

Contact: Shiu Ka Yue / Christine Chan / Amanda Cheung
Tel: 28016239 (90291865 / 61739039 / 90312604)

Date: 30 April 2015
Page: 2



ASIA CEMENT (CHINA) FIRST QUARTER REVENUE REACHED RMB1,348,325,000

Affected by declining average selling price in its principal business regions as a result of decreased demand and bad weather, Asia Cement (China) Holdings Corporation (“Asia Cement (China)” or the “Company”, stock code: 00743) together with its subsidiaries (collectively the “Group”) reported an unaudited consolidated revenue of RMB1,348,325,000 for the three months ended 31 March 2015 (the “Period”), while profit for the Period amounted to RMB1,472,000. Despite a depressed market environment in the first quarter, Asia Cement (China)’s total sales volume of cement, clinker and slag powder during the Period amounted to 5.52 million tonnes, representing a year-on-year growth of 130,000 tonnes or 2 per cent.

In 2015, the Group will continue to enhance operations, reduce cost, and tighten control and management of accounts receivable days and quality. To solidify its existing leading market position in the principal business regions, the Group will adopt flexible marketing strategy. Meanwhile, with quality products and comprehensive sales network, Asia Cement (China) will persevere with strengthening and expanding its existing operations to rejuvenate the Group.

During the first quarter of 2015, China’s economy continued its sluggish growth momentum since last year. Growth in investment declined, while the overall performance of the mainland cement market was disappointing when compared to the same period of 2014. Cement demand was weakened by the dual effect of a declined investment growth and the Chinese New Year. In addition, the unsatisfactory implementation of “off-peak season production scheme” in various regions also hampered the mainland cement market. On the other hand, from February to early March, industry players lowered their cement prices to reduce inventory. As a result, cement price in various regions continued to fall until it reached a bottom in early March. Fortunately entering mid-March, the industry started to reach a consensus on self-discipline, and cement price in some regions began to rebound.

Mr Hsu Shu-tong, Chairman of Asia Cement (China), said: “The Group is optimistic about the cement demand in the next three quarters. The central government will continue to implement proactive fiscal policy and prudent monetary policy, and will increase investment in shanty town redevelopment, railway and hydraulic engineering works, etc.

With the strategic implementation of the “One Belt and One Road” and “Yangtze River Economic Belt” schemes, as well as the promotion of new urbanization, cement demand is expected to grow in the next three quarters.”

In 2015, the Group plans to sell a total of 33 million tonnes of cement, clinker and slag powder, representing a year-on-year increase of over 10%.

With the commencement of massive infrastructure works in mainland China in the second quarter of the year, coupled with warmer temperatures and the government’s relaxation of regulation for the property market, Asia Cement (China) expects a steady rise in the cement price. Meanwhile, Asia Cement (China)’s silo in Taizhou has commenced operation since the second quarter, which is expected to effectively extend the Group’s sales network and market coverage, thereby enhancing the Company to realise operational revenue. Although cement price may experience a downward adjustment due to high temperatures and traditional agricultural peak season in the third quarter, the cement market is expected to achieve satisfactory performance in the fourth quarter. Both cement sales volume and price are expected to rise to the current year high in the fourth quarter, which is the traditional peak season as construction works are at their peak and bolstered by the favourable effects of the abolition of the PC32.5 grade cement.

“The government is determined in promoting energy saving and emission reduction. Stricter environmental protection and energy reduction requirements will accelerate the restructuring of the cement industry. As such, the cement industry under the new normal is still promising. The Group will continue to strive for reform and innovation, to enhance operations, reduce cost, and to adopt flexible marketing strategy, in order to solidify its existing leading market position. Moreover, the Group will continue to dedicate itself to environmental protection by meeting industry’s high standards for energy consumption and emission, thereby fulfilling its corporate social responsibility” added Mr Hsu.

About Asia Cement (China) Holdings Corporation

Asia Cement (China) is one of the major leading cement producers in the central and downstream Yangtze River regions and southwestern region, with major markets in Jiangxi, Hubei, Sichuan, and Yangzhou. It has also extended its market reach to Shanghai, Zhejiang, Fujian and Hunan. The Company’s vertical integration spans from the excavation of principal raw materials, to production, sale and distribution of clinker and different types of cement and RMC products through a well-established road and riverway transportation network to its principal markets. The Company’s shares became listed on the main board of the Stock Exchange of Hong Kong Limited on 20 May 2008.

- End -

Issued by: Asia Cement (China) Holdings Corporation
Through: CorporateLink Limited