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 2013

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 2013. 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 owners for the three months ended 31 March 2013 was approximately RMB8.5 million.

The Directors of the Company are making this announcement of the Group's unaudited consolidated results for the three months ended 31 March 2013 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	
	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Revenue	**1,328,165**	1,295,125
Cost of sales	**(1,182,691)**	(1,063,453)
Gross profit	**145,474**	231,672
Other income	**48,146**	35,196
Other gains and losses	**12,360**	5,816
Distribution and selling expenses	**(77,189)**	(72,447)
Administrative expenses	**(65,940)**	(60,996)
Share of profit of a jointly controlled entity	**155**	716
Share of profit of an associate	**343**	850
Finance costs	**(44,153)**	(55,276)
Profit before tax	**19,196**	85,531
Income tax expenses	**(11,719)**	(24,092)
Profit for the period	**7,477**	61,439
Attributable to:		
Owners of the Company	**8,531**	60,016
Non-controlling interests	**(1,054)**	1,423
	7,477	61,439

Condensed Consolidated Balance Sheet

	As at 31 March 2013 *RMB'000* *(Unaudited)*	As at 31 December 2012 *RMB'000* *(Audited)*
NON-CURRENT ASSETS		
Property, plant and equipment	**9,568,440**	9,380,366
Quarry	**219,551**	214,909
Goodwill	**138,759**	138,759
Other intangible assets	**13,063**	13,981
Interest in an associate	**15,325**	14,982
Interests in a jointly controlled entity	**29,046**	28,891
Prepaid lease payments	**599,559**	582,957
Deferred tax assets	**19,580**	20,761
Held-to-maturity investments	**172,232**	126,225
Restricted bank deposits	**25,840**	25,840
Long term receivables	**54,944**	59,417
	10,856,339	10,607,088
CURRENT ASSETS		
Inventories	**764,285**	757,090
Trade and other receivables	**2,454,564**	2,557,010
Long term receivables — due within in one year	**19,011**	16,011
Prepaid lease payments	**17,080**	17,080
Amounts due from an associate	**10,482**	4,614
Held-for-trading investments	**105,142**	55,143
Restricted bank deposits	**20,113**	14,814
Time deposits	**667,500**	–
Bank balances and cash	**1,235,208**	1,620,114
	5,293,385	5,041,876
CURRENT LIABILITIES		
Trade and other payables	**691,287**	660,156
Amount due to a jointly controlled entity	**8,718**	8,267
Amount due to non-controlling interests	**2,043**	2,043
Tax payables	**11,001**	26,132
Bank borrowings — due within one year	**3,034,426**	2,739,881
	3,747,475	3,436,479
NET CURRENT ASSETS	**1,545,910**	1,605,397
TOTAL ASSETS LESS CURRENT LIABILITIES	**12,402,249**	12,212,485

	As at 31 March 2013 *RMB'000* *(Unaudited)*	As at 31 December 2012 *RMB'000* *(Audited)*
NON-CURRENT LIABILITIES		
Bank borrowings — due after one year	**3,476,187**	3,294,173
Derivative liabilities	**9,384**	10,539
Deferred tax liabilities	**17,669**	18,093
Provision for environmental restoration	**6,590**	6,000
	3,509,830	3,328,805
NET ASSETS	**8,892,419**	8,883,680
CAPITAL AND RESERVES		
Share capital	**139,549**	139,549
Reserves	**8,471,453**	8,461,660
Equity attributable to owners of the Company	**8,611,002**	8,601,209
Non-controlling interests	**281,417**	282,471
TOTAL EQUITY	**8,892,419**	8,883,680

Condensed Consolidated Cash Flow Statement

	For the three months ended 31 March	
	2013	2012
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Net cash from operating activities	**305,812**	442,579
Net cash used in investing activities	**(1,115,664)**	(966,434)
Net cash from (used in) financing activities	**424,946**	(480,532)
Net decrease in cash and cash equivalents	**(384,906)**	(1,004,387)
Cash and cash equivalents at beginning of the year	**1,620,114**	1,730,869
Cash and cash equivalents at 31 March	**1,235,208**	726,482

The Group's unaudited consolidated results for the three months ended 31 March 2013 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 2012.

The Directors do not recommend payment of a dividend in respect of the first three months of 2013 (2012: Nil).

