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安徽海螺水泥股份有限公司
Anhui Conch Cement Company Limited

(a joint stock limited company incorporated in the People's Republic of China)
(Stock code: 00914)

2014 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 period between 1 January 2014 and 31 March 2014 (i.e. the first quarter) ("Reporting Period") will be published in newspapers circulating in the PRC on 25 April 2014. 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 Wang Jianchao, and the head of the accounting department, Mr Zhou Bo, declare and warrant that the financial report contained in this Quarterly Report is true, accurate 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 MAJOR CORPORATE FINANCIAL INFORMATION AND CHANGES OF SHAREHOLDERS OF THE COMPANY

2.1 Major financial information

Unit: RMB

	As at the end of the 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	94,483,409,171	93,094,479,821	1.49
Total equity attributable to equity shareholders of the Company	58,691,483,708	56,118,028,303	4.59
	From the beginning of this year to the end of the Reporting Period	From the beginning of the previous year to the end of the reporting period of the previous year	Changes as compared with that of the corresponding period of the previous year (%)
Net cash flow generated from operating activities	3,019,178,995	2,562,326,450	17.83
	From the beginning of this year to the end of the Reporting Period	From the beginning of the previous year to the end of the reporting period of the previous year	Changes for the Reporting Period compared with that of the corresponding period of the previous year (%)
Revenue	12,629,628,514	9,905,798,786	27.50
Net profit attributable to equity shareholders of the Company	2,473,498,470	972,001,984	154.47
Net profit attributable to equity shareholders of the Company after extraordinary items	2,371,565,856	893,491,609	165.43
Weighted average return on net assets (%)	4.31	1.97	Increased by 2.34 percentage points
Basic earnings per share (RMB/share)	0.47	0.18	154.47
Diluted earnings per share (RMB/share)	0.47	0.18	154.47
	Amount from the beginning of this year to the end of the Reporting Period		
Gain/ (losses) on disposals of non-current assets	(2,490,713)		
Government subsidy	133,892,117		
Gain/(Loss) on changes in the fair value of financial assets held for trading and gain from disposal of financial assets held for trading	(105,444)		

Charges on share of funds received from non-financial enterprises included in the current income statement	419,400
Entrusted fee income obtained from entrusted operation	132,823
Other non-operating income and expenses other than the abovementioned items	3,913,376
Effect of extraordinary items on income tax	(31,788,961)
Effect of extraordinary items on minority interest	(2,039,984)
Total	101,932,614

2.2 Total number of shareholders and the shareholdings of the top 10 shareholders as at the end of the Reporting Period

Total number of shareholders as at the end of the Reporting Period		95,906	
Shareholding of the top 10 shareholders			
Serial number	Name of shareholder (in full)	Number of shares held at the end of the Reporting Period	Class
1	Anhui Conch Holdings Co., Ltd.	1,918,329,108	RMB-denominated ordinary shares
2	HKSCC Nominees Limited	1,297,750,878	Overseas listed foreign shares
3	Anhui Conch Venture Investment Company Limited	286,713,246	RMB-denominated ordinary shares
4	DEUTSCHE BANK AKTIENGESELLSCHAFT	54,577,928	RMB-denominated ordinary shares
5	MERRILL LYNCH INTERNATIONAL	52,558,163	RMB-denominated ordinary shares
6	GAO HUA—HSBC—GOLDMAN, SACHS & CO.	42,257,043	RMB-denominated ordinary shares
7	Ping An Trust Company Limited – Conch’s Equity Interest	37,745,322	RMB-denominated ordinary shares
8	CITIGROUP GLOBAL MARKETS LIMITED	36,053,790	RMB-denominated ordinary shares
9	MORGAN STANLEY & CO. INTERNATIONAL PLC.	35,660,839	RMB-denominated ordinary shares
10	Credit Suisse Group AG (Hong Kong)	34,639,331	RMB-denominated ordinary shares

Note: The abovementioned shares held by the Company's top 10 shareholders are floating shares without trading restriction.

