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Asia Cement (China) Holdings Corporation

亞洲水泥(中國)控股公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 743)

ANNOUNCEMENT OF UNAUDITED RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2025

SUMMARY

The board of Directors (the “**Board**”) of Asia Cement (China) Holdings Corporation (“the **Company**”) announces the unaudited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the nine months ended 30 September 2025. This announcement is made as part of the Company’s practice to publish its financial results quarterly and pursuant to Rule 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 owners for the nine months ended 30 September 2025 was approximately RMB146,272,000.

The Board is making this announcement of the Group's unaudited consolidated results for the nine months ended 30 September 2025 in line with its practice to publish the Group's financial results quarterly and pursuant to Rule 13.09 of the Listing Rules.

CONDENSED CONSOLIDATED INCOME STATEMENT

	For the nine months ended 30 September	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue	3,731,711	4,118,612
Cost of sales	(3,167,780)	(3,893,727)
Gross profit	563,931	224,885
Other income	144,986	88,073
Reversal of (allowance for) expected credit losses on trade receivables, net	6,854	(76,571)
Other expenses, other gains and losses	7,209	15,631
Distribution and selling expenses	(258,673)	(247,155)
Administrative expenses	(212,680)	(226,668)
Share of losses of joint ventures	(4,285)	(5,356)
Share of losses of associates	(3,355)	(3,379)
Finance costs	(30,464)	(42,714)
Profit (loss) before tax	213,523	(273,254)
Income tax expense	(63,750)	(190,855)
Profit (loss) for the period	149,773	(464,109)
Profit (loss) for the period attributable to:		
Owners of the Company	146,272	(458,998)
Non-controlling interests	3,501	(5,111)
	149,773	(464,109)
	<i>RMB</i>	<i>RMB</i>
Earnings (Loss) per share:		
Basic	0.093	(0.293)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 September 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	5,807,901	5,791,017
Quarry	720,805	764,349
Right of use assets	705,365	695,026
Investment properties	138,492	120,540
Goodwill	554,241	554,241
Intangible assets	2,365	2,536
Interest in joint ventures	64,715	69,461
Interest in associates	723,368	726,723
Deferred tax assets	159,361	158,953
Restricted bank deposits	27,917	9,113
Bank deposits with original maturities of more than three months	3,673,000	–
	<u>12,577,530</u>	<u>8,891,959</u>
CURRENT ASSETS		
Inventories	502,257	532,364
Trade and other receivables	950,060	910,230
Financial assets at fair value through profit or loss	110,665	135,315
Tax recoverable	23	3,529
Amount due from an associate	–	3,956
Amount due from joint ventures	23,312	36,324
Amount due from ultimate holding company	10,887	–
Restricted bank deposits	226,153	280,802
Bank deposits with original maturities of more than three months	4,276,000	–
Bank balances and cash	1,218,790	8,883,071
	<u>7,318,147</u>	<u>10,785,591</u>
CURRENT LIABILITIES		
Trade and other payables	893,785	1,037,109
Amount due to a joint venture	14,899	19,458
Amount due to an associate	256	256
Tax payables	36,237	76,425
Borrowings – due within one year	1,376,000	1,012,000
Lease liabilities	5,307	6,975
Contracts liabilities	162,969	108,864
Deferred income	6,218	2,097
	<u>2,495,671</u>	<u>2,263,184</u>
NET CURRENT ASSETS	<u>4,822,476</u>	<u>8,522,407</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>17,400,006</u>	<u>17,414,366</u>

	As at 30 September 2025 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2024 <i>RMB'000</i> <i>(Audited)</i>
NON-CURRENT LIABILITIES		
Borrowings – due after one year	–	132,000
Lease liabilities	84,256	87,746
Provision for environmental restoration	71,360	64,628
Deferred income	53,378	27,290
Deferred tax liabilities	161,244	222,707
	370,238	534,371
NET ASSETS	17,029,768	16,879,995
CAPITAL AND RESERVES		
Share capital	140,390	140,390
Reserves	16,520,810	16,374,538
Equity attributable to owners of the Company	16,661,200	16,514,928
Non-controlling interests	368,568	365,067
TOTAL EQUITY	17,029,768	16,879,995

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	For the nine months ended 30 September 2025 <i>RMB'000</i> <i>(Unaudited)</i>	2024 <i>RMB'000</i> <i>(Unaudited)</i>
Net cash from operating activities	423,121	258,811
Net cash used in investing activities	(694,665)	(3,556,137)
Net cash from (used in) financing activities	195,775	(763,841)
Net decrease in cash and cash equivalents	(75,769)	(4,061,167)
Cash and cash equivalents at beginning of the year	1,294,559	5,718,017
Cash and cash equivalents at 30 September	1,218,790	1,656,850

The Group's unaudited consolidated results for the nine months ended 30 September 2025 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 2024.

The Board does not recommend payment of a dividend in respect of the first nine months of 2025 (2024: Nil).

Business Review and Prospects

In the first three quarters of 2025, despite a complex external environment and pressures on economic development, the domestic economy, in general, maintained stability while making steady progress. The ability of China's economy to adapt to challenging conditions and to resist and withstand pressure fully demonstrated its strong resilience. However, there were still a number of unstable and uncertain external factors, which posed significant challenges to global economic and trade growth. Certain domestic sectors continued to show structural contradictions, and enterprises still faced operational difficulties.

