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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 2017

	For the nine months ended		Increase
	2017 (unaudited)	2016 (unaudited)	
Turnover (<i>HK\$ million</i>)	20,344.9	17,477.8	16.4%
Profit attributable to owners of the Company (<i>HK\$ million</i>)	2,648.6	838.3	215.9%
Basic earnings per share	HK\$0.405	HK\$0.128	
	As at 30/9/2017 (unaudited)	As at 31/12/2016 (audited)	Increase
Total assets (<i>HK\$ million</i>)	58,863.0	52,156.5	12.9%
Equity attributable to owners of the Company (<i>HK\$ million</i>)	28,838.9	26,006.8	10.9%
Net borrowings (<i>HK\$ million</i>) (note 1)	15,018.5	14,667.7	2.4%
Net gearing ratio (note 2)	52.1%	56.4%	
Net assets per share – book (note 3)	HK\$4.41	HK\$3.98	
<i>notes:</i>			
1.	Net borrowings equal to total bank borrowings, unsecured bonds, commercial paper, medium term notes and loan from a fellow subsidiary 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”) is pleased to announce the unaudited consolidated financial information of the Company and its subsidiaries (the “Group”) for the nine months ended 30 September 2017 (the “Period”) as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	<i>Notes</i>	For the three months ended		For the nine months ended	
		30 September		30 September	
		2017	2016	2017	2016
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Turnover		7,156,562	6,162,173	20,344,946	17,477,781
Cost of sales		(5,028,559)	(4,431,600)	(14,321,349)	(13,050,153)
Gross profit		2,128,003	1,730,573	6,023,597	4,427,628
Other income		102,771	81,831	243,933	210,642
Selling and distribution expenses		(453,078)	(412,466)	(1,232,653)	(1,180,598)
General and administrative expenses		(449,875)	(493,595)	(1,389,846)	(1,372,718)
Exchange gain (loss)		81,004	(40,555)	229,717	(203,696)
Finance costs		(165,662)	(174,438)	(474,441)	(528,040)
Share of results of associates		53,845	64,517	49,324	(43,892)
Share of results of joint ventures		28,894	19,954	62,489	(24,698)
Profit before taxation		1,325,902	775,821	3,512,120	1,284,628
Taxation	2	(306,730)	(203,392)	(880,184)	(490,120)
Profit for the period		<u>1,019,172</u>	<u>572,429</u>	<u>2,631,936</u>	<u>794,508</u>
Attributable to:					
Owners of the Company		1,008,822	580,787	2,648,624	838,314
Non-controlling interests		10,350	(8,358)	(16,688)	(43,806)
		<u>1,019,172</u>	<u>572,429</u>	<u>2,631,936</u>	<u>794,508</u>
Basic earnings per share	3	<u>HK\$0.154</u>	<u>HK\$0.089</u>	<u>HK\$0.405</u>	<u>HK\$0.128</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30/9/2017 <i>HK\$'000</i> (unaudited)	As at 31/12/2016 <i>HK\$'000</i> (audited)
Non-current assets		
Fixed assets	30,520,809	29,783,669
Prepaid lease payments	2,766,953	2,674,723
Investment properties	113,159	112,499
Intangible assets	2,279,387	2,263,684
Interests in associates	5,488,863	5,212,992
Interests in joint ventures	1,569,020	1,484,271
Deposits for acquisition of fixed assets	882,604	752,008
Deferred tax assets	230,653	325,525
Long term receivables	462,160	440,901
Pledged bank deposits	54,839	32,368
	44,368,447	43,082,640
Current assets		
Inventories	2,088,102	1,943,482
Trade receivables	4,039,362	2,434,190
Other receivables	876,314	967,299
Amounts due from associates	492,915	486,761
Amounts due from joint ventures	13,020	10,929
Taxation recoverable	62,427	71,065
Pledged bank deposits	913	1,461
Cash and bank balances	6,921,544	3,158,684
	14,494,597	9,073,871
Current liabilities		
Trade payables	2,911,309	3,145,780
Other payables	4,430,235	4,446,121
Taxation payable	336,678	334,213
Loan from a fellow subsidiary	823,858	–
Other unsecured short term debt - commercial paper	–	558,965
Unsecured bonds	3,124,496	3,102,032
Bank loans - amount due within one year	7,803,116	3,229,723
	19,429,692	14,816,834
Net current liabilities	(4,935,095)	(5,742,963)
Total assets less current liabilities	39,433,352	37,339,677

