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Industry SnapShots

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CHINA CEMENT

1 September 2016

This Week's News

- **Nikkei Asian Review - Mega-challenges for China's cement mega-merger - 29/8/2016**
CNBM Group and Sinoma Group had an official merger ceremony in Beijing.
For the complete story see: <http://asia.nikkei.com/Politics-Economy/Economy/Mega-challenges-for-China-s-cement-mega-merger>
- **Minneapolis Star Tribune - Cracks are showing in cement industry's pollution problem - 27/8/2016**
About 4.3 billion tons of cement was consumed in 2014, with China alone needing more than half of that.
For the complete story see: <http://www.startribune.com/cracks-are-showing-in-cement-industry-s-pollution-problem/391449381/>
- **Global Cement - Huaxin Cement's sales fall by 11% to US\$860m in first half of 2016 - 26/8/2016**
Huaxin Cement's sales revenue has fallen by 11% year-on-year to US\$860m in the first half of 2016.
For the complete story see: <http://www.globalcement.com/news?start=5>

Other Stories

- AllAfrica.com - Chinese Firm Injects U.S \$10 Million in New Project - 25/8/2016
- Xinhua - China's largest cement maker reports profit slump - 23/8/2016

Media Releases

- Anhui Conch Cement Company Limited (HKSE: 914) - Interim results for the six months ended 30 June 2016 – 22/8/2016
- China Resources Cement Holdings Limited (HKSE: 1313) - Inside Information Approval of Registration of The Issue of Commercial Paper and Medium-Term in PRC – 19/8/2016
- China Resources Cement Holdings Limited (HKSE: 1313) - Profit Attributable to Owners of the Company Dropped to HK\$257.5 million in the First Half of 2016 – 5/8/2016

Latest Research

- Value-added recycling of construction waste wood into noise and thermal insulating cement-bonded particleboards - By Lei Wang, Season S. Chen, Daniel C.W. Tsang, Chi Sun Poon, Kaimin Shih

Overviews of Leading Companies

Anhui Conch Cement Company Limited (HKSE: 914)
 BBMG Corporation (HKSE: 2009)
 Chongqing General Industry (Group)Co.,Ltd
 China International Building Material Co., Ltd (HKSE: 3323)
 China Resources Cement Holdings Limited (HKSE: 1313)
 Sinoma International Engineering Co., Ltd (SSE: 600970)
 Shandong Shanshui Cement Group Limited (HKSE: 691)
 Tangshan Jidong Cement Co., Ltd (SZ: 401)

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News and Commentary

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<http://asia.nikkei.com/Politics-Economy/Economy/Mega-challenges-for-China-s-cement-mega-merger>

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Huaxin Cement's sales revenue has fallen by 11% year-on-year to US\$860m in the first half of 2016.

For the complete story see:

<http://www.globalcement.com/news?start=5>

AllAfrica.com - Chinese Firm Injects U.S \$10 Million in New Project - 25/8/2016

Mortal is constructing a US\$10 million plant in Redcliff with capacity to employ about 400 employees.

For the complete story see:

<http://allafrica.com/stories/201608250233.html>

Xinhua - China's largest cement maker reports profit slump - 23/8/2016

Revenue fell 0.79 percent year on year to 23.4 billion yuan.

For the complete story see:

http://news.xinhuanet.com/english/2016-08/23/c_135626666.htm



Macrosource Media

Details of our newly released 74-page Global High-Tech Market Research Report on the world's high-tech shipping market and its leading companies, including Daewoo Shipbuilding & Marine Engineering Co Ltd, Fincantieri SpA, General Dynamics Corporation, Havyard Group ASA, Hyundai Heavy Industries Co Ltd, Mitsubishi Heavy Industries, Ltd Samsung Heavy Industries Co Ltd, and Ulstein Group ASA among others.

http://www.macrosourcemedia.com/store/p7/High-Tech_Shipping_Market_Report_%2874_pages%29.html

Media Releases

Anhui Conch Cement Company Limited (HKSE: 914) - Interim results for the six months ended 30 June 2016 – 22/8/2016

Revenue for the six months ended 30 June 2016 (“Reporting Period”), prepared in accordance with the International Financial Reporting Standards (“IFRSs”), amounted to approximately RMB23,973.11 million, representing a decrease of approximately 1.03% over the corresponding period of last year.

