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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 2018**

	For the nine months ended 30 September		Increase
	2018	2017	
	(unaudited)	(unaudited)	
Turnover (<i>HK\$ million</i>)	27,537.9	20,344.9	35.4%
Profit attributable to owners of the Company (<i>HK\$ million</i>)	6,092.5	2,648.6	130.0%
Basic earnings per share	HK\$0.910	HK\$0.405	
	As at 30/9/2018	As at 31/12/2017	Increase (Decrease)
	(unaudited)	(audited)	
Total assets (<i>HK\$ million</i>)	58,943.0	56,526.6	4.3%
Equity attributable to owners of the Company (<i>HK\$ million</i>)	35,661.3	30,309.0	17.7%
Net borrowings (<i>HK\$ million</i>) (<i>note 1</i>)	6,195.0	11,707.3	(47.1)%
Net gearing ratio (<i>note 2</i>)	17.4%	38.6%	
Net assets per share – book (<i>note 3</i>)	HK\$5.11	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 nine months ended 30 September 2018 (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	2017	30 September	2017
		2018	2017	2018	2017
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Turnover		9,024,024	7,156,562	27,537,893	20,344,946
Cost of sales		(5,358,475)	(5,028,559)	(16,577,075)	(14,321,349)
Gross profit		3,665,549	2,128,003	10,960,818	6,023,597
Other income		141,720	102,771	457,269	243,933
Selling and distribution expenses		(459,707)	(453,078)	(1,378,790)	(1,232,653)
General and administrative expenses		(476,265)	(449,875)	(1,271,900)	(1,389,846)
Exchange gain		46,671	81,004	91,241	229,717
Finance costs		(146,473)	(165,662)	(493,285)	(474,441)
Share of results of associates		111,012	53,845	188,860	49,324
Share of results of joint ventures		23,353	28,894	175,009	62,489
Profit before taxation		2,905,860	1,325,902	8,729,222	3,512,120
Taxation	2	(814,593)	(306,730)	(2,610,072)	(880,184)
Profit for the period		<u>2,091,267</u>	<u>1,019,172</u>	<u>6,119,150</u>	<u>2,631,936</u>
Attributable to:					
Owners of the Company		2,066,559	1,008,822	6,092,535	2,648,624
Non-controlling interests		24,708	10,350	26,615	(16,688)
		<u>2,091,267</u>	<u>1,019,172</u>	<u>6,119,150</u>	<u>2,631,936</u>
Basic earnings per share (<i>HK\$</i>)	3	<u>0.296</u>	<u>0.154</u>	<u>0.910</u>	<u>0.405</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30/9/2018 <i>HK\$'000</i> (unaudited)	As at 31/12/2017 <i>HK\$'000</i> (audited)
Non-current assets		
Fixed assets	28,617,845	30,902,575
Prepaid lease payments	2,694,400	2,816,137
Investment properties	130,506	131,176
Intangible assets	2,220,375	2,335,214
Interests in associates	5,460,173	5,535,302
Interests in joint ventures	1,563,155	1,425,223
Deposits for acquisition of fixed assets	643,406	706,307
Deferred tax assets	253,940	256,361
Long term receivables	409,215	464,008
Pledged bank deposits	63,302	59,250
	42,056,317	44,631,553
Current assets		
Inventories	2,345,407	1,717,455
Trade receivables	5,299,637	2,593,819
Other receivables	1,014,947	854,752
Loan to a fellow subsidiary	-	718,214
Amounts due from associates	510,049	503,933
Amounts due from joint ventures	5,026	13,821
Taxation recoverable	13,937	108,033
Pledged bank deposits	-	928
Cash and bank balances	7,697,703	5,384,094
	16,886,706	11,895,049
Current liabilities		
Trade payables	3,264,412	3,374,633
Other payables	4,487,374	4,966,250
Taxation payable	1,114,093	443,893
Bank loans - amount due within one year	5,999,534	6,572,157
	14,865,413	15,356,933
Net current assets (liabilities)	2,021,293	(3,461,884)
Total assets less current liabilities	44,077,610	41,169,669

