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)

2012 INTERIM RESULTS ANNOUNCEMENT

	For the six months ended 30 June		Increase
	2012	2011	**(decrease)**
	(unaudited)	(unaudited)	
Turnover (HK$ million)	**11,033.9**	10,051.7	9.8%
Profit attributable to owners of the Company (HK$ million)	**635.2**	2,045.3	(68.9%)
	As at	As at	**Increase**
	30/6/2012	31/12/2011	**(decrease)**
	(unaudited)	(audited)	
Total assets (HK$ million)	**50,372.0**	50,457.8	(0.2%)
Equity attributable to owners of the Company (HK$ million)	**19,450.7**	19,298.7	0.8%
Net borrowings (HK$ million) *(note 1)*	**20,265.1**	17,625.5	15.0%
Net gearing ratio *(note 2)*	**104.2%**	91.3%	
Net assets per share – book (HK$) *(note 3)*	**2.98**	2.96	

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 results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2012 (the "Period") as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		For the six months ended 30 June	
	Notes	**2012**	2011
		HK$'000	*HK$'000*
		(unaudited)	(unaudited)
Turnover	*3*	**11,033,949**	10,051,702
Cost of sales		**(8,734,410)**	(6,721,214)
Gross profit		**2,299,539**	3,330,488
Other income		**132,382**	238,418
Selling and distribution expenses		**(542,536)**	(597,452)
General and administrative expenses		**(766,213)**	(463,011)
Change in fair value of an investment property		**–**	7,000
Finance costs	*4*	**(391,596)**	(258,139)
Share of results of jointly controlled entities		**11,180**	65,125
Share of results of associates		**46,788**	560
Profit before taxation	*5*	**789,544**	2,322,989
Taxation	*6*	**(157,606)**	(192,528)
Profit for the period		**631,938**	2,130,461
Attributable to:			
Owners of the Company		**635,231**	2,045,324
Non-controlling interests		**(3,293)**	85,137
		631,938	2,130,461
Basic earnings per share – HK$	*7*	**0.097**	0.314
Interim dividend per share – HK$	*8*	**Nil**	0.05

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**As at 30/6/2012 *HK$'000* (unaudited)**	As at 31/12/2011 *HK$'000* (audited)
Non-current assets			
Fixed assets	*9*	**30,574,828**	30,014,245
Prepaid lease payments	*9*	**2,442,882**	2,344,276
Investment property		**59,000**	59,000
Intangible assets	*9*	**1,798,284**	1,707,968
Interests in associates		**2,187,554**	2,119,177
Interests in jointly controlled entities		**1,299,860**	1,571,398
Deposits for acquisition of fixed assets		**1,298,816**	1,305,430
Deferred tax assets		**120,199**	95,844
Long term receivables		**325,352**	425,108
		40,106,775	39,642,446
Current assets			
Inventories		**2,682,603**	2,296,035
Trade receivables	*10*	**2,210,574**	1,949,858
Other receivables		**2,211,844**	2,424,565
Amounts due from jointly controlled entities	*11*	**645,794**	371,620
Taxation recoverable		**28,641**	23,645
Pledged bank deposits		**10,883**	11,815
Cash and bank balances		**2,474,906**	3,737,839
		10,265,245	10,815,377
Current liabilities			
Trade payables	*12*	**3,066,616**	3,428,508
Other payables		**4,234,240**	5,376,685
Provisions		**4,229**	4,252
Taxation payable		**98,510**	164,181
Amount due to immediate holding company	*13*	**37,688**	37,688
Loans from an intermediate holding company	*14*	**3,439,555**	880,813
Bank loans – amount due within one year		**8,546,345**	10,458,948
		19,427,183	20,351,075
Net current liabilities		**(9,161,938)**	(9,535,698)
Total assets less current liabilities		**30,944,837**	30,106,748

	As at 30/6/2012 HK$'000 (unaudited)	As at 31/12/2011 HK$'000 (audited)
Non-current liabilities		
Bank loans – amount due after one year	**10,764,991**	10,035,426
Provisions	**25,188**	25,328
Long term payables	**42,442**	41,285
Deferred tax liabilities	**101,556**	103,459
	10,934,177	10,205,498
	20,010,660	19,901,250
Capital and reserves		
Share capital	**651,926**	651,926
Reserves	**18,798,801**	18,646,806
Equity attributable to owners of the Company	**19,450,727**	19,298,732
Non-controlling interests	**559,933**	602,518
Total equity	**20,010,660**	19,901,250

Notes:

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with Hong Kong Accounting Standard 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment property, which is measured at fair value.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2012 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2011.

In the current interim period, the Group has applied, for the first time, certain amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are mandatorily effective for the current interim period.

Amendments to HKAS 12 Deferred Tax: Recovery of Underlying Assets

Under the amendments to HKAS 12 "Deferred Tax: Recovery of Underlying Assets", investment properties that are measured using the fair value model in accordance with HKAS 40 "Investment Property" are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The Group measures its investment property using the fair value model. As a result of the application of the amendments to HKAS 12, the Directors reviewed the Group's investment property portfolios and concluded that the Group's investment property was held under a business model whose objective was to consume substantially all of the economic benefits embodied in the investment property over time, and that the presumption set out in the amendments to HKAS 12 is rebutted.

The application of the other amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

The Group has not early applied the new and revised HKFRSs that have been issued but are not yet effective.

3. SEGMENT INFORMATION

Segment information has been identified on the basis of analysis of different products in internal management reports which are prepared in accordance with accounting policies of the Group, that are regularly reviewed by the chief executive officer in order to allocate resources to the reportable segments and to assess their performance.

The Group's operating and reportable segments are: cement and concrete. Segment results represent the profit earned by each segment without allocation of central administration costs, directors' salaries, exchange differences, share of results of associates, share of results of jointly controlled entities, interest income, finance costs and taxation.