§3 MAJOR EVENTS

3.1 Significant changes and reasons for such changes in major items of the accounting statements and financial guidance of the Company

1. As at the end of the Reporting Period, the closing balance of financial assets of the Group at fair value through profit or loss decreased to zero. This was mainly because the said financial assets were disposed of during the Reporting Period;

2. as at the end of the Reporting Period, the closing balance of the Group's dividends receivable decreased to zero. This was mainly because the Group received, during the Reporting Period, all the cash dividends declared by the companies invested by the Group;

3. as at the end of the Reporting Period, the closing balance of the Group's inventory increased by 35.17% from that at the beginning of the year, mainly because inventories of raw materials, fuels and finished products increased at the end of the Reporting Period;

4. as at the end of the Reporting Period, the closing balance of the Group's other current assets increased by 95.08% from that at the beginning of the year, mainly because part of the idle fund was entrusted for wealth management;

5. as at the end of the Reporting Period, the closing balance of the Group's short-term borrowings increased by 39.05% from that at the beginning of the year, mainly because the short-term financing loans of the Group's subsidiaries increased during the Reporting Period;

6. as at the end of the Reporting Period, the closing balance of the Group's wages payable decreased by 87.15% from that at the beginning of the year. This was mainly because the year-end bonus accrued for the previous year was paid during the Reporting Period;

7. as at the end of the Reporting Period, the closing balance of the Group's interest payable increased by 59.19% from that at the beginning of the year. This was mainly because the payment date of interest accrued on the corporate bonds of the Group was not due;

8. as at the end of the Reporting Period, the closing balance of the Group's non-current liabilities due within one year decreased by 45.94% from that at the beginning of the year. This was mainly because the long-term borrowings due within one year became mature and were paid back during the Reporting Period;

9. as at the end of the Reporting Period, the closing balance of the Group's exchange differences (loss) on translation of financial statements decreased by 36.55% from that at the

beginning of the year, mainly due to the appreciation of the currency (denominated in Rupiah) used by the Group's overseas companies against RMB;

10. during the Reporting Period, the gain or loss on changes in fair value of the Group decreased by 145.40% from that of the same period last year, while financial liabilities at fair value through profit or loss increased by RMB3,598,100 from that at the beginning of the year. These were mainly because the exchange rates of the yet-to-mature forward contracts of financial assets denominated in foreign currency held by the Group at the end of the Reporting Period were higher than the contracted exchange rates;

11. during the Reporting Period, the Group's investment income increased by 251.64% from that of the same period last year, mainly due to a year-on-year increase in the profit of the Group's jointly controlled entities and associate companies during the Reporting Period;

12. during the Reporting Period, the Group's total profit and its profit attributable to owners of the Company increased by 159.40% and 154.47% respectively from those of the same period last year. These were mainly due to a year-on-year increase in the Group's product selling price during the Reporting Period;

13. during the Reporting Period, the income tax expenses of the Group increased by 161.74% from that of the same period last year, mainly due to the increase in the Group's profit during the Reporting Period as compared with that of the same period last year;

14. during the Reporting Period, net cash outflow from investing activities of the Group increased by 82.86% from that of the same period last year, mainly due to a year-on-year increase in investment in construction projects during the Reporting Period; and

15. during the Reporting Period, the Group's net cash outflow from financing activities increased by 492.27% from that of the same period last year, 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 and its shareholders who hold more than 5% of its shares

☒Applicable ☐Not applicable

(1) Undertakings by shareholders: in 2007, the Company issued A Shares to Anhui Conch Venture Investment Co., Ltd. (“Conch Venture”) as consideration for the purchase of the relevant assets of Conch Venture. Conch Venture has made the following undertakings in relation to the shareholders’ rights arrangements in respect of the shares held: except the rights of a shareholder of a proprietary nature (including but not limited to rights to receive dividends), Conch Venture will forgo its other shareholder’s rights of Conch Cement such as rights to vote, nominate and elect Directors/Supervisors of the Company, so long as it holds the Company’s shares. During the Reporting Period, Conch Venture has complied with the above undertakings.

(2) Undertakings by controlling shareholders: In November 2013, Anhui Conch Construction Materials Design Institute, a wholly-owned subsidiary of Anhui Conch Holdings Co., Ltd. (“Conch Holdings”) (the controlling shareholder of the Company), acquired A Shares of the Company through the clearing system of the Shanghai Stock Exchange. Conch Holdings has made the following undertakings in relation to these shares: Conch Holdings will not sell any share it holds in the Company during the implementation of the plan to increase shareholdings (12 months) and within the statutory period. Conch Holdings has complied with the above undertakings during the Reporting Period.