As at the end of the Reporting Period, profit attributable to equity shareholders of the Company, prepared in accordance with the IFRSs, was approximately RMB3,358.55 million, representing a decrease of approximately 28.76% over the corresponding period of last year.

As at the end of the Reporting Period, basic earnings per share, prepared in accordance with the IFRSs, were RMB0.63.

MANAGEMENT DISCUSSION AND ANALYSIS

MACRO-ENVIRONMENT

During the first half of 2016, the PRC’s economy showed steady development. The year-on-year GDP growth rate was 6.7%, down by 0.3 percentage point as compared to the corresponding period of last year. Fixed asset investments across the country saw a 9.0% year-on-year growth rate, which was 2.4 percentage points lower than that of the same period of last year. Property investment sustained a year-on-year increase of 6.1%, up by 1.5 percentage points from that of the same period of last year. (Source: National Bureau of Statistics of China)

During the first half of 2016, the PRC’s cement production volume amounted to 1,109 million tonnes, representing a 3.2% year-on-year increase, which showed a variation of 8.5 percentage points from that for the same period of last year. Market demand showed signs of noticeable recovery with growing regional divergence. However, affected by the year-on-year decrease in the growth of fixed asset investment, coupled with intensified market competition and substantial decrease in profit due to significant structural oversupply in cement capacity, the industry was in a low-profit position. (Source: Digital Cement)

Operations Overview

During the first half of 2016, the Group strove to overcome a number of adverse factors including economic downturn and intensified market competition. By strengthening study and analysis of market dynamics according to the industry’s seasonal characteristics and competition within each regional market, the Group paid high regard to market development and product mix adjustment. The Group endeavored to keep a balance among quantity, price and efficiency, by maintaining a stable increase in sales volume and continuous growth in market share while striving to ensure its efficiency. The Group also paid attention to movements in market supply and leveraged its competitive edge in centralized procurement to lower procurement costs. Moreover, the Group strengthened its management and control over production and operation, so as to improve operation quality.

During the Reporting Period, in accordance with the PRC Accounting Standards, the Group’s revenue generated from its principal activities amounted to RMB23,400 million, representing a decrease of 0.79% from that for the same period of last year; its net profit attributable to equity shareholders of the Company amounted to RMB3,355 million, representing a decrease of 28.70% from that for the same period of last year; and earnings per share were RMB0.63. In accordance with the IFRSs, the revenue amounted to RMB23,973 million, representing a decrease of 1.03% from that for the same period of last year; its net profit attributable to equity shareholders of the Company amounted to RMB3,359 million, representing a decrease of 28.76% from that for the same period of last year; and earnings per share were RMB0.63.

During the Reporting Period, three clinker production lines of PT Conch South Kalimantan Cement, Myanmar Conch Cement Co., Ltd. and Yingjiang Yunhan Cement Co., Ltd., as well as seven cement grinding units of Ganzhou Conch Cement Co., Ltd. and Guangxi Sihongmao Co., Ltd. had successively been put into operation, with the clinker and cement production capacity increased by 4.6 million tonnes and 8.1 million tonnes respectively. In addition, the Group continued to facilitate the mergers and acquisitions of domestic projects and had completed the transfer of cement assets of former Anhui Chaodong Cement Co., Ltd., increasing its clinker and cement production capacity by 5.4 million tonnes and 3.5 million tonnes respectively. As at the end of the Reporting Period, the clinker, cement and aggregate production capacity of the Group reached 240 million tonnes, 300 million tonnes and 24.9 million tonnes respectively.

With regard to international development, the phase-two project of PT Conch South Kalimantan Cement and the Myanmar Conch Cement Co., Ltd. project had successfully completed construction and been put into operation. The Merak grinding mill project and the project in Papua Barat in Indonesia are proceeding with their construction on schedule. They are expected to commence trial operation in the second half of 2016. For the projects in Luang Prabang of Laos and Battambang of Cambodia, the relevant preliminary works had made smooth progress. Meanwhile, the Group also carried out on-site inspection and research of several countries such as Russia and Turkey, and entered into a cooperation framework agreement in respect of the projects in Russia.

