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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 QUARTERLY FINANCIAL INFORMATION
FOR THE THREE MONTHS ENDED 31 MARCH 2014

	For the three months ended 31 March		Increase
	2014 (unaudited)	2013 (unaudited)	
Turnover (<i>HK\$ million</i>)	6,797.1	5,972.3	13.8%
Profit attributable to owners of the Company (<i>HK\$ million</i>)	767.7	452.7	69.6%
Basic earnings per share	HK\$0.118	HK\$0.069	
Interim dividend per share	Nil	Nil	
	As at 31/3/2014 (unaudited)	As at 31/12/2013 (audited)	Increase
Total assets (<i>HK\$ million</i>)	54,653.9	54,179.7	0.9%
Equity attributable to owners of the Company (<i>HK\$ million</i>)	25,382.0	24,820.9	2.3%
Net borrowings (<i>HK\$ million</i>) (note 1)	18,294.8	17,618.1	3.8%
Net gearing ratio (note 2)	72.1%	71.0%	
Net assets per share – book (note 3)	HK\$3.89	HK\$3.80	
<i>notes:</i>			
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 financial information of the Company and its subsidiaries (the “Group”) for the three months ended 31 March 2014 (the “Period”) as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	For the three months ended 31 March	
	2014 <i>HK\$’000</i> (unaudited)	2013 <i>HK\$’000</i> (unaudited)
Turnover	6,797,127	5,972,340
Cost of sales	<u>(4,635,113)</u>	<u>(4,579,574)</u>
Gross profit	2,162,014	1,392,766
Other income	62,980	100,621
Selling and distribution expenses	(363,536)	(310,674)
General and administrative expenses	(550,057)	(381,011)
Finance costs	(194,097)	(192,629)
Share of results of joint ventures	15,706	13,959
Share of results of associates	<u>(71,252)</u>	<u>(51,309)</u>
Profit before taxation	1,061,758	571,723
Taxation	<u>(311,864)</u>	<u>(128,225)</u>
Profit for the period	<u><u>749,894</u></u>	<u><u>443,498</u></u>
Attributable to:		
Owners of the Company	767,688	452,681
Non-controlling interests	<u>(17,794)</u>	<u>(9,183)</u>
	<u><u>749,894</u></u>	<u><u>443,498</u></u>
Basic earnings per share (<i>Note 2</i>)	<u><u>HK\$0.118</u></u>	<u><u>HK\$0.069</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31/3/2014 <i>HK\$'000</i> (unaudited)	As at 31/12/2013 <i>HK\$'000</i> (audited)
Non-current assets		
Fixed assets	32,261,346	32,526,564
Prepaid lease payments	2,711,172	2,752,320
Investment property	77,000	77,000
Intangible assets	2,472,438	2,200,216
Interests in associates	2,307,978	2,392,943
Interests in joint ventures	1,724,903	1,727,042
Deposits for acquisition of fixed assets	1,709,885	1,632,062
Deferred tax assets	197,262	152,878
Long term receivables	639,793	620,686
	44,101,777	44,081,711
Current assets		
Inventories	2,275,208	2,131,961
Trade receivables	3,186,429	3,191,885
Other receivables	1,561,566	1,555,543
Amounts due from joint ventures	392,859	388,593
Taxation recoverable	6,980	5,024
Pledged bank deposits	3,146	3,171
Cash and bank balances	3,125,902	2,821,782
	10,552,090	10,097,959
Current liabilities		
Trade payables	2,497,203	3,246,173
Other payables	4,003,486	4,365,452
Taxation payable	621,874	560,041
Amount due to immediate holding company	54,956	54,956
Bank loans – amount due within one year	8,513,333	6,171,482
	15,690,852	14,398,104
Net current liabilities	(5,138,762)	(4,300,145)

