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)

Results for the year ended 31 December 2023

Revenue of the Company for the year 2023 amounted to approximately RMB140,999.43 million (in accordance with the IFRSs), representing an increase of 6.80% comparing to that for the year 2022.

Net profit attributable to equity shareholders of the Company for the year 2023 amounted to approximately RMB10,689.18 million (in accordance with the IFRSs), representing a decrease of 32.61% comparing to that for the year 2022.

Earnings per share for the year 2023 was RMB2.02 (in accordance with the IFRSs), representing a decrease of RMB0.97 per share comparing to that for the year 2022.

Unless otherwise stated, the currency unit in this announcement is Renminbi ("**RMB**"), the lawful currency of the People's Republic of China ("**PRC**"). Unless otherwise stated, the financial information in this announcement is prepared in accordance with the China Accounting Standards for Business Enterprises (2006) ("**PRC Accounting Standards**").

I. BASIC INFORMATION OF THE COMPANY

1. Basic information

Company name	Anhui Conch Cement Company Limited (the "**Company**" or "**Conch Cement**", together with its subsidiaries, the "**Group**")
A shares ("**A Shares**") stock short name	Conch Cement
A Shares stock code	600585
Exchange on which A Shares are listed	The Shanghai Stock Exchange ("**SSE**")
H shares ("**H Shares**") stock short name	Conch Cement
H Shares stock code	00914
Exchange on which H Shares are listed	The Stock Exchange of Hong Kong Limited ("**Stock Exchange**")

2. Contact persons and means of contact

Title	**Secretary to the Board (Joint Company Secretary)**	**Securities Affairs Representative**
Name	Zhou Xiaochuan	Wang Manbo
Contact address	No. 39 Wenhua Road, Wuhu City, Anhui Province, the PRC	No. 39 Wenhua Road, Wuhu City, Anhui Province, the PRC
Telephone number	0086-553-8398976	0086-553-8398911
Fax number	0086-553-8398931	0086-553-8398931
E-mail address	dms@chinaconch.com	dms@chinaconch.com

II. SUMMARY OF ACCOUNTING DATA AND OPERATIONAL INFORMATION

1. Financial Summary prepared in accordance with the International Financial Reporting Standards ("IFRSs") for the year ended 31 December

(Unit: RMB'000)

Item	2023	2022	2021	2020	2019
Revenue	140,999,428	132,021,554	167,959,693	176,296,544	157,082,759
Net profit attributable to equity shareholders of the Company	10,689,181	15,860,553	33,301,181	35,193,521	33,640,459
Total assets	246,189,200	243,976,422	230,555,682	201,883,873	179,466,160
Total liabilities	48,278,835	48,067,537	38,816,795	33,392,893	36,991,282

2. Accounting data prepared in accordance with the PRC Accounting Standards (major accounting data and financial indicators for the preceding three years)

Table 1: *(Unit: RMB'000)*

Item	2023	2022	Change in the current year over the previous year (%)	2021
Revenue	140,999,428	132,021,554	6.80	167,959,693
Profit before taxation	13,600,466	20,014,665	-32.05	44,113,682
Net profit attributable to equity shareholders of the Company	10,430,138	15,660,750	-33.40	33,267,557
Net profit after extraordinary items attributable to equity shareholders of the Company	9,966,358	15,035,746	-33.72	31,375,335
Basic earnings per share (RMB/share)	1.97	2.96	-33.39	6.28
Diluted earnings per share (RMB/share)	1.97	2.96	-33.39	6.28

Basic earnings per share after extraordinary items (RMB/share)	1.88	2.84	-33.70	5.92
Diluted return on net assets (%)	5.63	8.53	Decreased by 2.90 percentage points	18.11
Weighted average return on net assets (%)	5.65	8.50	Decreased by 2.85 percentage points	19.23
Diluted return on net assets after extraordinary items (%)	5.38	8.19	Decreased by 2.81 percentage points	17.08
Weighted average return on net assets after extraordinary items (%)	5.40	8.16	Decreased by 2.76 percentage points	18.13
Net cash flow generated from operating activities	20,105,564	9,649,268	108.36	33,895,232
Net cash flow per share generated from operating activities (RMB/share)	3.79	1.82	108.40	6.40

Table 2: *(Unit: RMB'000)*

Item	As at 31 December 2023	As at 31 December 2022	Increase or decrease at the end of this year over the end of the previous year (%)	As at 31 December 2021
Total assets	246,189,200	243,976,422	0.91	230,555,682
Net assets attributable to equity shareholders of the Company	185,321,083	183,638,725	0.92	183,709,396
Net assets per share attributable to equity shareholders of the Company (RMB/share)	35.07	34.65	1.20	34.67

III. SHAREHOLDERS

1. Shareholders

(1) As at 31 December 2023, the total number of registered shareholders of the Company was 307,069, of which 116 were registered holders of H Shares. As at 29 February 2024, the total number of registered shareholders of the Company was 287,309, of which 120 were registered holders of H Shares.

(2) As at 31 December 2023, the shareholdings of the top ten registered shareholders of the Company are set out as follows:

No.	Name of shareholder	Nature of shareholder	Change during the Reporting Period (share)	Number of shares held at the end of the Reporting Period (share)	Percentage of shareholding (%)	Class of shares	Pledged or frozen	
							Status	Number of shares
1	Anhui Conch Holdings Co., Ltd. ("**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	-285,900	1,298,021,710	24.49	H Share	Unknown	Unknown
3	China Securities Finance Corporation Limited	State-owned legal person	-	158,706,314	2.99	A Share	Unknown	Unknown
4	Hong Kong Securities Clearing Company Limited	Foreign legal person	-156,322,265	88,300,875	1.67	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 Bank Co., Ltd. - Xingquan Trend Investment Hybrid Securities Investment Fund	Others	25,499,744	27,999,644	0.53	A Share	Unknown	Unknown
7	Guosen Securities Co., Ltd.	Others	220,100	18,532,701	0.35	A Share	Unknown	Unknown
8	Industrial and Commercial Bank of China Limited – Huatai Borui CSI 300 Trading Open-end Index Securities Investment Fund	Others	7,881,311	17,785,892	0.34	A Share	Unknown	Unknown
9	Bank Negara Malaysia	Others	-	16,531,469	0.31	A Share	Unknown	Unknown
10	Anhui Conch Venture Group Co., Ltd.	Others	-	16,531,300	0.31	A Share	Unknown	Unknown

Notes:

(1) During the period from 1 January 2023 to 31 December 2023 (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, freezing order or trust.

(2) HKSCC Nominees Limited held 1,298,021,710 H Shares, representing 24.49% of the total share capital of the Company, and 99.88% 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 and do not include shares lent through refinancing.

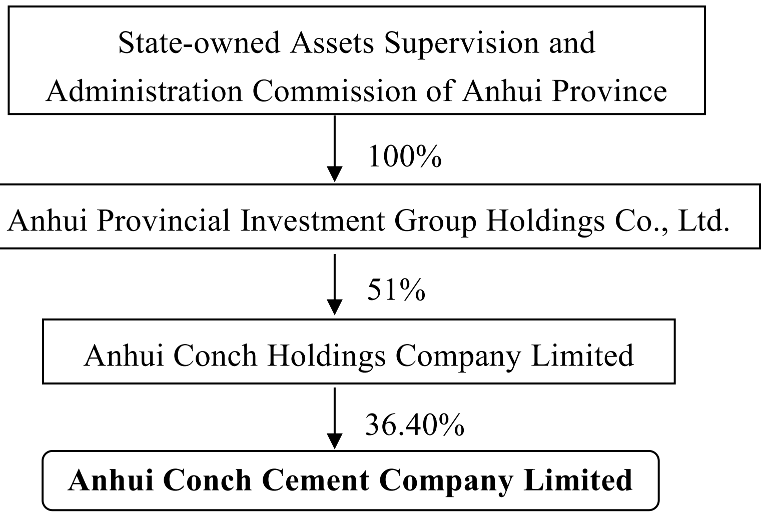
(4) The board ("**Board**") of directors ("**Directors**") of the Company is not aware of any connected relationship or acting in concert relationship among the above-mentioned shareholders.

(5) As at the end of the Reporting Period, there was no designated repurchase account among the top ten registered shareholders of the Company.

2. Information on the controlling shareholder and de facto controller

During the Reporting Period, there was no change of controlling shareholder and de facto controller of the Company.

As at 31 December 2023, Conch Holdings was a controlling shareholder of the Company and the State-owned Assets Supervision and Administration Commission of Anhui Province was the de facto controller of the Company. The shareholding relationship structure between the Company and its de facto controller is set out as follows:



3. 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 (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.

On 20 November 2023, the Company commenced implementing the Repurchase. As at 31 December 2023, the Company has repurchased 15,065,000 A Shares, representing 0.28% of the Company's total share capital as of the date of this announcement and the total amount paid was RMB339,160,423.64 (excluding transaction fees). As at the date of this announcement, the Company has completed the Repurchase and has repurchased

22,242,535 A Shares in total, the said repurchased shares have not been sold or cancelled.