In addition, the Group continued to push ahead with the development of energy conservation and environmental protection in cement projects. The four residual heat electricity generation units located at Yunnan Zhuangxiang Cement Co., Ltd., Kunming Hongxi Cement Co., Ltd., Shaoyang Yeafing New Energy Co., Ltd. and Myanmar Conch Cement Co., Ltd. respectively had been put into operation, with an additional installed capacity of 25.5MW, as a result of which the total installed capacity of electricity generation amounted to 1,229MW. The Group continued to implement technology modification for clinker and cement production lines, thereby achieving significant improvement in energy conservation and consumption reduction.

During the Reporting Period, there were no significant changes in the core competitiveness of the Group.

Sales Market Overview

During the Reporting Period, the Group realised an aggregate net sales volume of cement and clinker of 128 million tonnes, representing a year-on-year growth of 11%. However, the sales revenue was basically the same as that of the same period of last year due to a decrease in product composite selling price.

During the Reporting Period, the Group recorded increase in sales volume across all regions, while product selling prices decreased by varying degrees. The East China market remained stable with steady sales volume, while sales revenue decreased by 8.63% on a year-on-year basis due to decline in selling prices. With the release of production capacity of the projects acquired by the Company, the Group recorded increase in market shares in Central China, achieving a year-on-year increase of 15.64% in sales volume of cement and clinker and a year-on-year increase of 7.64% in sales revenue. Sales volume in South China and West China increased by 12.66% and 9.27% respectively on a year-on-year basis, which were mainly attributable to the capacity contribution by the projects put into operation in the second half of last year, while sales revenue recorded a year-on-year decrease of 7.74% and 0.40% respectively due to decline in selling prices. Meanwhile, as the Company stepped up efforts in exploring the international cement market, the export and overseas sales volume and sales revenue increased by 66.22% and 34.62% respectively on a year-on-year basis.

During the Reporting Period, the Group increased export sales. Sales contribution of clinker increased by 2.14 percentage points year-on-year to 13.43%, while the sales contribution of 42.5-grade cement decreased by 1.87 percentage points year-on-year to 54.30%.

http://www.conch.cn//news_file/201688997349.pdf

China Resources Cement Holdings Limited (HKSE: 1313) - Inside Information Approval of Registration of The Issue of Commercial Paper and Medium-Term in PRC – 19/8/2016

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Reference is made to the announcements of the Company dated 15 June 2016 and 27 July 2016 (the “Announcements”) in relation to, among others, the Proposed Issue of Commercial Paper and Medium-Term Notes in PRC. Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless stated otherwise herein.

The Board is pleased to announce that the Company has received the application approval notices (ref. nos. Zhong Shi Xie Zhu [2016] CP243 and Zhong Shi Xie Zhu [2016] MTN355) issued by the Association and has been informed that the issue of the Commercial Paper and the Medium-Term Notes is duly registered at the Association. The offering circular in respect of the issue of the Commercial Paper and the Medium-Term Notes and other disclosure documents will be published on the websites of China Money (www.chinamoney.com.cn) and Shanghai Clearing House (www.shclearing.com) upon issue.

The Company will make further announcement in respect of the detailed arrangement of the issue of the Commercial Paper and the Medium-Term Notes as and when appropriate.

<http://www.crcement.com/home/Investorrelations/Announcementsandcirculars/201608/P020160819659155217905.pdf>

China Resources Cement Holdings Limited (HKSE: 1313) - Profit Attributable to Owners of the Company Dropped to HK\$257.5 million in the First Half of 2016 – 5/8/2016

On 5 August 2016, China Resources Cement Holdings Limited (SEHK stock code: 1313) announced interim results for the six months ended 30 June 2016.

In the first half of 2016, the Company’s consolidated turnover was HK\$ 11.3 billion, representing a decrease of 15.6% from the corresponding period last year. Profit attributable to owners of the Company dropped to HK\$257.5 million. Basic earnings per share reached HK\$0.039. The Board has resolved to declare an interim dividend of HK\$0.015 per share for the Period (30 June 2015: HK\$0.06) with a dividend payout ratio of 38.5%. As at 30 June 2016, the total assets of the Group were HK\$53.9 billion, the net gearing ratio was 66.9% and the net assets per share were HK\$4.00.