	As at 31/3/2014 <i>HK\$'000</i> (unaudited)	As at 31/12/2013 <i>HK\$'000</i> (audited)
Total assets less current liabilities	<u>38,963,015</u>	<u>39,781,566</u>
Non-current liabilities		
Bank loans – amount due after one year	9,807,508	11,169,690
Unsecured bonds	3,103,008	3,101,840
Other long term payables	28,390	28,535
Deferred tax liabilities	<u>115,012</u>	<u>119,750</u>
	<u>13,053,918</u>	<u>14,419,815</u>
	<u>25,909,097</u>	<u>25,361,751</u>
Capital and reserves		
Share capital	653,294	653,294
Reserves	<u>24,728,735</u>	<u>24,167,560</u>
Equity attributable to owners of the Company	25,382,029	24,820,854
Non-controlling interests	<u>527,068</u>	<u>540,897</u>
Total equity	<u>25,909,097</u>	<u>25,361,751</u>

INTERIM DIVIDEND

The Board does not recommend the payment of any dividend for the Period (Three months ended 31 March 2013: Nil).

OPERATIONAL PERFORMANCE REVIEW

Turnover

The consolidated turnover for the Period amounted to HK\$6,797.1 million, representing an increase of 13.8% over HK\$5,972.3 million for the corresponding period last year. An analysis of segmental turnover by product is as follows:

	For the three months ended 31 March					
	2014			2013		
	Sales volume '000 tons/m ³	Average selling price HK\$	Turnover HK\$'000	Sales volume '000 tons/m ³	Average selling price HK\$	Turnover HK\$'000
Cement	13,189	375.1	4,947,206	13,351	312.5	4,171,704
Clinker	2,051	283.6	581,628	2,759	231.5	638,594
Concrete	3,015	420.7	1,268,293	3,068	378.8	1,162,042
Total			<u>6,797,127</u>			<u>5,972,340</u>

Cement sales by geographical area were as follows:

Province	For the three months ended 31 March					
	2014			2013		
	Sales volume '000 tons	Average selling price HK\$	Turnover HK\$'000	Sales volume '000 tons	Average selling price HK\$	Turnover HK\$'000
Guangdong	5,514	413.1	2,277,999	4,574	331.6	1,516,660
Guangxi	3,832	344.5	1,320,040	5,023	308.9	1,551,546
Fujian	1,755	360.3	632,338	2,049	287.6	589,280
Hainan	950	429.9	408,383	720	294.8	212,270
Shanxi	382	237.9	90,864	332	266.7	88,555
Yunnan	756	287.8	217,582	653	326.8	213,393
Total	<u>13,189</u>	<u>375.1</u>	<u>4,947,206</u>	<u>13,351</u>	<u>312.5</u>	<u>4,171,704</u>

Gross profit and gross margin

The consolidated gross profit for the Period was HK\$2,162.0 million, representing an increase of 55.2% from HK\$1,392.8 million for the corresponding period last year. The consolidated gross margin for the Period was 31.8%, representing an increase of 8.5 percentage points from 23.3% for the corresponding period last year. The increases in consolidated gross profit and gross margin for the Period were mainly attributable to improved selling prices compared with the corresponding period last year. The gross margins of cement, clinker and concrete for the Period were 35.9%, 19.2% and 21.5%, as compared with 24.8%, 10.8% and 24.8% respectively for the corresponding period last year.

General and administrative expenses

General and administrative expenses for the Period included exchange loss of HK\$132.6 million from the non-Renminbi denominated net borrowings as Renminbi fluctuated (exchange gain of HK\$47.6 million included in other income for the three months ended 31 March 2013).

Net margin

Net margin for the Period was 11.0%, which was 3.6 percentage points higher than that of 7.4% for the corresponding period last year. Excluding the share of results of associates and joint ventures, net profit per ton of cement products and per m³ of concrete for the Period were about HK\$48.9 and HK\$7.8 respectively (HK\$26.1 and HK\$14.4 respectively for the three months ended 31 March 2013).

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

Hong Kong, 12 May 2014

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. 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.