The information of the reportable segment results are as follows:

For the six months ended 30 June 2012 (unaudited)

	Cement *HK$'000*	Concrete *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
TURNOVER – SEGMENT REVENUE				
External sales	**8,847,931**	**2,186,018**	**–**	**11,033,949**
Inter-segment sales	**392,725**	**–**	**(392,725)**	**–**
	9,240,656	**2,186,018**	**(392,725)**	**11,033,949**

Inter-segment sales are charged at prevailing market prices.

	Cement	Concrete	Elimination	Total
RESULTS				
Segment results	**1,066,626**	**143,870**	**–**	**1,210,496**
Interest income				**37,989**
Unallocated corporate income				**4,000**
Unallocated corporate expenses				**(129,313)**
Finance costs				**(391,596)**
Share of results of jointly controlled entities				**11,180**
Share of results of associates				**46,788**
Profit before taxation				**789,544**

For the six months ended 30 June 2011 (unaudited)

	Cement *HK$'000*	Concrete *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
TURNOVER – SEGMENT REVENUE				
External sales	7,893,966	2,157,736	–	10,051,702
Inter-segment sales	433,410	30	(433,440)	–
	8,327,376	2,157,766	(433,440)	10,051,702

Inter-segment sales are charged at prevailing market prices.

	Cement *HK$'000*	Concrete *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
RESULTS				
Segment results	2,238,790	154,103	–	2,392,893
Interest income				23,983
Unallocated corporate income				123,617
Unallocated corporate expenses				(25,050)
Finance costs				(258,139)
Share of results of jointly controlled entities				65,125
Share of results of associates				560
Profit before taxation				2,322,989

4. FINANCE COSTS

	For the six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interests on		
Bank loans wholly repayable within five years	**428,265**	298,490
Bank loans not wholly repayable within five years	**2,340**	3,962
Loans from intermediate holding companies	**1,356**	16,729
Long term payables	**1,704**	694
	433,665	319,875
Less: Amount capitalised to fixed assets	**(42,069)**	(61,736)
	391,596	258,139

5. PROFIT BEFORE TAXATION

	For the six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit before taxation has been arrived at after charging (crediting):		
Total staff costs (including Directors' emoluments)	**871,157**	597,097
Amortisation of mining rights (included in general and administrative expenses)	**17,985**	9,173
Depreciation of fixed assets	**802,118**	579,723
Operating lease payments in respect of		
– rented premises	**21,821**	11,874
– motor vehicles	**23,240**	27,655
Release of prepaid lease payments	**30,668**	23,110
Reversal of allowance for doubtful debts	**(36,670)**	(22,775)
Exchange loss (gain)	**50,705**	(115,742)
Interest income	**(37,989)**	(23,983)

6. TAXATION

	For the six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Current taxation		
Hong Kong Profits Tax	**6,682**	5,473
Chinese Mainland Enterprise Income Tax	**177,185**	179,309
	183,867	184,782
Deferred taxation		
Hong Kong	**(472)**	1,551
Chinese Mainland	**(25,789)**	6,195
	(26,261)	7,746
	157,606	192,528

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 the prevailing tax rate on the taxable income of the group entities in the Chinese Mainland.

According to the Chinese Mainland tax laws and regulations, certain subsidiaries, which are established in the Chinese Mainland, are exempted from Chinese Mainland Foreign Enterprise Income Tax ("FEIT") for the first two years starting from their first profit-making year after offsetting the accumulated losses brought forward from previous five years, followed by a 50% reduction on the FEIT for the next three years ("Tax Holiday").

Under the Law of the Chinese Mainland on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries in Chinese Mainland is 25% in respect of 2011 and 2012, except for certain subsidiaries that previously enjoyed a preferential tax rate prior to 1 January 2008, which have been gradually transited to the new tax rate over five years from 1 January 2008 and certain subsidiaries that previously enjoyed the Tax Holiday will continue to enjoy such preferential tax treatment until the expiry of such prescribed period.

7. 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 six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Earnings attributable to owners of the Company for the purpose of basic earnings per share	**635,231**	2,045,324

	For the six months ended 30 June	
	2012	2011
	(unaudited)	(unaudited)
Number of shares for the purpose of basic earnings per share	**6,519,255,462**	6,519,255,462

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

8. DIVIDENDS

	For the six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interim dividend: Nil (2011: HK$0.05 per share)	**–**	325,963

note: At the Board meeting held on 2 March 2012, the Directors proposed a final dividend of HK$0.06 per share for the year ended 31 December 2011 (HK$0.045 per share for the year ended 31 December 2010). Such proposed dividend totalling HK$391,155,000 (year ended 31 December 2010: HK$293,366,000) was subsequently approved by shareholders on 4 May 2012.

9. FIXED ASSETS/PREPAID LEASE PAYMENTS/MINING RIGHTS

During the six months ended 30 June 2012, the Group had additions to fixed assets of HK$1,528,328,000 (six months ended 30 June 2011: HK$3,357,825,000).

During the six months ended 30 June 2012, the Group had additions to prepaid lease payments of HK$146,892,000 (six months ended 30 June 2011: HK$11,994,000).

During the six months ended 30 June 2012, the Group had additions to mining rights of HK$113,757,000 included in intangible assets (six months ended 30 June 2011: HK$45,045,000).

10. TRADE RECEIVABLES

	As at 30/6/2012	As at 31/12/2011
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Trade receivables from third parties	**2,195,729**	1,932,955
Trade receivables from fellow subsidiaries	**14,845**	16,903
	2,210,574	1,949,858

The Group has a policy of allowing an average credit period to its customers ranging from 0 to 60 days from the date of issuance of invoices.

The following is an aged analysis of trade receivables (net of allowance for doubtful debts) presented based on the invoice date at the end of each reporting period.

