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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 THREE MONTHS ENDED 31 MARCH 2020

	For the three months ended 31 March		Decrease
	2020 (unaudited)	2019 (unaudited)	
Turnover (<i>HK\$ million</i>)	5,594.1	7,508.5	(25.5)%
Profit attributable to owners of the Company (<i>HK\$ million</i>)	1,113.7	1,488.9	(25.2)%
Basic earnings per share	HK\$0.159	HK\$0.213	
Interim dividend per share	Nil	Nil	
	As at 31/3/2020 (unaudited)	As at 31/12/2019 (audited)	Increase/ (Decrease)
Total assets (<i>HK\$ million</i>)	59,168.3	61,170.9	(3.3)%
Equity attributable to owners of the Company (<i>HK\$ million</i>)	42,225.7	41,979.7	0.6%
Gearing ratio (<i>note 1</i>)	19.1%	18.9%	
Net assets per share – book (<i>note 2</i>)	HK\$6.05	HK\$6.01	0.7%

notes:

- Gearing ratio is calculated by dividing the total bank borrowings and unsecured medium term notes by equity attributable to owners of the Company.
- 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”) is pleased to announce the unaudited consolidated financial information of the Company and its subsidiaries (collectively the “Group”) for the three months ended 31 March 2020 (the “Period”) as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	<i>Notes</i>	For the three months ended 31 March	
		2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (unaudited)
Turnover		5,594,136	7,508,465
Cost of sales		<u>(3,400,953)</u>	<u>(4,661,767)</u>
Gross profit		2,193,183	2,846,698
Other income		107,055	103,561
Selling and distribution expenses		(249,337)	(382,642)
General and administrative expenses		(396,342)	(421,343)
Exchange gain		1,190	5,873
Finance costs		(79,054)	(107,714)
Share of results of associates		(30,270)	(3,245)
Share of results of joint ventures		<u>36,041</u>	<u>59,907</u>
Profit before taxation		1,582,466	2,101,095
Taxation	2	<u>(478,273)</u>	<u>(621,746)</u>
Profit for the period		<u>1,104,193</u>	<u>1,479,349</u>
Attributable to:			
Owners of the Company		1,113,731	1,488,892
Non-controlling interests		<u>(9,538)</u>	<u>(9,543)</u>
		<u>1,104,193</u>	<u>1,479,349</u>
Basic earnings per share (<i>HK\$</i>)	3	<u>0.159</u>	<u>0.213</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31/3/2020 <i>HK\$'000</i> (unaudited)	As at 31/12/2019 <i>HK\$'000</i> (audited)
Non-current assets		
Fixed assets	26,540,653	27,080,617
Right-of-use assets	2,853,373	2,922,031
Investment property	130,000	130,000
Other investment	80,328	97,197
Intangible assets	2,392,053	2,461,792
Interests in associates	6,385,064	6,580,670
Interests in joint ventures	1,425,876	1,426,602
Deposits for acquisition of assets	952,281	1,031,817
Deferred tax assets	224,441	219,766
Long term receivables	258,967	260,553
Pledged bank deposits	220,534	216,985
	41,463,570	42,428,030
Current assets		
Inventories	2,360,972	1,509,704
Trade receivables	2,941,589	2,386,126
Other receivables	908,354	726,366
Loan to a fellow subsidiary	494,694	-
Loan to an intermediate holding company	797,025	805,240
Amounts due from associates	431,774	397,535
Amounts due from joint ventures	6,608	5,818
Taxation recoverable	27,562	64,203
Cash and bank balances	9,736,183	12,847,838
	17,704,761	18,742,830
Current liabilities		
Trade payables	2,565,667	3,174,237
Other payables	3,891,757	5,080,770
Taxation payable	1,192,191	1,770,521
Bank loans - amount due within one year	1,772,572	1,297,954
	9,422,187	11,323,482
Net current assets	8,282,574	7,419,348
Total assets less current liabilities	49,746,144	49,847,378

