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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 2022**

	<b>For the nine months ended 30 September</b>		
	<b>2022</b>	2021	<b>(Decrease)</b>
	<b>(unaudited)</b>	(unaudited)	
Turnover <i>(HK\$ million)</i>	<b>24,196.1</b>	30,816.1	(21.5)%
Profit attributable to owners of the Company <i>(HK\$ million)</i>	<b>1,837.5</b>	5,313.7	(65.4)%
Basic earnings per share	<b>HK\$0.263</b>	HK\$0.761	
	<b>As at</b>	As at	<b>(Decrease)</b>
	<b>30/9/2022</b>	31/12/2021	
	<b>(unaudited)</b>	(audited)	
Total assets <i>(HK\$ million)</i>	<b>78,991.9</b>	79,149.2	(0.2)%
Equity attributable to owners of the Company <i>(HK\$ million)</i>	<b>48,530.0</b>	54,856.0	(11.5)%
Gearing ratio <i>(note 1)</i>	<b>32.5%</b>	19.0%	
Net assets per share – book <i>(note 2)</i>	<b>HK\$6.95</b>	HK\$7.86	(11.6)%
<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 nine months ended 30 September 2022 (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	
		2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Turnover		<b>8,079,583</b>	10,636,469	<b>24,196,108</b>	30,816,102
Cost of sales		<b>(7,561,939)</b>	(7,566,860)	<b>(20,375,780)</b>	(21,473,582)
Gross profit		<b>517,644</b>	3,069,609	<b>3,820,328</b>	9,342,520
Other income		<b>322,877</b>	167,444	<b>904,432</b>	531,925
Selling and distribution expenses		<b>(149,800)</b>	(513,810)	<b>(425,755)</b>	(1,475,112)
General and administrative expenses		<b>(536,114)</b>	(575,412)	<b>(1,769,620)</b>	(1,636,599)
Exchange gain (loss)		<b>9,359</b>	(952)	<b>(58,151)</b>	(6,037)
Finance costs		<b>(60,631)</b>	(61,332)	<b>(231,792)</b>	(156,829)
Share of results of associates		<b>(957)</b>	106,312	<b>10,848</b>	311,267
Share of results of joint ventures		<b>(45,341)</b>	51,021	<b>(71,561)</b>	195,311
Profit before taxation		<b>57,037</b>	2,242,880	<b>2,178,729</b>	7,106,446
Taxation	2	<b>(34,775)</b>	(581,632)	<b>(392,483)</b>	(1,818,900)
Profit for the period		<b><u>22,262</u></b>	<u>1,661,248</u>	<b><u>1,786,246</u></b>	<u>5,287,546</u>
Attributable to:					
Owners of the Company		<b>32,918</b>	1,680,149	<b>1,837,456</b>	5,313,665
Non-controlling interests		<b>(10,656)</b>	(18,901)	<b>(51,210)</b>	(26,119)
		<b><u>22,262</u></b>	<u>1,661,248</u>	<b><u>1,786,246</u></b>	<u>5,287,546</u>
Basic earnings per share (HK\$)	3	<b><u>0.005</u></b>	<u>0.241</u>	<b><u>0.263</u></b>	<u>0.761</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30/9/2022 <i>HK\$'000</i> (unaudited)	As at 31/12/2021 <i>HK\$'000</i> (audited)
<b>Non-current assets</b>		
Fixed assets	29,334,283	29,556,092
Right-of-use assets	4,244,009	4,325,329
Investment property	130,000	130,000
Other investment	29,721	51,410
Intangible assets	17,587,698	12,298,717
Interests in associates	6,382,997	6,754,993
Interests in joint ventures	2,015,705	2,793,146
Deposits for acquisition of assets	5,488,644	4,448,461
Deferred tax assets	588,057	535,391
Loans to joint ventures	273,813	1,115,457
Long term receivables	274,882	299,086
Pledged bank deposits	450,984	318,456
	<b>66,800,793</b>	<b>62,626,538</b>
<b>Current assets</b>		
Inventories	3,342,546	2,941,190
Trade receivables	4,146,515	4,793,437
Other receivables	1,705,200	1,601,479
Taxation recoverable	94,202	21,368
Pledged bank deposits	50,799	97,847
Cash and bank balances	2,851,857	7,067,381
	<b>12,191,119</b>	<b>16,522,702</b>
<b>Current liabilities</b>		
Trade payables	3,505,387	3,786,280
Other payables	8,589,421	7,265,261
Taxation payable	187,022	909,656
Loans from an intermediate holding company	-	1,672,700
Loans from non-controlling shareholders	132,230	42,366
Bank loans - amount due within one year	6,843,759	7,336,197
	<b>19,257,819</b>	<b>21,012,460</b>
Net current liabilities	<b>(7,066,700)</b>	<b>(4,489,758)</b>
Total assets less current liabilities	<b>59,734,093</b>	<b>58,136,780</b>

