of the Reporting Period, the closing balance of interest payable of the Group increased by 57.26% from that at the beginning of the year. This was mainly due to the accrual of interest for the Reporting Period, but not yet due to be paid, in respect of the RMB9.5 billion corporate bonds issued by the Group in 2011;

6. as at the end of the Reporting Period, the closing balance of the Group's non-current liabilities due within one year increased by 110.52%, while the closing balance of the Group's long-term borrowings decreased by 37.86%, from those at the beginning of the year. These were mainly due to various long-term borrowings becoming mature during this financial year, whose classifications were accordingly changed;

7. during the Reporting Period, the financial expenses of the Group increased by 59.13% from that of the same period last year. This was mainly due to accrual of interest during the Reporting Period for the RMB9.5 billion corporate bonds;

8. during the Reporting Period, the gain or loss on changes of fair value of the Group decreased by 220.58% from that of the same period last year. This was mainly due to the changes in the fair value of the tradable securities;

9. during the Reporting Period, the Group's investment income decreased by 156.52% from that of the same period last year. This was mainly due to the decrease in the number of jointly controlled entities during the Reporting Period, when compared to that of the same period last year, and the investment income was decreased correspondingly;

10. during the Reporting Period, the Group's non-operating income increased by 96.22% from that of the same period last year. This was mainly due to the increase in government subsidy given to the Group during the Reporting Period;

11. during the Reporting Period, the Group's non-operating expenses increased by 441.98% from that of the same period last year. This was mainly due to the disposal of certain idle assets during the Reporting Period, in order to improve the utilization efficiency of the Group's assets;

12. during the Reporting Period, the Group's operating profit, total profit and its profit attributable to equity shareholders of the Company decreased by 54.18%, 45.33% and 43.64% respectively from these of the same period last year. These were mainly due to the decrease in product selling price and increase in production cost during the Reporting Period;

13. during the Reporting Period, the income tax expenses of the Group decreased by 49.06% from that of the same period last year. This was mainly due to the effect of the decrease in the Group's total profit;

14. during the Reporting Period, the Group's other comprehensive income decreased by 100.55% from that of the same period last year. This was mainly because the percentage change in the fair value of the Group's available-for-sale equity securities was smaller than

that during the Reporting Period as compared to the same period last year;

15. during the Reporting Period, the Group's net cash flow generated from financing activities decreased by RMB1,859 million from that of the same period last year. This was mainly due to the increase in the amount of bank borrowings repaid during the Reporting Period.

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, its shareholders and de facto controller

☐ 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 different from that of the corresponding period of the previous year

☐ Applicable ☒ Not applicable

3.5 Implementation of cash dividend policy

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

The Board of
Anhui Conch Cement Company Limited
19 April 2012

§ 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 2012 Consolidated	As at 31 December 2011 Consolidated	As at 31 March 2012 The Company	As at 31 December 2011 The Company
Current Assets:				
Monetary capital	6,747,871,335	8,027,805,897	3,628,710,215	5,522,084,992
Tradable securities	74,409,772	77,302,768	72,429,264	75,896,622
Bills receivable	7,381,451,220	10,596,837,727	1,618,378,401	2,209,067,717
Accounts receivable	257,232,208	343,469,222	20,132,296	25,113,687
Advance payments	785,675,574	619,578,147	154,558,108	149,351,360
Interests receivable	50,650,749	34,756,849	335,134,929	223,054,377
Dividend receivable	-	-	6,643,577,904	-
Other receivables	1,245,098,805	1,180,293,808	13,245,383,737	12,717,407,863
Inventory	5,029,141,127	4,378,423,731	490,738,501	290,969,614
Other current assets	768,136,085	591,468,230	-	-
Total current assets	22,339,666,875	25,849,936,379	26,209,043,355	21,212,946,232
Non-current assets:				
Available-for-sale equity securities	3,573,390,621	3,578,851,720	3,573,390,621	3,578,851,720
Long-term receivables	-	-	300,000,000	300,000,000
Long-term equity investment	386,831,194	398,673,089	30,577,803,352	30,285,671,464
Fixed assets	43,826,421,142	43,034,947,927	1,035,099,115	869,217,865
Construction in progress	5,167,340,973	4,548,854,794	49,809,559	42,934,330
Construction materials	1,479,772,021	1,590,154,460	-	4,639,060
Intangible assets	4,567,202,289	4,467,895,766	314,877,508	283,791,736
Goodwill	79,692,711	79,692,711	-	-
Deferred tax assets	122,331,290	103,548,444	-	-
Other non-current assets	299,378,826	350,861,011	-	-
Total non-current assets	59,502,361,067	58,153,479,922	35,850,980,155	35,365,106,175
Total assets	81,842,027,942	84,003,416,301	62,060,023,510	56,578,052,407

