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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 2015

	For the three months ended 31 March		Decrease
	2015 (unaudited)	2014 (unaudited)	
Turnover (<i>HK\$ million</i>)	6,202.4	6,797.1	(8.7)%
Profit attributable to owners of the Company (<i>HK\$ million</i>)	660.3	767.7	(14.0)%
Basic earnings per share	HK\$0.101	HK\$0.118	
Interim dividend per share	Nil	Nil	
	As at 31/3/2015 (unaudited)	As at 31/12/2014 (audited)	Increase (Decrease)
Total assets (<i>HK\$ million</i>)	56,997.2	57,537.1	(0.9)%
Equity attributable to owners of the Company (<i>HK\$ million</i>)	28,732.9	28,179.9	2.0%
Net borrowings (<i>HK\$ million</i>) (<i>note 1</i>)	17,474.1	16,112.7	8.4%
Net gearing ratio (<i>note 2</i>)	60.8%	57.2%	
Net assets per share – book (<i>note 3</i>)	HK\$4.40	HK\$4.31	

notes:

1. Net borrowings equal to total indebtedness 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 three months ended 31 March 2015 (the “Period”) as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	<i>Notes</i>	For the three months ended 31 March	
		2015 <i>HK\$’000</i> (unaudited)	2014 <i>HK\$’000</i> (unaudited)
Turnover		6,202,426	6,797,127
Cost of sales		<u>(4,595,845)</u>	<u>(4,635,113)</u>
Gross profit		1,606,581	2,162,014
Other income		86,760	62,980
Selling and distribution expenses		(354,812)	(363,536)
General and administrative expenses		(456,242)	(417,456)
Exchange loss		(57,992)	(132,601)
Finance costs		(155,186)	(194,097)
Share of results of associates		(105,433)	(71,252)
Share of results of joint ventures		<u>16,769</u>	<u>15,706</u>
Profit before taxation		580,445	1,061,758
Taxation	2	<u>52,327</u>	<u>(311,864)</u>
Profit for the period		<u><u>632,772</u></u>	<u><u>749,894</u></u>
Attributable to:			
Owners of the Company		660,301	767,688
Non-controlling interests		<u>(27,529)</u>	<u>(17,794)</u>
		<u><u>632,772</u></u>	<u><u>749,894</u></u>
Basic earnings per share	3	<u><u>HK\$0.101</u></u>	<u><u>HK\$0.118</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31/3/2015 <i>HK\$'000</i> (unaudited)	As at 31/12/2014 <i>HK\$'000</i> (audited)
Non-current assets		
Fixed assets	33,113,181	33,271,505
Prepaid lease payments	2,759,158	2,787,164
Investment property	91,000	91,000
Intangible assets	2,248,050	2,272,345
Interests in associates	3,178,703	3,284,186
Interests in joint ventures	1,607,228	1,594,566
Deposits for acquisition of fixed assets	1,739,352	1,569,504
Deferred tax assets	123,799	104,252
Long term receivables	612,949	615,166
Pledged bank deposits	20,484	20,558
	45,493,904	45,610,246
Current assets		
Inventories	2,455,077	2,162,359
Trade receivables	3,307,599	2,837,619
Other receivables	1,417,399	1,388,152
Loan to a fellow subsidiary	632,320	634,905
Amounts due from associates	318,400	321,903
Amounts due from joint ventures	316,476	391,032
Taxation recoverable	59,665	40,286
Pledged bank deposits	2,771	2,781
Cash and bank balances	2,993,612	4,147,804
	11,503,319	11,926,841
Current liabilities		
Trade payables	2,482,541	2,800,119
Other payables	4,057,727	4,670,708
Taxation payable	542,866	875,807
Amount due to immediate holding company	54,956	54,956
Bank loans – amount due within one year	4,148,575	4,728,905
	11,286,665	13,130,495
Net current assets (liabilities)	216,654	(1,203,654)

	As at 31/3/2015 <i>HK\$'000</i> (unaudited)	As at 31/12/2014 <i>HK\$'000</i> (audited)
Total assets less current liabilities	<u>45,710,558</u>	<u>44,406,592</u>
Non-current liabilities		
Bank loans – amount due after one year	13,240,619	12,452,307
Unsecured bonds	3,101,768	3,102,664
Other long term payables	19,179	19,257
Deferred tax liabilities	<u>110,390</u>	<u>117,216</u>
	<u>16,471,956</u>	<u>15,691,444</u>
	<u>29,238,602</u>	<u>28,715,148</u>
Capital and reserves		
Share capital	653,294	653,294
Reserves	<u>28,079,616</u>	<u>27,526,579</u>
Equity attributable to owners of the Company	28,732,910	28,179,873
Non-controlling interests	<u>505,692</u>	<u>535,275</u>
Total equity	<u>29,238,602</u>	<u>28,715,148</u>

Notes:

1. BASIS OF PREPARATION

The accounting policies used in the preparation of the unaudited financial information for the Period are consistent with those used in the audited financial statements for the year ended 31 December 2014 except for the adoption of certain new and revised standards, amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are effective for the Group’s financial year beginning 1 January 2015. The adoption of these new and revised standards, amendments and interpretations has had no material effects on the results and financial positions of the Group for the current and prior accounting periods. Accordingly, no prior period adjustments are required.