	As at 30/9/2018 <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	4,547,194	6,990,479
Unsecured medium term notes	3,409,290	3,588,900
Other long term payables	8,261	13,491
Deferred tax liabilities	253,626	94,358
	<u>8,218,371</u>	<u>10,687,228</u>
	<u>35,859,239</u>	<u>30,482,441</u>
Capital and reserves		
Share capital	698,294	653,294
Reserves	34,962,986	29,655,675
	<u>35,661,280</u>	<u>30,308,969</u>
Equity attributable to owners of the Company	35,661,280	30,308,969
Non-controlling interests	197,959	173,472
	<u>35,859,239</u>	<u>30,482,441</u>
Total equity	<u>35,859,239</u>	<u>30,482,441</u>

Notes:

1. BASIS OF PREPARATION

The accounting policies adopted in the preparation of the condensed consolidated financial statements for the Period are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2017, except for the adoption of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants, which are effective as of 1 January 2018. The application of the above new and amendments to HKFRSs in the Period has had no material impact 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 includes the income tax which is calculated at 25% on the taxable income of the group entities in the Chinese Mainland, and the withholding tax in the Chinese Mainland for dividends and the deferred tax on the intended distribution of profits from subsidiaries in the Chinese Mainland to a holding company in Hong Kong, which are calculated at 10%, 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	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Earnings		
Earnings attributable to owners of the Company for the purpose of basic earnings per share	<u>6,092,535</u>	<u>2,648,624</u>
	For the nine months ended 30 September	
	2018 (unaudited)	2017 (unaudited)
Number of shares		
Weighted average of number of shares for the purpose of basic earnings per share	<u>6,694,476,279</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\$0.275 per share for the six months ended 30 June 2018 (HK\$0.115 per share for the six months ended 30 June 2017) was declared by the Board on 10 August 2018 and paid to shareholders on 28 September 2018. The Board does not recommend the payment of any dividend for the three months ended 30 September 2018 (Three months ended 30 September 2017: Nil).

OPERATIONAL PERFORMANCE REVIEW

Turnover

The consolidated turnover for the Period amounted to HK\$27,537.9 million, representing an increase of 35.4% from HK\$20,344.9 million for the corresponding period last year. An analysis of segmental turnover by product is as follows:

	For the nine months ended 30 September					
	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	57,765	382.3	22,086,176	52,220	292.0	15,248,882
Clinker	3,015	327.1	986,306	6,162	250.2	1,541,643
Concrete	10,367	430.7	4,465,411	9,509	373.8	3,554,421
Total			27,537,893			20,344,946

Our cement sales by geographical area were as follows:

Province/ Autonomous Region	For the nine months ended 30 September					
	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	21,897	423.6	9,276,350	20,934	306.8	6,422,119
Guangxi	17,834	349.5	6,233,609	15,084	265.6	4,006,853
Fujian	6,919	374.7	2,592,384	5,785	262.2	1,516,874
Hainan	3,540	420.7	1,489,156	3,754	351.9	1,321,175
Yunnan	3,680	361.0	1,328,479	3,582	328.2	1,175,603
Guizhou	1,760	327.4	576,258	1,403	252.3	353,962
Shanxi	2,135	276.3	589,940	1,678	269.5	452,296
Total	57,765	382.3	22,086,176	52,220	292.0	15,248,882

Gross profit and gross margin

The consolidated gross profit for the Period was HK\$10,960.8 million, representing an increase of 82.0% from HK\$6,023.6 million for the corresponding period last year. The consolidated gross margin for the Period was 39.8%, representing an increase of 10.2 percentage points from 29.6% 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 42.9%, 38.6% and 24.9%, as compared with 30.8%, 24.5% and 26.5% 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\$6,092.5 million, representing an increase of 130.0% from HK\$2,648.6 million for the corresponding period last year.

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

Hong Kong, 19 October 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. CHEN Ying, Mr. WANG Yan, Madam WAN Suet Fei and Mr. JING Shiqing; 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.