	As at 30/6/2012	As at 31/12/2011
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 to 90 days	**1,929,861**	1,777,292
91 to 180 days	**148,936**	126,653
181 to 365 days	**131,777**	45,913
	2,210,574	1,949,858

11. AMOUNTS DUE FROM JOINTLY CONTROLLED ENTITIES

The amounts are unsecured, bear interest at prevailing market borrowing rates and are repayable as follows:

	As at 30/6/2012	As at 31/12/2011
	HK$'000	*HK$'000*
	(unaudited)	(audited)
On demand	**369,723**	371,620
Within six months	**276,071**	–
	645,794	371,620

12. TRADE PAYABLES

	As at 30/6/2012	As at 31/12/2011
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Trade payables to third parties	**3,066,616**	3,374,944
Trade payables to fellow subsidiaries	**–**	53,564
	3,066,616	3,428,508

The Group normally receives credit period of 30 days to 90 days from its suppliers. The following is an aged analysis of trade payables presented based on the invoice date at the end of each reporting period.

	As at 30/6/2012	As at 31/12/2011
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 to 90 days	**2,765,726**	3,022,217
91 to 180 days	**239,641**	193,034
181 to 365 days	**29,801**	194,349
Over 365 days	**31,448**	18,908
	3,066,616	3,428,508

13. AMOUNT DUE TO IMMEDIATE HOLDING COMPANY

The amount is unsecured, interest free and repayable on demand.

14. LOANS FROM AN INTERMEDIATE HOLDING COMPANY

As at 30 June 2012, the loans of HK$3,439,555,000 were unsecured, interest free and repayable on demand. As at 31 December 2011, the loans of HK$880,813,000 were unsecured, bore interest at the prevailing market borrowing rates and were repayable within six months from the date the loans were made.

15. REVIEW OF INTERIM RESULTS

The interim results have been reviewed by the Audit Committee of the Company.

INTERIM DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the Period (2011: HK$0.05 per share).

THE BUSINESS ENVIRONMENT

According to the National Bureau of Statistics of China, the gross domestic products ("GDP") of China for the first half of year 2012 reached RMB22.7 trillion, representing an increase of 7.8% over that for the corresponding period in 2011, and the fixed asset investments ("FAI") of China (excluding rural households) reached RMB15.1 trillion, representing an increase of 20.4% over the corresponding period last year.

The GDP of Guangdong, Guangxi, Fujian, Hainan, Shanxi and Yunnan, where we operate, for the first half of the year were approximately RMB2,620.1 billion, RMB533.0 billion, RMB798.3 billion, RMB137.1 billion, RMB578.6 billion and RMB416.6 billion, representing increases of 7.4%, 11.4%, 11.3%, 8.1%, 10.1% and 11.7% respectively over the corresponding period last year. The FAI (excluding rural households) in these provinces for the first half of the year were approximately RMB769.8 billion, RMB539.6 billion, RMB564.3 billion, RMB95.6 billion, RMB275.2 billion and RMB314.6 billion, representing increases of 10.1%, 29.7%, 28.5%, 43.0%, 24.1% and 23.0% respectively over the corresponding period last year.

In order to stabilize the economic growth, the People's Bank of China reduced the RMB required reserve ratio for deposit taking financial institutions twice in the first half of the year and cut the RMB benchmark deposit and loan interest rates for deposit taking financial institutions twice in June and July; the National Development and Reform Commission also accelerated the approval process of a number of investment projects involving steel, petrochemicals, railways and rural development projects. The implementation of these projects will help stabilize economic growth in China. We foresee that these projects will gradually enter the construction phase in the second half of the year and will drive the growth of the demand for cement.

Since 2011, the Chinese government continuously implemented control measures on the property sector which has led to significant slowdown in the growth of investment in the property sector. For the purpose of the stability of the economy, the government launched measures including the lowering of the required reserve ratio, interest rate cuts and the concession policy for the first home buyers since April 2012 in order to support owner-occupied housing demand, which has lifted the volume of property transactions in the Chinese Mainland month by month. The government also implemented a number of policies to ensure the availability of funds for the construction of affordable homes. According to the targets set out by the Ministry of Housing and Urban-Rural Development of China, construction of 7 million affordable homes shall be commenced in 2012 and 5 million units shall be completed in 2012 nationally. As at 30 June 2012, construction of 4.7 million units has been commenced and 2.6 million units were completed. We expect that the completion target for the construction of affordable homes will be successfully achieved in the second half of the year.

After the high-speed railway accident in July 2011, most of the railway construction projects in China were suspended. These projects have gradually resumed construction since early 2012. The Ministry of Railways of China has targeted investment in railways at RMB580.0 billion for 2012. According to the National Bureau of Statistics, a total of RMB146.5 billion was invested in railways in the first half of 2012. Whilst this represented a decrease of 36.9% over the corresponding period last year, it already revealed an upward trend based on monthly data. According to the current situation, we expect that the railway investment in the second half of the year will continue to be increased.

In June 2012, The Chinese government issued the document "Development Plan on Water Resources (Years 2011-2015)" and placed water conservancy development as the key area of public finance investment and with priority in the area of infrastructure construction, and planned to substantially increase the investment in water conservancy. According to this plan, the total investment in the sector will reach RMB4.0 trillion in the next 10 years. According to the investment plan announced by each of the provinces, the aggregate national water conservancy investment for 2012 will reach RMB480.0 billion, representing an increase of approximately 40% over 2011. In the first half of 2012, the completed investment in water conservancy in China was RMB147.9 billion, representing an increase of 15.0% over the corresponding period last year.

THE INDUSTRY

According to the China Cement Association, the total national cement production was approximately 990 million tons in the first half of year 2012, representing an increase of 5.5% over the corresponding period in 2011. The rate of increase was 14.1 percentage points lower than that of the corresponding period in 2011. In Southern China (comprising Guangdong, Guangxi, Fujian, Hainan and Yunnan) and Shanxi where we operate, the total cement production in the first half of the year was approximately 190 million tons, representing an increase of 8.9% over the corresponding period last year, which was above the national average. Among them, the cement production in Guangdong, Guangxi, Fujian, Hainan, Shanxi and Yunnan were approximately 50.2 million tons, 41.5 million tons, 33.5 million tons, 7.0 million tons, 19.1 million tons and 36.0 million tons, representing increases of approximately 0.1%, 7.8%, 14.3%, 0.7%, 22.8% and 14.0% respectively over the corresponding period in 2011. According to our estimate, there were fifty seven clinker production lines using the new suspension preheater technology ("NSP") commencing operation in the first half of 2012, which have increased the total annual NSP clinker production capacity in China by 82.9 million tons to approximately 1.5 billion tons. Among them, fourteen NSP clinker production lines commenced operation in Southern China and one commenced operation in Shanxi, which increased the total annual clinker production capacity by 19.8 million tons and 800,000 tons to approximately 260.0 million tons and 50.0 million tons respectively.