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

Month	**Number of shares repurchased (shares)**	**Highest price per share (RMB)**	**Lowest price per share (RMB)**	**Total payment amount (RMB, excluding transaction fees)**
November 2023	5,652,700	23.89	22.96	132,289,314.00
December 2023	9,412,300	22.90	21.35	206,871,109.64

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.

IV. 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 Rules Governing the Listing of Securities on the Stock Exchange ("**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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("**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 for Securities Transactions by Directors of Listed Issuers ("**Model Code**") as set out in Appendix C3 to the HKSE Listing Rules, are as follows:

Name	**Position**	**Name of the Company/ 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%)
		China Conch Environment Protection Holdings Limited ("**Conch Environment Protection**")	Beneficial owner	3,292,439	0.20%
Li Qunfeng	Executive Director and General Manager	Conch Environment Protection	Beneficial owner	2,050,000	0.11%
			Interest held jointly with other persons [Note]	503,952,979	27.59%
Zhou Xiaochuan	Executive Director and Secretary to the Board (Joint Company Secretary)	Conch Environment Protection	Beneficial owner	783,000	0.04%
			Interest of spouse	573,142	0.03%
			Interest held jointly with other persons [Note]	504,646,837	27.63%

He Chengfa	Supervisor and the chairman of the Supervisory Committee	Conch Environment Protection	Beneficial owner	22,641,843	1.24%
			Interest of spouse	431,500	0.02%
Chen Yongbo	Supervisor	Conch Environment Protection	Beneficial owner	521,000	0.03%

Note: Mr. Li Qunfeng, Mr. Zhou Xiaochuan 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 general meetings of Conch Environment Protection. Pursuant to the SFO, Mr. Li Qunfeng, Mr. Zhou Xiaochuan, Conch Cement and other concert parties shall be deemed to be interested in shares of Conch Environment Protection held by each other.

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.

V. CORPORATE GOVERNANCE

During the Reporting Period, the Company had complied with all the code provisions as set out in Part 2 of the Corporate Governance Code in Appendix C1 to the HKSE Listing Rules.

VI. REVIEW OF ANNUAL FINANCIAL REPORT AND RESULTS

The financial report and this results announcement of the Company for the year 2023 have been reviewed by the audit committee of the Board. All of the Directors 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 of the Group under applicable statutory and regulatory requirements which give a true and fair view of the financial position, 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 2023, applicable accounting policies have been adopted and applied consistently.

VII. MANAGEMENT DISCUSSION AND ANALYSIS ON THE OPERATIONS

ANALYSIS ON THE OPERATIONAL CONDITIONS FOR 2023

(1) Overview of operation development

In 2023, the Group actively responded to the complex and difficult industry situation, strived to overcome the impact of unfavourable factors such as the intensified industry downturn and insufficient effective market demand. Focusing on operational objectives, the Group implemented precise strategies according to the then prevailing situation to stabilise the market share of its products. Based on the principle of "direct supply-oriented, multiple and complementary, and stability and efficiency", the Group enhanced cost control level by ways such as consolidating strategic cooperation, expanding direct supply resources, accelerating the use of alternative fuels, and strictly controlling consumption indicators. The Group also coordinated green development and innovative research and development, pushed forward energy-saving and consumption-reduction technological improvements in an orderly manner, accelerated the transformation and application of the results of intelligent construction, and continued to promote high-quality development.

During the Reporting Period, in accordance with the PRC Accounting Standards, the Group's revenue amounted to RMB140,999 million, representing an increase of 6.80% from that for the corresponding period of the previous year; net profit attributable to equity shareholders of the Company amounted to RMB10,430 million, representing a decrease of 33.40% from that for the corresponding period of the previous year; and earnings per share were RMB1.97, representing a decrease of RMB0.99 per share from that for the corresponding period of the previous year. During the Reporting Period, in accordance with the IFRSs, revenue amounted to RMB140,999 million, representing an increase of 6.80% from that for the corresponding period of the previous year; net profit attributable to equity shareholders of the Company amounted to RMB10,689 million, representing a decrease of 32.61% from that for the corresponding period of the previous year; and earnings per share were RMB2.02, representing a decrease of RMB0.97 per share from that for the corresponding period of the previous year.

During the Reporting Period, the Group actively promoted the construction and development of projects, and continued to strengthen and optimize its core cement business and actively extended the industrial chain. As for core cement business, the low-carbon volume reduction project of Shuicheng Conch Panjiang Cement Co., Ltd. in Guizhou, the second phase project of Guangdong Qingxin Cement Co., Ltd. and the project of Tashkent Cement Conch Joint Venture Co., Ltd. in Uzbekistan were successfully completed and put into operation, and the construction of cement and clinker production line projects of Conch KT Cement (Phnom Penh) Company Limited in Cambodia and Shangfeng Bridge of Friendship Co., Ltd. in Uzbekistan are progressing in an orderly manner. As for the extension of industry chain, 12 aggregate projects including Wuhu Conch Green Construction Technology Co., Ltd. and Shuangfeng Conch Green Construction Materials Co., Ltd. were put in operation smoothly, and 14 operating commodity concrete projects were newly added through new construction, merger and acquisitions, and leasing in a proactive manner.

During the Reporting Period, the Group increased the production capacity of clinker, cement, aggregates, and commodity concrete by 3.50 million tonnes, 7.05 million tonnes, 40.70 million tonnes and 14.30 million cubic meters, respectively, and the capacity of photovoltaic storage power generator by 67 MW. As at the end of the Reporting Period, the Group's production capacity of clinker, cement, aggregates and commodity concrete amounted to 272 million tonnes, 395 million tonnes, 149 million tonnes and 39.80 million cubic meters respectively, and the capacity of photovoltaic power generation and power storage in operation amounted to 542 MW.

(2) Major operational information during the Reporting Period

1. Analysis of revenue and cost

Principal activities by industry, product, region and sales model

Principal activities by industry						
Industry	Operating revenue (RMB'000)	Operating cost (RMB'000)	Gross profit margin (%)	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
Building material industry (sale of self-produced products)	84,051,343	62,436,061	25.72	-11.41	-7.69	Decreased by 2.99 percentage points
Building material industry (trading business)	2,355,664	2,339,285	0.70	-73.27	-73.37	Increased by 0.38 percentage point
Principal activities by product						
Product	Operating revenue (RMB'000)	Operating cost (RMB'000)	Gross profit margin (%)	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
Building material industry (sale of self-produced products) – 42.5-grade cement Note 1	60,917,206	45,549,352	25.23	-12.21	-8.28	Decreased by 3.20 percentage points
Building material industry (sale of self-produced products) – 32.5-grade cement	10,275,782	7,158,872	30.33	-11.24	-12.72	Increased by 1.18 percentage points
Building material industry (sale of self-produced products) – Clinker	6,740,512	5,725,101	15.06	-31.74	-22.10	Decreased by 10.51 percentage points
Building material industry (sale of self-produced products) – Aggregates and manufactured sand	3,864,297	1,997,178	48.32	73.32	125.60	Decreased by 11.98 percentage points

Building material industry (sale of self-produced products) – Commodity concrete	2,253,546	2,005,558	11.00	24.71	29.91	Decreased by 3.56 percentage points
Building material industry (trading business)	2,355,664	2,339,285	0.70	-73.27	-73.37	Increased by 0.38 percentage point
Principal activities by region						
Region	Operating revenue (RMB'000)	Operating cost (RMB'000)	Gross profit margin (%)	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
Building material industry (sale of self-produced products) – East China Note 2	22,619,812	17,390,807	23.12	-13.26	-6.12	Decreased by 5.85 percentage points
Building material industry (sale of self-produced products) – Central China Note 3	27,582,529	20,338,096	26.26	-11.30	-6.65	Decreased by 3.67 percentage points
Building material industry (sale of self-produced products) – South China Note 4	15,065,857	10,964,305	27.22	-11.48	-11.29	Decreased by 0.16 percentage point
Building material industry (sale of self-produced products) – West China Note 5	13,884,793	10,304,607	25.78	-16.33	-13.92	Decreased by 2.08 percentage points
Building material industry (sale of self-produced products) – Export	227,711	173,550	23.78	92.53	79.85	Increased by 5.37 percentage points
Building material industry (sale of self-produced products) – Overseas	4,670,641	3,264,696	30.10	17.75	12.51	Increased by 3.25 percentage points
Building material industry (trading business)	2,355,664	2,339,285	0.70	-73.27	-73.37	Increased by 0.38 percentage point
Principal activities by sales model						
Sales model	Operating revenue (RMB'000)	Operating cost (RMB'000)	Gross profit margin (%)	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
Building material industry – Direct sale	49,511,215	35,755,991	27.78	-15.49	-14.16	Decreased by 1.12 percentage point
Building material industry – Distribution	36,895,792	29,019,355	21.35	-18.20	-16.55	Decreased by 1.55 percentage points

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.

