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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 2022

	For the three months ended 31 March		(Decrease)
	2022 (unaudited)	2021 (unaudited)	
Turnover (<i>HK\$ million</i>)	6,976.7	8,511.2	(18.0)%
Profit attributable to owners of the Company (<i>HK\$ million</i>)	729.5	1,289.8	(43.4)%
Basic earnings per share	HK\$0.104	HK\$0.185	
Interim dividend per share	Nil	Nil	
	As at 31/3/2022 (unaudited)	As at 31/12/2021 (audited)	Increase
Total assets (<i>HK\$ million</i>)	81,118.1	79,149.2	2.5%
Equity attributable to owners of the Company (<i>HK\$ million</i>)	56,116.5	54,856.0	2.3%
Gearing ratio (<i>note 1</i>)	23.2%	19.0%	
Net assets per share – book (<i>note 2</i>)	HK\$8.04	HK\$7.86	2.3%
<i>notes:</i>			
1. Gearing ratio is calculated by dividing the total bank borrowings and loans from related parties by equity attributable to owners of the Company.			
2. 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 2022 (the “Period”) as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the three months ended 31 March	
	<i>Notes</i>	2022 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)
Turnover		6,976,702	8,511,234
Cost of sales		(5,318,807)	<u>(6,095,740)</u>
Gross profit		1,657,895	2,415,494
Other income		394,687	182,191
Selling and distribution expenses		(340,326)	(401,310)
General and administrative expenses		(719,131)	(473,711)
Exchange gain (loss)		14,332	(3,124)
Finance costs		(80,710)	(47,367)
Share of results of associates		(38,465)	20,692
Share of results of joint ventures		(6,750)	<u>58,715</u>
Profit before taxation		881,532	1,751,580
Taxation	2	(211,599)	<u>(478,821)</u>
Profit for the period		669,933	<u>1,272,759</u>
Attributable to:			
Owners of the Company		729,514	1,289,761
Non-controlling interests		(59,581)	<u>(17,002)</u>
		669,933	<u>1,272,759</u>
Basic earnings per share (<i>HK\$</i>)	3	0.104	<u>0.185</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31/3/2022 <i>HK\$'000</i> (unaudited)	As at 31/12/2021 <i>HK\$'000</i> (audited)
Non-current assets		
Fixed assets	29,065,856	29,556,092
Right-of-use assets	4,281,025	4,325,329
Investment property	130,000	130,000
Other investment	43,377	51,410
Intangible assets	12,946,298	12,298,717
Interests in associates	6,967,411	6,754,993
Interests in joint ventures	2,761,147	2,793,146
Deposits for acquisition of assets	4,348,707	4,448,461
Deferred tax assets	576,961	535,391
Loans to joint ventures	1,138,260	1,115,457
Long term receivables	301,767	299,086
Pledged bank deposits	435,148	318,456
	62,995,957	62,626,538
Current assets		
Inventories	3,722,039	2,941,190
Trade receivables	5,490,285	4,793,437
Other receivables	1,883,335	1,601,479
Taxation recoverable	63,983	21,368
Pledged bank deposits	-	97,847
Cash and bank balances	6,962,537	7,067,381
	18,122,179	16,522,702

	As at 31/3/2022 HK\$'000 (unaudited)	As at 31/12/2021 HK\$'000 (audited)
Current liabilities		
Trade payables	3,301,720	3,786,280
Other payables	6,170,386	7,265,261
Taxation payable	422,847	909,656
Loans from an intermediate holding company	1,678,167	1,672,700
Loans from non-controlling shareholders	120,370	42,366
Bank loans - amount due within one year	<u>7,401,435</u>	<u>7,336,197</u>
	<u>19,094,925</u>	<u>21,012,460</u>
Net current liabilities	<u>(972,746)</u>	<u>(4,489,758)</u>
Total assets less current liabilities	<u>62,023,211</u>	<u>58,136,780</u>
Non-current liabilities		
Bank loans - amount due after one year	3,695,391	1,223,090
Loans from non-controlling shareholders	141,947	139,288
Other long term payables	726,049	708,973
Deferred tax liabilities	<u>542,269</u>	<u>424,082</u>
	<u>5,105,656</u>	<u>2,495,433</u>
	<u>56,917,555</u>	<u>55,641,347</u>
Capital and reserves		
Share capital	698,294	698,294
Reserves	<u>55,418,161</u>	<u>54,157,719</u>
Equity attributable to owners of the Company	56,116,455	54,856,013
Non-controlling interests	<u>801,100</u>	<u>785,334</u>
Total equity	<u>56,917,555</u>	<u>55,641,347</u>