Business Review and Prospects

Since the start of 2013, a number of major countries have adopted pro-growth policies, escalating the recovery process of the global economy. China's macro-economic environment continued to improve under the government's steady growth policy. The rural cement market, in particular, has become robust, benefiting from escalated infrastructural development. Despite the possible curb on commodity housing market as a result of the five new policies to regulate speculative property investment, increase in land supply for residential development and acceleration of affordable housing construction have led to a faster growth rate in domestic cement demand in the first quarter as compared to the same period last year. However, 160 million tonnes of new clinker production capacity unleashed in the market in 2012 had aggravated the problem of excessive capacity. This together with the impact of continuous rain and cold weather in January and February, as well as the arrival of the Chinese new year festival had resulted in a sharp rise in inventory level within a short period of time. In order to reduce their inventory level, market players made massive cuts to their prices several times, causing the price at the end of both February and March to plunge to its lowest in the past five years in the mid and downstream regions of the Yangtze River where the Company operated. Despite market demand exceeded expectations due to improved weather in March, market price had not timely reflected this new demand addition. In the first quarter, the Group sold 5.0 million tonnes of cement, representing a 28% year-on-year increase, with a positive growth momentum in overall sales. However, owing to a significant year-on-year decline in the selling price of cement as a result of intensified market competition, the Group's profit dropped from that of the same period last year.

During the period under review, the Group's unaudited consolidated revenue amounted to RMB1,328.2 million, representing an increase of 3% from that of the corresponding period of the previous year. The relatively slight increase in revenue was mainly due to a significant year-on-year decline in the Company's average selling price despite a relatively large increase in the Group's sales volume. During the period under review, the gross profit decreased by 37% to RMB145.5 million and the gross profit margin was 11%, down by 7 percentage points from that of the corresponding period of the previous year.

Looking ahead, the cement market will gradually recover and improve. First of all, the new government of the PRC has been elected by the Lianghui (Two Meetings, being the National People's Congress and Chinese People's Political Consultative Conference), and the GDP growth target has been determined at 7.5%. The new government will definitely introduce various effective policies in order to achieve the target growth rate in macro economy. Construction of numerous infrastructure projects approved in the fourth quarter of 2012 will fully commence in the second quarter of this year. Moreover, No.1 Central Document continues to focus on the "three rural issues", and states that urbanization will be an inevitable trend for modernization. Such will not only stimulate massive cement consumption, but also help increase the prosperity of rural areas, benefit the rural people and escalate rural development, while small and medium-sized cities will inevitably become more affluent. In addition, the Ministry of Industry and Information Technology ("MIIT") and National Development and Reform Commission of the PRC have issued guiding opinions on encouraging corporate mergers and acquisitions, and will continue to eliminate obsolete production capacities. The significant slowdown in the growth rate of production capacity, especially in the mid and downstream regions of the Yangtze River where the Company operated, and increasingly stricter environmental standards for the cement sector will facilitate a healthy and sustainable development of the industry. In view of the abovementioned favourable factors, we cautiously estimate that the cement demand in 2013 will increase by 6-8% year-on-year, and the market trend for the forthcoming three quarters will be: With the weather getting warmer since the second quarter of 2013, demand will intensify and price will continue the growth momentum at the beginning of the second quarter and rise rapidly; despite the traditional low season in the third quarter, the market will stabilize with the significant decrease in new production capacity compared to 2012, and price is expected not to fall but remain stable; the fourth quarter is traditionally the peak season of the industry, during which the volume and price are expected to rise, with a promising profit prospect.

In order to capture these market opportunities, the Group is currently speeding up the construction of Jiangxi Yadong No. 5 and No. 6 new dry process rotary kilns (each has a daily clinker production capacity of 6,000 tonnes, which are expected to be completed and commence operation in September and December 2013 respectively). The Group hopes to get approval from the relevant authorities, and forges more strategic alliances or steps up merger and acquisition activities, so as to achieve the target annual production capacity of 50,000,000 tonnes as early as possible. Meanwhile, the Group will actively explore new markets, improve its overall market planning, and strengthen market dominance. The Group also strives to provide better products and services by enhancing product quality through significant improvement in internal management and technology. Furthermore, the Group will continue to carry out denitrification project and other energy saving and emission reduction projects in response to the various environmental policies of the government, and fulfill its social responsibility. All in all, with its leading market position and proven track records, we are confident in achieving a positive operating result for the upcoming quarters.

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

Hong Kong, 26 April 2013

As at the date of this announcement, the executive Directors are Mr. CHANG Tsai-hsiung, Dr. WU Chung-lih, Madam CHIANG SHAO Ruey-huey, Mr. CHANG Chen-kuen and Mr. LIN Seng-chang, 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.