Press Release

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Date: 4 August 2015
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ASIA CEMENT (CHINA) 2015 INTERIM REVENUE REACHED RMB3 BILLION

Asia Cement (China) Holdings Corporation ("Asia Cement (China)" or the "Company", stock code: 00743) together with its subsidiaries (collectively the "Group") reported an interim revenue of RMB3,006.4 million (2014 corresponding period: approximately RMB3,909.0 million) for the six months ended 30 June 2015 (the "Period"). Affected by declining cement market demand, the average selling price of cement dropped 19 per cent year-on-year in the first half of the year. During the Period, the Group's gross profit and gross profit margin reached RMB427.7 million and 14 per cent respectively. Profit attributable to owners of the Company amounted to approximately RMB9.9 million (2014 corresponding period: approximately RMB383.2 million), with basic earnings per share reaching RMB0.006 (2014 corresponding period: RMB0.246).

The Board of the Company does not recommend the payment of an interim dividend for the six months ended 30 June 2015 (2014 corresponding period: nil).

During the Period, cement market demand was hit by declining growth in China's fixed assets investment and property development investment, with cement prices in a number of regions dropping below the marginal cost. The cement industry as a whole was sluggish. During the first half of 2015, the national cement output decreased by 5.9 per cent year-on-year to 1,077 million tonnes. To cope with market competition, Asia Cement (China) adopted proactive and flexible measures and successfully achieved its target of full disposal of all output. During the Period, the Group sold a total of 12.95 million tonnes of cement and clinker.

The Group's silo in Taizhou, with a total storage capacity of 70,000 tonnes and annual cement intermediate storage capacity of over 1.5 million tonnes, commenced operation in April 2015, and started exporting products to overseas markets in May, thereby effectively helping the Group adjust sales in accordance with its output. The successful inauguration of the silo in Taizhou will enable the Group to increase cost-efficiency in supplying products to the downstream region of the Yangtze River, thereby improving the Group's competitiveness and ability to ensure sufficient supply.

In addition, the Group had fully utilized its sales network. Leveraging its quality service, the Group successfully won the tender for supplying to a number of key projects, many of which are large infrastructure projects including subway, bridge, inter-city railway and expressway, etc. in Wuhan, Chengdu, Nanchang, Jiujiang and Yangzhou, with the total contract volume exceeding 2 million tonnes. In order to minimise intermediate process and costs of projects, the Group had also entered into strategic cooperation agreements with various large construction companies to facilitate cooperation with them. Committed to cost control, Asia Cement (China) saw improvements in the consumption indicators of coal, electricity and other raw materials in the first half of the year when compared with those of the previous year, and the consolidated cost of cement reduced by more than 8 per cent year-on-year.

Looking into the second half of 2015, Mr Hsu Shu-tong, Chairman of Asia Cement (China), said: "The National Development and Reform Commission has approved a massive amount of large-scale construction projects, with a total investment amount exceeding RMB800 billion. Moreover, there are many stimulus and relaxation measures that have been successively introduced after the prolonged regulation of the property market are expected to generate positive results favouring the cement market in the second half of the year, thereby driving the growth in cement demand. In addition, with strict implementation of environmental standards by the government and the formal abolition of PC 32.5 grade cement, unqualified small to medium-sized cement companies will gradually be phased out. These will all help upgrade the industry and be beneficial to industry development."

"Methods for large cement enterprises' collaboration will become more diversified, including investing in the other's equities and signing strategic cooperation agreements. Strategic cooperation which allows enterprises to complement each other will not only create a win-win situation for the enterprises, but also promote the healthy development of the industry. There will be more rational competition in the industry, and industry players will together move towards the goal of energy saving, emission reduction and stabilising regional markets. Asia Cement (China) is also actively identifying suitable partners for strategic collaboration for capacity expansion and sales network optimisation," added Mr Hsu.

In 2015, the Group plans to sell a total of approximately 31 million tonnes of cement, clinker and slag powder, representing a year-on-year increase of 1.1 million tonnes or 4 per cent. Asia Cement (China) will adopt a more flexible and targeted marketing strategy, to broaden sales in markets near the factories and increase market influence in core markets. The Group will continue to promote green development strategy. In addition to the integrated utilization of industrial wastes, the Group will, depending on the circumstances and at an appropriate time, start to utilise cement kilns to facilitate the treatment of domestic and solid waste.

<u>About Asia Cement (China) Holdings Corporation</u>

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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Issued by: Asia Cement (China) Holdings Corporation

Through: CorporateLink Limited