On 9 July 2012, the Chinese government issued a list of enterprises with obsolete capacities to be shut down and requested all the listed obsolete capacities to be shut down by the end of September 2012 and be completely dismantled by the end of 2012. Among them, the cement industry will eliminate 275.0 million tons of obsolete capacity, representing an 80% increase over the last year's total eliminated capacity of 153.0 million tons. In the areas where we operate, a total of 8.9 million tons, 23.1 million tons, 9.3 million tons, 1.0 million tons, 24.3 million tons and 1.7 million tons will be eliminated in Guangdong, Guangxi, Fujian, Hainan, Shanxi and Yunnan respectively, involving a total of 331 enterprises. We believe the elimination of obsolete capacity will benefit the improvement in the demand and supply relationship as well as the competitive environment of the Chinese cement industry.

ENERGY SAVING AND EMISSION REDUCTION

The Group is persistent to environmental protection and green cement development, is endeavored to enhance the monitoring and effective treatment of waste emission, and is leading the Chinese cement industry in emission control and in the ability on sludge treatment.

According to China's Twelfth Five-Year Plan, the national emission of nitrogen oxides should be reduced by 10% during the Twelfth Five-Year Plan period. Based on the current situation of nitrogen emission, the Ministry of Environmental Protection of China intends to lower the nitrogen oxides emission targets for the cement industry. The Group realizes the importance of the emission control of the nitrogen oxides and has completed the first technological upgrade project on denitrogenation for one NSP clinker production line in Nanning, which has significantly reduced the nitrogen oxides emission level of that production line. The Group will progressively upgrade other production lines with nitrogen oxides removal equipment so as to reduce the emission of nitrogen oxides and continue to stand in the forefront and lead the peers in China in energy saving and emission reduction.

OPERATIONAL PERFORMANCE REVIEW

Acquisitions

On 13 January 2012, the Company successfully won the tender of 1.878% equity interest in China Resources Cement (Changjiang) Limited held by a non-controlling shareholder, an independent third party, in a public tender at the consideration of approximately RMB20.6 million (equivalent to HK$25.2 million). The acquisition was completed in March 2012 and thereafter, the Company has owned 96.4% equity interest in this subsidiary.

New production plants

During the Period, the Group completed the construction of a 4500 tons per day clinker production line and two cement grinding lines in Yanshi Town, Longyan City, Fujian, increasing our total annual cement and clinker production capacities by 2.0 million tons and 1.4 million tons respectively.

Capacity utilization

During the Period, the utilization rates of our cement, clinker and concrete production lines were 71.0%, 101.8% and 37.2% as compared with 83.8%, 116.7% and 42.8% respectively for the corresponding period last year.

Procurement

In order to reduce supply risk, the Group continued to reduce procurement of coal from Vietnam in the first half of 2012. The volume of coal procured from Vietnam was reduced to 33% of the total procurement during the Period (45% for the full year of 2011). Meanwhile, the Group has also strengthened the cooperation with China Resources Power Logistics (Tianjin) Co., Ltd. and procured approximately 310,000 tons of coal from it at market price during the Period, representing an increase of 39.5% over the corresponding period in 2011. In order to ensure steady coal supply and reduce the cost of procurement, the Group also actively expanded channels for procurement of coal. In the first half of 2012, 52% of the total coal procurement was sourced from northern China (55% for the full year of 2011) and the remaining was sourced from other areas in China such as Yunnan, Guizhou, Hunan and Fujian.

Turnover

The consolidated turnover for the six months ended 30 June 2012 amounted to HK$11,033.9 million, representing an increase of 9.8% over HK$10,051.7 million for the corresponding period last year. An analysis of segmental turnover by product is as follows:

	For the six months ended 30 June					
	2012			2011		
	Volume	**Average selling price**	**Turnover**	Volume	Average selling price	Turnover
	'000 tons/m³	***HK$***	***HK$'000***	*'000 tons/m³*	*HK$*	*HK$'000*
Cement	**22,969**	**333.9**	**7,669,858**	19,354	371.7	7,193,815
Clinker	**4,358**	**270.3**	**1,178,073**	2,322	301.5	700,151
Concrete	**5,877**	**372.0**	**2,186,018**	6,200	348.0	2,157,736
Total			**11,033,949**			10,051,702

The commencement of operation of our newly constructed production lines and the completion of the acquisitions we made since 2011 have contributed to the increased production capacity which enables us to increase our production volume. During the Period, we have increased our external sales volume of cement by 3.6 million tons and clinker by 2.0 million tons, representing increases of 18.7% and 87.7% respectively over the corresponding period last year. Our concrete sales volume decreased by 5.2% to 5.9 million m^3. During the Period, approximately 70.0% of the cement sales were generated from 42.5 or higher grades (78.8% for the corresponding period in 2011) and approximately 45.2% of the volume of our cement products were sold in bags (30.3% for the corresponding period in 2011). Internal sale volume of cement for our concrete production was 1,148,000 tons (1,156,000 tons for the corresponding period in 2011), representing 4.8% of the total volume of cement sold (5.6% for the corresponding period in 2011). The intra-group transactions of HK$392.7 million (HK$433.4 million for the corresponding period in 2011) were eliminated from the consolidated turnover for the Period.