Sales by industry

During the Reporting Period, the Group's aggregate net sales volume of cement and clinker amounted to 293 million tonnes, representing a year-on-year decrease of 5.60%. Revenue generated from principal activities amounted to RMB86,407 million, representing a year-on-year decrease of 16.67%. Operating cost decreased by 15.24% on a year-on-year basis to RMB64,775 million. The consolidated gross profit margin of products recorded a year-on-year decrease of 1.26 percentage points to 25.03%.

The Group's sales volume of self-produced cement and clinker products amounted to 285 million tonnes, representing a year-on-year increase of 0.72%. Sales revenue from self-produced products amounted to RMB84,051 million, representing a year-on-year decrease of 11.41%. Cost of sales of self-produced products decreased by 7.69% year-on-year to RMB62,436 million. The consolidated gross profit margin of self-produced products recorded a year-on-year decrease of 2.99 percentage points to 25.72%.

During the Reporting Period, the Group achieved a sales volume of 7.54 million tonnes for its cement and clinker trading business, representing a year-on-year decrease of 72.00%. Revenue from trading business amounted to RMB2,356 million, representing a year-on-year decrease of 73.27%. Cost of trading business decreased by 73.37% year-on-year to RMB2,339 million.

Sales by product

During the Reporting Period, gross profit margin of the Group's 42.5-grade cement and clinker decreased by 1.35 percentage points and 8.60 percentage points year-on-year, respectively, and the gross profit margin of the 32.5-grade cement increased by 2.66 percentage points year-on-year. Among which, the gross profit margin of the Group's self-produced 42.5-grade cement and clinker decreased by 3.20 percentage points, 10.51 percentage points, respectively, and the gross profit margin of 32.5-grade cement increased by 1.18 percentage points year-on-year. The consolidated gross profit margin of aggregates and manufactured sand decreased by 11.98 percentage points year-on-year to 48.32%; the consolidated gross profit margin of commodity concrete was 11.00%, representing a year-on-year decrease of 3.56 percentage points.

Sales by region

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

In East China and South China regions, due to the decreases in selling prices of products, sales amount decreased by 13.26% and 11.48% year-on-year respectively and gross profit margin decreased by 5.85 percentage points and 0.16 percentage point year-on-year respectively.

In Central China and West China regions, due to the decreases in sales volume and selling prices of products, sales amount decreased by 11.30% and 16.33% year-on-year respectively and gross profit margin decreased by 3.67 percentage points and 2.08 percentage points year-on-year respectively.

During the Reporting Period, the Group's export sales volume increased by 117.83% year-on-year and sales amount rose by 92.53% year-on-year. With the continuous improvement of sales market network for overseas projects, overseas project companies recorded year-on-year increases of 13.91% and 17.75% in sales volume and sales amount respectively.

Sales by sales model

During the Reporting Period, the Group's direct sales amount decreased by 15.49% year-on-year and the distribution amount decreased by 18.20% year-on-year; cost of direct sales decreased by 14.16% year-on-year and the distribution cost decreased by 16.55% year-on-year; the consolidated gross profit margin of products through direct sales and that of products through distribution decreased by 1.12 percentage point and decreased by 1.55 percentage points year-on-year respectively.

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 (%)
	2023 (RMB'000)	2022 (RMB'000)	
Revenue	140,999,428	132,021,554	6.80
Revenue from principal activities	86,407,007	103,687,399	-16.67
Profit from operations	13,137,766	19,473,672	-32.54
Profit before taxation	13,600,466	20,014,665	-32.05
Net profit attributable to equity shareholders of the Company	10,430,138	15,660,750	-33.40

During the Reporting Period, revenue rose by 6.80% year-on-year, mainly attributable to an increase in revenue from non-principal business; the increase in revenue from non-principal business was due to an year-on-year increase in revenue from trading business as the Group fully leveraged the supply and distribution channels of bulk materials to serve its customers; due to the year-on-year decreases 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 16.67%, 32.54%, 32.05% and 33.40% respectively.

3. Analysis of costs and expenses

Consolidated costs of cement and clinker for 2023 and their year-on-year changes

Items	2023		2022		Change in costs (%)	Change in proportion of costs (percentage points)
	Unit costs (RMB/tonne)	Proportion (%)	Unit costs (RMB/tonne)	Proportion (%)		
Raw materials	39.18	19.12	40.52	17.59	-3.31	1.53
Fuel and power	119.71	58.40	144.54	62.73	-17.18	-4.33
Depreciation expense	14.96	7.30	14.00	6.08	6.86	1.22
Labor cost	12.56	6.13	13.08	5.68	-3.98	0.45
Others	18.56	9.05	18.26	7.92	1.64	1.13
Total	**204.97**	**100**	**230.40**	**100**	**-11.04**	**-**

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

During the Reporting Period, the Company's consolidated costs of self-produced cement and clinker products decreased by 11.04% year-on-year, which was mainly due to the decreases in coal procurement price and coal consumption.

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

Expenses for the period	Amount for 2023 (RMB'000)	Amount for 2022 (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	3,423,656	3,327,494	2.89	3.96	3.21	0.75
Administrative expenses	5,651,516	5,561,331	1.62	6.54	5.36	1.18
Research and development expenses	1,859,553	2,011,317	-7.55	2.15	1.94	0.21

Financial expenses (income is stated in negative)	-1,119,179	-1,651,198	32.22	-1.30	-1.59	0.29
Total	**9,815,546**	**9,248,944**	**6.13**	**11.36**	**8.92**	**2.44**

During the Reporting Period, the Group's financial expenses (net income) decreased by 32.22% year-on-year, which was mainly due to the decline in market interest rates for deposits and the increase in interest expenses on borrowings for overseas projects.

During the Reporting Period, the Group's selling expenses, administrative expenses, research and development expenses and financial expenses together accounted for 11.36% of the revenue generated from principal activities, representing an increase of 2.44 percentage points year-on-year. Excluding the impact of revenue from trading business, the Group's selling expenses, administrative expenses, research and development expenses and financial expenses together accounted for 11.68% of the revenue generated from principal activities, representing an increase of 1.93 percentage points year-on-year.

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 2023 (RMB'000)	As a percentage of total assets as at the end of the Reporting Period (%)	As at 31 December 2022 (RMB'000)	As a percentage of total assets as at the end of the previous year (%)	Increase or decrease 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	68,361,599	27.77	57,865,704	23.72	18.14
Financial assets held for trading	2,210,733	0.90	10,754,921	4.41	-79.44
Accounts receivable	4,398,854	1.79	5,637,338	2.31	-21.97
Advance payment	2,403,782	0.98	3,003,021	1.23	-19.95
Inventories	10,100,346	4.10	11,678,995	4.79	-13.52
Long-term equity investments	7,765,192	3.15	6,792,655	2.78	14.32
Investments in other equity instruments	1,348,011	0.55	2,325,186	0.95	-42.03
Other non-current financial assets	0.00	0.00	1,001,300	0.41	-100.00
Fixed assets	85,564,697	34.76	81,181,917	33.27	5.40
Construction in progress	10,842,088	4.40	8,387,067	3.44	29.27
Intangible assets	32,379,660	13.15	32,038,331	13.13	1.07
Right-of-use assets	339,896	0.14	146,229	0.06	132.44

Total assets	246,189,200	100.00	243,976,422	100.00	0.91
Lease liabilities	198,018	0.08	56,049	0.02	253.29
Short-term borrowings	4,479,559	1.82	10,037,364	4.11	-55.37
Notes payable	269,939	0.11	211,695	0.09	27.51
Wages payables	1,512,588	0.61	1,639,167	0.67	-7.72
Taxes payables	2,297,513	0.93	2,135,264	0.88	7.60
Contract liabilities	2,887,907	1.17	3,576,719	1.47	-19.26
Other payables	9,046,434	3.67	8,836,616	3.62	2.37
Long-term borrowings	15,611,937	6.34	9,688,651	3.97	61.14
Total liabilities	48,220,472	19.59	47,982,828	19.67	0.50
Total liabilities and equity	**246,189,200**	**100**	**243,976,422**	**100**	**0.91**

As at the end of the Reporting Period, the Group's balance of financial assets held for trading decreased by 79.44% as compared to that at the end of the previous year, which was mainly due to recovery upon maturity of structured deposits and wealth management products during the Reporting Period; balance of investments in other equity instruments decreased by 42.03% as compared to that at the end of the previous year, which was mainly due to fluctuation of the prices of shares held by the Group during the Reporting Period; the balance of other non-current financial assets decreased by 100.00% as compared to that at the end of the previous year, which was mainly due to reclassification of accounting items based on the maturity period for long-term wealth management products with maturity within one year; balance of construction in progress increased by 29.27% as compared to that at the end of the previous year, which was mainly attributable to the increase in the investment of ongoing construction of cement production lines and aggregate projects during the Reporting Period; the balance of right-of-use assets and lease liabilities increased by 132.44% and 253.29%, respectively, as compared to those at the end of the previous year, mainly due to the new leasing of part of the buildings during the Reporting Period; the balance of short-term borrowings decreased by 55.37% as compared to that at the end of the previous year, which was mainly due to the repayment of matured bank borrowings; the balance of long-term borrowings increased by 61.14% as compared to that at the end of the previous year, which was mainly due to the increase of bank borrowings of certain subsidiaries for operation and development needs. The Group's total assets prepared in accordance with the PRC Accounting Standards amounted to RMB246,189 million, representing an increase of 0.91% as compared to that at the end of the previous year. Total liabilities amounted to RMB48,220 million, representing an increase of 0.50% as compared to that at the end of the previous year. As at 31 December 2023, the Group's gearing ratio calculated in accordance with the PRC Accounting Standards was 19.59%, representing a decrease of 0.08 percentage point as compared to that at the end of the previous year.

