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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 2019**

	<b>For the nine months ended 30 September</b>		<b>Decrease</b>
	<b>2019 (unaudited)</b>	<b>2018 (unaudited)</b>	
Turnover ( <i>HK\$ million</i> )	<b>26,716.0</b>	27,537.9	(3.0)%
Profit attributable to owners of the Company ( <i>HK\$ million</i> )	<b>5,791.9</b>	6,092.5	(4.9)%
Basic earnings per share	<b>HK\$0.829</b>	HK\$0.910	
	<b>As at 30/9/2019 (unaudited)</b>	<b>As at 31/12/2018 (audited)</b>	<b>Increase (Decrease)</b>
Total assets ( <i>HK\$ million</i> )	<b>57,952.8</b>	60,506.4	(4.2)%
Equity attributable to owners of the Company ( <i>HK\$ million</i> )	<b>38,900.1</b>	37,691.3	3.2%
Net borrowings ( <i>HK\$ million</i> ) ( <i>note 1</i> )	<b>1,222.7</b>	130.9	834.1%
Net gearing ratio ( <i>note 2</i> )	<b>3.1%</b>	0.3%	
Net assets per share – book ( <i>note 3</i> )	<b>HK\$5.57</b>	HK\$5.40	3.1%

*notes:*

- Net borrowings equal to total bank borrowings and unsecured 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 nine months ended 30 September 2019 (the “Period”) as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Turnover		<b>9,306,442</b>	9,024,024	<b>26,715,951</b>	27,537,893
Cost of sales		<b>(5,654,932)</b>	(5,358,475)	<b>(16,290,390)</b>	(16,577,075)
Gross profit		<b>3,651,510</b>	3,665,549	<b>10,425,561</b>	10,960,818
Other income		<b>164,502</b>	141,720	<b>452,184</b>	457,269
Selling and distribution expenses		<b>(503,677)</b>	(459,707)	<b>(1,371,575)</b>	(1,378,790)
General and administrative expenses		<b>(448,914)</b>	(476,265)	<b>(1,265,884)</b>	(1,271,900)
Exchange (loss) gain		<b>(22,539)</b>	46,671	<b>(25,323)</b>	91,241
Finance costs		<b>(112,909)</b>	(146,473)	<b>(335,165)</b>	(493,285)
Share of results of associates		<b>60,722</b>	111,012	<b>118,992</b>	188,860
Share of results of joint ventures		<b>38,261</b>	23,353	<b>132,851</b>	175,009
Profit before taxation		<b>2,826,956</b>	2,905,860	<b>8,131,641</b>	8,729,222
Taxation	2	<b>(755,059)</b>	(814,593)	<b>(2,253,747)</b>	(2,610,072)
Profit for the period		<b><u>2,071,897</u></b>	<u>2,091,267</u>	<b><u>5,877,894</u></b>	<u>6,119,150</u>
Attributable to:					
Owners of the Company		<b>2,025,825</b>	2,066,559	<b>5,791,866</b>	6,092,535
Non-controlling interests		<b>46,072</b>	24,708	<b>86,028</b>	26,615
		<b><u>2,071,897</u></b>	<u>2,091,267</u>	<b><u>5,877,894</u></b>	<u>6,119,150</u>
Basic earnings per share (HK\$)	3	<b><u>0.290</u></b>	0.296	<b><u>0.829</u></b>	<u>0.910</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30/9/2019 <i>HK\$'000</i> (unaudited)	As at 31/12/2018 <i>HK\$'000</i> (audited)
<b>Non-current assets</b>		
Fixed assets	26,878,032	28,489,788
Prepaid lease payments	-	2,846,024
Right-of-use assets	2,905,667	-
Investment properties	125,000	137,761
Intangible assets	2,145,174	2,197,455
Interests in associates	6,324,435	5,463,446
Interests in joint ventures	1,454,177	1,409,378
Deposits for acquisition of assets	888,597	497,157
Deferred tax assets	272,575	208,358
Long term receivables	292,702	354,740
Pledged bank deposits	127,306	80,089
	<b>41,413,665</b>	41,684,196
<b>Current assets</b>		
Inventories	2,041,103	1,970,629
Trade receivables	4,410,478	2,367,299
Other receivables	797,453	841,005
Loan to an intermediate holding company	791,914	801,316
Amounts due from associates	392,348	514,404
Amounts due from joint ventures	5,037	2,631
Taxation recoverable	118,309	23,401
Cash and bank balances	7,982,531	12,301,501
	<b>16,539,173</b>	18,822,186
<b>Current liabilities</b>		
Trade payables	3,085,909	3,460,355
Other payables	4,383,020	5,007,969
Taxation payable	1,225,890	1,272,802
Bank loans - amount due within one year	227,160	4,531,678
	<b>8,921,979</b>	14,272,804
Net current assets	<b>7,617,194</b>	4,549,382
Total assets less current liabilities	<b>49,030,859</b>	46,233,578

