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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 2017

	For the three months ended 31 March		Increase
	2017 (unaudited)	2016 (unaudited)	
Turnover (<i>HK\$ million</i>)	5,771.7	4,721.7	22.2%
Profit attributable to owners of the Company (<i>HK\$ million</i>)	604.5	6.6	9,055.6%
Basic earnings per share	HK\$0.093	HK\$0.001	
Interim dividend per share	Nil	Nil	
	As at 31/3/2017 (unaudited)	As at 31/12/2016 (audited)	Increase
Total assets (<i>HK\$ million</i>)	53,506.9	52,156.5	2.6%
Equity attributable to owners of the Company (<i>HK\$ million</i>)	26,808.8	26,006.8	3.1%
Net borrowings (<i>HK\$ million</i>) (<i>note 1</i>)	15,942.7	14,667.7	8.7%
Net gearing ratio (<i>note 2</i>)	59.5%	56.4%	
Net assets per share – book (<i>note 3</i>)	HK\$4.10	HK\$3.98	

notes:

- Net borrowings equal to total bank borrowings, unsecured bonds, commercial paper and medium term notes less cash and bank balances and pledged bank deposits.
- Net gearing ratio is calculated by dividing net borrowings 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 2017 (the “Period”) as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	<i>Notes</i>	For the three months ended 31 March	
		2017 <i>HK\$’000</i> (unaudited)	2016 <i>HK\$’000</i> (unaudited)
Turnover		5,771,677	4,721,726
Cost of sales		<u>(4,093,956)</u>	<u>(3,746,651)</u>
Gross profit		1,677,721	975,075
Other income		56,054	91,515
Selling and distribution expenses		(341,522)	(324,973)
General and administrative expenses		(390,314)	(415,174)
Exchange gain		37,698	25,727
Finance costs		(145,069)	(177,651)
Share of results of associates		(65,530)	(114,597)
Share of results of joint ventures		<u>14,750</u>	<u>(22,902)</u>
Profit before taxation		843,788	37,020
Taxation	2	<u>(254,171)</u>	<u>(54,411)</u>
Profit (loss) for the period		<u><u>589,617</u></u>	<u><u>(17,391)</u></u>
Attributable to:			
Owners of the Company		604,453	6,602
Non-controlling interests		<u>(14,836)</u>	<u>(23,993)</u>
		<u><u>589,617</u></u>	<u><u>(17,391)</u></u>
Basic earnings per share (<i>HK\$</i>)	3	<u><u>0.093</u></u>	<u><u>0.001</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31/3/2017 <i>HK\$'000</i> (unaudited)	As at 31/12/2016 <i>HK\$'000</i> (audited)
Non-current assets		
Fixed assets	29,963,055	29,783,669
Prepaid lease payments	2,676,225	2,674,723
Investment properties	112,594	112,499
Intangible assets	2,274,606	2,263,684
Interests in associates	5,187,247	5,212,992
Interests in joint ventures	1,500,441	1,484,271
Deposits for acquisition of fixed assets	874,224	752,008
Deferred tax assets	258,287	325,525
Long term receivables	436,422	440,901
Pledged bank deposits	40,653	32,368
	43,323,754	43,082,640
Current assets		
Inventories	2,098,758	1,943,482
Trade receivables	3,191,823	2,434,190
Other receivables	1,039,090	967,299
Amounts due from associates	494,319	486,761
Amounts due from joint ventures	11,411	10,929
Taxation recoverable	70,740	71,065
Pledged bank deposits	1,472	1,461
Cash and bank balances	3,275,554	3,158,684
	10,183,167	9,073,871
Current liabilities		
Trade payables	2,636,719	3,145,780
Other payables	4,239,227	4,446,121
Taxation payable	214,563	334,213
Other unsecured short term debt – commercial paper	563,195	558,965
Unsecured bonds	3,108,528	3,102,032
Bank loans – amount due within one year	5,178,611	3,229,723
	15,940,843	14,816,834
Net current liabilities	(5,757,676)	(5,742,963)
Total assets less current liabilities	37,566,078	37,339,677

	As at 31/3/2017 <i>HK\$'000</i> (unaudited)	As at 31/12/2016 <i>HK\$'000</i> (audited)
Non-current liabilities		
Bank loans – amount due after one year	7,030,838	7,615,712
Unsecured medium term notes	3,379,170	3,353,790
Other long term payables	23,114	20,086
Deferred tax liabilities	92,108	98,220
	<u>10,525,230</u>	<u>11,087,808</u>
	<u>27,040,848</u>	<u>26,251,869</u>
Capital and reserves		
Share capital	653,294	653,294
Reserves	26,155,458	25,353,474
	<u>26,808,752</u>	<u>26,006,768</u>
Equity attributable to owners of the Company	26,808,752	26,006,768
Non-controlling interests	232,096	245,101
	<u>27,040,848</u>	<u>26,251,869</u>
Total equity	<u>27,040,848</u>	<u>26,251,869</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 2016 except for the adoption of certain amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants, which are effective for the Group’s financial year beginning on 1 January 2017. The adoption of these amendments to HKFRSs has had no material impact on the Group’s financial performance and position for the current and prior accounting periods.

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.

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	
	2017	2016
	HK\$’000	HK\$’000
	(unaudited)	(unaudited)
Earnings		
Earnings attributable to owners of the Company for the purpose of basic earnings per share	<u>604,453</u>	<u>6,602</u>
	For the three months ended 31 March	
	2017	2016
	(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

The 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 2016: Nil).

OPERATIONAL PERFORMANCE REVIEW

Turnover

The consolidated turnover for the Period amounted to HK\$5,771.7 million, representing an increase of 22.2% from HK\$4,721.7 million for the corresponding period last year. An analysis of segmental turnover by product is as follows:

	For the three months ended 31 March					
	2017			2016		
	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	14,604	298.3	4,355,813	15,849	232.8	3,689,061
Clinker	1,918	239.2	458,876	911	167.1	152,237
Concrete	2,555	374.6	956,988	2,323	379.0	880,428
Total			<u>5,771,677</u>			<u>4,721,726</u>

Our cement sales by geographical area were as follows:

Province/ Autonomous Region	For the three months ended 31 March					
	2017			2016		
	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	6,194	304.9	1,888,292	5,615	240.8	1,352,015
Guangxi	4,155	275.3	1,143,810	5,360	232.1	1,243,955
Fujian	1,647	272.5	448,838	1,830	208.8	382,167
Hainan	963	383.6	369,436	880	297.4	261,747
Shanxi	118	301.4	35,567	298	154.3	45,982
Yunnan	1,191	321.2	382,596	1,418	225.9	320,363
Guizhou	336	259.7	87,274	448	184.9	82,832
Total	<u>14,604</u>	<u>298.3</u>	<u>4,355,813</u>	<u>15,849</u>	<u>232.8</u>	<u>3,689,061</u>

Gross profit and gross margin

The consolidated gross profit for the Period was HK\$1,677.7 million, representing an increase of 72.1% from HK\$975.1 million for the corresponding period last year. The consolidated gross margin for the Period was 29.1%, representing an increase of 8.4 percentage points from 20.7% for the corresponding period last year. The increases in consolidated gross profit and gross margin for the Period were mainly attributable to the higher selling prices of cement products compared to the corresponding period last year. The gross margins of cement, clinker and concrete for the Period were 31.0%, 19.5% and 24.9%, as compared with 19.5%, -2.5% and 29.3% 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\$604.5 million, compared with HK\$6.6 million for the corresponding period last year.

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

Hong Kong, 21 April 2017

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, Madam ZENG Xuemin and Mr. LAM Chi Yuen Nelson.