

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 2023**

	For the nine months ended 30 September		
	2023	2022	(Decrease)
	(unaudited)	(unaudited)	
Turnover <i>(HK\$ million)</i>	17,892.7	24,196.1	(26.1)%
Profit attributable to owners of the Company <i>(HK\$ million)</i>	710.2	1,837.5	(61.3)%
Basic earnings per share	HK\$0.102	HK\$0.263	
	As at	As at	Increase/ (Decrease)
	30/9/2023	31/12/2022	
	(unaudited)	(audited)	
Total assets <i>(HK\$ million)</i>	80,672.5	80,613.8	0.1%
Equity attributable to owners of the Company <i>(HK\$ million)</i>	48,198.3	49,233.4	(2.1)%
Gearing ratio <i>(note 1)</i>	39.8%	33.4%	
Net assets per share – book <i>(note 2)</i>	HK\$6.90	HK\$7.05	(2.1)%

notes:

- Gearing ratio is calculated by dividing the total bank borrowings and loans from related parties 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 2023 (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	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Turnover		5,720,060	8,079,583	17,892,681	24,196,108
Cost of sales		<u>(5,214,396)</u>	<u>(7,561,939)</u>	<u>(15,484,522)</u>	<u>(20,375,780)</u>
Gross profit		505,664	517,644	2,408,159	3,820,328
Other income		406,390	322,877	970,622	904,432
Selling and distribution expenses		(138,425)	(149,800)	(382,322)	(425,755)
General and administrative expenses		(420,496)	(536,114)	(1,519,304)	(1,769,620)
Exchange (loss) gain		(1,620)	9,359	266	(58,151)
Finance costs		(146,641)	(60,631)	(442,283)	(231,792)
Share of results of associates		(58,648)	(957)	(86,467)	10,848
Share of results of joint ventures		<u>15,938</u>	<u>(45,341)</u>	<u>48,138</u>	<u>(71,561)</u>
Profit before taxation		162,162	57,037	996,809	2,178,729
Taxation	2	<u>(80,553)</u>	<u>(34,775)</u>	<u>(325,028)</u>	<u>(392,483)</u>
Profit for the period		<u><u>81,609</u></u>	<u><u>22,262</u></u>	<u><u>671,781</u></u>	<u><u>1,786,246</u></u>
Attributable to:					
Owners of the Company		89,255	32,918	710,186	1,837,456
Non-controlling interests		<u>(7,646)</u>	<u>(10,656)</u>	<u>(38,405)</u>	<u>(51,210)</u>
		<u><u>81,609</u></u>	<u><u>22,262</u></u>	<u><u>671,781</u></u>	<u><u>1,786,246</u></u>
Basic earnings per share (HK\$)	3	<u><u>0.013</u></u>	<u><u>0.005</u></u>	<u><u>0.102</u></u>	<u><u>0.263</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30/9/2023 <i>HK\$'000</i> (unaudited)	As at 31/12/2022 <i>HK\$'000</i> (audited)
Non-current assets		
Fixed assets	33,290,353	31,467,930
Right-of-use assets	5,135,001	5,128,710
Investment property	-	130,000
Other investment	28,918	39,361
Intangible assets	19,986,488	19,905,873
Interests in associates	6,074,948	6,304,386
Interests in joint ventures	1,938,321	2,070,095
Other non-current assets	2,417,605	4,116,961
Deferred tax assets	898,148	881,164
Long term receivables	270,323	280,674
Pledged bank deposits	485,916	467,327
	70,526,021	70,792,481
Current assets		
Inventories	2,717,124	2,732,197
Trade receivables	2,889,322	2,900,660
Other receivables	1,560,464	1,660,315
Loan to a joint venture	205,529	211,134
Taxation recoverable	34,016	83,814
Pledged bank deposits	257	51,434
Cash and bank balances	2,739,783	2,181,728
	10,146,495	9,821,282
Current liabilities		
Trade payables	2,642,083	3,241,807
Other payables	6,089,887	7,274,462
Taxation payable	158,458	242,427
Loans from non-controlling shareholders	87,397	462,888
Bank loans - amount due within one year	3,259,901	4,085,229
	12,237,726	15,306,813
Net current liabilities	(2,091,231)	(5,485,531)
Total assets less current liabilities	68,434,790	65,306,950