Legal representative: Guo Wensan

Officer-in-charge of the accounting functions: Ji Qinying

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 2012 Consolidated	As at 31 December 2011 Consolidated	As at 31 March 2012 The Company	As at 31 December 2011 The Company
Current liabilities:				
Short-term borrowings	803,855,161	845,800,000	400,000,000	400,000,000
Bills payable	-	41,000,000	-	-
Accounts payable	4,487,067,171	5,051,086,678	1,163,971,510	1,016,945,082
Receipts in advance	873,645,711	901,084,881	128,845,327	113,017,009
Wages payable	34,635,689	430,788,549	6,302,801	56,231,150
Tax payable	1,262,390,527	2,021,231,099	127,738,226	280,295,947
Interests payable	505,232,006	321,262,926	437,109,944	304,927,951
Other payables	4,054,303,807	4,913,395,369	3,331,885,770	7,272,386,929
Non-current liabilities due within one year	5,190,708,353	2,465,679,556	40,000,000	50,000,000
Total current liabilities	17,211,838,425	16,991,329,058	5,635,853,578	9,493,804,068
Non-current liabilities:				
Long-term borrowings	6,073,386,365	9,773,113,637	900,000,000	890,000,000
Bonds payable	9,467,206,566	9,465,639,707	9,467,206,566	9,465,639,707
Long-term payables	462,148,223	463,972,156	-	-
Deferred income tax liabilities	448,464,749	435,838,058	271,835,596	274,067,710
Other non-current liabilities	31,229,549	31,808,794	-	-
Total non-current liabilities	16,482,435,452	20,170,372,352	10,639,042,162	10,629,707,417
Total liabilities:	33,694,273,877	37,161,701,410	16,274,895,740	20,123,511,485
Owners' equity:				
Share capital	5,299,302,579	5,299,302,579	5,299,302,579	5,299,302,579
Capital reserve	11,524,842,974	11,528,938,798	17,640,716,600	17,644,812,425
Surplus reserve	1,802,791,790	1,802,791,790	1,802,791,790	1,802,791,790
Unappropriated profits	27,457,493,693	26,208,475,507	21,042,316,801	11,707,634,128
Equity attributable to owners of the Company	46,084,431,036	44,839,508,674		
Minority interests	2,063,323,029	2,002,206,217		
Total owners' equity	48,147,754,065	46,841,714,891	45,785,127,770	36,454,540,922
Total liabilities and owners' equity	81,842,027,942	84,003,416,301	62,060,023,510	56,578,052,407

Legal representative: Guo Wensan

Officer-in-charge of the accounting functions: Ji Qinying

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	2012 Q1 Consolidated	2011 Q1 Consolidated	2012 Q1 The Company	2011 Q1 The Company
I. Operating revenue	8,859,499,869	9,314,519,670	2,428,879,460	2,481,096,922
Less: Operating cost	(6,501,971,557)	(5,610,280,022)	(2,258,334,400)	(2,217,135,810)
Business tax and surcharges	(32,474,184)	(44,289,815)	(2,897,205)	(4,880,615)
Selling expenses	(402,067,678)	(358,779,760)	(18,484,787)	(19,706,317)
Administrative expenses	(410,257,321)	(344,616,528)	(35,342,359)	(50,554,308)
Financial expenses	(208,814,532)	(131,218,608)	(9,623,771)	(26,977,418)
Loss on impairment of assets	-	20,000	(397,676)	(476,001)
Add: Gain or loss on changes of fair value	(2,892,996)	2,399,155	(3,467,358)	-
Add: Investment income	(2,903,608)	5,137,055	9,249,263,218	5,715,245,477
Including: investment income from associates and jointly controlled entities	(2,903,608)	5,137,055	7,409,363	14,118,477
II. Operating profit	1,298,117,993	2,832,891,147	9,349,595,122	5,876,611,930
Add: Non-operating income	350,964,708	178,866,452	7,344,862	3,398,123
Less: Non-operating expenses	(2,778,208)	(512,599)	(84,799)	(304,487)
Including: Loss from disposal of non-current assets	(1,864,240)	(327,627)	(247)	(304,487)
III. Total profits	1,646,304,493	3,011,245,000	9,356,855,185	5,879,705,566
Less: Income tax expenses	(383,913,640)	(753,594,704)	(22,172,512)	(40,956,446)
IV. Net profit	1,262,390,853	2,257,650,296	9,334,682,673	5,838,749,120
Net profit attributable to owners of the Company	1,249,018,186	2,216,079,661		
Minority interests	13,372,667	41,570,635		
V. Earnings per share				
(1) Basic earnings per share (restated)	0.24	0.42		
(2) Diluted earnings per share (restated)	0.24	0.42		
VI. Other comprehensive income	(4,095,824)	741,188,124	(4,095,824)	741,188,124
VII. Total comprehensive income attributable to	1,258,295,029	2,998,838,420	9,330,586,849	6,579,937,244
owners of the Company	1,244,922,362	2,957,267,785		
minority interest	13,372,667	41,570,635		

