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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 2018

	For the three months ended 31 March		Increase
	2018 (unaudited)	2017 (unaudited)	
Turnover (<i>HK\$ million</i>)	8,046.7	5,771.7	39.4%
Profit attributable to owners of the Company (<i>HK\$ million</i>)	1,791.7	604.5	196.4%
Basic earnings per share	HK\$0.274	HK\$0.093	
Interim dividend per share	Nil	Nil	
	As at 31/3/2018 (unaudited)	As at 31/12/2017 (audited)	Increase
Total assets (<i>HK\$ million</i>)	58,514.2	56,526.6	3.5%
Equity attributable to owners of the Company (<i>HK\$ million</i>)	33,315.7	30,309.0	9.9%
Net borrowings (<i>HK\$ million</i>) (<i>note 1</i>)	12,533.4	11,707.3	7.1%
Net gearing ratio (<i>note 2</i>)	37.6%	38.6%	
Net assets per share – book (<i>note 3</i>)	HK\$5.10	HK\$4.64	

notes:

1. Net borrowings equal to total bank borrowings and unsecured medium term notes 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 (collectively the “Group”) for the three months ended 31 March 2018 (the “Period”) as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	<i>Notes</i>	For the three months ended 31 March	
		2018 <i>HK\$'000</i> (unaudited)	2017 <i>HK\$'000</i> (unaudited)
Turnover		8,046,683	5,771,677
Cost of sales		<u>(5,112,283)</u>	<u>(4,093,956)</u>
Gross profit		2,934,400	1,677,721
Other income		200,231	56,054
Selling and distribution expenses		(414,558)	(341,522)
General and administrative expenses		(373,813)	(390,314)
Exchange gain		95,128	37,698
Finance costs		(170,069)	(145,069)
Share of results of associates		8,363	(65,530)
Share of results of joint ventures		<u>68,259</u>	<u>14,750</u>
Profit before taxation		2,347,941	843,788
Taxation	2	<u>(576,427)</u>	<u>(254,171)</u>
Profit for the period		<u>1,771,514</u>	<u>589,617</u>
Attributable to:			
Owners of the Company		1,791,690	604,453
Non-controlling interests		<u>(20,176)</u>	<u>(14,836)</u>
		<u>1,771,514</u>	<u>589,617</u>
Basic earnings per share (<i>HK\$</i>)	3	<u>0.274</u>	<u>0.093</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31/3/2018 <i>HK\$'000</i> (unaudited)	As at 31/12/2017 <i>HK\$'000</i> (audited)
Non-current assets		
Fixed assets	31,850,682	30,902,575
Prepaid lease payments	2,946,187	2,816,137
Investment properties	131,715	131,176
Intangible assets	2,384,674	2,335,214
Interests in associates	5,731,993	5,535,302
Interests in joint ventures	1,519,061	1,425,223
Deposits for acquisition of fixed assets	803,558	706,307
Deferred tax assets	237,084	256,361
Long term receivables	450,002	464,008
Pledged bank deposits	62,793	59,250
	46,117,749	44,631,553
Current assets		
Inventories	2,343,570	1,717,455
Trade receivables	3,449,829	2,593,819
Other receivables	1,007,109	854,752
Loan to a fellow subsidiary	755,314	718,214
Amounts due from associates	526,725	503,933
Amounts due from joint ventures	3,427	13,821
Taxation recoverable	59,407	108,033
Pledged bank deposits	151	928
Cash and bank balances	4,250,909	5,384,094
	12,396,441	11,895,049
Current liabilities		
Trade payables	3,090,686	3,374,633
Other payables	4,426,804	4,966,250
Taxation payable	563,164	443,893
Bank loans - amount due within one year	7,629,073	6,572,157
	15,709,727	15,356,933
Net current liabilities	(3,313,286)	(3,461,884)
Total assets less current liabilities	42,804,463	41,169,669

	As at 31/3/2018 <i>HK\$'000</i> (unaudited)	As at 31/12/2017 <i>HK\$'000</i> (audited)
Non-current liabilities		
Bank loans - amount due after one year	5,484,467	6,990,479
Unsecured medium term notes	3,733,710	3,588,900
Other long term payables	11,138	13,491
Deferred tax liabilities	95,867	94,358
	<u>9,325,182</u>	<u>10,687,228</u>
	<u>33,479,281</u>	<u>30,482,441</u>
Capital and reserves		
Share capital	653,294	653,294
Reserves	32,662,431	29,655,675
	<u>33,315,725</u>	<u>30,308,969</u>
Equity attributable to owners of the Company	<u>33,315,725</u>	<u>30,308,969</u>
Non-controlling interests	163,556	173,472
	<u>33,479,281</u>	<u>30,482,441</u>
Total equity	<u>33,479,281</u>	<u>30,482,441</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 2017 except for the adoption of certain new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants, which are effective for the financial year beginning on or after 1 January 2018. The application of the above new and 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 three months ended 31 March	
	2018	2017
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Earnings		
Earnings attributable to owners of the Company for the purpose of basic earnings per share	<u>1,791,690</u>	<u>604,453</u>

	For the three months ended 31 March	
	2018	2017
	(unaudited)	(unaudited)
Number of shares		
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

The Board does not recommend the payment of any dividend for the Period (Three months ended 31 March 2017: Nil).

OPERATIONAL PERFORMANCE REVIEW

Turnover

The consolidated turnover for the Period amounted to HK\$8,046.7 million, representing an increase of 39.4% from HK\$5,771.7 million for the corresponding period last year. An analysis of segmental turnover by product is as follows:

	For the three months ended 31 March					
	2018			2017		
	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	16,516	387.2	6,394,523	14,604	298.3	4,355,813
Clinker	1,178	329.3	387,921	1,918	239.2	458,876
Concrete	3,029	417.4	1,264,239	2,555	374.6	956,988
Total			8,046,683			5,771,677

Our cement sales by geographical area were as follows:

Province/ Autonomous Region	For the three months ended 31 March					
	2018			2017		
	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	6,406	426.0	2,729,201	6,194	304.9	1,888,292
Guangxi	5,412	344.4	1,863,772	4,155	275.3	1,143,810
Fujian	1,936	390.9	756,836	1,647	272.5	448,838
Hainan	987	439.8	434,119	963	383.6	369,436
Yunnan	1,184	354.4	419,656	1,191	321.2	382,596
Guizhou	410	336.0	137,771	336	259.7	87,274
Shanxi	181	293.7	53,168	118	301.4	35,567
Total	16,516	387.2	6,394,523	14,604	298.3	4,355,813

Gross profit and gross margin

The consolidated gross profit for the Period was HK\$2,934.4 million, representing an increase of 74.9% from HK\$1,677.7 million for the corresponding period last year. The consolidated gross margin for the Period was 36.5%, representing an increase of 7.4 percentage points from 29.1% 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 38.8%, 34.7% and 25.0%, as compared with 31.0%, 19.5% and 24.9% 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\$1,791.7 million, representing an increase of 196.4% from HK\$604.5 million for the corresponding period last year.

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

Hong Kong, 20 April 2018

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. 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.