As at the end of the Reporting Period, equity attributable to equity shareholders of the Company amounted to RMB185,321 million, representing an increase of 0.92% as compared to that at the end of the previous year; equity attributable to minority shareholders amounted to RMB12,648 million, representing an increase of 2.37% 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 RMB35.07.

As at 31 December 2023, total current assets and total current liabilities of the Group prepared in accordance with the PRC Accounting Standards amounted to RMB101,096 million and RMB29,660 million respectively, with a current ratio of 3.41:1 (end of last year: 2.98:1). The increase in current ratio as compared to that at the end of the previous year was mainly due to the decrease in balances of current liabilities items such as short-term borrowings. Total current assets and total current liabilities of the Group prepared in accordance with the IFRSs amounted to RMB101,347 million and RMB29,660 million respectively, with a net gearing ratio of 0.064 (end of last year: 0.034). 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 RMB19,156 million, representing 7.78% of the total assets.

During the Reporting Period, subsidiaries of the Company had pledged intangible assets and fixed assets with a book value of approximately RMB1,257 million and 80.3478 million as security for borrowings from financial institutions. As at the end of the Reporting Period, the aforesaid pledged assets had not been discharged.

Save for the above-mentioned pledged assets, 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 to settle debts, 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.

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 2023 (RMB'000)	As at 31 December 2022 (RMB'000)
Due within 1 year	7,249,965	12,300,541
Due after 1 year but within 2 years	3,040,107	2,158,813
Due after 2 years but within 5 years	10,459,630	6,400,622
Due after 5 years	2,112,200	1,129,216
Total	**22,861,902**	**21,989,192**

As at the end of the Reporting Period, balance of the Group's bank borrowings was RMB22,862 million, representing an increase of RMB873 million as compared to that at the beginning of the year. The increase was mainly attributable to the increase of bank borrowings of certain subsidiaries of the Company for operation and development needs during the Reporting Period.

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

Analysis of cash flow

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

	2023 (RMB'000)	2022 (RMB'000)	Changes (%)
Net cash flow generated from operating activities	20,105,564	9,649,268	108.36
Net cash flow generated from investing activities	-19,307,017	-5,280,634	-265.62
Net cash flow generated from financing activities	-5,436,202	-5,723,457	5.02
Effect of exchange rate movement on cash and cash equivalents	30,642	115,709	-73.52
Net increase in cash and cash equivalents (decrease is shown with "-" sign)	-4,607,014	-1,239,114	-271.80
Balance of cash and cash equivalents at the beginning of the year	16,158,423	17,397,537	-7.12
Balance of cash and cash equivalents at the end of the year	11,551,409	16,158,423	-28.51

During the Reporting Period, the Group's net cash flows generated from operating activities amounted to RMB20,106 million, representing a year-on-year increase of RMB10,456 million. Such increase was mainly due to the decrease in bills receivables, trade receivables, inventories and prepayments as compared with the beginning of the year through the optimization of the Group's asset structure and the improvement of the level of asset liquidity during the Reporting Period.

During the Reporting Period, the Group's net cash outflows from investing activities increased by RMB14,026 million from that for the corresponding period of the previous year, mainly due to the year-on-year decrease in the recovery of wealth management and deposit products of the Group during the Reporting Period.

During the Reporting Period, the Group's net cash outflows from financing activities decreased by RMB287 million as compared to that of last year, primarily attributable to the year-on-year decrease in dividends from listed companies during the Reporting Period.

5. Capital expenditure

During the Reporting Period, the capital expenditure of the Group amounted to approximately RMB19,510 million, which was primarily used in the investment in the construction of projects.

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

	As at 31 December 2023 (RMB'000)	As at 31 December 2022 (RMB'000)
Authorized and contracted for	11,795,057	11,301,286
Authorized but not contracted for	6,592,351	7,254,772
Total	**18,387,408**	**18,556,058**

OUTLOOK FOR 2024

The year 2024 is a critical year for the implementation of the "14th Five-Year Plan". Adhering to the main theme of "making progress while maintaining stability", the central government will carry through the new development concept in a complete, accurate and comprehensive manner by accelerating the formation of a new development pattern. The government will focus on promoting high-quality development, strengthening the adjustments of counter-cyclical and cross-cyclical macro policy, appropriately intensifying efforts to implement proactive fiscal policies to increase their quality and effectiveness, and putting into effect sound monetary policies in a flexible, moderate, precise and effective manner. It will strengthen the innovation and coordination of policy tools, effectively enhance economic vitality and prevent and mitigate risks, so as to consolidate and strengthen the upward trend of economic recovery and continue to drive the economy to achieve effective improvement in quality and reasonable growth in quantity.

In 2024, the State will actively expand effective investments, reasonably expand the scope of special bond by local government as capital, accelerate making up for shortcomings in weak economic and social areas, and promote the construction of major infrastructure projects, such as energy resources, water conservancy and transportation and the construction of new types of infrastructure. In addition, the issue of additional treasury bonds of RMB1 trillion in 2023 has been completed, which is hoped to promptly generate tangible work output. It is expected that infrastructure construction will remain an important support for cement demand. Although the adjustment trend of the real estate market has not changed, which may continue to drag down the demand for cement, the

State will proactively and steadily resolve risks in relation to real estate, and support the reasonable financing needs of the industry as well as project development and construction. It will adhere to the implementation of different policies in different cities, one policy for one city, and precise measures to meet rigid and for-improvement housing needs, and continue to work hard to ensure the delivery of properties and secure people's livelihood and stability by accelerating the construction of affordable housing, the construction of public infrastructure for "dual normal and emergency use" and the transformation of urban villages, and creating a new model for real estate development, so as to facilitate stability of the real estate industry. The nation's "dual carbon" strategic policy system continues to improve, and the policy of promoting ultra-low emission in the cement industry has been formally put into practice. Staggered production in the cement industry will continue to be normalized, which is conducive to resolving the excess production capacity and accelerating the elimination of outdated production capacity. However, against the backdrop of insufficient demand, regular measures such as staggered production play a limited role in improving the supply and demand relationship. It is expected that the mismatch between supply and demand in the industry will remain severe.

In terms of investment development, the Group will insist on effective investments, continue to strengthen its core cement business as well as upstream and downstream industrial chains, and cultivate drivers for high quality development. The Group will seize the opportunity brought by the deep market restructuring and proactively look for high-quality merger and acquisition targets to further improve the layout of the cement market and production capacity and to enhance its competitiveness and control in the market. It will make every effort to put forward the growth in scale and capacity utilization of the aggregate business, and unswervingly promote the layout of the commodity concrete business to create new profit growth points. It will promote the integrated and synergistic development of wind, solar and water storage and other multi-energy-resources as well as power sources, grid, load and storage, with an aim to speed up the expansion, optimization and consolidation of the environmental protection business, and to increase the quality and efficiency of the digital industry. The Group will steadily push forward its overseas development, refine the market layout of invested countries, steadily boost the development of untapped international markets, and ensure that the projects under construction will be put into production as scheduled, as well as enhance the quality of overseas project operation.

In 2024, it is planned that the Group's capital expenditure will amount to RMB15,200 million, mainly sourced from its own funds, which will be primarily used for project construction, technological improvements on energy conservation and environmental protection, as well as merger and acquisition project. It is estimated that the Group will increase annual production capacity of clinker, cement, aggregates and commodity concrete by 3.90 million tonnes, 8.40 million tonnes, 25.50 million tonnes and 7.20 million cubic meters, respectively.

In terms of business management, the Group will pay close attention to the international and domestic macroeconomic situation and enhance the lean management level. The Group will strengthen its study and judgment on market supply and demand conditions and market coordination, insist on the effective utilization of the production capacity, expand volume and increase sales on the basis of stabilizing its market share. The Group aims to execute a good combination of marketing model, brand promotion, and delivery services to enhance the market competitiveness of products. It will construct an economical and green material supply system, deepen the strategic cooperation with major coal enterprises to expand the direct supply cooperation model. At the same time, the Group will steadily promote the use of alternative fuels, and reasonably grasp the rhythm of changes in the raw material and fuel markets to achieve comprehensive reduction of procurement cost. Besides, the Group will adhere to the implementation of the national decisions and strategy on the construction of ecological civilization and green and low-carbon development by continuously increasing investments in research and development of energy conservation and emission reduction, pollution and carbon reduction, promoting the upgrading and transformation of comprehensive energy efficiency in production lines, vigorously putting forward the ultra-low emission transformation, and accelerating the use of new energy equipment alternatives. It will insist on enhancing intelligent manufacturing, and speeding up iterative upgrading of expert systems and the promotion and application of digital and intelligent technology achievements to enable the improvement of the Company's operation management efficiency and optimization of production indicators. In addition, the Group will pool its training resources, push ahead with the enhancement of its staff, and continue to optimize its incentive mechanism, so as to provide a guarantee of strong talent for the Company's high-quality development.