INTERIM DIVIDEND

The Board does not recommend the payment of any dividend for the Period (Three months ended 31 March 2021: Nil).

OPERATIONAL PERFORMANCE REVIEW

The functional currency of the Group is RMB while the financial figures are all denominated in HK\$. Comparing with the corresponding period in 2021, RMB had appreciated against HK\$ by approximately 2.7%.

Turnover

The consolidated turnover for the Period amounted to HK\$6,976.7 million, representing a decrease of 18.0% from HK\$8,511.2 million for the corresponding period in 2021. An analysis of segmental turnover by product is as follows:

	For the three months ended 31 March					
	2022			2021		
	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 (note)	12,193	436.4	5,320,604	18,427	366.0	6,744,706
Clinker	976	414.8	404,600	1,115	299.4	333,910
Concrete	2,218	564.3	1,251,498	2,865	500.0	1,432,618
Total			6,976,702			8,511,234

note: Inclusive of sales volume of 0.9 million tons of cement from related parties (0.9 million tons for the corresponding period in 2021).

Our cement sales by geographical area were as follows:

Province/ Autonomous Region	For the three months ended 31 March					
	2022			2021		
	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	4,845	486.0	2,354,817	7,119	420.0	2,990,260
Guangxi	3,589	409.7	1,470,521	6,028	335.4	2,021,872
Fujian	1,812	345.9	626,819	2,166	317.2	686,982
Hainan	639	544.2	347,757	811	445.4	361,250
Yunnan	666	379.4	252,649	1,228	337.4	414,275
Guizhou	359	429.0	154,013	678	217.5	147,441
Shanxi	134	443.2	59,387	397	308.9	122,626
Hunan	149	366.7	54,641	-	-	-
Total	12,193	436.4	5,320,604	18,427	366.0	6,744,706

Gross profit and gross margin

The consolidated gross profit for the Period was HK\$1,657.9 million, representing a decrease of 31.4% from HK\$2,415.5 million for the corresponding period in 2021. The consolidated gross margin for the Period was 23.8%, representing a decrease of 4.6 percentage points from 28.4% for the corresponding period in 2021. The decreases in consolidated gross profit and consolidated gross margin for the Period were mainly attributable to the decreased sales volume and the higher unit production costs of our products compared to the corresponding period in 2021. The gross margins of cement, clinker and concrete for the Period were 23.4%, 29.6% and 23.3%, as compared with 29.8%, 26.7% and 21.9% respectively for the corresponding period in 2021.

Other Income

Other income for the Period was HK\$394.7 million, representing an increase of 116.6% from HK\$182.2 million for the corresponding period last year. This was mainly attributable to the increase in gain on disposal of a subsidiary of HK\$239.1 million as compared with the corresponding period last year.

Profit attributable to owners of the Company

Profit attributable to owners of the Company for the Period was HK\$729.5 million, representing a decrease of 43.4% from HK\$1,289.8 million for the corresponding period in 2021.

By order of the Board
China Resources Cement Holdings Limited
JI Youhong
Chief Executive Officer

Hong Kong, 29 April 2022

As at the date of this announcement, the non-executive Directors are Mr. LI Fuli (Chairman), Mr. ZHU Ping, Mr. CHEN Kangren and Mr. YANG Changyi; the executive Director is Mr. JI Youhong (Chief Executive Officer); 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.