During the Period, our external sales volume of cement, clinker and concrete were 37.1 million tons, 2.0 million tons, and 5.7 million m3, representing an increase of 6.7%, a decrease of 27.4% and an increase of 0.1% respectively from the corresponding period last year. During the Period, the average selling price of cement and clinker were HK\$238 per ton and HK\$ 173 per ton, representing decreases of 19.7% and 22.4% respectively from the corresponding period of last year. The average selling price of concrete was HK\$374 per m3, representing a decrease of 14.0% from the corresponding period last year. The consolidated gross margin of the Company was 23.8%, representing a decrease of 1.2 percentage points as compared to 25% in the same period of last year. Net margin was 2.0%, which was 9.1 percentage points lower as compared to 11.1% in the same period of last year.

http://www.crcement.com/home/Newscentre/Companynews/201608/t20160806_396115.html

Reportal: a vast archive of corporate documents from listed companies around the world
www.reportaldata.com #

Latest Research

Value-added recycling of construction waste wood into noise and thermal insulating cement-bonded particleboards

Lei Wang, Season S. Chen, Daniel C.W. Tsang, Chi Sun Poon, Kaimin Shih

Abstract

Large amounts of waste wood formwork from construction sites end up with landfill disposal every day. This study aims to develop a practicable technology for recycling construction waste wood into formaldehyde-free cement-bonded particleboards that have value-added features of high strength, light weight, and thermal/noise insulation for reuse in building and construction applications. The mineralogy and microstructure of particleboards were characterized by X-ray diffraction, thermogravimetry, and mercury intrusion porosimetry analyses. Among the mineral admixtures, chloride accelerated precipitation of oxychlorides while sulphate produced calcium sulphoaluminate for promoting early strength development. The use of 2% CaCl₂ proved to be sufficient for improving the wood-cement compatibility. At wood-to-cement ratio of 3:7 by weight (i.e., 3:1 by volume), cement hydrates in the porous structure ensured acceptable dimensional stability (<2% swelling). By adjusting the water-to-cement ratio to 0.3 and density of the particleboards to 1.54 g cm⁻³, the volume of capillary pores was effectively reduced from 0.16 mL g⁻¹ to 0.02 mL g⁻¹. The more compact microstructure contributed to high fracture energy at 6.57 N mm⁻¹ and flexural strength of 12.9 MPa. Using the above optimal production conditions, the particleboards complied with the International Standard (9 MPa) while enabling reuse as light-weight structure. The particleboards also manifested outstanding structure-borne noise reduction (at 32–100 Hz) and low thermal conductivity (0.29 W m⁻¹ K⁻¹), suggesting potential application as acoustic and thermal insulating materials. Preliminary cost-benefit analysis illustrated economic viability of the proposed approach. Therefore, technological innovation is crucial for delivering an eco-friendly solution to waste wood recycling for the building and construction industry.

<http://www.sciencedirect.com/science/article/pii/S0950061816313162>

The Industry

Research Report on China Cement Industry, 2010-2019

As an indispensable basic raw material industry for the development of national economy, production and construction, cement industry has become quite large with economic development. Since the beginning of the 21st century, cement industry has undergone a great transformation from a backward scattered mode of production to an intensive one with new technology and equipment, which has from one side demonstrated the rapid development of Chinese economy.

The economic imbalance between different regions has led to the unequal distribution and development of cement industry. Currently, a pattern of three belts, respectively Pearl River Delta represented by Guangdong Province, Yangtze River Delta represented by Shanghai, Zhejiang and Jiangsu as well as Bohai Rim represented by Beijing, Tianjin, Hebei and Shandong, has taken shape in cement industry.

Cement output in China in 2014 was 2.47619 billion tons, increasing 1.8% year on year. In recent years, cement market in China has been in a state of fluctuation. At the end of 2010, in order to hit target of utility-based energy efficiency, the Chinese government switched off power, which resulted in the short supply and therefore a historical high price of cement in the peak season; In 2011, a consensus of controlling capacity and creating benefits was reached in the trade but influenced by the new capacity, the formerly high price started to drop since the middle of the year; In 2012, as cement capacity increased greatly, the price hit a new low before picking up at the end of the year; At the end of 2013, cement price recovered to an unexpected level just lower than that at the end of 2010 due to the low price of coal; In 2014, CEMPI in China dropped from 116.77 at the beginning of the year to 99.8 at the end of the year, decreasing 14.53% within the year. And CEMPI reached its peak of 116.64 in early January and its bottom of 99.45 in early September. Within 2014, CEMPI kept dropping. Specifically, the first quarter reported the largest decline of 5.18%, the second quarter 4.58%, the third quarter 4.63% and the fourth quarter a much smaller decline of 0.95% than the former three quarters despite being at the peak season.