	As at 30/9/2023 <i>HK\$'000</i> (unaudited)	As at 31/12/2022 <i>HK\$'000</i> (audited)
Non-current liabilities		
Bank loans - amount due after one year	15,713,110	11,751,356
Loans from non-controlling shareholders	118,159	133,790
Other long term payables	2,196,888	2,099,599
Deferred tax liabilities	408,499	481,937
	<u>18,436,656</u>	<u>14,466,682</u>
	<u>49,998,134</u>	<u>50,840,268</u>
Capital and reserves		
Share capital	698,294	698,294
Reserves	47,500,019	48,535,152
	<u>48,198,313</u>	<u>49,233,446</u>
Equity attributable to owners of the Company	48,198,313	49,233,446
Non-controlling interests	1,799,821	1,606,822
	<u>49,998,134</u>	<u>50,840,268</u>
Total equity	<u>49,998,134</u>	<u>50,840,268</u>

INTERIM DIVIDEND

An interim dividend of HK\$0.041 per share for the six months ended 30 June 2023 (HK\$0.12 per share for the six months ended 30 June 2022) was declared by the Board on 18 August 2023 and has been paid to shareholders on 27 October 2023. The Board does not recommend the payment of any dividend for the three months ended 30 September 2023 (Three months ended 30 September 2022: Nil).

OPERATIONAL PERFORMANCE REVIEW

The functional currency of the Group is RMB while the financial figures are all denominated in HK\$. Comparing with corresponding period last year, RMB had depreciated against HK\$ by approximately 5.9%.

Turnover

The consolidated turnover for the Period amounted to HK\$17,892.7 million, representing a decrease of 26.1% from HK\$24,196.1 million for the corresponding period last year. An analysis of segmental turnover by product is as follows:

	For the nine months ended 30 September					
	2023			2022		
	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 (<i>note</i>)	45,555	324.2	14,767,883	52,534	363.1	19,074,304
Clinker	1,782	276.7	493,134	2,821	364.1	1,027,121
Concrete	6,222	423.0	2,631,664	8,045	509.0	4,094,683
Total			<u>17,892,681</u>			<u>24,196,108</u>

note: Inclusive of sales volume of 2.6 million tons of cement from related parties (3.0 million tons for the corresponding period in 2022).

Our cement sales by geographical area were as follows:

Province/ Autonomous Region	For the nine months ended 30 September					
	2023			2022		
	Sales volume <i>'000 tons</i>	Average selling price <i>HK\$ per ton</i>	Turnover <i>HK\$'000</i>	Sales volume <i>'000 tons</i>	Average selling price <i>HK\$ per ton</i>	Turnover <i>HK\$'000</i>
Guangdong	20,277	345.7	7,009,594	22,486	388.3	8,730,433
Guangxi	11,989	303.4	3,637,621	15,085	330.8	4,990,095
Fujian	5,768	285.7	1,648,181	6,740	328.5	2,214,091
Hainan	1,796	406.9	730,807	2,205	468.6	1,033,294
Yunnan	2,315	342.7	793,410	2,279	365.8	833,726
Guizhou	1,758	281.9	495,544	1,766	323.6	571,460
Shanxi	989	273.0	269,975	1,305	376.9	491,913
Hunan	663	275.6	182,751	668	313.3	209,292
Total	45,555	324.2	14,767,883	52,534	363.1	19,074,304

Gross Profit and Gross Margin

The consolidated gross profit for the Period was HK\$2,408.2 million, representing a decrease of 37.0% from HK\$3,820.3 million for the corresponding period last year. The consolidated gross margin for the Period was 13.5%, representing a decrease of 2.3 percentage points from 15.8% for the corresponding period last year. The decreases in consolidated gross profit and consolidated gross margin for the Period were primarily attributable to the lower selling prices and sales volume of the Group's products during the Period as compared with those of the corresponding period in 2022. The gross margins of cement, clinker and concrete for the Period were 14.1%, 5.3% and 11.2%, as compared with 16.2%, 18.0% and 13.5% 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\$710.2 million, representing a decrease of 61.3% from HK\$1,837.5 million for the corresponding period last year.

By order of the Board
China Resources Cement Holdings Limited
JI Youhong
Chairman

Hong Kong, 27 October 2023

As at the date of this announcement, the executive Directors are Mr. JI Youhong and Mr. JING Shiqing; the non-executive Directors are Mr. YU Shutian, Mr. ZHU Ping, Mr. ZHOU Bo and Mr. YANG Changyi; and the independent non-executive Directors are Mr. IP Shu Kwan Stephen, Mr. SHEK Lai Him Abraham, Madam ZENG Xuemin and Mr. NG Kam Wah Webster.