In 2024, the Group plans to achieve the annual net sales volume of cement and clinker (excluding trading volume) of 299 million tonnes, while the cost per tonne of products and the expense per tonne of products are expected to remain relatively stable.

In 2024, there are three main risk factors that the Group may face:

1. 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. The slow growth rate of fixed-asset investment and the consistent sluggish real estate investment may adversely affect the cement market demand.

In view of the above risk, the Group will pay close attention to the changes in the national macroeconomic situation, closely watch for market trends, fully capitalize on the marketing advantages of the entire cement industrial chain, strengthen the construction of the end market, be proactive when facing market competition and consolidate its leading position in the market.

2. The State will work actively and stably toward the goals of reaching peak carbon emissions and carbon neutrality, continue to deepen its efforts to secure a blue sky, unpolluted water, and clean soil, and promote the implementation of the ultra-low emission policy in the cement industry. It is estimated that the production and operation costs of enterprises will increase while achieving the green, low-carbon and sustainable development.

In view of the above risk, the Group will carefully study and carry through the national environmental protection policies, continuously increase investment in energy conservation and emission reduction by implementing high-standard SCR denitrification and wet desulfurization technological modifications, formulating medium to long-term carbon emission reduction routes, strengthening research on cutting-edge technologies of environmental protection. The Group will also vigorously develop emerging industries such as new energy and environmental protection to promote the green, low-carbon and recycling transformation and development of the Group.

3. The cement industry is an energy-dependent industry, in which the costs of coal and electricity account for a relatively high proportion in clinker production costs. High coal price has become the norm. Where the coal price increases significantly again due to factors such as policy change or market supply and demand relationship, the production cost of the Group will be pushed up. If the cost increase caused thereby cannot be fully passed on to the product price, it will further compress the profit margin of the Company.

In view of the above risk, the Group will conduct in-depth study on the changes in the supply and demand in the raw materials and fuel markets such as coal, coordinate both the domestic and overseas markets, deepen its strategic cooperation with large coal enterprises, expand direct supply and import channels to comprehensively reduce the procurement costs of raw fuel materials, accelerate the use of clean energy, and optimize the fuel energy structure. At the same time, the Group will continue to beef up the technological modification for energy saving and consumption reduction, continuously enhance the refined management of production lines, tap the potential of the optimization of coal and electricity consumption indicators, and reduce the costs of coal and electricity consumption.

VIII. PROPOSAL FOR DISTRIBUTION OF PROFITS

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 2023 amounted to RMB10,430.14 million and RMB10,689.18 million respectively. The Board proposed the appropriation of the profit for the year ended 31 December 2023 as follows:

(1) Pursuant to the requirements of the articles of association of the Company, 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 the 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 2023.

(2) The payment of a final dividend of RMB0.96 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, the A Shares in the Company's designated securities account for repurchase are not entitled to profit distribution rights. Based on the Company’s total number of issued shares of 5,299,302,579 shares as at the date of this announcement less 22,242,535 A Shares in the Company’s designated securities account for the repurchase, the total final dividend payment will be RMB5,065.98 million (tax inclusive).

(3) The date of payment of final dividend to the holders of the Company’s H Shares is expected to be on or around 3 July 2024, Wednesday. Details of the payment of final dividend will be set out in the circular of the Company in respect of distribution of dividends and other matters to be despatched to its shareholders in due course.

The above profit appropriation proposal is subject to consideration and approval by the shareholders of the Company at the annual general meeting for year 2023.

IX. FINANCIAL INFORMATION

Financial information extracted from the audited consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 December 2023 and audited consolidated statement of financial position of the Group at 31 December 2023 together with comparative figures for year 2022, prepared in accordance with IFRSs and presented on the basis described in Note 4(1) below are as follows:

1. Consolidated statement of profit or loss

For the year ended 31 December 2023

	Note	*2023* RMB'000	*2022* RMB'000
Revenue	4(3)	140,999,428	132,021,554
Cost of sales and services rendered		(118,634,454)	(104,830,600)
Gross profit		22,364,974	27,190,954
Other income	4(4)	3,165,495	3,625,618
Selling and marketing costs		(3,423,656)	(3,327,494)
Administrative expenses		(5,414,236)	(5,384,459)
Research and development costs		(1,859,553)	(2,011,317)
Impairment loss on trade receivables		(32,476)	(1,568)
Impairment loss on property, plant and equipment		(301,231)	-
Profit from operations		14,499,317	20,091,734
Finance costs	4(5)(a)	(930,404)	(524,630)
Share of profits of associates		178,789	402,632
Share of profits of joint ventures		122,270	262,376
Profit before taxation	4(5)	13,869,972	20,232,112
Income tax	4(6)(b)	(2,851,281)	(3,874,759)
Profit for the year		11,018,691	16,357,353
Attributable to:			
Equity shareholders of the Company		10,689,181	15,860,553
Non-controlling interests		329,510	496,800
Profit for the year		11,018,691	16,357,353
Earnings per share	4(8)		
- Basic		RMB2.02	RMB2.99
- Diluted		RMB2.02	RMB2.99

2. Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2023

	2023	*2022*
	RMB'000	RMB'000
Profit for the year	11,018,691	16,357,353
Other comprehensive income for the year (after tax and reclassification adjustments)		
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)	(805,698)	(2,930,035)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	(110,705)	(321,494)
Share of other comprehensive income of investees	(3,749)	14,030
Other comprehensive income for the year	(920,152)	(3,237,499)
Total comprehensive income for the year	10,098,539	13,119,854
Attributable to:		
Equity shareholders of the Company	9,773,288	12,575,713
Non-controlling interests	325,251	544,141
Total comprehensive income for the year	10,098,539	13,119,854

3. Consolidated statement of financial position

	Note	*31 December 2023*		*31 December 2022*	
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets					
Property, plant and equipment					
- Investment properties			55,140		73,409
- Other property, plant and equipment			105,011,652		97,721,643
Intangible assets			24,613,705		24,638,108
Goodwill			1,147,072		1,145,964
Interest in associates			5,575,551		4,745,760
Interests in joint ventures			2,189,641		2,046,895
Loans and receivables			250,256		292,657
Long-term prepayments			3,108,137		2,328,969
Financial assets measured at fair value through profit and loss (“FVPL”)			-		1,001,300
Financial assets measured at FVOCI			1,348,011		2,325,186
Deferred tax assets			1,543,300		1,248,931
			144,842,465		137,568,822
Current assets					
Inventories		10,100,346		11,678,994	
Assets held for sale		23,538		-	
Trade and bills receivables	4(9)	12,566,632		16,957,929	
Financial assets measured at fair value through profit and loss（FVPL）		2,210,733		10,754,921	
Prepayments and other receivables		7,146,508		7,874,486	
Amounts due from related parties		510,492		663,626	
Tax recoverable		426,887		611,940	
Restricted cash deposits		774,871		807,730	
Bank deposits with original maturity over three months		56,035,319		40,899,551	
Cash and cash equivalents		11,551,409		16,158,423	
		101,346,735		106,407,600	

3. Consolidated statement of financial position (continued)

		31 December 2023		*31 December 2022*	
		RMB'000	RMB'000	RMB'000	RMB'000
Current liabilities					
Trade and bills payables	4(10)	6,219,448		6,659,874	
Other payables and accruals		11,242,368		11,283,855	
Current portion of long-term payables		61,845		65,013	
Contract liabilities		2,883,152		3,564,849	
Bank loans		7,249,964		12,300,541	
Lease liabilities		35,389		24,869	
Amounts due to related parties		1,033,490		901,609	
Current taxation		934,173		770,634	
		29,659,829		35,571,244	
Net current assets			71,686,906		70,836,356
Total assets less current liabilities			216,529,371		208,405,178
Non-current liabilities					
Bank loans		15,611,937		9,688,651	
Lease liabilities		198,018		56,049	
Long-term payables		263,932		311,033	
Deferred income		928,827		748,696	
Deferred tax liabilities		1,616,292		1,691,864	
			18,619,006		12,496,293
NET ASSETS			197,910,365		195,908,885

3. Consolidated statement of financial position (continued)

	31 December 2023		*31 December 2022*	
	RMB'000	RMB'000	RMB'000	RMB'000
CAPITAL AND RESERVES				
Share capital		5,299,303		5,299,303
Reserves		179,970,234		178,263,329
Total equity attributable to equity shareholders of the Company		185,269,537		183,562,632
Non-controlling interests		12,640,828		12,346,253
TOTAL EQUITY		197,910,365		195,908,885

Approved and authorised for issue by the board of directors on 19 March 2024.

4. Notes to the financial statements

(1) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2023 comprise the Company and its subsidiaries 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;
- bank acceptance notes receivable measured at FVOCI; and
- structured deposits and wealth management products measured at FVPL.