New urbanization which boosts the demand for cement is an opportunity facing Chinese cement industry now. From the perspectives of lag degree, development space and policy tone, urbanization will be deepened fast in a long time.

It is estimated that 13 million people will be transferred to city for every one percent increase in urbanization rate. Suppose each person needed a housing area of 30 square meters, 0.39 billion square meters will be added. Suppose 0.2 tons of cement was needed for each square meter, 78 million tons of cement will be used for every one percent increase in urbanization rate. If various supporting facilities were counted too, the practical demand for cement will exceed 0.1 billion tons. Therefore, if urbanization rate rose from 54.8% at the end of 2014 to 65% by 2020 with about 0.14 billion people entering cities, the construction of residential houses and supporting facilities will come out with a demand of over 1 billion tons for cement.

Due to the large investment in infrastructure and local governments' concern about debt and capital, the growth in infrastructure investment is expected to slow down in the next few years. In 2014, about 1.8 billion square meters of house were newly built by real estate developers, decreasing 10.74% compared with 2013. And it is estimated that the growth in real estate investment will slow down too. On the whole, infrastructure investment in 2013-2014 new projects and projects under construction will continue in the near future. Besides, the shanty town transformation, low-cost housing construction and promotion of urbanization all support the demand for cement. Meanwhile, it is also possible for the Chinese government to increase fixed asset investment so as to stimulate economic growth.

Cement industry is expected to recover its prosperity in the next few years. Besides, as structural adjustment has completed i.e. new dry process accounts for over 95% of the capacity and production line with a daily output of over 5000 tons occupies over 60% of new dry production line, both labor productivity and enterprise performance improved greatly, which fastens the development of cement industry.

As China is now at the phase of economic transformation and upgrading, there are many investment opportunities in the cement industry with the integrative development of industrialization, informatization, new urbanization and agricultural modernization.

<http://www.giiresearch.com/report/cr336277-research-report-on-china-cement-industry.html>

Leading Companies

Anhui Conch Cement Company Limited (HKSE: 914)

Interim results for the six months ended 30 June 2016

Revenue for the six months ended 30 June 2016 (“Reporting Period”), prepared in accordance with the International Financial Reporting Standards (“IFRSs”), amounted to approximately RMB23,973.11 million, representing a decrease of approximately 1.03% over the corresponding period of last year.

As at the end of the Reporting Period, profit attributable to equity shareholders of the Company, prepared in accordance with the IFRSs, was approximately RMB3,358.55 million, representing a decrease of approximately 28.76% over the corresponding period of last year.

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MANAGEMENT DISCUSSION AND ANALYSIS

MACRO-ENVIRONMENT

During the first half of 2016, the PRC’s economy showed steady development. The year-on-year GDP growth rate was 6.7%, down by 0.3 percentage point as compared to the corresponding period of last year. Fixed asset investments across the country saw a 9.0% year-on-year growth rate, which was 2.4 percentage points lower than that of the same period of last year. Property investment sustained a year-on-year increase of 6.1%, up by 1.5 percentage points from that of the same period of last year. (Source: National Bureau of Statistics of China)

During the first half of 2016, the PRC’s cement production volume amounted to 1,109 million tonnes, representing a 3.2% year-on-year increase, which showed a variation of 8.5 percentage points from that for the same period of last year. Market demand showed signs of noticeable recovery with growing regional divergence. However, affected by the year-on-year decrease in the growth of fixed asset investment, coupled with intensified market competition and substantial decrease in profit due to significant structural oversupply in cement capacity, the industry was in a low-profit position. (Source: Digital Cement)

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During the Reporting Period, in accordance with the PRC Accounting Standards, the Group’s revenue generated from its principal activities amounted to RMB23,400 million, representing a decrease of 0.79% from that for the same period of last year; its net profit attributable to equity shareholders of the Company amounted to RMB3,355 million, representing a decrease of 28.70% from that for the same period of last year; and earnings per share were RMB0.63. In accordance with the IFRSs, the revenue amounted to RMB23,973 million, representing a decrease of 1.03% from that for the same period of last year; its net profit attributable to equity shareholders of the Company amounted to RMB3,359 million, representing a decrease of 28.76% from that for the same period of last year; and earnings per share were RMB0.63.

