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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 2026

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 2026. 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 loss attributable to equity holders for the nine months ended 30 September 2026 was approximately RMB300,854,000.

The Board is making this announcement of the Group's unaudited consolidated results for the nine months ended 30 September 2026 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	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue	3,329,248	3,731,711
Cost of sales	(3,195,359)	(3,167,780)
Gross profit	133,889	563,931
Other income	158,644	145,968
Reversal of expected credit losses on trade receivables, net	12,854	6,854
Other expenses, other gains and losses	(18,731)	6,227
Distribution and selling expenses	(302,698)	(258,673)
Administrative expenses	(209,970)	(212,680)
Share of losses of joint ventures	(7,084)	(4,285)
Share of losses of associates	(7,085)	(3,355)
Finance costs	(33,490)	(30,464)
(Loss) profit before tax	(273,671)	213,523
Income tax expenses	(35,476)	(63,750)
(Loss) profit for the period	(309,147)	149,773
Other comprehensive expense		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	(315)	–
(Loss) profit and total comprehensive expense for the period	(309,462)	149,773
(Loss) profit for the period attributable to:		
Owners of the Company	(300,854)	146,272
Non-controlling interests	(8,293)	3,501
	(309,147)	149,773

**For the nine months ended
30 September**

	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>

Total comprehensive expense attributable to:

Owners of the company

Non-controlling interests

	(315)	–
	–	–
	(315)	–

(Loss) profit and total comprehensive
expense attributable to:

Owners of the company

Non-controlling interests

	(301,169)	146,272
	(8,293)	3,501
	(309,462)	149,773

RMB

RMB

(Loss) earnings per share:

Basic

	(0.192)	0.093
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 September 2026 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2025 <i>RMB'000</i> <i>(Audited)</i>
NON-CURRENT ASSETS		
Property, plant and equipment	5,921,281	5,756,833
Quarry	1,085,410	716,651
Right of use assets	686,177	696,403
Investment properties	110,564	113,616
Goodwill	554,241	554,241
Intangible assets	2,429	2,448
Interest in joint ventures	79,720	69,104
Interest in associates	683,288	690,373
Restricted bank deposits	29,917	27,917
Bank deposits with original maturities of more than three months	4,383,000	4,211,000
Deferred tax assets	147,674	144,002
	13,683,701	12,982,588
CURRENT ASSETS		
Inventories	532,591	550,638
Trade and other receivables	829,977	1,126,764
Financial assets at fair value through profit or loss	51,263	81,172
Tax recoverable	2,428	617
Amount due from joint ventures	21,082	15,859
Amount due from ultimate holding company	10,408	14,572
Amount due from a related Company	43,577	–
Restricted bank deposits	208,710	286,231
Bank deposits with original maturities of more than three months	3,270,315	3,787,769
Cash and cash equivalents	1,113,938	955,630
	6,084,089	6,819,252
CURRENT LIABILITIES		
Trade and other payables	798,618	809,689
Amount due to an associate	11,403	13,093
Amount due to a related Company	47,295	3,266
Tax payables	12,477	31,967
Borrowings – due within one year	1,523,379	1,452,117
Lease liabilities	7,383	5,334
Contracts liabilities	129,097	150,452
Deferred income	4,997	4,997
	2,534,649	2,470,915
NET CURRENT ASSETS	3,549,640	4,348,337
TOTAL ASSETS LESS CURRENT LIABILITIES	17,233,341	17,330,925

	As at 30 September 2026 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2025 <i>RMB'000</i> <i>(Audited)</i>
NON-CURRENT LIABILITIES		
Long-term payables	225,536	–
Lease liabilities	93,326	83,444
Provision for environmental restoration	77,796	74,648
Deferred income	63,581	52,128
Deferred tax liabilities	164,646	155,782
	<u>624,885</u>	<u>366,002</u>
NET ASSETS	<u>16,608,456</u>	<u>16,964,923</u>
CAPITAL AND RESERVES		
Share capital	140,390	140,390
Reserves	16,112,081	16,460,254
Equity attributable to owners of the Company	16,252,471	16,600,644
Non-controlling interests	355,985	364,279
TOTAL EQUITY	<u>16,608,456</u>	<u>16,964,923</u>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	For the nine months ended 30 September 2026 <i>RMB'000</i> <i>(Unaudited)</i>	2025 <i>RMB'000</i> <i>(Unaudited)</i>
Net cash from operating activities	232,953	423,121
Net cash used in investing activities	(113,360)	(694,665)
Net cash from financing activities	40,064	195,775
Net increase (decrease) in cash and cash equivalents	159,657	(75,769)
Cash and cash equivalents at beginning of the year	955,630	1,294,559
Effect of foreign exchange rate changes	(1,349)	–
Cash and cash equivalents at 30 September	<u>1,113,938</u>	<u>1,218,790</u>

The Group's unaudited consolidated results for the nine months ended 30 September 2026 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 2025.