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

The Board of Anhui Conch Cement Company Limited
24 April 2014

§ 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 2014 Consolidated	As at 31 December 2013 Consolidated	As at 31 March 2014 The Company	As at 31 December 2013 The Company
Current Assets:				
Monetary capital	9,538,430,632	11,255,936,060	6,501,059,792	8,642,186,912
Financial assets at fair value through profit/(losses)	-	40,959,789	-	36,369,380
Bills receivable	5,551,521,030	7,185,927,027	390,607,870	692,537,135
Accounts receivable	389,158,789	358,861,379	12,946,860	3,791,569
Advance payments	746,089,822	726,595,963	232,596,532	220,042,247
Interests receivable	62,532,762	52,403,133	62,532,762	52,403,133
Dividends receivable	-	20,707,808	-	20,707,808
Other receivables	522,477,861	407,559,591	20,910,030,765	19,347,809,218
Inventory	4,991,350,495	3,692,689,510	377,538,994	233,078,791
Other current assets	1,722,067,515	882,760,778	1,066,976,600	89,844,178
Total current assets	23,523,628,906	24,624,401,038	29,554,290,175	29,338,770,371
Non-current assets:				
Available-for-sale equity securities	2,731,022,004	2,222,333,165	2,731,022,004	2,222,333,165
Long-term receivables	-	-	5,410,000,000	5,410,000,000
Long-term equity investment	2,525,234,069	2,371,898,853	34,468,729,183	34,045,019,809
Investment properties	33,016,575	33,197,019	33,016,575	33,197,019
Fixed assets	51,880,850,450	51,527,441,426	1,027,053,294	1,049,714,232
Construction in progress	4,073,658,891	3,137,392,229	6,891,532	5,180,586
Construction materials	2,199,540,010	1,964,126,745	866,614	877,495
Intangible assets	6,278,723,404	6,048,055,359	313,289,218	317,474,981
Goodwill	368,713,306	299,742,333	-	-
Deferred tax assets	368,729,670	363,565,125	114,136,732	144,067,201
Other non-current assets	500,291,886	502,326,529	-	-
Total non-current assets	70,959,780,265	68,470,078,783	44,105,005,152	43,227,864,488
Total assets	94,483,409,171	93,094,479,821	73,659,295,327	72,566,634,859

Legal representative: Guo Wensan

Officer-in-charge of the accounting functions: Wang Jianchao

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 2014 Consolidated	As at 31 December 2013 Consolidated	As at 31 March 2014 The Company	As at 31 December 2013 The Company
Current liabilities:				
Short-term borrowings	656,246,979	471,937,556	150,000,000	150,000,000
Financial liabilities at fair value through profit/(losses)	3,598,100	-	-	-
Bills payable	163,500,000	-	-	-
Accounts payable	3,358,189,671	3,852,487,334	266,648,945	495,147,622
Receipts in advance	1,333,462,338	1,261,045,512	217,148,579	240,636,879
Wages payable	72,315,838	562,940,597	9,111,592	54,940,193
Tax payable	1,060,647,950	1,322,953,128	39,143,128	46,608,414
Interests payable	593,102,628	372,567,729	552,714,295	349,272,799
Other payables	4,417,854,166	4,187,384,813	7,185,428,685	6,227,767,985
Non-current liabilities due within one year	1,358,986,397	2,514,008,725	50,000,000	-
Total current liabilities	13,017,904,067	14,545,325,394	8,470,195,224	7,564,373,892
Non-current liabilities:				
Long-term borrowings	3,785,658,011	3,731,755,891	650,000,000	700,000,000
Bonds payable	15,476,685,699	15,474,800,927	15,476,685,699	15,474,800,927
Long-term payables	303,079,089	304,060,187	-	-
Deferred income tax liabilities	276,267,974	219,686,310	-	-
Other non-current liabilities	52,922,249	53,671,495	-	-
Total non-current liabilities	19,894,613,022	19,783,974,810	16,126,685,699	16,174,800,927
Total liabilities:	32,912,517,089	34,329,300,204	24,596,880,923	23,739,174,819
Shareholders' equity:				
Share capital	5,299,302,579	5,299,302,579	5,299,302,579	5,299,302,579
Capital reserve	10,363,177,151	10,273,385,781	16,474,570,813	16,384,779,408
Surplus reserve	2,649,651,290	2,649,651,290	2,649,651,290	2,649,651,290
Unappropriated profits	40,397,000,683	37,923,502,213	24,638,889,722	24,493,726,763
Foreign exchange differences on translation	(17,647,995)	(27,813,560)	-	-
Equity attributable to owners of the Company	58,691,483,708	56,118,028,303	-	-
Minority interests	2,879,408,374	2,647,151,314	-	-
Total owners' equity	61,570,892,082	58,765,179,617	49,062,414,404	48,827,460,040
Total liabilities and owners' equity	94,483,409,171	93,094,479,821	73,659,295,327	72,566,634,859

