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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 2015

	For the nine months ended 30 September		Decrease
	2015 (unaudited)	2014 (unaudited)	
Turnover (<i>HK\$ million</i>)	19,752.1	23,387.8	(15.5)%
Profit attributable to owners of the Company (<i>HK\$ million</i>)	1,282.2	3,256.2	(60.6)%
Basic earnings per share	HK\$0.196	HK\$0.498	
	As at 30/9/2015 (unaudited)	As at 31/12/2014 (audited)	Increase (Decrease)
Total assets (<i>HK\$ million</i>)	55,360.4	57,537.1	(3.8)%
Equity attributable to owners of the Company (<i>HK\$ million</i>)	27,299.6	28,179.9	(3.1)%
Net borrowings (<i>HK\$ million</i>) (<i>note 1</i>)	16,263.6	16,112.7	0.9%
Net gearing ratio (<i>note 2</i>)	59.6%	57.2%	
Net assets per share – book (<i>note 3</i>)	HK\$4.18	HK\$4.31	
<i>notes:</i>			
1.	Net borrowings equal to total borrowings 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 2015 (the “Period”) as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	For the three months ended 30 September		For the nine months ended 30 September	
	2015	2014	2015	2014
<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Turnover	6,347,924	8,226,815	19,752,132	23,387,837
Cost of sales	(4,881,700)	(5,785,665)	(14,932,359)	(16,115,437)
Gross profit	1,466,224	2,441,150	4,819,773	7,272,400
Other income	99,705	116,397	276,726	285,410
Selling and distribution expenses	(464,301)	(487,381)	(1,264,965)	(1,326,915)
General and administrative expenses	(506,050)	(493,028)	(1,446,824)	(1,375,668)
Exchange gain (loss)	(660,408)	21,616	(651,488)	(123,959)
Finance costs	(125,020)	(172,714)	(408,979)	(522,242)
Share of results of associates	16,299	86,394	(127,738)	45,488
Share of results of joint ventures	1,626	22,746	19,112	68,807
Profit (loss) before taxation	(171,925)	1,535,180	1,215,617	4,323,321
Taxation	(81,799)	(339,012)	20,512	(1,092,737)
Profit (loss) for the period	<u>(253,724)</u>	<u>1,196,168</u>	<u>1,236,129</u>	<u>3,230,584</u>
Attributable to:				
Owners of the Company	(248,033)	1,200,204	1,282,190	3,256,171
Non-controlling interests	(5,691)	(4,036)	(46,061)	(25,587)
	<u>(253,724)</u>	<u>1,196,168</u>	<u>1,236,129</u>	<u>3,230,584</u>
Basic earnings (loss) per share	<u>2</u>	<u>HK\$(0.038)</u>	<u>HK\$0.184</u>	<u>HK\$0.196</u>
		<u>HK\$0.498</u>		

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30/9/2015 <i>HK\$'000</i> (unaudited)	As at 31/12/2014 <i>HK\$'000</i> (audited)
Non-current assets		
Fixed assets	31,885,449	33,271,505
Prepaid lease payments	2,841,192	2,787,164
Investment property	91,000	91,000
Intangible assets	2,449,479	2,272,345
Interests in associates	3,040,798	3,284,186
Interests in joint ventures	1,587,476	1,594,566
Deposits for acquisition of fixed assets	1,934,219	1,569,504
Deferred tax assets	237,784	104,252
Long term receivables	610,459	615,166
Pledged bank deposits	22,601	20,558
	44,700,457	45,610,246
Current assets		
Inventories	1,846,994	2,162,359
Trade receivables	3,073,114	2,837,619
Other receivables	1,407,290	1,388,152
Loan to a fellow subsidiary	–	634,905
Amounts due from associates	276,274	321,903
Amounts due from joint ventures	312,087	391,032
Taxation recoverable	48,067	40,286
Pledged bank deposits	13,050	2,781
Cash and bank balances	3,683,116	4,147,804
	10,659,992	11,926,841
Current liabilities		
Trade payables	2,735,721	2,800,119
Other payables	4,491,489	4,670,708
Taxation payable	202,617	875,807
Loan from an intermediate holding company	2,436,620	–
Amount due to immediate holding company	54,956	54,956
Bank loans – amount due within one year	5,410,953	4,728,905
	15,332,356	13,130,495
Net current liabilities	(4,672,364)	(1,203,654)
Total assets less current liabilities	40,028,093	44,406,592