The Board does not recommend payment of a dividend in respect of the first nine months of 2026 (2025: Nil).

Business Review and Prospects

The domestic economy sustained recovery momentum in the first three quarters of 2026. However, with insufficient effective demand, deep adjustment in investment and the real estate sector continued. The foundation for economic recovery and improvement still needs to be consolidated. From January to September, the national fixed asset investment (excluding rural households) amounted to RMB33.4115 trillion, representing a 7.2% year-on-year decrease, infrastructure investment decreased by 4.2%, real estate development investment decreased by 20.6%, and new construction area of housing dropped by 24.9%. Cement demand in the real estate sector remained weak (Data source: National Bureau of Statistics). In general, continued pressure on the investment side was the core reason for the weakening cement demand in the third quarter, which also drove the acceleration of industry supply adjustment and coordination of self-discipline.

From the industry perspective, cement demand continued to bottom out, and the rate of decline in production had widened further compared to the first half of the year. From January to September, the national cement output was 1,131 million tonnes, representing a year-on-year decrease of 8.6%. In September alone, the output dropped by 5.3%, which had significantly narrowed when compared to that of July and August. The cumulative output was still at a low level for the same period in nearly 18 years (Data source: National Bureau of Statistics). The price trend was characterized by “a deep decline in the off-season and recovery at the end of the quarter”: prices continued to decline in July, and further dropped to a year low in August, and rebounded in September as more staggered peak production measures were implemented; a recovery trend began to emerge. On the cost side, there had been reverse pressure. The price of steam coal continued to hover at high levels, moving in a significantly opposite direction to cement prices. The cost pressure had passed through to earnings, and enterprises' drive to restore profitability had grown stronger.

The Group has strategically positioned its core operations in two key regions – the central and downstream region of the Yangtze River and Sichuan. In the third quarter, both regions experienced a process of “deep decline followed by recovery at the end of the quarter”, but the core drivers and recovery pace were significantly different.

- A. **The central and downstream region of the Yangtze River:** in July and August, affected by sustained high temperatures and frequent rainfall, coupled with weak downstream demand, cement prices fell to a year low. A significant weakening price trend was noted in Jiangsu, Jiangxi, and Hubei compared to the same period of the previous year. In mid-to-late September, driven by both cost-push dynamics and supply contraction, enterprises in the Yangtze River Delta, Hubei and Hunan provinces, and Jiangxi province collectively raised cement prices, resulting in a significant single-day increase in the Yangtze River Cement Price Index. On the supply side, the clinker production lines in the Yangtze River Delta region suspended kiln operations for 12 days from 25 September to 24 October according to the staggered peak production plan, with an average daily reduction of approximately 40,000 tonnes along the Yangtze River. However, there was a shortfall in the actual implementation of staggered peak production. All in all, this round of price increases was mainly driven by cost-push dynamics and supply contraction, with limited support from the demand side. Although enterprises in the region had generally followed suit, the actual magnitude and timing of the price hikes varied, showing a pattern of “actively calling for price increases but diverging in actual implementation.” However, the regional price floor had been substantially raised.

- B. **Sichuan region:** impacted by low-priced cement from the surrounding areas, the cement market continued to decline in July and August. In September, driven by both rising coal costs and the “20+X days” staggered peak production schedule, cement prices across the province increased, with Chengdu market transaction prices rising in tandem. The price hike was initiated earlier than those in the central and downstream region of the Yangtze River and was implemented more quickly. However, the impact of low-priced cement from surrounding areas reemerged at the end of September, causing a drop in the price index in Southwest region, and the actual transactions after the price increase still need to be consolidated.

Looking into the fourth quarter, the real estate market is still undergoing a profound adjustment, with limited room for improvement on the demand side. Infrastructure investment and year-end construction rush will provide a floor, while the normalization of staggered peak production and high coal prices will support prices. Cement prices are expected to trend upward amid volatility, but the actual magnitude of the increase will continue to vary. Looking at the full year, although cement prices stopped falling and rebounded in September, the overall price level was significantly lower than the previous year. The industry showed a trend of “decline first followed by stabilization, year-end recovery and regional disparities”. The overcapacity woes need to be gradually resolved through normalized staggered peak production and capacity control. The Group will continue to persist with the operational strategies of high efficiency, high quality, excellent service and high environmental protection. It will expand footprint in end-user market and major projects, leverage the synergistic advantages of Yangtze River transport and storage and its bases along the river, strengthen the control of coal consumption, electricity consumption, and logistics costs, and strive for a quarter-on-quarter improvement in operating performance in the fourth quarter.

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, 27 October 2026

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, Mr. WU, Chun-pang and Ms. HO LIN, Mei-hsueh.