Non-current assets held for sale are stated at the lower of carrying amount and fair value less costs to sales.

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.

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.

(2) Changes in accounting policies

The IASB has issued the following new and amended IFRSs that are first effective for the current accounting period of the Group:

- IFRS 17*, Insurance contracts*
- Amendments to IAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- *Amendments* to IAS 1*, Presentation of financial statements and IFRS Practice Statement 2, Making materiality judgements: Disclosure of accounting policies*
- Amendments to IAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to IAS 12, *Income taxes: International tax reform – Pillar Two model rules*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the new and amended IFRSs are discussed below:

IFRS 17, *Insurance contracts*

IFRS 17, which replaces IFRS 4, sets out the recognition, measurement, presentation and disclosure requirements applicable to issuers of insurance contracts. The standard does not have a material impact on these financial statements as the Group does not have contracts within the scope of IFRS 17.

Amendments to IAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*

The amendments provide further guidance on the distinction between changes in accounting policies and changes in accounting estimates. The amendments do not have a material impact on these financial statements as the Group's approach in distinguishing changes in accounting policies and changes in accounting estimates is consistent with the amendments.

Amendments to IAS 1, *Presentation of financial statements* and IFRS Practice Statement 2, *Making materiality judgements: Disclosure of accounting policies*

The amendments require entities to disclose material accounting policy information and provide guidance on applying the concept of materiality to accounting policy disclosure. The Group has revisited the accounting policy information it has been disclosing and considered it is consistent with the amendments.

(2) Changes in accounting policies (continued)

Amendments to IAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*

The amendments narrow the scope of the initial recognition exemption such that it does not apply to transactions that give rise to equal and offsetting temporary differences on initial recognition such as leases and decommissioning liabilities. For leases and decommissioning liabilities, the associated deferred tax assets and liabilities are required to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

Prior to the amendments, the Group did not apply the initial recognition exemption to lease transactions and had recognized the related deferred tax, except that the Group previously determined the temporary difference arising from a right-of-use asset and the related lease liability on a net basis on the basis they arise from a single transaction. Following the amendments, the Group has determined the temporary differences in relation to right-of-use assets and lease liabilities separately. The change primarily impacts disclosures of components of deferred tax assets and liabilities in Notes to 2023 audited financial report, but does not impact the overall deferred tax balances presented in the consolidated statement of financial position as the related deferred tax balances qualify for offsetting under IAS 12.

Amendments to IAS 12, Income taxes: International tax reform – Pillar Two model rules

The amendments introduce a temporary mandatory exception from deferred tax accounting for the income tax 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 ("OECD") (income tax arising from such tax laws is hereafter referred to as "Pillar Two income taxes"), including tax laws that implement qualified domestic minimum top-up taxes described in those rules. The amendments also introduce disclosure requirements about such tax including the estimated tax exposure to Pillar Two income taxes. The amendments are immediately effective upon issuance and require retrospective application. The standard does not have a material impact on these financial statements currently as the Group does not reach the threshold to be taxed under Pillar Two model rules.

(3) 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:

	2023	*2022*
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by service lines		
- Sales and trading of clinker and cement products	86,407,007	103,687,399
- Sales and trading of other materials	50,096,507	25,195,382
- Service income	4,495,914	3,138,773
	140,999,428	132,021,554

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is disclosed in Note 4(3)(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.

(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 above information 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.

(3) Revenue and segment reporting (continued)

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by a mix of two business lines, cement and cement related business and solid and hazardous waste treatment business, of which cement and cement related business is organised by geography. 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:

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 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.

(3) Revenue and segment reporting (continued)

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 2023 and 2022 is set out below.

For the year ended 31 December 2023

	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	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	16,055,489	5,569,674	12,697,293	386,519	-	50,003,788	92,719	-	50,096,507
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	43,967,823	21,723,210	27,734,013	5,112,958	-	139,117,872	1,881,556	-	140,999,428
Disaggregated by timing of revenue recognition										
Point in time	40,575,593	43,843,326	21,721,457	27,732,264	5,090,289	-	138,962,929	92,719	-	139,055,648
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	43,967,823	21,723,210	27,734,013	5,112,958	-	139,117,872	1,881,556	-	140,999,428
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	75,711,216	22,304,535	30,158,305	5,211,682	(40,336,010)	139, 207,787	1,881,556	(89,915)	140,999,428
Reportable segment profit (profit before taxation)	1,947,832	14,794,374	1,464,995	1,394,639	108,074	(6,401,726)	13,308,188	292,278	-	13,600,466

(3) Revenue and segment reporting (continued)

For the year ended 31 December 2023

	Cement and cement related							*Solid and hazardous waste treatment*		
	Eastern China	*Central China*	*Southern China*	*Western China*	*Overseas*	*Elimination*	*Subtotal*		*Elimination*	*Total*
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Interest income	20,141	2,527,410	19,274	34,199	45,812	(441,512)	2,205,324	10,137	-	2,215,461
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)	(3,113,887)	(1,117,508)	(1,822,099)	(558,389)	55,729	(7,156,118)	(289,138)	-	(7,445,256)
Reportable segment assets (including interests in associates and joint ventures)	18, 182,964	207,085,810	38,058,418	31,624,926	19,155,734	(77,857,785)	236,250,067	9,939,910	(777)	246,189,200
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	6,509,357	3,484,230	1,802,354	2,722,488	-	15,706,075	260,436	-	15,966,511
Reportable segment liabilities	9,117,270	30,965,807	19,495,510	13,023,136	17,077,753	(47,283,684)	42,395,792	5,825,457	(777)	48,220,472

(3) Revenue and segment reporting (continued)

For the year ended 31 December 2022

	Cement and cement related							*Solid and hazardous waste treatment*		
	Eastern China	*Central China*	*Southern China*	*Western China*	*Overseas*	*Elimination*	*Subtotal*		*Elimination*	*Total*
	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	31,551,090	30,595,460	18,727,883	19,057,752	3,755,214	-	103,687,399	-	-	103,687,399
Sales and trading of other materials	5,022,751	9,994,792	2,015,810	7,735,155	426,874	-	25,195,382	-	-	25,195,382
Service income	553,882	2,154,902	22,122	34,231	20,671	-	2,785,808	352,965	-	3,138,773
Revenue from external customers	37,127,723	42,745,154	20,765,815	26,827,138	4,202,759	-	131,668,589	352,965	-	132,021,554
Disaggregated by timing of revenue recognition										
Point in time	37,120,821	42,624,018	20,759,023	26,805,759	4,182,088	-	131,491,709	-	-	131,491,709
Over time	6,902	121,136	6,792	21,379	20,671	-	176,880	352,965	-	529,845
Revenue from external customers	37,127,723	42,745,154	20,765,815	26,827,138	4,202,759	-	131,668,589	352,965	-	132,021,554
Inter-segment revenue	5,016,675	34,758,313	177,394	1,462,240	239,981	(41,635,518)	19,085	-	(19,085)	-
Reportable segment revenue	42,144,398	77,503,467	20,943,209	28,289,378	4,442,740	(41,635,518)	131,687,674	352,965	(19,085)	132,021,554
Reportable segment profit (profit before taxation)	2,947,486	14,431,557	1,920,353	2,193,905	456,274	(1,987,107)	19,962,468	52,197	-	20,014,665

(3) Revenue and segment reporting (continued)

For the year ended 31 December 2022

	Cement and cement related							*Solid and hazardous waste treatment*		
	Eastern China	*Central China*	*Southern China*	*Western China*	*Overseas*	*Elimination*	*Subtotal*		*Elimination*	*Total*
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Interest income	16,918	2,550,291	16,229	30,497	12,721	(410,195)	2,216,461	1,234	-	2,217,695
Interest expense	(23,220)	(271,913)	(87,148)	(59,077)	(277,807)	211,458	(507,707)	(16,923)	-	(524,630)
Depreciation and amortisation for the year	(510,368)	(2,829,516)	(1,121,684)	(1,815,554)	(488,435)	20,234	(6,745,323)	(43,624)	-	(6,788,947)
Reportable segment assets (including interests in associates and joint ventures)	17,000,471	176,617,402	32,647,881	33,139,254	19,839,558	(44,426,315)	234,818,251	9,158,982	(811)	243,976,422
Investments in associates and joint ventures	-	2,999,366	-	3,566,989	160,381	-	6,726,736	65,919	-	6,792,655
Additions to non-current segment assets during the year	760,289	14,178,628	8,343,366	4,115,697	1,575,586	(31,080)	28,942,486	7,775,970	(811)	36,717,645
Reportable segment liabilities	6,796,665	42,051,796	14,354,735	8,958,884	14,601,552	（44,105,443)	42,658,189	5,325,450	(811)	47,982,828

(3) Revenue and segment reporting (continued)

(ii) Reconciliations of reportable segment revenues, profit, assets and liabilities

	2023	*2022*
	RMB'000	RMB'000
Revenue		
Reportable segment revenue	181,425,353	173,676,157
Inter-segment revenue	(40,425,925)	(41,654,603)
Consolidated revenue	140,999,428	132,021,554

	2023	*2022*
	RMB'000	RMB'000
Profit		
Reportable segment profit (profit before taxation)	20,002,192	22,001,772
Inter-segment profit	(6,401,726)	(1,987,107)
Difference between CAS and IFRS*	269,506	217,447
Consolidated profit before taxation	13,869,972	20,232,112

	31 December 2023	*31 December 2022*
	RMB'000	RMB'000
Assets		
Reportable segment assets	324,047,762	288,403,548
Inter-segment assets	(77,858,562)	(44,427,126)
Consolidated total assets	246,189,200	243,976,422

	31 December 2023	*31 December 2022*
	RMB'000	RMB'000
Liabilities		
Reportable segment liabilities	95,504,933	92,089,082
Inter-segment liabilities	(47,284,461)	(44,106,254)
Difference between CAS and IFRS*	58,363	84,709
Consolidated total liabilities	48,278,835	48,067,537

* 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.

