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華潤水泥控股有限公司
China Resources Cement Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1313)

UNAUDITED FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016

| | For the nine months ended | | Decrease |
|---|--|-------------|------------|
| | 2016 | 2015 | |
| | (unaudited) | (unaudited) | |
| Turnover (<i>HK\$ million</i>) | 17,477.8 | 19,752.1 | 11.5% |
| Profit attributable to owners of the Company (<i>HK\$ million</i>) | 838.3 | 1,282.2 | 34.6% |
| Basic earnings per share | HK\$0.128 | HK\$0.196 | |
| | As at | As at | Increase |
| | 30/9/2016 | 31/12/2015 | (Decrease) |
| | (unaudited) | (audited) | |
| Total assets (<i>HK\$ million</i>) | 55,106.7 | 54,216.8 | 1.6% |
| Equity attributable to owners of the Company (<i>HK\$ million</i>) | 26,514.7 | 26,556.9 | (0.2)% |
| Net borrowings (<i>HK\$ million</i>) (<i>note 1</i>) | 16,869.3 | 16,945.3 | (0.4)% |
| Net gearing ratio (<i>note 2</i>) | 63.6% | 63.8% | |
| Net assets per share – book (<i>note 3</i>) | HK\$4.06 | HK\$4.07 | |
| <i>notes:</i> | | | |
| 1. | Net borrowings equal to total bank borrowings, other unsecured short term debt, unsecured medium term notes payable and unsecured bonds less cash and bank balances and pledged bank deposits. | | |
| 2. | Net gearing ratio is calculated by dividing net borrowings by equity attributable to owners of the Company. | | |
| 3. | Net assets per share – book is calculated by dividing equity attributable to owners of the Company by the number of issued shares at the end of the relevant reporting period. | | |

The board (the “Board”) of directors (the “Directors”) of China Resources Cement Holdings Limited (the “Company”) announces the unaudited consolidated financial information of the Company and its subsidiaries (the “Group”) for the nine months ended 30 September 2016 (the “Period”) as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

| | <i>Notes</i> | For the three months ended | | For the nine months ended | |
|-------------------------------------|--------------|----------------------------|---------------------------|---------------------------|-------------------------|
| | | 30 September | | 30 September | |
| | | 2016 | 2015 | 2016 | 2015 |
| | | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| Turnover | | 6,162,173 | 6,347,924 | 17,477,781 | 19,752,132 |
| Cost of sales | | (4,431,600) | (4,881,700) | (13,050,153) | (14,932,359) |
| Gross profit | | 1,730,573 | 1,466,224 | 4,427,628 | 4,819,773 |
| Other income | | 81,831 | 99,705 | 210,642 | 276,726 |
| Selling and distribution expenses | | (412,466) | (464,301) | (1,180,598) | (1,264,965) |
| General and administrative expenses | | (493,595) | (506,050) | (1,372,718) | (1,446,824) |
| Exchange loss | | (40,555) | (660,408) | (203,696) | (651,488) |
| Finance costs | | (174,438) | (125,020) | (528,040) | (408,979) |
| Share of results of associates | | 64,517 | 16,299 | (43,892) | (127,738) |
| Share of results of joint ventures | | 19,954 | 1,626 | (24,698) | 19,112 |
| Profit (loss) before taxation | | 775,821 | (171,925) | 1,284,628 | 1,215,617 |
| Taxation | 2 | (203,392) | (81,799) | (490,120) | 20,512 |
| Profit (loss) for the period | | <u>572,429</u> | <u>(253,724)</u> | <u>794,508</u> | <u>1,236,129</u> |
| Attributable to: | | | | | |
| Owners of the Company | | 580,787 | (248,033) | 838,314 | 1,282,190 |
| Non-controlling interests | | (8,358) | (5,691) | (43,806) | (46,061) |
| | | <u>572,429</u> | <u>(253,724)</u> | <u>794,508</u> | <u>1,236,129</u> |
| Basic earnings (loss) per share | 3 | <u>HK\$0.089</u> | <u>HK\$(0.038)</u> | <u>HK\$0.128</u> | <u>HK\$0.196</u> |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | As at 30/9/2016 <i>HK\$'000</i> (unaudited) | As at 31/12/2015 <i>HK\$'000</i> (audited) |
|--|--|---|
| Non-current assets | | |
| Fixed assets | 30,979,643 | 31,596,192 |
| Prepaid lease payments | 2,779,483 | 2,905,451 |
| Investment properties | 107,986 | 108,346 |
| Intangible assets | 2,316,290 | 2,394,503 |
| Interests in associates | 5,379,653 | 5,620,142 |
| Interests in joint ventures | 1,496,965 | 1,542,889 |
| Deposits for acquisition of fixed assets | 1,338,080 | 1,625,731 |
| Deferred tax assets | 412,344 | 365,030 |
| Long term receivables | 292,675 | 662,115 |
| Pledged bank deposits | 32,240 | 24,729 |
| | 45,135,359 | 46,845,128 |
| Current assets | | |
| Inventories | 1,902,017 | 1,564,912 |
| Trade receivables | 2,442,054 | 2,194,070 |
| Other receivables | 1,306,962 | 1,203,441 |
| Amounts due from associates | 272,110 | 273,122 |
| Amounts due from joint ventures | 94,751 | 116,148 |
| Taxation recoverable | 55,720 | 65,130 |
| Pledged bank deposits | 15,811 | 17,091 |
| Cash and bank balances | 3,881,904 | 1,937,708 |
| | 9,971,329 | 7,371,622 |
| Current liabilities | | |
| Trade payables | 2,688,874 | 3,089,768 |
| Other payables | 4,444,247 | 4,855,226 |
| Taxation payable | 258,118 | 175,512 |
| Amount due to immediate holding company | – | 54,956 |
| Other unsecured short term debt – commercial paper | 580,740 | – |
| Bank loans – amount due within one year | 5,832,884 | 5,226,642 |
| | 13,804,863 | 13,402,104 |
| Net current liabilities | (3,833,534) | (6,030,482) |
| Total assets less current liabilities | 41,301,825 | 40,814,646 |