	As at 30/9/2022 HK\$'000 (unaudited)	As at 31/12/2021 HK\$'000 (audited)
<b>Non-current liabilities</b>		
Bank loans - amount due after one year	8,644,627	1,223,090
Loans from non-controlling shareholders	130,068	139,288
Other long term payables	739,770	708,973
Deferred tax liabilities	312,945	424,082
	<u>9,827,410</u>	<u>2,495,433</u>
	<b><u>49,906,683</u></b>	<b><u>55,641,347</u></b>
<b>Capital and reserves</b>		
Share capital	698,294	698,294
Reserves	47,831,753	54,157,719
	<u>48,530,047</u>	<u>54,856,013</u>
Equity attributable to owners of the Company	48,530,047	54,856,013
Non-controlling interests	1,376,636	785,334
	<u>49,906,683</u>	<u>55,641,347</u>
Total equity	<b><u>49,906,683</u></b>	<b><u>55,641,347</u></b>

*Notes:*

## 1. BASIS OF PREPARATION

The accounting policies and methods of computation 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 2021, except for the adoption of certain amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants, which are effective for the financial year beginning on or after 1 January 2022. The application of these amendments to HKFRSs in the Period has had no material impact on the condensed consolidated financial statements of the Group.

### 1.1 THE CHANGE OF ACCOUNTING ESTIMATES

During the Period, after considering the Group's actual usage of the mining rights for aggregates mining and with reference to the amortization methods of other comparable cement companies, the Group decided to adjust the amortization method of mining rights for aggregates mining from the straight-line method to the production method which was adopted from 1 January 2022 onwards.

The Group applied prospective application to account for the changes in accounting estimates. After measurement based on the scope of the existing consolidated financial statements, the change in accounting estimate is expected to lower down the amortization expenses by HK\$381.4 million for the Period.

## 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 5% on dividends in the Chinese Mainland, and the deferred tax calculated at 5% 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:

	For the nine months ended 30 September	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
<b>Earnings</b>		
Earnings attributable to owners of the Company for the purpose of basic earnings per share	<u>1,837,456</u>	<u>5,313,665</u>
	For the nine months ended 30 September	
	2022	2021
	(unaudited)	(unaudited)
<b>Number of shares</b>		
Weighted average number of shares for the purpose of basic earnings per share	<u>6,982,937,817</u>	<u>6,982,937,817</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\$0.12 per share for the six months ended 30 June 2022 (HK\$0.24 per share for the six months ended 30 June 2021) was declared by the Board on 12 August 2022 and will be paid to shareholders on 28 October 2022. The Board does not recommend the payment of any dividend for the three months ended 30 September 2022 (Three months ended 30 September 2021: 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 1.0%.

#### Turnover

The consolidated turnover for the Period amounted to HK\$24,196.1 million, representing a decrease of 21.5% from HK\$30,816.1 million for the corresponding period last year. An analysis of segmental turnover by product is as follows:

	For the nine months ended 30 September					
	2022			2021		
	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 ( <i>note</i> )	52,534	363.1	19,074,304	63,104	387.3	24,441,899
Clinker	2,821	364.1	1,027,121	2,805	310.3	870,313
Concrete	8,045	509.0	4,094,683	10,896	505.1	5,503,890
Total			<b>24,196,108</b>			<b>30,816,102</b>

*note:* Inclusive of sales volume of 3.0 million tons of cement from related parties (3.3 million tons for the corresponding period in 2021).

Our cement sales by geographical area were as follows:

Province/ Autonomous Region	For the nine months ended 30 September					
	2022			2021		
	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	22,486	388.3	8,730,433	24,506	442.8	10,852,083
Guangxi	15,085	330.8	4,990,095	18,717	358.2	6,704,469
Fujian	6,740	328.5	2,214,091	7,528	351.3	2,644,619
Hainan	2,205	468.6	1,033,294	2,990	459.5	1,373,918
Yunnan	2,279	365.8	833,726	3,727	353.5	1,317,472
Guizhou	1,766	323.6	571,460	2,580	242.3	625,080
Shanxi	1,305	376.9	491,913	3,056	302.4	924,258
Hunan	668	313.3	209,292	-	-	-
Total	<b>52,534</b>	<b>363.1</b>	<b>19,074,304</b>	<b>63,104</b>	<b>387.3</b>	<b>24,441,899</b>

### Gross Profit and Gross Margin

The consolidated gross profit for the Period was HK\$3,820.3 million, representing a decrease of 59.1% from HK\$9,342.5 million for the corresponding period last year. The consolidated gross margin for the Period was 15.8%, representing a decrease of 14.5 percentage points from 30.3% for the corresponding period last year. The decreases in consolidated gross profit and consolidated gross margin for the Period were mainly attributable to the increase in cost of production of our cement products, the lower sales volume of the Company's products and the reclassification of transportation cost of HK\$836.2 million from selling and distribution expenses to cost of sales. The gross margins of cement, clinker and concrete for the Period were 16.2%, 18.0% and 13.5%, as compared with 32.1%, 24.6% and 23.4% 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\$1,837.5 million, representing a decrease of 65.4% from HK\$5,313.7 million for the corresponding period last year.

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

Hong Kong, 21 October 2022

*As at the date of this announcement, the executive Director is Mr. JI Youhong; the non-executive Directors are Mr. ZHU Ping, Mr. CHEN Kangren 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.*