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

	For the six months ended 30 June					
	2012			2011		
	Volume *'000 tons*	**Average selling price** *HK$*	**Turnover** *HK$'000*	Volume *'000 tons*	Average selling price *HK$*	Turnover *HK$'000*
Guangdong	**7,393**	**357.9**	**2,645,959**	8,304	397.5	3,300,612
Guangxi	**8,708**	**305.0**	**2,655,852**	7,658	319.6	2,447,601
Fujian	**2,597**	**344.0**	**893,344**	1,166	448.6	523,075
Hainan	**1,794**	**374.7**	**672,125**	1,634	458.9	749,810
Shanxi	**1,294**	**292.2**	**378,159**	592	291.8	172,717
Yunnan	**1,183**	**358.8**	**424,419**	–	–	–
Total	**22,969**	**333.9**	**7,669,858**	19,354	371.7	7,193,815

The average selling prices of cement, clinker and concrete for the Period were HK$333.9 per ton, HK$270.3 per ton and HK$372.0 per m^3, representing decrease of 10.2%, decrease of 10.3% and increase of 6.9% respectively over the corresponding period last year. The decreases in average selling prices of cement and clinker for the Period primarily reflected the sluggish demand due to the weakened economy and the poor weather conditions during the Period. There was more than normal rainfall in Southern China during the Period which has led to accumulation of inventory by cement manufacturers who were more willing to cut price to keep the inventory moving so that cement production will not be interrupted. The increase in average selling prices of concrete reflected the transfer of cost increases to the market.

Major production costs

The average price of coal we purchased for the Period was around HK$868 per ton, representing an increase of 7.2% from the average price of HK$810 per ton for the corresponding period last year, while the quality of coal was improved with average thermal value increased by 2.5% to 4,856 kcal per kg. During the Period, our unit coal consumption decreased to 163.5 kg per ton of clinker produced, representing a decrease of 1.3% from the average of 165.6 kg for the corresponding period in 2011. Our standard coal consumption decreased to 109.9 kg per ton of clinker for the Period from the average of 110.2 kg for the same period last year. As the effect of increase in coal price was partially offset by the effect of improved coal consumption, our average coal cost of production for the Period increased by 5.7% to HK$141.9 per ton of clinker produced from HK$134.2 for the corresponding period of 2011. Coal cost represented approximately 45.4% of the cost of sales for cement for the Period (45.6% in the corresponding period of 2011) and approximately 39.0% of the Group's total cost of sales for the Period (37.3% in the corresponding period of 2011).

Our average electricity cost increased by 3.2% to HK$44.6 per ton of cement from HK$43.2 due to the increase in electricity tariffs since the second half of 2011 as offset by reduced electricity consumption for production and higher utilization of the residual heat recovery generators during the Period. We managed to improve our electricity consumption to 86.3 kwh per ton of cement for the Period (90.0 kwh for the corresponding period of 2011), representing a cost saving of approximately HK$66.6 million (HK$24.8 million for the corresponding period of 2011). Our residual heat recovery generators performed satisfactorily and generated 691.7 million kwh of electricity for the Period, representing an increase of 40.3% over 493.0 million kwh of electricity generated in the corresponding period last year. The electricity generated during the Period accounted for approximately 28.5% of our required electricity consumption (23.4% for the corresponding period of 2011) and we achieved a cost saving of approximately HK$438.4 million for the Period (HK$284.8 million for the corresponding period of 2011). Electricity cost represented approximately 17.0% of the cost of sales for cement for the Period (17.9% in the corresponding period of 2011) and approximately 14.6% of the Group's total cost of sales for the Period (14.7% for the corresponding period in 2011).

Gross profit and gross margin

The consolidated gross profit for the Period was HK$2,299.5 million, representing a decrease of 31.0% from HK$3,330.5 million for the corresponding period last year and the consolidated gross margin was 20.8%, representing a decrease of 12.3 percentage points from 33.1% for the corresponding period last year. The decrease in consolidated gross profit for the Period was mainly attributable to the general decrease in selling price as well as increase in cost of production of our cement products. The gross margins of cement, clinker and concrete for the Period were 21.0%, 11.1% and 25.4%, as compared with 36.8%, 26.8% and 23.0% respectively for the corresponding period last year.

Other income

Other income for the Period was HK$132.4 million, representing a decrease of 44.5% from HK$238.4 million for the corresponding period last year. This is mainly due to the appreciation of HK$ against RMB during the Period. As a result, an exchange loss of HK$50.7 million from net bank loans denominated in HK$ was generated during the Period, which was charged to general and administrative expenses, as opposed to an exchange gain of HK$115.7 million derived during the corresponding period last year.

Selling and distribution expenses

Selling and distribution expenses for the Period were HK$542.5 million, which was 9.2% less than HK$597.5 million for the corresponding period last year. The lower level of selling and distribution expenses was the result of our continuing effort to improve our logistics management. As a percentage to consolidated turnover, selling and distribution expenses decreased to 4.9% for the Period from 5.9% for the same period last year.

General and Administrative Expenses

General and administrative expenses for the Period were HK$766.2 million, representing an increase of 65.5% over HK$463.0 million for the corresponding period last year. As a percentage to consolidated turnover, general and administrative expenses increased to 6.9% for the Period from 4.6% for the corresponding period last year. This was the combined result of our expanded operations, the relatively inflexible fixed overheads incurred, the newly constructed and acquired plants which were operating at the tune-in stage, and the exchange loss of HK$50.7 million as explained in the paragraph on other income above.

Share of results of jointly controlled entities

The share of results of jointly controlled entities attributable to the Group for the Period amounted to HK$11.2 million, representing a decrease of 82.8% from HK$65.1 million in 2011. The jointly controlled entities operated mainly in the vicinity of Guangzhou City. The decrease reflected the cement industry in the area underperformed the other areas in Guangdong.

Share of results of associates

The share of results of associates attributable to the Group for the Period amounted to HK$46.8 million, representing results generated from the associates that operated in Inner Mongolia, which was acquired in July 2011.

Taxation

The effective tax rate of the Group for the Period was 20.0%, representing an increase of 11.7 percentage points over 8.3% of the corresponding period last year. This was because Tax Holidays enjoyed by certain subsidiaries have been fully utilized and a higher portion of the profit was generated from subsidiaries which were subject to the Chinese Mainland Enterprise Income Tax rate of 25%.

