

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.



Asia Cement (China) Holdings Corporation

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 743)

UNAUDITED RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2009

SUMMARY

The directors (“Directors”) of Asia Cement (China) Holdings Corporation (“the Company”) announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 31 March 2009. This announcement is made as part of the Company’s practice to publish its financial results quarterly and pursuant to paragraph 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

The unaudited consolidated profit attributable to equity holders of the Company for the three months ended 31 March 2009 was approximately RMB120.1 million.

The Directors of the Company are making this announcement of the Group’s unaudited consolidated results for the three months ended 31 March 2009 in line with its practice to publish the Group’s financial results quarterly and pursuant to paragraph 13.09 of the Listing Rules.

Condensed Consolidated Income Statement

	For the three months ended	
	31 March	
	2009	2008
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue	850,285	555,275
Cost of sales	<u>(602,253)</u>	<u>(374,741)</u>
Gross profit	248,032	180,534
Other income	17,895	18,937
Other expenses	(3,131)	(619)
Distribution and selling expenses	(45,101)	(35,571)
Administrative expenses	(41,559)	(43,477)
Share of results of jointly controlled entities	(585)	(301)
Finance costs	<u>(42,598)</u>	<u>(35,100)</u>
Profit before taxation	132,953	84,403
Income tax expenses	<u>(12,401)</u>	<u>(4,258)</u>
Profit for the period	<u><u>120,552</u></u>	<u><u>80,145</u></u>
Attributable to:		
Equity holders of the Company	120,116	60,186
Minority interest	<u>436</u>	<u>19,959</u>
	<u><u>120,552</u></u>	<u><u>80,145</u></u>

Condensed Consolidated Balance Sheet

	As at 31 March 2009 RMB'000 (Unaudited)	As 31 December 2008 RMB'000 (Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	7,007,822	6,908,257
Quarry	69,750	71,434
Interests in jointly controlled entities	29,690	30,275
Prepaid lease payments	384,544	284,758
Deposit paid for purchase of land use rights	185,268	185,268
Deferred tax assets	11,365	10,637
Long term receivables	<u>53,070</u>	<u>53,070</u>
	<u>7,741,509</u>	<u>7,543,699</u>
CURRENT ASSETS		
Inventories	497,257	415,485
Trade and other receivables	755,265	767,070
Long term receivables — due within in one year	6,140	6,140
Tax recoverable	7,743	8,519
Prepaid lease payments	1,985	7,939
Amounts due from related companies	118	37
Available-for-sale investments	107,107	—
Restricted bank deposits	155,460	102,943
Time deposit	20,000	20,000
Bank balances and cash	<u>2,329,779</u>	<u>2,078,228</u>
	<u>3,880,854</u>	<u>3,406,361</u>
CURRENT LIABILITIES		
Trade and other payables	542,070	525,414
Amount due to related companies	3,767	7,487
Tax payables	7,755	4,747
Bank borrowings — due within one year	<u>1,472,393</u>	<u>1,309,722</u>
	<u>2,025,985</u>	<u>1,847,370</u>
NET CURRENT ASSETS	<u>1,854,869</u>	<u>1,558,991</u>

	As at 31 March 2009 <i>RMB'000</i> <i>(Unaudited)</i>	As 31 December 2008 <i>RMB'000</i> <i>(Audited)</i>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>9,596,378</u>	<u>9,102,690</u>
NON-CURRENT LIABILITIES		
Bank borrowings — due after one year	2,875,001	2,503,898
Deferred tax liabilities	<u>7,722</u>	<u>7,778</u>
	<u>2,882,723</u>	<u>2,511,676</u>
NET ASSETS	<u><u>6,713,655</u></u>	<u><u>6,591,014</u></u>
CAPITAL AND RESERVES		
Share capital	139,549	139,549
Reserves	<u>6,454,277</u>	<u>6,332,072</u>
Equity attributable to equity holders of the Company	6,593,826	6,471,621
Minority interest	<u>119,829</u>	<u>119,393</u>
TOTAL EQUITY	<u><u>6,713,655</u></u>	<u><u>6,591,014</u></u>