	As at 31/3/2020 <i>HK\$'000</i> (unaudited)	As at 31/12/2019 <i>HK\$'000</i> (audited)
Non-current liabilities		
Bank loans - amount due after one year	2,997,055	3,279,151
Unsecured medium term notes	3,283,350	3,349,050
Other long term payables	424,038	448,828
Deferred tax liabilities	544,783	504,171
	<u>7,249,226</u>	<u>7,581,200</u>
	<u>42,496,918</u>	<u>42,266,178</u>
Capital and reserves		
Share capital	698,294	698,294
Reserves	41,527,427	41,281,378
	<u>42,225,721</u>	<u>41,979,672</u>
Equity attributable to owners of the Company	42,225,721	41,979,672
Non-controlling interests	271,197	286,506
	<u>42,496,918</u>	<u>42,266,178</u>
Total equity	<u>42,496,918</u>	<u>42,266,178</u>

INTERIM DIVIDEND

The Board does not recommend the payment of any dividend for the Period (Three months ended 31 March 2019: Nil).

OPERATIONAL PERFORMANCE REVIEW

The functional currency of the Group is RMB while the financial figures are all denominated in HK\$. Comparing with the corresponding period in 2019, RMB had depreciated against HK\$ by approximately 4%.

Turnover

The consolidated turnover for the Period amounted to HK\$5,594.1 million, representing a decrease of 25.5% from HK\$7,508.5 million for the corresponding period in 2019. An analysis of segmental turnover by product is as follows:

	For the three months ended 31 March					
	2020			2019		
	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	11,181	408.1	4,562,629	15,243	382.6	5,831,849
Clinker	662	324.6	214,855	1,155	337.7	390,238
Concrete	1,590	513.5	816,652	2,576	499.4	1,286,378
Total			5,594,136			7,508,465

Our cement sales by geographical area were as follows:

Province/ Autonomous Region	For the three months ended 31 March					
	2020			2019		
	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	4,401	461.7	2,031,926	5,793	436.6	2,529,096
Guangxi	3,542	375.2	1,329,119	5,107	349.3	1,783,828
Fujian	1,377	410.6	565,440	1,980	335.4	664,081
Hainan	449	413.6	185,718	869	421.9	366,646
Yunnan	722	378.0	272,951	839	356.2	298,816
Guizhou	439	226.1	99,241	336	281.6	94,604
Shanxi	251	311.7	78,234	319	297.1	94,778
Total	11,181	408.1	4,562,629	15,243	382.6	5,831,849

Gross profit and gross margin

The consolidated gross profit for the Period was HK\$2,193.2 million, representing a decrease of 23.0% from HK\$2,846.7 million for the corresponding period in 2019. The consolidated gross margin for the Period was 39.2%, representing an increase of 1.3 percentage points from 37.9% for the corresponding period in 2019. The decrease in consolidated gross profit for the Period was mainly attributable to the decreased sales volume of our products compared to the corresponding period in 2019. The gross margins of cement, clinker and concrete for the Period were 42.9%, 39.0% and 18.4%, as compared with 41.4%, 40.7% and 21.3% respectively for the corresponding period in 2019.

Profit attributable to owners of the Company

Profit attributable to owners of the Company for the Period was HK\$1,113.7 million, representing a decrease of 25.2% from HK\$1,488.9 million for the corresponding period in 2019.

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

Hong Kong, 24 April 2020

As at the date of this announcement, the executive Directors are Mr. ZHOU Longshan and Mr. JI Youhong; the non-executive Directors are Mr. CHEN Ying, Mr. WANG Yan, Madam WAN Suet Fei and Mr. JING Shiqing; and the independent non-executive Directors are Mr. IP Shu Kwan Stephen, Mr. SHEK Lai Him Abraham, Madam ZENG Xuemin and Mr. LAM Chi Yuen Nelson.