Net margin

Net margin of the Group for the Period was 5.7%, which was 15.5 percentage points lower than that of 21.2% for the corresponding period last year. After full allocation of other income and corporate expenses but excluding share of results of associates and jointly controlled entities, net profit per ton of cement products and per m^3 of concrete were about HK$17.5 (HK$84.8 for the corresponding period in 2011) and HK$13.0 (HK$21.0 for the corresponding period in 2011) respectively.

Liquidity and Financial Resources

As at 30 June 2012, the Group's cash and bank balances and pledged bank deposits included the following amounts:

	As at 30 June 2012	As at 31 December 2011
	'000	*'000*
HK$	**514,471**	1,400,713
RMB	**1,530,299**	1,877,115
US$	**12,129**	4,305

As at 30 June 2012, the Group's banking facilities amounted to US$157.5 million, HK$9,840.0 million and RMB15,231.0 million, of which HK$700.0 million and RMB7,936.5 million were unutilized and remained available for draw down. The total bank loans of the Group amounting to HK$19,311.3 million equivalent (HK$20,494.4 million equivalent as at 31 December 2011) comprised loans in the following currencies:

	As at 30 June 2012	As at 31 December 2011
	'000	*'000*
US$	**157,500**	165,000
HK$	**9,140,000**	8,330,000
RMB	**7,294,500**	8,821,900

Among these bank loans denominated in RMB, total amount of HK$368.0 million equivalent was secured by bank deposits and fixed assets of the Group (HK$409.9 million as at 31 December 2011) and HK$18,943.3 million equivalent (HK$20,084.5 million as at 31 December 2011) was unsecured.

As at 30 June 2012, bank loans carried interests at fixed and variable rates amounting to HK$1,803.2 million and HK$17,508.1 million respectively (all bank loans carried interests at variable rates as at 31 December 2011).

During the first half of 2012, the Group obtained certain loans from China Resources (Holdings) Company Limited, the Company's holding company. As at 30 June 2012, the total amount of the outstanding loans was HK$3,439.6 million equivalent (HK$880.8 million as at 31 December 2011) which comprised loans in the following currencies:

	As at 30 June 2012	As at 31 December 2011
	'000	*'000*
HK$	**Nil**	880,800
RMB	**2,804,000**	Nil

The shareholder's loans at 30 June 2012 were unsecured, interest free and repayable on demand. The shareholder's loans at 31 December 2011 were unsecured, interest bearing at the then prevailing market borrowing rates and repayable in January 2012.

Under the terms of certain agreements for the total banking facility of HK$10,647.5 million equivalent which will expire from September 2012 to June 2016, China Resources (Holdings) Company Limited is required to hold not less than 51% of the voting share capital of the Company. Under the terms of certain agreements for the total banking facility of HK$10,847.5 million equivalent, the net gearing ratio of the Company (as may be adjusted to exclude certain non-tangible assets) shall not exceed 180%. The net gearing ratio of the Company as at 30 June 2012, calculated by dividing net borrowings by equity attributable to owners of the Company, was 104.2% (91.3% as at 31 December 2011).

The Group's business transactions were mainly carried out in HK$ and RMB. The Group's exposure to currency risk was attributable to the bank balances and bank loans which were denominated in currencies other than the functional currency of the entity to which these bank balances and bank loans were related. The Group currently does not have a foreign currency hedging policy in respect of foreign currency exposure. However, the management monitors the related foreign currency exposure closely and will consider hedging significant currency exposure should the need arise. As at 30 June 2012, the Group was engaged in a hedging contract in the amount of US$100.0 million (US$100.0 million as at 31 December 2011) for the purpose of the settlement of a US$ bank loan.

The Group has net current liabilities of HK$9,161.9 million as at 30 June 2012. Taking into account the cash and bank balances, the unutilized banking facilities, the expected future internally generated funds and the new banking facilities to be obtained, the Company is confident that the Group will be able to meet its financial obligations when they fall due in the foreseeable future. The Company will obtain more bank loan facilities with longer maturity dates in order to strengthen the liquidity position.

Charges on Assets

As at 30 June 2012, certain assets of subsidiaries of the Company with an aggregate carrying value of HK$332.5 million (HK$548.5 million as at 31 December 2011) were pledged with banks for banking facilities used by these subsidiaries.

Contingent Liabilities

As at 30 June 2012, the Group has issued guarantees to a bank in respect of banking facilities in the amount of HK$50.0 million granted to a jointly controlled entity, of which HK$40.0 million had been utilized.

Employees

As at 30 June 2012, our Group employed a total of 22,721 full time employees of whom 180 were based in Hong Kong and the remaining 22,541 were based in the Chinese Mainland. A breakdown of our employees by functions is stated as follows:

	Number of employees
Management	310
Finance and administration	3,482
Production and technical	16,379
Quality control	1,983
Sales and marketing	567
Total	22,721

Among our 310 senior and middle managerial staff, 63% possess university degrees, 30% have received post-secondary education and their average age is about 43. We offer our employees remuneration packages mainly on the basis of individual performance and experience and also having regard to industrial practice, which include basic wages, production unit allowance, performance related bonuses and other staff benefits. The Company has established a long term award scheme (the "Scheme") whereby eligible employees of the Group may be granted cash benefits calculated according to the shares of the Company (the "Share(s)") acquired by the trustee under the Scheme. Details of the Scheme are stated in the section on Long Term Award Scheme.

The Company pays close attention to the personal development and training of the employees. During the Period, a total of 17 training programs held over 52 days were organized for the various functional departments and regional offices with a view to improving the overall quality of our employees. A total of 1,520 attendees participated in these training programs.

Long Term Award Scheme

The Company adopted a share award scheme on 2 September 2009. The share award scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. The purpose of the share award scheme is to recognize the contributions of officers and employees of our Group, excluding any Director, towards the development of our Group in the past or as incentives to selected grantees to achieve higher than target profits for our Group and to align the interests of the selected grantees with sustainable growth and development of our Group.

