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 THREE MONTHS ENDED 31 MARCH 2025

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 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 three months ended 31 March 2025 was approximately RMB3,081,000.

The Directors of the Company are making this announcement of the Group's unaudited consolidated results for the three months ended 31 March 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 three months ended 31 March	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Revenue	**1,149,339**	1,223,847
Cost of sales	**(1,005,946)**	(1,224,078)
Gross profit	**143,393**	(231)
Other income	**62,531**	62,334
Allowance for expected credit losses on trade and other receivables, net	**(14,357)**	(5,275)
Other expenses, other gains and losses	**(21,006)**	19,052
Distribution and selling expenses	**(74,773)**	(76,944)
Administrative expenses	**(75,314)**	(78,005)
Share of losses of joint ventures	**(1,680)**	(1,600)
Share of losses of associates	**(1,064)**	(1,406)
Finance costs	**(9,084)**	(15,970)
Profit (Loss) before tax	**8,646**	(98,045)
Income tax expenses	**(4,687)**	(33,770)
Profit (Loss) and total comprehensive income (expense) for the period	**3,959**	(131,815)
Profit (Loss) and total comprehensive income (expense) for the period attributable to:		
Owners of the Company	**3,081**	(129,747)
Non-controlling interests	**878**	(2,068)
	3,959	(131,815)
	RMB	*RMB*
Earnings (loss) per share:		
Basic	**0.002**	(0.083)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 March 2025 *RMB'000* *(Unaudited)*	As at 31 December 2024 *RMB'000* *(Audited)*
NON-CURRENT ASSETS		
Property, plant and equipment	**5,694,703**	5,791,017
Quarry	**749,835**	764,349
Right of use assets	**686,150**	695,026
Investment properties	**120,540**	120,540
Goodwill	**554,241**	554,241
Intangible assets	**2,445**	2,536
Interest in joint ventures	**67,780**	69,461
Interest in associates	**725,658**	726,723
Restricted bank deposits	**9,113**	9,113
Deferred tax assets	**160,774**	158,953
	8,771,239	8,891,959
CURRENT ASSETS		
Inventories	**513,035**	532,364
Trade and other receivables	**935,684**	910,230
Financial assets at fair value through profit or loss	**122,128**	135,315
Tax recoverable	**558**	3,529
Amount due from an associate	**956**	3,956
Amount due from a joint venture	**27,530**	36,324
Restricted bank deposits	**227,725**	280,802
Bank balances and cash	**8,901,845**	8,883,071
	10,729,461	10,785,591
CURRENT LIABILITIES		
Trade and other payables	**911,574**	1,037,109
Amount due to a joint venture	**13,762**	19,458
Amount due to an associate	**256**	256
Tax payables	**37,682**	76,425
Borrowings – due within one year	**732,000**	1,012,000
Lease liabilities	**7,372**	6,975
Contracts liabilities	**128,040**	108,864
Deferred income	**3,997**	2,097
	1,834,683	2,263,184
NET CURRENT ASSETS	**8,894,778**	8,522,407
TOTAL ASSETS LESS CURRENT LIABILITIES	**17,666,017**	17,414,366

	As at 31 March 2025 *RMB'000* *(Unaudited)*	As at 31 December 2024 *RMB'000* *(Audited)*
NON-CURRENT LIABILITIES		
Borrowings – due after one year	**377,000**	132,000
Lease liabilities	**86,135**	87,746
Provision for environmental restoration	**64,789**	64,628
Deferred income	**43,391**	27,290
Deferred tax liabilities	**210,749**	222,707
	782,064	534,371
NET ASSETS	**16,883,953**	16,879,995
CAPITAL AND RESERVES		
Share capital	**140,390**	140,390
Reserves	**16,377,618**	16,374,538
Equity attributable to owners of the Company	**16,518,008**	16,514,928
Non-controlling interests	**365,945**	365,067
TOTAL EQUITY	**16,883,953**	16,879,995

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	For the three months ended 31 March	
	2025 *RMB'000* *(Unaudited)*	2024 *RMB'000* *(Unaudited)*
Net cash from (used in) operating activities	**91,259**	(33,332)
Net cash used in investing activities	**(25,579)**	(4,649)
Net cash used in financing activities	**(46,906)**	(177,307)
Net increase (decrease) in cash and cash equivalents	**18,774**	(215,288)
Cash and cash equivalents at beginning of the year	**8,883,071**	9,256,549
Cash and cash equivalents at 31 March	**8,901,845**	9,041,261

The Group's unaudited consolidated results for the three months ended 31 March 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 Directors do not recommend payment of a dividend in respect of the first three months of 2025 (2024: Nil).