The national gross domestic product in the first three quarters of 2025 reached RMB101.5 trillion, representing a year-on-year increase of 5.2%. From January to September, the national fixed asset investment declined by 0.5% year-on-year (excluding real estate development investment, it grew by 3.0% year-on-year); infrastructure investment increased by 1.1% year-on-year, manufacturing investment increased by 4.0% year-on-year, and real estate development investment decreased by 13.9% year-on-year, the added value of the industrial enterprises above designated size increased by 6.2% year-on-year. (Source: National Bureau of Statistics of China)

From January to September of 2025, the national cumulative cement production volume amounted to 1,259 million tonnes, representing a year-on-year decrease of 5.2%. Although the decline rate had narrowed compared to that of the same period last year, it had widened relative to the January-August period of 2025, reflecting continued significant downward pressure on industry demand. (Source: National Bureau of Statistics of China)

Regional performance of the Group's two major markets – the central and downstream region of the Yangtze River and Sichuan region – showed significant divergence in the third quarter:

- A. **Markets in the central and downstream region of the Yangtze River** displayed poor performance in the third quarter. In July and August, sustained high temperatures and frequent rainfall slowed down construction activities, resulting in persistently weak market demand. Cement prices across various areas stayed at the lower end of the price range. Although downstream cement enterprises attempted to raise prices twice – one in August and one in mid-to-late September – in hopes of improving profitability, the lack of solid demand support and inconsistent implementation of staggered peak production among enterprises hindered the full realization of the price increases. Some companies, in order to maintain market share, limited the extent of price hikes or promised not to raise price, which directly led to a rapid decline in price. As of mid-October, prices in the central and downstream region of the Yangtze River had yet to rise from their low levels, while prices in the Shanghai market even fell below the level recorded at the end of the second quarter.

B. **Markets in the Sichuan region** demonstrated relatively positive performance in the third quarter. Impacted by low-priced cement from the surrounding areas, prices continued to decline in July. At the end of July, cement enterprises in both Chengdu and surrounding areas began implementing staggered peak production and kiln suspension for 20 days each month. This significantly reduced cement supply. Although demand had yet to recover, the pressure from external cement on the local market eased, alleviating the supply and demand imbalance. By mid-August, the initial stage of staggered peak production had been effectively executed, leading to reduced inventory pressure. Cement producers began initiating price increases to restore profitability. In early to mid-September, the previous round of price hikes was successfully implemented. With the recovery in demand in the Chengdu market and the successful implementation of staggered peak production measures in neighboring provinces, local companies gained confidence and proceeded with a second round of price increases. As of mid-October, the second round of price hikes had been largely implemented. However, with the rise in Chengdu market prices, low-priced cement from surrounding areas once again began to exert pressure on the local market. Whether the subsequent market trend can be sustained remains uncertain.

From January to September 2025, the property market has remained depressed. Growth in infrastructure investment had slowed down and differed in various sectors and areas. Accordingly, demand varied in different cities where the Group had presence, causing sales volume in different areas to rise or drop. However, the Group was able to maintain its share in core markets, and its overall cement sales volume decline was in line with the national average. Although prices started at high levels at the beginning of the year, they continued to decline due to a persistent downward trend in cement demand throughout the year and greater challenges faced by industry players to reach a consensus. Against such a backdrop, the Group's average selling price of cement from January to September remained similar to that of the corresponding period of the previous year.

In late September, six government departments including the Ministry of Industry and Information Technology jointly issued the work plan for stabilizing growth in the building materials industry during the 2025-2026 period, which addressed the industry's pain point of "actual production capacity severely exceeded approved and filed capacity", requiring enterprises to formulate replacement plans for exceeded filed capacity before the end of 2025. These mandatory requirements to reduce overcapacity is expected to curb the industry's involutionary competition and promote rational and orderly supply-side development.

Looking into the fourth quarter, the Group is of the view: that the property sector will remain in a stage of deep adjustment in the short run and can hardly effectively support cement demand; that certain key infrastructure projects are likely to step up construction before the end of the year, which will prop up cement demand to certain extent, and the national cement demand will exhibit a mild recovery trend in the fourth quarter. However, in view of the fact that a fundamental reversal of the downward trend in overall demand is unlikely to be seen, industry prices will rely more on staggered peak production policy implementation efforts and the degree of self-discipline practiced by industry players. It is expected that market performance in the fourth quarter will improve on the third quarter, but will be dwarfed by the robust market performance in the fourth quarter of the previous year.

In the future, the Group will insist on its operational strategies of high efficiency, high quality, excellent service and high environment protection. It will also continue to leverage its integrated storage and transportation advantages to promote cost reduction and higher efficiency. Simultaneously, the Group will keep enhancing customer service experience to maintain its core market shares. It will actively respond to national anti-involution policies, strengthen industry communication, and strive to seize opportunities and make an impact in the fiercely competitive market. Based on the above market analysis and strategies, the Group will strive to improve its performance in the fourth quarter.

By Order of the Board
Asia Cement (China) Holdings Corporation
HSU Shu-tong
Chairman

Hong Kong, 28 October 2025

As at the date of this announcement, the executive Directors are Mr. HSU Shu-ping, Mr. CHANG Chen-kuen and Mr. LIN Seng-chang; the non-executive Directors are Mr. HSU Shu-tong (Chairman), Mr. LEE Kun-yen, Mr. CHEN Ruey-long and Ms. WU Ling-ling; the independent non-executive Directors are Mr. TSIM Tak-lung Dominic, Mr. WANG Wei, Dr. WANG Kuo-ming and Mr. WU Chun-pang.