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ASIA CEMENT (CHINA) FIRST THREE QUARTERS REVENUE REACHED APPROXIMATELY RMB4.6 BILLION

Asia Cement (China) Holdings Corporation (“Asia Cement (China)” or the “Company”, stock code: 00743) together with its subsidiaries (collectively the “Group”) reported unaudited revenue of RMB4,614,500,000 for the nine months ended 30 September 2015 (the “Period”). Faced with cut-throat competition and shrinking demand of the industry, the Company still achieved, for the first three quarters of 2015, a sales volume of 21,420,000 tonnes of cement products, which was similar to that of the same period last year.

During the third quarter, the Company continued to achieve full disposal of all output, and expanded its export volume. In addition, the Group further extended its industry chain to improve its overall efficiency. Mr Hsu Shu-tong, Chairman of Asia Cement (China), said: “We optimised our production process with the aim to reduce cost, and strove to overcome the negative impact of declining industry demand and unhealthy competition. We also tightened account receivables management. All these helped effectively improve our overall operating results.”

From January to September 2015, the year-on-year growth of the national fixed asset investments declined by 5.8 percentage points from that of the same period last year, leading to shrinking demand and intensified market competition, which resulted in the retreat in cement industry’s profitability. In addition, demand shrank further during the Period as July and August are the traditional off-season of the industry. Furthermore, owing to the lack of consensus among industry players, a number of plants cut price to scramble for market shares, sending price in late August to tumble to a 10-year low.

Since September, as the number of infrastructure projects commencing construction increased and rural market activities picked up, demand gradually recovered. In addition, industry players, who suffered much damage from the cut-throat competition in the first three quarters, turned to be more rational. With cement price in east China and south central China beginning to rebound from mid-September, market confidence appeared to have gradually recovered, and the industry was trending upward.

During the Period, the Group reported a net loss of RMB262,600,000, which was primarily attributable to the decrease in the average selling price of the Company’s products resulting from the slowdown in the economic growth of China and the foreign exchange loss from US dollar-denominated bank borrowings as a result of the

devaluation of Renminbi. A substantial portion of the Group's borrowings were US-dollar denominated which, in the past few years, had allowed the Group to enjoy lower interest rate and exchange gain on the back of a strong Renminbi.

Looking into the fourth quarter, Mr Hsu said: "The government has stated several times that it will step up targeted macro-economic policies, and implemented more active fiscal policies with the aim of maintaining growth. These policies are expected to produce results soon, and the profitability of cement industry will be improved."

On the demand side, growth in infrastructure investments will accelerate as construction of railway, city railway transportation, airport and hydraulic engineering projects in China reached its peak in the fourth quarter. In addition, demand will be driven with property sales starting to rebound and rural construction demand remaining strong. On the supply side, the abolishment of 32.5-grade composite cement effective from 1 December will reduce market supply of low-standard composite cement, while further implementation of environmental standards will accelerate the phase-out of small-to-medium cement producers who cannot meet the environmental standards. The aforementioned will further ease the supply pressure.

Mr Hsu emphasized: "The fourth quarter remains the industry's traditional peak season, so growth of cement demand is expected to accelerate. Such combined with increasing consensus among industry players will enable the market as a whole to head in the direction of a more positive and robust development. The Group's total target sales volume of cement products in 2015 remains 30,000,000 tonnes. The management remains optimistic and confident about the outlook for its profitability in the fourth quarter of 2015."

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.

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