BUSINESS REVIEW AND PROSPECTS

In the first quarter of 2025, against the backdrop of an evolving international environment and aggravating adverse effects, the domestic economy started on a steady note, with a new and positive growth momentum, demonstrating the strong resilience of the national economy. However, it should be noted that the current external environment remained grim and complex, with intensified global trade protectionism, sluggish domestic demand and daunting structural reforms, while some enterprises were still facing operational difficulties. In the first quarter of 2025, the national gross domestic product (GDP) reached RMB31.9 trillion, representing a 5.4% increase year-on-year, and a growth of 1.2 percentage points when compared to that of previous quarter (the fourth quarter of last year), showing that the economy got off to a strong start. During the first quarter, the national fixed asset investment grew by 4.2% year-on-year. After deducting the real estate development investment, the national fixed asset investment increased by 8.3% year-on-year, infrastructure investment increased by 5.8% year-on-year, manufacturing investment increased by 9.1% year-on-year, and real estate development investment decreased by 9.9% year-on-year (Source: National Bureau of Statistics).

In the first quarter of 2025, cement demand recovered slowly, with general weak demand conditions. The national cumulative cement production was 331 million tonnes, representing a year-on-year decline of 1.4% on a comparable basis. Such rate of decrease has narrowed compared with that of the first quarter of last year and that of January and February of this year (Source: National Bureau of Statistics).

Situation of the Group's two major markets – the central and downstream region of the Yangtze River and Sichuan region – in the first quarter is as follows:

A. The central and downstream region of the Yangtze River: cement enterprises generally implemented staggered peak production and kiln shutdown during the Spring Festival. As a result, inventory levels were not high after the festival. Although the weather was fine after the Spring Festival, construction sites postponed resumption of construction activity, dampening the anticipated recovery of cement demand. The launch of key projects in various regions helped boost cement demand, with significant variations across different regions. As such, despite leading enterprises having actively initiated price increases since March, the actual implementation rates ultimately varied across different regions. The price increase realization in the downstream markets of the Yangtze River was stronger than that in the upstream markets of Wuhan, Nanchang and Jiujiang, but demand was under pressure in the second quarter and the subsequent market outlook was not optimistic. Both Wuhan and Nanchang regions were greatly affected by the shrinking real estate demand and the low-priced imported cement. However, supported by demand from key construction projects, the market performance in Wuhan region was better than that in the Nanchang region. On the whole, the price increases were difficult to implement and market conditions remained volatile in the central and downstream region of the Yangtze River in the first quarter, but the overall price level was better than that of the same period last year.

B. Sichuan region: the resumption rate of construction activity was low in the downstream region after the beginning of the year. In order to secure shipments, local enterprises carried out price reductions and promotional activities, causing market prices to continue to fall. Although the association required cement enterprises to step up their efforts in staggered peak production and kiln shutdown, increasing from 55 days in the first quarter of last year to 60 days in the first quarter of this year. As a result, the total cement supply decreased, but such was unable to offset the adverse impacts of the decline in total market demand and the market incursion by cement from Chongqing. Local enterprises initiated a round of price increases in mid-March, but the price increases were not fully implemented due to insufficient demand follow-through. Market prices retreated to low levels in late March, which showed the difficulty in pushing up prices. In general, cement demand in Sichuan region showed a weak recovery and subsequent market prices were under pressure in the first quarter, but the overall market conditions were still better than those in the central and downstream region of the Yangtze River.

In the first quarter of 2025, market demand and cement sales volume in the cities where the Group has strategic presence continued to decline, while the average price of cement rebounded when compared with that of the same period last year. The Company resumed profitability.

In 2025, the issuance of special bonds will accelerate and infrastructure investment will further pick up pace. In particular, investment in water conservancy management will continue to show a high growth momentum and become a new driver of cement demand. The real estate market is still in a deep adjustment stage, with real estate enterprises showing weak willingness to start construction. Although real estate market support policies have been gradually strengthened and implemented, their effects will take time to materialize. In the short term, cement demand from the real estate sector will continue to bottom out, dragging on the overall demand.

Since the fourth quarter of 2024, cement enterprises' awareness of self-discipline and self-rescue have increased, gradually shifting from "involution" competition to intensified communication and cooperation. The implementation of staggered peak production policies has been strengthened, cement prices have continued to rise, and industry profits have been restored. In 2025, based on the successful cooperation, major companies will have higher expectations for the effectiveness of industry cooperation, and industry competition is expected to become somewhat more rational and orderly.

Looking ahead to the second quarter and second half of 2025, cement demand is expected to continue to decline, but the decline will narrow when compared with that of last year. The foundation for industry cooperation remains in place. The awareness of "anti-involution" and the desire to improve profitability will drive companies to strengthen self-discipline and enhance execution of staggered peak production. The cement supply and demand imbalance is expected to be relatively eased. As funds are gradually being secured and policies are implemented at an accelerated pace, cement demand is expected to increase in the second half of the year, and the full-year market trend is expected to be weak-first and strong-later.

The Group will adhere to the operational strategies of high efficiency, high quality, excellent service and high environmental protection. On the one hand, the Group will continue to leverage its integrated storage and transportation competitive edge to pursue cost reduction and efficiency improvement. On the other hand, it will strengthen its data collection ability and market influence through a more efficient and professional business team, as well as improve customer service to consolidate its share in core markets. It will also actively work in collaboration with the industry, striving to make a difference in the fierce market competition. With a series of measures, the Group should be able to improve its performance in the second half of 2025.

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

Hong Kong, 25 April 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.