| | As at 30/9/2016 <i>HK\$'000</i> (unaudited) | As at 31/12/2015 <i>HK\$'000</i> (audited) |
|--|--|---|
| Non-current liabilities | | |
| Bank loans – amount due after one year | 7,798,707 | 10,597,782 |
| Unsecured medium term notes payable | 3,484,440 | – |
| Unsecured bonds | 3,102,456 | 3,100,384 |
| Other long term payables | 26,044 | 26,650 |
| Deferred tax liabilities | 99,465 | 104,153 |
| | <u>14,511,112</u> | <u>13,828,969</u> |
| | <u>26,790,713</u> | <u>26,985,677</u> |
| Capital and reserves | | |
| Share capital | 653,294 | 653,294 |
| Reserves | 25,861,403 | 25,903,597 |
| | <u>26,514,697</u> | <u>26,556,891</u> |
| Equity attributable to owners of the Company | 26,514,697 | 26,556,891 |
| Non-controlling interests | 276,016 | 428,786 |
| | <u>26,790,713</u> | <u>26,985,677</u> |
| Total equity | <u>26,790,713</u> | <u>26,985,677</u> |

Notes:

1. BASIS OF PREPARATION

The accounting policies and methods of computation used in the condensed consolidated financial statements for the Period are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2015 except for the adoption of certain new amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants, which are mandatorily effective for the Period. The application of the above amendments to HKFRSs in the Period has had no material effect on the amounts and/or disclosures reported in these condensed consolidated financial statements.

2. TAXATION

Hong Kong Profits Tax was calculated at 16.5% of the estimated assessable profit for both periods.

Chinese Mainland Enterprise Income Tax represents the income tax in the Chinese Mainland which is calculated at 25% on the taxable income of the group entities in the Chinese Mainland.

According to Document No. 14 of 2015 issued by the State Administration of Taxation dated 10 March 2015, enterprises which no longer belong to the category of encouraged industries in the western territories shall cease to enjoy the reduced enterprise income tax rate of 15% with effect from 1 October 2014. An amount of HK\$499,421,000 representing the over-provision of enterprise income tax for the period from 1 January 2013 to 30 September 2014 was therefore reversed and included in taxation for the nine months ended 30 September 2015.

3. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

| | For the nine months ended 30 September | |
|--|---|----------------------|
| | 2016 | 2015 |
| | HK\$'000 | HK\$'000 |
| | (unaudited) | (unaudited) |
| Earnings | | |
| Earnings attributable to owners of the Company for the purpose of basic earnings per share | <u>838,314</u> | <u>1,282,190</u> |
| | For the nine months ended 30 September | |
| | 2016 | 2015 |
| | (unaudited) | (unaudited) |
| Number of shares | | |
| Weighted average number of shares for the purpose of basic earnings per share | <u>6,532,937,817</u> | <u>6,532,937,817</u> |

No diluted earnings per share is presented as the Company did not have any potential shares outstanding.