Legal representative: Guo Wensan

Officer-in-charge of the accounting functions: Ji Qinying

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	2012 Q1 Consolidated	2011 Q1 Consolidated	2012 Q1 The Company	2011 Q1 The Company
1. Cash flow generated from operating activities:				
Cash received from sale of goods and rendering of services	13,986,841,156	11,587,026,776	3,445,066,402	3,219,692,999
Tax and charges refund	45,230,342	32,978,459	2,869,489	-
Cash received relating to other operating activities	317,452,205	145,695,713	3,455,684	46,042,070
Sub-total of cash inflow from operating activities	14,349,523,703	11,765,700,948	3,451,391,575	3,265,735,069
Cash paid for goods and services	(9,559,428,306)	(7,927,917,938)	(2,662,506,967)	(3,427,480,560)
Cash paid to and on behalf of employees	(902,303,268)	(667,682,423)	(83,548,745)	(59,042,078)
Various types of tax paid	(1,970,146,207)	(1,320,348,707)	(222,876,215)	(118,985,719)
Cash paid relating to other operating activities	(285,352,194)	(101,209,993)	(4,469,343,633)	(5,070,390,151)
Sub-total of cash outflow from operating activities	(12,717,229,975)	(10,017,159,061)	(7,438,275,560)	(8,675,898,508)
Net cash flow generated from operating activities	1,632,293,728	1,748,541,887	(3,986,883,985)	(5,410,163,439)
2. Cash flow generated from investing activities:				
Cash received from sales of investments	210,000,000	-	-	-
Cash received from investment income	19,251,258	-	2,617,527,210	5,701,127,000
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	5,492,629	1,450,812	1,019,689	66,239
Net cash received from disposal of subsidiaries and other operation entities	-	-	-	-
Cash received from other investing activities	146,334,224	22,434,466	26,210,642	1,931,027
Sub-total of cash inflow from investing activities	381,078,111	23,885,278	2,644,757,541	5,703,124,266
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	(1,642,590,329)	(2,042,575,069)	(225,795,626)	(9,701,083)
Net cash paid for acquisition of subsidiaries and other operation entities	(157,009,740)	-	(249,443,850)	-
Cash paid for other investing activities	(6,000,000)	-	(63,200,000)	(147,300,000)
Sub-total of cash outflow from investing activities	(1,805,600,069)	(2,042,575,069)	(538,439,476)	(157,001,083)
Net cash flow generated from investing activities	(1,424,521,958)	(2,018,689,791)	2,106,318,065	5,546,123,183

3. Cash flow generated from financing activities:				
Cash received from investment	67,725,700	-	-	-
Including: cash received from investment of minority interest	67,725,700	-	-	-
Cash received from borrowings	391,855,161	1,187,449,873	300,000,000	350,000,000
Cash received from other financing activities	6,861,120	6,631,925	-	22,183
Sub-total of cash inflow from financing activities	466,441,981	1,194,081,798	300,000,000	350,022,183
Cash paid for repaying borrowings	(1,538,300,000)	(465,500,000)	(300,000,000)	-
Cash paid for distribution of dividends, profits or payment of interest	(182,706,487)	(115,290,000)	(12,808,857)	(7,861,891)
Including: profits distributed to minority interests by the subsidiaries	(19,981,555)	-	-	-
Cash paid for other financing activities	(238,259)	(9,474,026)	-	-
Sub-total of cash outflow from financing activities	(1,721,244,746)	(590,264,026)	(312,808,857)	(7,861,891)
Net cash flow generated from financing activities	(1,254,802,765)	603,817,772	(12,808,857)	342,160,292
4. Effect of changes in foreign exchange rates on cash and cash equivalents	-	-	-	-
5. Net increase in cash and cash equivalents	(1,047,030,995)	333,669,868	(1,893,374,777)	478,120,036
Add: Cash and cash equivalents at the beginning of the period	7,747,188,137	2,689,148,569	5,513,295,840	896,375,847
6. Cash and cash equivalents at the end of the period	6,700,157,142	3,022,818,437	3,619,921,063	1,374,495,883

Legal representative: Guo Wensan
Officer-in-charge of the accounting functions: Ji Qinying
Head of the accounting department: Zhou Bo

By order of the Board
Anhui Conch Cement Company Limited
Yang Kaifa
Company Secretary

Wuhu City, Anhui Province, the PRC

19 April 2012

As at the date of this announcement, the Board comprises (i) Mr Guo Wensan, Mr Guo Jingbin, Mr Ji Qinying, Ms Zhang Mingjing and Mr Wu Jianping as executive directors, and (ii) Mr Kang Woon, Mr Chan Yuk Tong, and Mr Ding Meicai as independent non-executive directors.