	As at 30/9/2015 <i>HK\$'000</i> (unaudited)	As at 31/12/2014 <i>HK\$'000</i> (audited)
Non-current liabilities		
Bank loans – amount due after one year	9,034,791	12,452,307
Unsecured bonds	3,100,012	3,102,664
Other long term payables	18,506	19,257
Deferred tax liabilities	105,350	117,216
	<u>12,258,659</u>	<u>15,691,444</u>
	<u>27,769,434</u>	<u>28,715,148</u>
Capital and reserves		
Share capital	653,294	653,294
Reserves	26,646,284	27,526,579
	<u>27,299,578</u>	<u>28,179,873</u>
Equity attributable to owners of the Company	27,299,578	28,179,873
Non-controlling interests	469,856	535,275
	<u>27,769,434</u>	<u>28,715,148</u>
Total equity	<u>27,769,434</u>	<u>28,715,148</u>

INTERIM DIVIDEND

An interim dividend of HK\$0.06 per share for the six months ended 30 June 2015 (HK\$0.07 per share for the six months ended 30 June 2014) was declared by the Board on 7 August 2015 and paid to shareholders on 25 September 2015. The Board does not recommend the payment of any dividend for the three months ended 30 September 2015 (Three months ended 30 September 2014: Nil).

OPERATIONAL PERFORMANCE REVIEW

Turnover

The consolidated turnover for the Period amounted to HK\$19,752.1 million, representing a decrease of 15.5% from HK\$23,387.8 million for the corresponding period last year. An analysis of segmental turnover by product is set out as follows:

	For the nine months ended 30 September					
	2015			2014		
	Sales volume	Average selling price	Turnover	Sales volume	Average selling price	Turnover
	'000 tons/m ³	HK\$ per ton/m ³	HK\$'000	'000 tons/m ³	HK\$ per ton/m ³	HK\$'000
Cement	54,001	280.5	15,149,166	50,220	340.4	17,092,604
Clinker	3,767	211.8	797,765	5,062	273.5	1,384,698
Concrete	8,916	426.8	3,805,201	11,650	421.5	4,910,535
Total			<u>19,752,132</u>			<u>23,387,837</u>

Our cement sales to external customers by geographical area are set out as follows:

Province/ Autonomous Region	For the nine months ended 30 September					
	2015			2014		
	Sales volume	Average selling price	Turnover	Sales volume	Average selling price	Turnover
	'000 tons	HK\$ per ton	HK\$'000	'000 tons	HK\$ per ton	HK\$'000
Guangdong	22,013	300.4	6,612,262	20,753	373.8	7,757,925
Guangxi	15,454	282.1	4,359,437	13,847	316.5	4,383,161
Fujian	5,822	253.8	1,477,758	6,322	320.2	2,024,423
Hainan	3,579	323.0	1,155,891	3,624	414.4	1,501,920
Shanxi	2,441	178.6	435,937	3,003	213.2	640,187
Yunnan	3,269	249.6	816,038	2,493	296.0	738,049
Guizhou	1,423	205.1	291,843	178	263.7	46,939
Total	<u>54,001</u>	<u>280.5</u>	<u>15,149,166</u>	<u>50,220</u>	<u>340.4</u>	<u>17,092,604</u>

Gross profit and gross margin

The consolidated gross profit for the Period was HK\$4,819.8 million, representing a decrease of 33.7% from HK\$7,272.4 million for the corresponding period last year. The consolidated gross margin for the Period was 24.4%, representing a decrease of 6.7 percentage points from 31.1% for the corresponding period last year. The decreases in consolidated gross profit and gross margin for the Period were mainly attributable to lower selling prices of cement and clinker as compared with those of the corresponding period last year. The gross margins of cement, clinker and concrete for the Period were 24.1%, 11.3% and 28.3%, as compared with 34.6%, 13.9% and 23.9% respectively for the corresponding period last year.

Exchange loss

Since 11 August 2015, the People's Bank of China has implemented a series of adjustments to the Renminbi central parity exchange rate fixing mechanism which led to significant depreciation of Renminbi against other major currencies within a short period of time. An exchange loss of HK\$651.5 million was generated from non-Renminbi net borrowings for the Period (HK\$124.0 million for the corresponding period in 2014). In order to limit the exposure to currency risk of the Group, the management will closely monitor the related foreign currency exposure and increase the proportion of Renminbi-denominated borrowings of the Group.

Taxation

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\$499.4 million representing the over-provision of enterprise income tax that was previously provided at 25% for the period from 1 January 2013 to 30 September 2014 was therefore reversed and included in taxation for the Period. Had the results of the associates and joint ventures, the effects of this tax over-provision and the non-deductible exchange loss mentioned in the preceding paragraph been excluded for the Period and the corresponding period last year, the effective tax rate of the Group for the Period would be 26.3%, representing an increase of 6.4 percentage points from the restated 19.9% of the corresponding period last year.

Net margin

Net margin of the Group for the Period was 6.3%, which was 7.5 percentage points lower than that of 13.8% for the corresponding period last year.

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

Hong Kong, 23 October 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.