The aggregate number of Shares purchased under the share award scheme shall not exceed 2.5% of all issued shares of the Company. The aggregate number of Shares which may be awarded to a selected grantee under the share award scheme shall not exceed 0.1% of the issued share capital of the Company. A trust has been set up and BOCI-Prudential Trustee Limited has been appointed as the trustee. Pursuant to the share award scheme, the trustee may purchase Shares from the public market out of cash contributed by the Company from time to time. Shares purchased under the share award scheme will be held in trust for the eligible employees until such Shares are vested in accordance with the provisions of the rules relating to the share award scheme. The share award scheme will be effective for a term of 10 years until 2 September 2019 unless terminated at the discretion of the Board at an earlier date.

On 17 November 2010, the Company amended the terms of the share award scheme to include Directors as eligible grantees and such that payments under the Scheme will be made in form of cash rather than Shares. According to the Scheme, the Company can utilize the proceeds generated from the disposal of the Shares purchased and held by the trustee for awards to be made under the Scheme. Grantees do not have any right to the Shares.

Throughout the Period, the trustee has been holding 155,294,000 Shares on trust for the Scheme. No grant was made during the Period. As at 30 June 2012, the trustee held 155,294,000 Shares and cash of HK$21,636,000 on trust under the Scheme.

Use of Proceeds

As stated in the prospectus of the Company dated 21 September 2009, the Group had plans to use the proceeds obtained from the initial public offering of the Shares and all the proceeds have been fully used as planned as at 30 June 2012.

Expansion Plan	Residual balance to be used as at 31/12/2011	Used during the Period	Residual balance to be used as at 30/6/2012
	HK$ million	*HK$ million*	*HK$ million*
Construction of production lines in Wuxuan County, Guangxi with a total capacity of 1.9 million tons of cement and 1.6 million tons of clinker	5.2	5.2	–

Future Plan and Capital Expenditure

New construction

During the Period, the Company approved and commenced the following construction:

(1) two clinker production lines with annual capacity of 1.55 million tons each in Fengkai County, Guangdong with total cost of construction amounting to approximately RMB2,184.5 million (equivalent to approximately HK$2,679.7 million); and

(2) eleven concrete batching plants with total annual capacity of 6.6 million m^3, with the cost of construction amounting to approximately HK$467.0 million.

Modification to construction plan

As previously reported, China Resources Cement (Xinzhou) Limited, our non-wholly owned subsidiary, was looking for other limestone reserves for the purpose of construction of one 4500 tons per day NSP clinker production line and two cement grinding lines with total annual production capacity of 2.0 million tons in Xinzhou City, Shanxi. A piece of limestone reserve has been located recently and the Company will re-activate the construction of these intended production lines once the quarry can be confirmed and the revised construction plan is approved by the relevant government authorities.

We have previously reported in our Annual Report 2011 that we would commence the construction of one clinker production line with annual capacity of 1.6 million tons and two cement grinding lines with total annual capacity of 2.0 million tons in Fangshan County, Lüliang City, Shanxi. In June 2012, the local government issued a notice requesting all construction work be temporarily suspended on the grounds that the construction site has been included in the new town planning zone. Therefore, our production lines may have to be relocated to another piece of land. We will seek clarification with the government regarding the notice and report the progress to shareholders when appropriate.

Capital expenditure

As at 30 June 2012, the Group has outstanding capital expenditure for projects under construction in the amount of HK$8,568.5 million of which approximately HK$3,999.6 million and HK$2,416.7 million are expected to be expended in the second half of 2012 and in the year ended 31 December 2013 respectively. Details of these projects are as below:

Projects	**Total capital expenditure for the project**	**Expended as at 31/12/2011**	**Expended during 1/1/2012 to 30/6/2012**	**Outstanding capital expenditure as at 30/6/2012**
	HK$ million	*HK$ million*	*HK$ million*	*HK$ million*
Construction of production lines in Fengkai County, Guangdong with a total capacity of 6.0 million tons of cement and 6.2 million tons of clinker	6,520.7	5,935.6	124.9	460.2
Construction of production lines in Fuchuan County, Guangxi with a total capacity of 1.9 million tons of cement and 1.6 million tons of clinker	1,163.1	1,050.8	53.2	59.1
Construction of production lines in Shangsi County, Guangxi with a total capacity of 1.9 million tons of cement and 1.6 million tons of clinker	1,526.2	1,343.3	45.3	137.6
Construction of production lines in Tianyang County, Guangxi with a total capacity of 1.9 million tons of cement and 1.6 million tons of clinker	1,076.4	891.2	15.9	169.3
Construction of production lines in Wuxuan County, Guangxi with a total capacity of 1.9 million tons of cement and 1.6 million tons of clinker	1,031.6	814.3	23.2	194.1

Projects (Continued)	**Total capital expenditure for the project** *HK$ million*	**Expended as at 31/12/2011** *HK$ million*	**Expended during 1/1/2012 to 30/6/2012** *HK$ million*	**Outstanding capital expenditure as at 30/6/2012** *HK$ million*
Construction of production lines in Shantou City, Guangdong with a total capacity of 1.8 million tons of cement	254.1	246.5	2.7	4.9
Construction of production lines in Luchuan County, Guangxi with a total capacity of 1.9 million tons of cement and 1.6 million tons of clinker	1,121.1	887.0	57.0	177.1
Construction of production lines in Yongding County, Fujian, with a total capacity of 1.9 million tons of cement and 1.6 million tons of clinker	1,499.4	1,133.3	45.9	320.2
Construction of production lines in Yangchun County, Guangdong with a total capacity of 1.0 million tons of cement and 0.8 million tons of clinker	345.3	301.6	15.6	28.1
Construction of production lines in Longyan City, Fujian, with a total capacity of 1.9 million tons of cement and 1.6 million tons of clinker	1,456.7	967.7	74.0	415.0
Construction of production lines in Liulin County, Shanxi, with a total capacity of 4.0 million tons of cement and 2.7 million tons of clinker	2,594.0	2,348.3	83.3	162.4
Construction of the second set of production lines in Shangsi County, Guangxi with a total capacity of 2.0 million tons of cement and 1.6 million tons of clinker	673.4	560.3	22.4	90.7
Construction of production lines in Changzhi City, Shanxi, with a total capacity of 2.0 million tons of cement and 1.4 million tons of clinker	1,253.1	457.2	164.9	631.0
Acquisition of production lines in Changzhi City, Shanxi, with a total capacity of 600,000 tons of cement and 372,000 tons of clinker	171.2	111.0	–	60.2
Construction of production lines in Yanshi Town, Longyan City, Fujian, with a total capacity of 2.0 million tons of cement and 1.4 million tons of clinker	1,272.8	712.4	73.2	487.2