(3) Revenue and 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*	
	2023	*2022*	*31 December 2023*	*31 December 2022*
	RMB'000	RMB'000	RMB'000	RMB'000
The PRC	134,382,916	127,423,336	130,750,641	124,142,429
Others	6,616,512	4,598,218	11,451,331	9,240,317
	140,999,428	132,021,554	142,201,972	133,382,746

(4) Other income

	2023	*2022*
	RMB'000	RMB'000
Interest income on financial assets measured at amortised cost	2,215,461	2,217,695
Subsidy income*	1,117,208	1,359,414
Net loss on disposal of property, plant and equipment	(105,245)	(111,124)
Net realised and unrealised loss on financial assets measured at FVPL	(63,520)	(34,314)
Dividend income from financial assets measured at FVPL	24,115	32,283
Dividend income from financial assets measured at FVOCI	75,833	138,145
Net foreign exchange loss	(159,999)	(34,818)
Gain arising from bargain purchase	-	12,102
Net gain on disposal of an associate	-	91,838
Others	61,642	(45,603)
	3,165,495	3,625,618

* Subsidy income comprises refunds of value-added tax in connection with sales of certain cement products and government grants received.

(5) Profit before taxation

Profit before taxation is arrived at after charging:

(a) Finance costs

	2023	*2022*
	RMB'000	RMB'000
Interest on bank loans	1,039,139	568,679
Interest on lease liabilities	7,093	4,126
Interest expense on financial liabilities not at FVPL	1,046,232	572,805
Less: Interest expense capitalised into construction-in-progress*	(115,828)	(48,175)
	930,404	524,630

* The borrowing costs have been capitalized at rates of 2.40% ~ 4.30% for the year ended 31 December 2023 (2022: 3.05% ~ 4.90%).

(b) Staff costs

	2023	*2022*
	RMB'000	RMB'000
Salaries, wages and other benefits	7,735,136	7,441,577
Contributions to defined contribution retirement plans	821,223	746,094
Annuity	322,422	329,388
	8,878,781	8,517,059

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 described above.

(5) Profit before taxation (continued)

(c) Other items

	2023 RMB'000	*2022* RMB'000
Amortisation		
- intangible assets	639,430	648,458
Depreciation		
- investment properties	3,550	3,237
- property, plant and equipment	6,802,276	6,137,252
Impairment losses		
- trade receivables	32,476	1,568
- property, plant and equipment	301,231	-
Auditors' remuneration		
- audit services (note (i))	8,100	6,200
- other services	810	655
Research and development costs	1,859,553	2,011,317
Cost of inventories(note (ii))	111,672,307	100,624,440

Note:

(i) The auditors' remuneration for audit service includes the audit fee of RMB1,900,000 for Conch Environment Protection for the year ended 31 December 2023.

(ii) Cost of inventories includes RMB10,109,364,000 (2022: RMB9,424,490,000) relating to staff costs, depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in note 4(5)(b) for each of these types of expenses.

(6) Income tax in the consolidated statement of profit or loss

(a) Taxation in the consolidated statement of profit or loss represents:

	2023 RMB'000	*2022* RMB'000
Current tax		
Provision for the year	3,082,221	4,112,931
Over-provision in respect of prior years	(33,270)	(55,542)
	3,048,951	4,057,389
Deferred tax		
Origination and reversal of temporary differences	(197,670)	(182,630)
	2,851,281	3,874,759

(6) Income tax in the consolidated statement of profit or loss (continued)

The Company and the Group's subsidiaries in mainland China are subject to Corporate Income Tax at 25% on taxable income determined according to the relevant income tax rules and regulations, except for:

Subsidiaries' Name	***Tax rates***
Qianxinan Resource Development Co., Ltd. (note (i))	15%
Pingliang Conch Cement Co., Ltd. (note (i))	15%
Dazhou Conch Cement Co., Ltd. (note (i))	15%
Guangyuan Conch Cement Co., Ltd. (note (i))	15%
Chongqing Conch Cement Co., Ltd. (note (i))	15%
Liquan Conch Cement Co., Ltd. (note (i))	15%
Guiyang Conch Panjiang Cement Co., Ltd. (note (i))	15%
Guiding Conch Panjiang Cement Co., Ltd. (note (i))	15%
Zunyi Conch Panjiang Cement Co., Ltd. (note (i))	15%
Qianyang Conch Cement Co., Ltd. (note (i))	15%
Bazhong Conch Cement Co., Ltd. (note (i))	15%
Wenshan Conch Cement Co., Ltd. (note (i))	15%
Shuicheng Conch Panjiang Cement Co., Ltd. (note (i))	15%
Tengchong Tengyue Cement Co., Ltd. (note (i))	15%
Linxia Conch Cement Co., Ltd. (note (i))	15%
Tongren Conch Panjiang Cement Co., Ltd. (note (i))	15%
Guizhou Liukuangruian Cement Co., Ltd. (note (i))	15%
Qianxian Conch Cement Co., Ltd. (note (i))	15%
Guizhou New Shuanglong Cement Co., Ltd. (note (i))	15%
Yunnan Zhuangxiang Cement Co., Ltd. (note (i))	15%
Liangping Conch Cement Co., Ltd. (note (i))	15%
Baoji Zhongxi Jinlinghe Cement Co., Ltd. (note (i))	15%
Baoji Zhongxi Fenghuangshan Cement Co., Ltd. (note (i))	15%
Guangxi Lingyun Tonghong Cement Co., Ltd. (note (i))	15%
Baoshan Conch Cement Co., Ltd. (note (i))	15%

Subsidiaries' Name	***Tax rates***
Ganzhou Conch Cement Co., Ltd. (note (i))	15%
Hami Hongyi Building Material Co., Ltd. (note (i))	15%
Yingjiangyunhan Cement Co., Ltd. (note (i))	15%
Kunming Conch Cement Co., Ltd. (note (i))	15%
Shaanxi Tongchuan Fenghuang Building Material Co., Ltd. (note (i))	15%
Chongqing Conch Material Trading Co., Ltd. (note (i))	15%
Zunyi Haihui New Material Co., Ltd. (note (i))	15%
Bazhong Conch Building Material Co., Ltd. (note (i))	15%
Naimanqi Hongji Cement Co., Ltd. (note (i))	15%
Chongqing Duoji Renewable Resources Co., Ltd. (note (i))	15%
Subsidiaries of China Conch Environment Protection Holdings Limited ("**Conch Environment Protection**") (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%
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%
Anhui Xuancheng Conch Cement Co., Ltd. ("**Xuancheng Conch**") (note (ii))	15%
Anhui Zongyang Conch Cement Co., Ltd. ("**Zongyang Conch**") (note (ii))	15%
Hainan Changjiang Conch Cement Co., Ltd. (note (iii))	15%
Changjiang Conch Huasheng Plastic Packaging Co., Ltd. (note (iii))	15%

Notes:

(i) Pursuant to Notice No.23 issued by the Ministry of Finance, State Administration of Taxation of PRC and National Development and Reform Commission on 23 April 2020, these companies are entitled to a preferential income tax rate of 15% as qualified companies located in western areas in the PRC. These companies mentioned above are entitled to a preferential income tax rate of 15% in 2023 (2022: 15%).

(ii) Pursuant to Chapter 28 of the Law of the PRC on Enterprise Income Tax, enterprises recognized as high and new technology enterprise are entitled to a preferential income tax rate of 15%.

Conch Construction has obtained a high and new technology enterprise certification in 2015 and obtained a renewed certification in 2021. Accordingly, it is entitled to a preferential income tax rate of 15% from 2021 to 2023.

Refractory Material has 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 has obtained a high and new technology enterprise certification in 2021. Accordingly, it is entitled to a preferential income tax rate of 15% from 2021 to 2023.

Haibo Intelligent has 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 has 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.

Zongyang Conch has 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 has 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.

(iii) 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%.