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During the Reporting Period, the Group increased export sales. Sales contribution of clinker increased by 2.14 percentage points year-on-year to 13.43%, while the sales contribution of 42.5-grade cement decreased by 1.87 percentage points year-on-year to 54.30%.

http://www.conch.cn//news_file/201688997349.pdf

BBMG Corporation (HKSE: 2009)

Third Quarterly Report for 2013

This announcement is made in accordance with Rule 13.09(2) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the provisions about inside information (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

BBMG Group Company Limited (“BBMG Group”) furnished on 29 December 2010 a Letter of Undertaking of BBMG Group Company Limited in connection with a Voluntary Transfer of Trademarks at Nil whereby BBMG Group made the following irrevocable undertakings in respect of its voluntary transfer of all its existing trademarks and trademarks under application at nil consideration to the Company:

BBMG Group shall transfer voluntarily all existing trademarks and trademarks under application that it owns as at the date of issuance of this undertaking letter to the Company or its subsidiaries at nil consideration, upon receiving approval or consent from its internal decision-making bodies and the competent government authorities and subsequent to performing the relevant legal procedures as required by applicable laws. Both parties shall sign the relevant transfer agreements regarding the transfer of existing trademarks and trademarks under application in accordance with laws and regulations and as required by the competent government authorities and perform all necessary legal procedures.

BBMG Group and its subsidiaries (excluding the Company and its subsidiaries) shall neither apply within or outside the PRC for registering trademarks that are the same or similar to the existing registered trademarks of the Company under classes related to the core businesses of the Company nor apply for registering existing trademarks under other classes related to the core businesses of the Company other than those under which BBMG Group’s existing trademarks are registered.

The Master Agreement on Trademarks Licensing entered into between the parties on 8 July 2009 shall cease to be effective upon completion of the transfer of the existing trademarks and trademarks under application, that is the day on which the Company or its subsidiaries become the legal owners of the existing trademarks and the applicant in terms of the trademarks under application. BBMG Group will enter into further agreements or arrangements with the Company in respect of the termination of the agreement and the subsequent matters in due course.

BBMG Group, the controlling shareholder of the Company, undertakes that it will not transfer via any means or entrust other party to manage the issued shares of the Company held directly or indirectly by it prior to the initial public offering of the Company and will not sell such shares to the Company within 36 months from the listing of the A shares of the Company on the Shanghai Stock Exchange.

<http://www.bbm.com.cn/upload/accessory/201310/20131030172478824487.pdf>

Chongqing General Industry (Group) Co., Ltd

Chongqing General Industry (Group) Co.,Ltd (hereinafter referred to as CQGI) is a state-owned key back-bone enterprise in the refrigeration and fan industries in China. CQGI is also a large-size centrifugal compressor, blower and fan manufacturer with China only independent intellectual property right and independent innovation capability. It is listed in the top 500 industrial enterprises. CQGI got many honors and rewards such as The Most Competitive Blower and Fan Enterprise in China, Client Satisfaction Enterprise in the Blower and Fan Industry; Contribution and Achievement Enterprise; Brand Products of Chongqing and The Most Competitive Brand In The Market authorized by department of commerce.

CGIC is specialized in designing, manufacturing and selling the centrifugal refrigeration and air-condition system, centrifugal compressor, industrial high temperature fan, centrifugal fan/blower, and environmental protection complete-set equipment and engineering; wind power turbine blades etc. parts, Class I and Class II pressure vessels.

Since 1960s, CQGI has been undertaking the key national key projects and providing advanced technology ; good quality and reliable large-size equipment for state defence, scientific investigation station, nuclear power station, iron-steel complex, capital steel company, Jidong cement company and conch group. The products have been awarded so many honours and rewards by nation, ministry, province, committee and municipality. CQGI provided many products for carrier rocket, missile, communication and satellite project etc. And got reputation from center, state defence, and military committee, commission of science, technology and industry for national defence. CGIC made the great contribution to national economy and state defence modernization construction.

http://www.cqgic.com/more_ety.php?d=ety_join

China International Building Material Co., Ltd (HKSE: 3323)

CNBM International Corporation (CNBM International) is the most important trading platform of CNBM Group Corporation, a state-owned company under the direct supervision of State-owned Assets Supervision and Administration Commission of the State Council.