Projects	**Total capital expenditure for the project**	**Expended as at 31/12/2011**	**Expended during 1/1/2012 to 30/6/2012**	**Outstanding capital expenditure as at 30/6/2012**
(Continued)	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*
Construction of production lines in Fangshan County, Shanxi, with a total capacity of 2.0 million tons of cement and 1.6 million tons of clinker	1,300.5	22.9	8.0	1,269.6
Acquisition of production lines in Fangshan County, Shanxi, with a total capacity of 700,000 tons of cement and 372,000 tons of clinker	309.1	129.4	67.2	112.5
Construction of production lines in Luoding County, Guangdong, with a total capacity of 2.0 million tons of cement and 1.4 million tons of clinker	1,201.6	262.1	294.0	645.5
Construction of production lines in Fengkai County, Guangdong with a total capacity of 3.1 million tons of clinker	2,679.7	–	485.4	2,194.3
Construction of 11 concrete batching plants with a total capacity of 6.6 million m^3 of concrete	467.0	43.7	36.6	386.7
Technological upgrade projects and other purchases of fixed assets	562.8	–	–	562.8
	28,479.8	18,218.6	1,692.7	8,568.5

Apart from the foregoing, the Group had no other significant planned capital expenditure or commitment as at 30 June 2012. The above planned and intended capital expenditures and commitments will be financed by bank loans and internally generated funds.

STRATEGIC OBJECTIVES AND PROSPECTS

In the first half of 2012, the Group added annual cement production capacity of 2.0 million tons and annual clinker production capacity of 1.4 million tons in Fujian. Currently, the Group's annual cement and clinker capacities in Fujian are 10.9 million tons and 6.8 million tons respectively and has become the largest cement company in Fujian by production capacity and has established its leading position in the Fujian cement market.

As at 30 June 2012, we had annual production capacities of 70.7 million tons of cement, 48.8 million tons of clinker and 32.0 million m^3 of concrete, which were in operation, through our subsidiaries. Assuming that there will not be any further acquisition, we expect that we will own annual production capacities of cement, clinker and concrete of 72.7 million tons, 50.2 million tons and 38.0 million m^3 respectively by the end of 2012, 77.7 million tons, 57.4 million tons and 45.2 million m^3 respectively by the end of 2013, 87.0 million tons, 64.6 million tons and 52.4 million m^3 respectively by the end of 2014, and 89.0 million tons, 66.2 million tons and 59.6 million m^3 respectively by the end of 2015. In addition, as at 30 June 2012, the cement companies in Guangzhou City which we hold through jointly controlled entities and the associated companies that operate in Inner Mongolia, which we have equity interest, had total annual clinker and cement production capacities in operation of 14.5 million tons and 23.2 million tons, of which the annual clinker and cement production capacities attributable to the Company according to equity interest amounted to 6.5 million tons and 10.7 million tons respectively.

Looking forward, after the implementation of a series of policies under the keynote of "Stabilizing Growth" by the Chinese government, we believe that the domestic demand in China will return to steady growth. We expect that the FAI will play a significant role in this round of economic recovery. Growth in infrastructure investment will recover and the growth rate of industrial investment and property investment will rebound. With the commencement of the major projects approved since the second quarter this year, successful completion of the social housing construction, the acceleration of investments in railway and water conservancy, the elimination of a substantial amount of obsolete cement capacity and the arrival of peak season of cement demand in Southern China, the Chinese cement industry will recapture better development opportunities, the demand and supply dynamics, competitive situation and business environment in the regions where we operate will continue to improve.

We will persist in our confidence and positively participate in the consolidation of the regional cement markets in accordance with our "3 + 2" development strategy. While striving to consolidate and improve the current regional market share, we will continue to seek new development opportunities, and contribute unremitting efforts to realize our strategic objectives.

CORPORATE GOVERNANCE

The Company met with the code provisions set out in the Code on Corporate Governance Practices (effective until 31 March 2012) during the period from 1 January 2012 to 31 March 2012 and the Corporate Governance Code (effective from 1 April 2012) during the period from 1 April 2012 to 30 June 2012 contained in Appendix 14 of the Listing Rules at that time, except the following:

1. All non-executive Directors were not appointed for a specific term. Since all Directors are subject to re-election by shareholders at annual general meetings and at least about once every three years on a rotation basis in accordance with the articles of association of the Company, there are sufficient measures to ensure the corporate governance of the Company complies with the same level to that required under the Code on Corporate Governance Practices and the Corporate Governance Code.

2. Mr. DU Wenmin and Mr. WEI Bin, the non-executive Directors, were unable to attend the annual general meeting of the Company held on 4 May 2012 as they were out of town for other businesses.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

APPRECIATION

On behalf of the Board, I would like to thank the Directors, management team and all employees for their contribution and dedication to their work and our stakeholders for their continuing trust and support to the Company.

PUBLICATION OF INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The Company's Interim Report 2012 for the six months ended 30 June 2012 will be published on the website of the Stock Exchange (www.hkex.com.hk) and the official website for corporate communication of the Company (www.irasia.com/listco/hk/crcement/index.htm) in due course.

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

Hong Kong, 10 August 2012

As at the date of this announcement, the executive Directors are Mr. ZHOU Longshan, Mr. PAN Yonghong, Mr. YU Zhongliang and Mr. LAU Chung Kwok Robert; the non-executive Directors are Mr. DU Wenmin, Mr. WEI Bin, Mr. HUANG Daoguo and Mr. CHEN Ying; 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.