(iv) According to Caishui [2022] No. 13, "The Announcement of Further Implementation on Inclusive Tax Relief Policy of Small-scaled Minimal Profit Enterprise" issued by Ministry of Finance of the PRC and the State Administration of Taxation of PRC on 14 March, 2022, the small-scaled minimal profit enterprise 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%. According to Caishui [2023] No. 6, "The Announcement of Implementation on Inclusive Tax Relief Policy of Small-scaled Minimal Profit Enterprise", the small-scaled minimal profit enterprise 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. 18 subsidiaries of the Group enjoyed this tax incentive for the year ended 31 December 2023.

(v) 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, the 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 first year of production and operation and 50% of the standard tax rates for the following three years. 84 subsidiaries of the Group enjoyed this tax incentive for the year ended 31 December 2023.

The corporate income tax rates of the subsidiaries of the Group outside mainland China are as following:

Subsidiaries' Name	***Tax rates***
Conch International Holdings (HK) Limited, a subsidiary in Hong Kong	16.5%
Luangprabang Conch Cement Co., Ltd., a subsidiary in Laos	20%
Vientian Conch Cement Co., Ltd., a subsidiary in Laos	20%
Conch Cement Volga Limited Liability Company, a subsidiary in Russia	20%
Conch KT Cement (Phnom Penh) Company Limited, a subsidiary in Cambodia	20%
PT Conch Cement Indonesia, a subsidiary in Indonesia	22%
PT Conch South Kalimantan Cement, a subsidiary in Indonesia	22%
PT Conch International Trade Indonesia, a subsidiary in Indonesia	22%
PT Conch Maros South Sulawesi Mine, a subsidiary in Indonesia	22%
PT Conch Maros Cement Indonesia, a subsidiary in Indonesia	22%
PT Conch Barru Cement Indonesia, a subsidiary in Indonesia	22%
PT Conch North Sulawesi Cement, a subsidiary in Indonesia	22%
PT Conch West Kalimantan Trade Cement, a subsidiary in Indonesia	22%
Tonga Conch Mining Co., Ltd., a subsidiary in Indonesia	22%
Beisu Conch Mining Co., Ltd., a subsidiary in Indonesia	22%
Battambang Conch Cement Company Limited ("**Battambang Conch**"), a subsidiary in Cambodia (note (i))	-
Qarshi Conch Cement Limited Liability Company, a subsidiary in Uzbekistan	15%
Tashkent Conch Cement Joint Venture Co., Ltd., a subsidiary in Uzbekistan	15%
Shangfeng Bridge of Friendship Co., Ltd., a subsidiary in Uzbekistan	15%
Conch Environment Protection, a subsidiary in Cayman Islands and its subsidiaries in Cayman Islands and British Virgin Islands ("BVI") (note (ii))	-
Subsidiaries of Conch Environment Protection in Hong Kong	16.5%

Note:

(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 when the company generates revenue and income tax exemption for 6 years from the year when the company generates profit, whichever is shorter. Battambang Conch started sales in 2018 and realized profit in 2019. 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 British Virgin Islands, these subsidiaries are not subject to any income tax in the Cayman Islands and the British Virgin Islands.

(b) Reconciliation between actual tax expense and accounting profit at applicable tax rate

	2023	*2022*
	RMB'000	RMB'000
Profit before taxation	13,869,972	20,232,112
Notional tax on profit before taxation calculated at 25% (2022: 25%)	3,467,493	5,058,028
Tax effect of subsidiaries subject to tax rates other than 25%	(225,842)	(374,932)
Tax effect of non-deductible expenses	58,784	33,322
Tax effect of non-taxable income	(95,098)	(219,399)
Tax effect of unused tax losses not recognised	117,729	-
Tax effect of change in tax rate	(26,511)	-
Over-provision in respect of prior years	(33,270)	(55,542)
Tax effect of gain arising from bargain purchase	-	(3,026)
Tax effect of bonus deduction for research and development costs	(375,427)	(439,953)
Recognition of previously unrecogized tax losses	-	(79,983)
Others	(36,577)	(43,756)
Actual tax expense	2,851,281	3,874,759

(7) Dividends

(a) Dividends payable to equity shareholders of the Company attributable to the year:

	2023	*2022*
	RMB'000	RMB'000
Final dividend proposed after the statement of financial position date of RMB0.96 (2022: RMB1.48) per ordinary share	5,065,978	7,842,968

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.

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year:

	2023	*2022*
	RMB'000	RMB'000
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB1.48 (2022: RMB2.38) per ordinary share	7,842,968	12,612,340

(8) 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 2023 of RMB10,689,181,000 (2022: RMB15,860,553,000) and the weighted average number of shares in issue during the year ended 31 December 2023 of 5,298,303,000 shares after adjusting for the repurchasing of own shares during the year (2022: 5,299,303,000 shares).

Weighted average number of ordinary shares

	2023	2022
Issued ordinary shares at 1 January	5,299,303,000	5,299,303,000
Effect of repurchase of own shares	(1,000,000)	-
Weighted average number of ordinary shares at 31 December	5,298,303,000	5,299,303,000

(b) Diluted earnings per share

The Company had no dilutive potential ordinary shares outstanding during the years ended 31 December 2023 and 2022, therefore diluted earnings per share is the same as the basic earnings per share.

(9) Ageing analysis on trade and bills receivables

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 2023 RMB'000	31 December 2022 RMB'000
Within 1 year	4,161,778	5,465,311
1 year or above	187,875	138,507
	4,349,653	5,603,818

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.

(10) Ageing analysis on trade and bills payables

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 2023 RMB'000	31 December 2022 RMB'000
Within 1 year (inclusive)	6,219,448	6,659,874
Between 1 year and 2 years (inclusive)	-	-
Between 2 years and 3 years (inclusive)	-	-
Over 3 years	-	-
	6,219,448	6,659,874

(11) Business combination

During the year ended 31 December 2023, the Group acquired equity interest of below subsidiaries from third parties with cash consideration. Details of the acquired subsidiaries are as follows:

Name of the company	*Voting rights/ effective equity interests*	*Date of acquisition*	*Principal activities*
Shaodong Panshi Concrete Products Co., Ltd. ("**Shaodong Panshi**")	100%/ 100%	12 January 2023	Manufacture and sale of concrete
Wuhan Hanshi Environmental Protection Engineering Co. Ltd. ("**Hanshi Environmental Protection**")	100%/ 100%	25 December 2023	Disposal services for medical equipment

* Hanshi Environmental Protection was 100% acquired by Conch Environment Protection, the subsidiary of the Group.

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

Identifiable assets acquired and liabilities assumed at the acquisition date:

	Shaodong Panshi RMB'000	*Hanshi Environmental Protection* RMB'000	*Total* RMB'000
Property, plant and equipment	50,927	81,726	132,653
Intangible assets	-	20,150	20,150
Trade and other receivables	-	18,964	18,964
Inventories	65	2,211	2,276
Cash and cash equivalents	156	3,208	3,364
Trade payables and other liabilities	(37,169)	(23,665)	(60,834)
Deferred tax liabilities	-	(9,776)	(9,776)
Share of fair value of identifiable net assets	13,979	92,818	106,797

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

	Shaodong Panshi RMB'000	*Hanshi Environmental Protection* RMB'000	*Total* RMB'000
Total cash consideration	14,052	93,853	107,905
Fair value of net identifiable assets	(13,979)	(92,818)	(106,797)
Goodwill	73	1,035	1,108

(11) Business combination (continued)

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 the acquired workforce. None of the goodwill recognized 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 for the year are disclosed as below:

	Shaodong Panshi RMB'000	*Hanshi Environmental Protection* RMB'000	*Total* RMB'000
Year of the acquisition	2023	2023	
Contributed to Group			
Revenue	35,469	-	35,469
Net loss	(2,292)	-	(2,292)

Had the acquisitions occurred on 1 January 2023, management estimates that the consolidated revenue of the Group for the year ended 31 December 2023 would have been RMB141,045,243,000 and the consolidated net profit for the year would have been RMB 11,028,066,000. 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 2023.

(12) Contingent liabilities

At 31 December 2023, outstanding letters of credit issued by the Group amounted to RMB654,525,000 (2022: RMB162,421,000). The directors do not consider it probable that the outstanding letters of credit issued would cause additional financial risk.

At 31 December 2023, the Group has issued guarantees for banking facilities of its related party, PT SDIC Papua Cement Indonesia ("**Papua Cement**") amounting to USD123,326,875, equivalent to RMB875,786,000 in aggregate (2022: issued guarantees for banking facilities of its related party, Papua Cement amounting to USD122,438,750, equivalent to RMB852,737,000). These facilities were utilised to the extent of RMB875,786,000 (2022: RMB852,737,000) as at 31 December 2023. The directors do not consider it probable that a claim will be made against the Group under any of these guarantees.

By Order of the Board
Anhui Conch Cement Company Limited
Chairman
Yang Jun

Wuhu City, Anhui Province, the People's Republic of China
19 March 2024

As at the date of this announcement, the Board comprises (i) Mr. Yang Jun, Mr. Wang Jianchao, Mr. Li Qunfeng, Mr. Zhou Xiaochuan and Mr. Wu Tiejun as executive Directors; (ii) Mr. Qu Wenzhou, Ms. Ho Shuk Yee, Samantha and Ms. Zhang Yunyan as independent non-executive Directors.