	As at <b>30/9/2019</b> <i>HK\$'000</i> <b>(unaudited)</b>	As at 31/12/2018 <i>HK\$'000</i> (audited)
<b>Non-current liabilities</b>		
Bank loans - amount due after one year	<b>5,779,473</b>	4,556,946
Unsecured medium term notes	<b>3,325,920</b>	3,423,870
Other long term payables	<b>132,284</b>	8,297
Deferred tax liabilities	<b>611,051</b>	349,303
	<u><b>9,848,728</b></u>	<u>8,338,416</u>
	<u><b>39,182,131</b></u>	<u>37,895,162</u>
<b>Capital and reserves</b>		
Share capital	<b>698,294</b>	698,294
Reserves	<b>38,201,772</b>	36,992,984
	<u><b>38,900,066</b></u>	<u>37,691,278</u>
Equity attributable to owners of the Company	<b>38,900,066</b>	37,691,278
Non-controlling interests	<b>282,065</b>	203,884
	<u><b>39,182,131</b></u>	<u>37,895,162</u>
Total equity	<u><b>39,182,131</b></u>	<u>37,895,162</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 2018, except for the adoption of the following new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are mandatorily effective for the Period.

HKFRS 16	<i>Leases</i>
Amendments to HKFRS 9	<i>Prepayment features with negative compensation</i>
Amendments to HKAS 19	<i>Plan amendment, curtailment or settlement</i>
Amendments to HKAS 28	<i>Long-term interests in associates and joint ventures</i>
HK(IFRIC)-Int 23	<i>Uncertainty over income tax treatments</i>
Annual improvements 2015-2017 cycle	<i>Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23</i>

Except for the new HKFRS16 mentioned below, 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.

The Group adopted HKFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019, and the comparative information for 2018 was not restated and continues to be reported under HKAS 17.

The effect of adopting HKFRS 16 as at 1 January 2019 (increase/(decrease)) is as follows:

	<i>HK\$'000</i> (unaudited)
<b>Assets</b>	
Right-of-use assets	3,082,637
Prepaid lease payments	(2,846,024)
Other receivables	(80,217)
Total assets	<u>156,396</u>
<b>Liabilities</b>	
Other payables	39,334
Other long term payables	144,484
Total liabilities	<u>183,818</u>
<b>Equity</b>	
Retained earnings	<u><u>(27,422)</u></u>

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as of 31 December 2018 is as follows:

	<i>HK\$'000</i> (unaudited)
<b>Operating lease commitments as at 31 December 2018</b>	228,333
Incremental borrowing rate as at 1 January 2019	4.75%
Discounted operating lease commitments at 1 January 2019	176,523
Add: Payments in optional extension periods not recognized as at 31 December 2018	7,295
<b>Lease liabilities as at 1 January 2019</b>	<b>183,818</b>

## 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 calculated at 25% on the taxable income of the group entities in the Chinese Mainland, the withholding tax calculated at 10% on dividends in the Chinese Mainland, and the deferred tax calculated at 10% on the intended distribution profits from subsidiaries in the Chinese Mainland to a holding company in Hong Kong, 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:

	<b>For the nine months ended 30 September</b>	
	<b>2019</b>	<b>2018</b>
	<i>HK\$'000</i> <b>(unaudited)</b>	<i>HK\$'000</i> <b>(unaudited)</b>
<b>Earnings</b>		
Earnings attributable to owners of the Company for the purpose of basic earnings per share	<b>5,791,866</b>	<b>6,092,535</b>
	<b>For the nine months ended 30 September</b>	
	<b>2019</b>	<b>2018</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Number of shares</b>		
Weighted average number of shares for the purpose of basic earnings per share	<b>6,982,937,817</b>	<b>6,694,476,279</b>

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\$0.26 per share for the six months ended 30 June 2019 (HK\$0.275 per share for the six months ended 30 June 2018) was declared by the Board on 9 August 2019 and paid to shareholders on 27 September 2019. The Board does not recommend the payment of any dividend for the three months ended 30 September 2019 (Three months ended 30 September 2018: Nil).

## OPERATIONAL PERFORMANCE REVIEW

Comparing with the corresponding period of 2018, RMB had depreciated against HK\$ which had adversely affected the Group's consolidated results by approximately 5% as the functional currency of the Group is RMB while the financial figures are all denominated in HK\$.

### Turnover

The consolidated turnover for the Period amounted to HK\$26,716.0 million, representing a decrease of 3.0% from HK\$27,537.9 million for the corresponding period last year. An analysis of segmental turnover by product is as follows:

	For the nine months ended 30 September					
	2019			2018		
	Sales volume '000 tons/m <sup>3</sup>	Average selling price HK\$ per ton/m <sup>3</sup>	Turnover HK\$'000	Sales volume '000 tons/m <sup>3</sup>	Average selling price HK\$ per ton/m <sup>3</sup>	Turnover HK\$'000
Cement	57,189	361.8	20,690,880	57,765	382.3	22,086,176
Clinker	3,510	323.8	1,136,394	3,015	327.1	986,306
Concrete	10,030	487.4	4,888,677	10,367	430.7	4,465,411
Total			<b>26,715,951</b>			<b>27,537,893</b>

Our cement sales by geographical area were as follows:

Province/ Autonomous Region	For the nine months ended 30 September					
	2019			2018		
	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	20,662	409.6	8,463,441	21,897	423.6	9,276,350
Guangxi	18,206	337.3	6,140,831	17,834	349.5	6,233,609
Fujian	7,637	309.0	2,360,093	6,919	374.7	2,592,384
Hainan	3,097	397.2	1,230,036	3,540	420.7	1,489,156
Yunnan	3,022	378.1	1,142,735	3,680	361.0	1,328,479
Guizhou	1,533	269.6	413,314	1,760	327.4	576,258
Shanxi	3,032	310.2	940,430	2,135	276.3	589,940
Total	<b>57,189</b>	<b>361.8</b>	<b>20,690,880</b>	<b>57,765</b>	<b>382.3</b>	<b>22,086,176</b>

## **Gross profit and gross margin**

The consolidated gross profit for the Period was HK\$10,425.6 million, representing a decrease of 4.9% from HK\$10,960.8 million for the corresponding period last year. The consolidated gross margin for the Period was 39.0%, representing a decrease of 0.8 percentage points from 39.8% for the corresponding period last year. The decrease in consolidated gross profit for the Period was mainly attributable to the decrease in turnover of our cement products compared to the corresponding period last year. The gross margins of cement, clinker and concrete for the Period were 42.4%, 40.8% and 24.4%, as compared with 42.9%, 38.6% 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\$5,791.9 million, representing a decrease of 4.9% from HK\$6,092.5 million for the corresponding period last year.

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

Hong Kong, 25 October 2019

*As at the date of this announcement, the executive Directors are Mr. ZHOU Longshan and Mr. JI Youhong; 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.*