	As at 30/9/2017 <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	6,713,525	7,615,712
Unsecured medium term notes	3,530,820	3,353,790
Other long term payables	22,619	20,086
Deferred tax liabilities	83,498	98,220
	<u>10,350,462</u>	<u>11,087,808</u>
	<u>29,082,890</u>	<u>26,251,869</u>
Capital and reserves		
Share capital	653,294	653,294
Reserves	28,185,568	25,353,474
	<u>28,838,862</u>	<u>26,006,768</u>
Equity attributable to owners of the Company	28,838,862	26,006,768
Non-controlling interests	244,028	245,101
	<u>29,082,890</u>	<u>26,251,869</u>
Total equity	<u>29,082,890</u>	<u>26,251,869</u>

Notes:

1. BASIS OF PREPARATION

The accounting policies and methods of computation used in the condensed consolidated financial statements for the Period are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2016 except for the adoption of certain new amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants, which are mandatorily effective for the Period. The application of the above amendments to HKFRSs in the Period has had no material effect on the amounts and/or disclosures reported in these condensed consolidated financial statements.

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 for both periods.

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 nine months ended 30 September	
	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Earnings		
Earnings attributable to owners of the Company for the purpose of basic earnings per share	<u>2,648,624</u>	<u>838,314</u>
	For the nine months ended 30 September	
	2017 (unaudited)	2016 (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 ordinary 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

An interim dividend of HK\$0.115 per share for the six months ended 30 June 2017 (HK\$0.015 per share for the six months ended 30 June 2016) was declared by the Board on 4 August 2017 and paid to shareholders on 22 September 2017. The Board does not recommend the payment of any dividend for the three months ended 30 September 2017 (Three months ended 30 September 2016: Nil).

OPERATIONAL PERFORMANCE REVIEW

Turnover

The consolidated turnover for the Period amounted to HK\$20,344.9 million, representing an increase of 16.4% from HK\$17,477.8 million for the corresponding period last year. An analysis of segmental turnover by product is as follows:

	For the nine months ended 30 September					
	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	52,220	292.0	15,248,882	56,964	240.3	13,691,133
Clinker	6,162	250.2	1,541,643	2,939	176.4	518,336
Concrete	9,509	373.8	3,554,421	8,820	370.6	3,268,312
Total			<u>20,344,946</u>			<u>17,477,781</u>

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

Province/ Autonomous Region	For the nine months ended 30 September					
	2017			2016		
	Sales volume <i>'000 tons</i>	Average selling price <i>HK\$ per ton</i>	Turnover <i>HK\$'000</i>	Sales volume <i>'000 tons</i>	Average selling price <i>HK\$ per ton</i>	Turnover <i>HK\$'000</i>
Guangdong	20,934	306.8	6,422,119	21,173	252.8	5,351,775
Guangxi	15,084	265.6	4,006,853	17,086	244.8	4,182,239
Fujian	5,785	262.2	1,516,874	6,795	202.7	1,377,284
Hainan	3,754	351.9	1,321,175	3,481	297.0	1,033,809
Shanxi	1,678	269.5	452,296	2,521	157.0	395,832
Yunnan	3,582	328.2	1,175,603	4,176	244.7	1,022,049
Guizhou	1,403	252.3	353,962	1,732	189.5	328,145
Total	<u>52,220</u>	<u>292.0</u>	<u>15,248,882</u>	<u>56,964</u>	<u>240.3</u>	<u>13,691,133</u>

Gross profit and gross margin

The consolidated gross profit for the Period was HK\$6,023.6 million, representing an increase of 36.0% from HK\$4,427.6 million for the corresponding period last year. The consolidated gross margin for the Period was 29.6%, representing an increase of 4.3 percentage points over 25.3% 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 our products compared to the corresponding period last year. The gross margins of cement, clinker and concrete for the Period were 30.8%, 24.5% and 26.5%, as compared with 24.9%, 7.0% and 30.0% 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\$2,648.6 million, representing an increase of 215.9% from HK\$838.3 million for the corresponding period last year.

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

Hong Kong, 20 October 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.