Condensed Consolidated Cash Flow Statement

	For the three months ended 31 March	
	2009 <i>RMB'000</i> <i>(Unaudited)</i>	2008 <i>RMB'000</i> <i>(Unaudited)</i>
Net cash from operating activities	265,189	205,794
Net cash used in investing activities	(515,812)	(384,057)
Net cash from financing activities	<u>502,174</u>	<u>604,771</u>
Net increase in cash and cash equivalents	251,551	426,508
Cash and cash equivalents at beginning of the year	<u>2,078,228</u>	<u>620,216</u>
Cash and cash equivalents at 31 March	<u><u>2,329,779</u></u>	<u><u>1,046,724</u></u>

The Group's unaudited consolidated results for the three months ended 31 March 2009 have been prepared in accordance with the same accounting policies adopted by the Group as disclosed in the last annual report for the year ended 31 December 2008.

The Directors do not recommend payment of a dividend in respect of the first three months of 2009 (2008: Nil).

Business Review and Prospects

For the first quarter of 2009, the Group continued to emerge as a strong market player with enhanced capacity and market coverage, and strengthened operational efficiency. Capitalizing the launch of numerous construction and infrastructure projects in Sichuan Region and Central Yangtze River Region, the Group was able to sustain the growth momentum of 2008 and achieved satisfactory results for the three months ended 31 March 2009.

For the three months ended 31 March 2009, the Group's unaudited consolidated revenue amounted to RMB850.3 million, representing an increase of 53% over the corresponding period of last year. The revenue growth was attributable to the enhanced production capacity following the full operation of No. 2 rotary kilns at Sichuan Yadong Plant in December 2008, driving up both the sales volume and revenue. The unaudited consolidated profit attributable to equity holders of the Company for the three months ended 31 March 2009 was approximately RMB120.1 million, representing a 100% growth over the same period last year.

During the period under review, gross profit increased by 37% to RMB248.0 million while gross profit margin amounted to 29%, which is 4 percentage points lower than that of same period last year. The modest adjustment in gross profit margin was due to the fact that benefit from recent decline in coal prices had not been fully reflected since the coal utilized during the period under review was purchased and ordered in the fourth quarter of 2008.

The prices of cement products in Sichuan Region and Central Yangtze River Region, the Group's major markets, remained stable for the three months ended 31 March 2009. Cement price in Sichuan Region continued to maintain a relatively high level as opposed to other regions due to its tightened demand and supply situation and the commencement of various infrastructure projects.

To address the unfavourable impact for the global financial crisis, Chinese government launched a RMB4 trillion stimulus package last year. Many provincial and local governments also announced large-scale investment plan focusing on infrastructure sector. All these are expected to significantly boost the demand for cement product and sustain the price of cement product, driving the long-term growth of the industry. To capture these enormous market opportunities, the Group has formulated a comprehensive expansion plan with strategic focus on its major markets. With the commencement of the No. 1 rotary kilns at Hubei Yadong Plant in March 2009, the Group's total rated capacity of clinker has increased to 8,320,000 tonnes (actual production capacity of cement reaches 12,000,000 tonnes).

Looking forward, the Group will adopt a steady development strategy in accordance with market changes, with an aim of strengthening its market presence in its strategic markets through capacity expansion, and enhancement of operational efficiency and distribution network. As part of our future development strategies, the Group will continue to expand and strengthen its footholds in Sichuan Region and Central Yangtze River Region. With its current leading market position and successfully executing the aforesaid strategies, the Group's growth prospect is set to be promising.

By order of the Board
Asia Cement (China) Holdings Corporation
Mr. Hsu, Shu-tong
Chairman

Hong Kong, 28 April 2009

As at the date of this announcement, the executive Directors are Mr. CHANG Tsai-hsiung, Madam CHIANG SHAO Ruey-huey, Mr. CHANG Chen-kuen, Mr. LIN Seng-chang and Dr. WU Chung-lih, the non-executive Director and Chairman is Mr. HSU Shu-tong, the independent non-executive Directors are Mr. LIU Zhen-tao, Mr. LEI Qian-zhi, Mr. TSIM Tak-lung Dominic and Dr. WONG Ying-ho Kennedy.