Legal representative: Guo Wensan

Officer-in-charge of the accounting functions: Wang Jianchao

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	2014 Q1 Consolidated	2013 Q1 Consolidated	2014 Q1 The Company	2013 Q1 The Company
I. Operating revenue	12,629,628,514	9,905,798,786	553,090,718	2,363,519,147
II. Less: Operating cost	(8,131,708,364)	(7,427,780,088)	(361,182,577)	(2,267,211,396)
Business tax and surcharges	(58,022,957)	(46,217,359)	(1,392,022)	(3,217,453)
Selling expenses	(558,269,750)	(554,710,004)	(16,558,952)	(18,581,189)
Administrative expenses	(549,286,468)	(485,055,968)	(46,719,411)	(58,183,977)
Financial expenses	(196,319,201)	(274,248,915)	28,390,726	(36,357,433)
Losses on impairment of assets	-	(496,760)	(358,087)	-
Add: Gain/(losses) on changes of fair value	(1,151,578)	2,536,512	7,036,931	-
Investment income	11,134,981	(7,343,152)	15,916,885	4,659,652
Including: investment income from associates and jointly controlled entities	10,088,846	(7,446,900)	14,870,750	4,555,904
III. Operating profit	3,146,005,177	1,112,483,052	178,224,211	(15,372,649)
Add: Non-operating income	186,437,483	173,896,691	10,937,305	3,418,105
Less: Non-operating expenses	(3,321,777)	(3,006,127)	(21,117)	(73,692)
Including: Loss from disposal of non-current assets	(2,853,796)	(685,701)	(21,117)	789
IV. Total profits	3,329,120,883	1,283,373,616	189,140,399	(12,028,236)
Less: Income tax expenses	(740,257,747)	(282,825,707)	(43,977,440)	3,007,059
V. Net profit	2,588,863,136	1,000,547,909	145,162,959	(9,021,177)
Net profit attributable to owners of the Company	2,473,498,470	972,001,984	-	-
Minority interests	115,364,666	28,545,925	-	-
VI. Earnings per share				
(1) Basic earnings per share	0.47	0.18	-	-
(2) Diluted earnings per share	0.47	0.18	-	-

Legal representative: Guo Wensan

Officer-in-charge of the accounting functions: Wang Jianchao

Head of the accounting department: Zhou Bo

Income Statement (Continued)

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

Items	2014 Q1 Consolidated	2013 Q1 Consolidated	2014 Q1 The Company	2013 Q1 The Company
VII. Other comprehensive income that may be reclassified subsequently to profit or loss				
including: net movement in the fair value reserve of available-for-sale equity securities	89,791,405	(261,101,333)	89,791,405	(261,101,333)
exchange differences on translation of financial statements	14,576,075	-	-	-
Other comprehensive income after tax and reclassification adjustments	104,367,480	(261,101,333)	89,791,405	(261,101,333)
VIII. Total comprehensive income attributable to	2,693,230,616	739,446,576	234,954,364	(270,122,510)
owners of the Company	2,573,455,440	710,900,651	-	-
minority interest	119,775,176	28,545,925	-	-