The Group has not early applied the new and revised standards and amendments that have been issued by HKICPA but are not yet effective. The Directors anticipate that the application of these standards and amendments will have no material impact on the Group’s results of operations and financial positions.

2. TAXATION

According to Document No. 14 of 2015 issued by the State Administration of Taxation dated 10 March 2015, enterprises of industries 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\$265,482,000 representing the over-provision of enterprise income tax for the year ended 31 December 2013 is therefore reversed and included in taxation expense for the Period. The treatment of enterprise income tax for the year ended 31 December 2014 will be dealt with when the basis of calculation of taxation charge is ascertained.

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 three months ended 31 March	
	2015	2014
	HK\$’000	HK\$’000
	(unaudited)	(unaudited)
Earnings		
Earnings attributable to owners of the Company for the purpose of basic earnings per share	660,301	767,688
	6,532,937,817	6,532,937,817

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

4. REVIEW OF FINANCIAL INFORMATION FOR THE THREE MONTHS ENDED 31 MARCH 2015

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

INTERIM DIVIDEND

The Board does not recommend the payment of any dividend for the Period (Three months ended 31 March 2014: Nil).

OPERATIONAL PERFORMANCE REVIEW

Turnover

The consolidated turnover for the Period amounted to HK\$6,202.4 million, representing a decrease of 8.7% from HK\$6,797.1 million for the corresponding period last year. An analysis of segmental turnover by product is as follows:

	For the three months ended 31 March					
	2015			2014		
	Sales volume	Average selling price HK\$ per ton/m ³	Turnover HK\$'000	Sales volume	Average selling price HK\$ per ton/m ³	Turnover HK\$'000
	'000 tons/m ³	per ton/m ³	HK\$'000	'000 tons/m ³	per ton/m ³	HK\$'000
Cement	14,985	316.9	4,749,371	13,189	375.1	4,947,206
Clinker	1,405	233.4	327,892	2,051	283.6	581,628
Concrete	2,563	439.0	1,125,163	3,015	420.7	1,268,293
Total			<u>6,202,426</u>			<u>6,797,127</u>

Cement sales by geographical area were as follows:

Province/ Autonomous Region	For the three months ended 31 March					
	2015			2014		
	Sales volume	Average selling price HK\$ per ton	Turnover HK\$'000	Sales volume	Average selling price HK\$ per ton	Turnover HK\$'000
	'000 tons	per ton	HK\$'000	'000 tons	per ton	HK\$'000
Guangdong	6,529	340.7	2,224,188	5,514	413.1	2,277,999
Guangxi	4,048	328.6	1,330,068	3,832	344.5	1,320,040
Fujian	1,874	274.9	515,179	1,755	360.3	632,338
Hainan	885	341.9	302,540	950	429.9	408,383
Shanxi	279	175.6	48,995	382	237.9	90,864
Yunnan	1,056	239.5	252,945	756	287.8	217,582
Guizhou	314	240.3	75,456	–	–	–
Total	<u>14,985</u>	<u>316.9</u>	<u>4,749,371</u>	<u>13,189</u>	<u>375.1</u>	<u>4,947,206</u>

Gross profit and gross margin

The consolidated gross profit for the Period was HK\$1,606.6 million, representing a decrease of 25.7% from HK\$2,162.0 million for the corresponding period last year. The consolidated gross margin for the Period was 25.9%, representing a decrease of 5.9 percentage points from 31.8% for the corresponding period last year. The decreases in consolidated gross profit and gross margin for the Period were mainly attributable to reduction in selling prices of cement products compared with the corresponding period last year. The gross margins of cement, clinker and concrete for the Period were 26.8%, 14.4% and 25.4%, as compared with 35.9%, 19.2% and 21.5% respectively for the corresponding period last year.

Net margin

Net margin for the Period was 10.2%, which was 0.8 percentage points lower than that of 11.0% for the corresponding period last year.

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

Hong Kong, 24 April 2015

As at the date of this announcement, the executive Directors are Mr. ZHOU Longshan, Mr. PAN Yonghong 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.