4. REVIEW OF FINANCIAL INFORMATION FOR THE PERIOD

The financial information for the Period has been reviewed by the Audit Committee of the Company.

INTERIM DIVIDEND

An interim dividend of HK\$0.015 per share for the six months ended 30 June 2016 (HK\$0.06 per share for the six months ended 30 June 2015) was declared by the Board on 5 August 2016 and paid to shareholders on 23 September 2016. The Board does not recommend the payment of any dividend for the three months ended 30 September 2016 (Three months ended 30 September 2015: Nil).

OPERATIONAL PERFORMANCE REVIEW

Turnover

The consolidated turnover for the Period amounted to HK\$17,477.8 million, representing a decrease of 11.5% from HK\$19,752.1 million for the corresponding period last year. An analysis of segmental turnover by product is as follows:

| | For the nine months ended 30 September | | | | | |
|----------|---|---|----------------------|---|---|----------------------|
| | 2016 | | | 2015 | | |
| | Sales volume '000 tons/m ³ | Average selling price HK\$ per ton/m ³ | Turnover HK\$'000 | Sales volume '000 tons/m ³ | Average selling price HK\$ per ton/m ³ | Turnover HK\$'000 |
| Cement | 56,964 | 240.3 | 13,691,133 | 54,001 | 280.5 | 15,149,166 |
| Clinker | 2,939 | 176.4 | 518,336 | 3,767 | 211.8 | 797,765 |
| Concrete | 8,820 | 370.6 | 3,268,312 | 8,916 | 426.8 | 3,805,201 |
| Total | | | <u>17,477,781</u> | | | <u>19,752,132</u> |

Our cement sales by geographical areas for the Period were as follows:

| Province/ Autonomous Region | For the nine months ended 30 September | | | | | |
|--------------------------------|--|--|----------------------|---------------------------|--|----------------------|
| | 2016 | | | 2015 | | |
| | Sales volume '000 tons | Average selling price HK\$ per ton | Turnover HK\$'000 | Sales volume '000 tons | Average selling price HK\$ per ton | Turnover HK\$'000 |
| Guangdong | 21,173 | 252.8 | 5,351,775 | 22,013 | 300.4 | 6,612,262 |
| Guangxi | 17,086 | 244.8 | 4,182,239 | 15,454 | 282.1 | 4,359,437 |
| Fujian | 6,795 | 202.7 | 1,377,284 | 5,822 | 253.8 | 1,477,758 |
| Hainan | 3,481 | 297.0 | 1,033,809 | 3,579 | 323.0 | 1,155,891 |
| Shanxi | 2,521 | 157.0 | 395,832 | 2,441 | 178.6 | 435,937 |
| Yunnan | 4,176 | 244.7 | 1,022,049 | 3,269 | 249.6 | 816,038 |
| Guizhou | 1,732 | 189.5 | 328,145 | 1,423 | 205.1 | 291,843 |
| Total | <u>56,964</u> | <u>240.3</u> | <u>13,691,133</u> | <u>54,001</u> | <u>280.5</u> | <u>15,149,166</u> |

Gross profit and gross margin

The consolidated gross profit for the Period was HK\$4,427.6 million, representing a decrease of 8.1% from HK\$4,819.8 million for the corresponding period last year. The consolidated gross margin for the Period was 25.3%, representing an increase of 0.9 percentage points over 24.4% for the corresponding period last year. The increase in consolidated gross margin for the Period was mainly attributable to lower cost of sales partly offset by lower selling prices as compared with those of the corresponding period last year. The gross margins of cement, clinker and concrete for the Period were 24.9%, 7.0% and 30.0%, as compared with 24.1%, 11.3% and 28.3% respectively for the corresponding period last year.

Profit attributable to owners of the Company

Profit attributable to owners of the Company for the Period was HK\$838.3 million, representing a decrease of 34.6% from HK\$1,282.2 million for the corresponding period last year.

By order of the Board
China Resources Cement Holdings Limited
ZHOU Longshan
Chairman

Hong Kong, 21 October 2016

As at the date of this announcement, the executive Directors are Mr. ZHOU Longshan, Mr. JI Youhong and Mr. LAU Chung Kwok Robert; the non-executive Directors are Mr. DU Wenmin, Mr. WEI Bin, Mr. CHEN Ying and Mr. WANG Yan; and the independent non-executive Directors are Mr. IP Shu Kwan Stephen, Mr. SHEK Lai Him Abraham, Mr. XU Yongmo, Madam ZENG Xuemin and Mr. LAM Chi Yuen Nelson.