Legal representative: Guo Wensan

Officer-in-charge of the accounting functions: Wang Jianchao

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	2014 Q1 Consolidated	2013 Q1 Consolidated	2014 Q1 The Company	2013 Q1 The Company
1. Cash flow generated from operating activities:				
Cash received from sale of goods and rendering of services	18,132,084,570	15,024,662,388	900,560,889	3,202,417,315
Tax and charges refund	47,800,926	41,021,805	3,316,697	-
Cash received relating to other operating activities	206,448,621	128,947,690	7,580,807	202,609,791
Sub-total of cash inflow from operating activities	18,386,334,117	15,194,631,883	911,458,393	3,405,027,106
Cash paid for goods and services	(11,783,999,558)	(10,200,794,436)	(756,073,036)	(3,326,535,590)
Cash paid to and on behalf of employees	(1,191,661,421)	(1,011,648,199)	(87,819,884)	(83,392,249)
Various types of tax paid	(2,019,865,717)	(992,315,158)	(77,043,784)	(49,650,613)
Cash paid relating to other operating activities	(371,628,426)	(427,547,641)	(286,122,938)	(40,650,044)
Sub-total of cash outflow from operating activities	(15,367,155,122)	(12,632,305,433)	(1,207,059,642)	(3,500,228,496)
Net cash flow generated from operating activities	3,019,178,995	2,562,326,450	(295,601,249)	(95,201,390)
2. Cash flow generated from investing activities:				
Cash received from sales of investments	1,950,341,591	221,809,248	1,950,341,591	11,309,257
Cash received from investment income	20,707,808	-	20,707,808	-
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	7,798,273	2,671,230	103,367	569,709
Cash received from other investing activities	91,330,142	65,744,844	227,557,545	894,098,452
Sub-total of cash inflow from investing activities	2,070,177,814	290,225,322	2,198,710,311	905,977,418
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	(2,183,898,884)	(1,472,216,499)	(4,444,822)	(2,590,112)
Cash paid for investment	(1,794,856,112)	-	(1,794,856,112)	-
Net cash paid for acquisition of subsidiaries and other operation entities	(264,791,061)	(4,800,000)	(260,392,724)	(234,200,000)
Cash paid for other investing activities	(6,000,000)	(5,000,000)	(480,000,000)	-
Sub-total of cash outflow from investing activities	(4,249,546,057)	(1,482,016,499)	(2,539,693,658)	(236,790,112)
Net cash flow generated from investing activities	(2,179,368,243)	(1,191,791,177)	(340,983,347)	669,187,306

Cash Flow Statement (Continued)

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

Items	2014 Q1 Consolidated	2013 Q1 Consolidated	2014 Q1 The Company	2013 Q1 The Company
3. Cash flow generated from financing activities:				
Cash received from investment	-	12,600,000		
Including: cash received from investment of minority interest of subsidiaries	-	12,600,000		
Cash received from borrowings	313,204,979	350,000,000	-	-
Cash received from issuing bonds	-	-	-	-
Cash received from other financing activities	-	3,286,721	-	-
Sub-total of cash inflow from financing activities	313,204,979	365,886,721	-	-
Cash paid for repaying borrowings	(1,409,000,000)	(470,307,270)	-	(250,000,000)
Cash paid for distribution of dividends, profits or payment of interest	(62,507,731)	(91,148,401)	(4,542,524)	(10,236,662)
Including: profits distributed to minority interests by the subsidiaries	-	-	-	-
Cash paid for other financing activities	-	-	-	-
Sub-total of cash outflow from financing activities	(1,471,507,731)	(561,455,671)	(4,542,524)	(260,236,662)
Net cash flow generated from financing activities	(1,158,302,752)	(195,568,950)	(4,542,524)	(260,236,662)
4. Effect of changes in foreign exchange rates on cash and cash equivalents	10,165,565	(561,181)	-	-
5. Net increase in cash and cash equivalents	(308,326,435)	1,174,405,142	(641,127,120)	313,749,254
Add: Cash and cash equivalents at the beginning of the period	6,518,932,288	8,110,974,033	3,928,412,168	5,818,990,219
6. Cash and cash equivalents at the end of the period	6,210,605,853	9,285,379,175	3,287,285,048	6,132,739,473

Legal representative: Guo Wensan
Officer-in-charge of the accounting functions: Wang Jianchao
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

24 April 2014

As at the date of this announcement, the Board comprises (i) Mr Guo Wensan, Mr Guo Jingbin, Ms Zhang Mingjing, and Mr Zhou Bo as executive Directors, and (ii) Mr Fang Junwen, Mr Wong Kun Kau and Mr Tai Kwok Leung as independent non-executive Directors.