Since 2004, the trading volume of CNBM International has been doubled in 5 successive years owing to the support of superior corporations and effort of all staff. Meanwhile, we have established strategic partnerships with hundreds of domestic manufacturers and sound business relations with clients from over 120 countries. Currently, we have wholly-owned overseas subsidiaries and branches in 5 countries with a view to realize localization, which also represents an essential progress in our globalization target.

In line with the business, CNBM International launched E-business platform Okorder.com.

Our goal is to transform CNBM International into the global leading brand in building materials industry within 3 to 5 years through innovation and reform, by strengthening the overall management of supply chain, developing and cultivating both domestic and overseas market, improving the procedure and information system, enhancing the ability to organize resources and to provide value-added services under a professional team and a learning organization.

With the advantages in Cement, Composite Materials, New Building Materials and Engineering, we mainly concentrate on coal, steel and construction equipments and give priority to solar and wind energy development simultaneously utilizing our competitive position on traditional building materials to achieve sales revenue of RMB10 Billion in 2013.

CNBM International is highly recognized by its business partners and clients all over the world and has obtained rapid development under the spirit of win-win. We will carry on the mutual beneficial, innovative and revolutionary trading structure as we did before, create value for our employees, share holders and clients and benefit the whole society in our future development.

<http://www.icnbn.com/en/info.php?id=1>

China Resources Cement Holdings Limited (HKSE: 1313)

Profit Attributable to Owners of the Company Dropped to HK\$257.5 million in the First Half of 2016

On 5 August 2016, China Resources Cement Holdings Limited (SEHK stock code: 1313) announced interim results for the six months ended 30 June 2016.

In the first half of 2016, the Company's consolidated turnover was HK\$ 11.3 billion, representing a decrease of 15.6% from the corresponding period last year. Profit attributable to owners of the Company dropped to HK\$257.5 million. Basic earnings per share reached HK\$0.039. The Board has resolved to declare an interim dividend of HK\$0.015 per share for the Period (30 June 2015: HK\$0.06) with a dividend payout ratio of 38.5%. As at 30 June 2016, the total

assets of the Group were HK\$53.9 billion, the net gearing ratio was 66.9% and the net assets per share were HK\$4.00.

During the Period, our external sales volume of cement, clinker and concrete were 37.1 million tons, 2.0 million tons, and 5.7 million m³, representing an increase of 6.7%, a decrease of 27.4% and an increase of 0.1% respectively from the corresponding period last year. During the Period, the average selling price of cement and clinker were HK\$238 per ton and HK\$ 173 per ton, representing decreases of 19.7% and 22.4% respectively from the corresponding period of last year. The average selling price of concrete was HK\$374 per m³, representing a decrease of 14.0% from the corresponding period last year. The consolidated gross margin of the Company was 23.8%, representing a decrease of 1.2 percentage points as compared to 25% in the same period of last year. Net margin was 2.0%, which was 9.1 percentage points lower as compared to 11.1% in the same period of last year.

http://www.crcement.com/home/Newscentre/Companynews/201608/t20160806_396115.html

Sinoma International Engineering Co., Ltd (SSE: 600970)

Sinoma International Engineering Co., Ltd (Sinoma International) was founded in December 2001. It is a public company listed in Shanghai Stock Exchange, the highlighted high-tech enterprise granted by China.

Sinoma International is mainly engaged in domestic and overseas large-scale project general contract integration services ranging from engineering consultancy, engineering design, construction and erection, equipment manufacturing, supply, commissioning, operation and maintenance etc. Basing on the succession and integration of the superior resources accumulated in Chinese cement industry over the past 50 years, the company has accomplished in the establishment, and is now dedicated to developing and expanding. Sinoma International consolidates its position as the leading enter in the domestic and overseas cement engineering industry, while entering into the international market rapidly and gaining the outstanding achievement. The hundreds of large-scale cement production line executed by Sinoma International are reaching over 30 countries in Europe, Asia, Africa, and America.

Sinoma International provides service for clients with complete project general contract services system. Through inner resource integration, merger and acquisition, the business function, the scale of operation and profitability is gradually improved. At present, Sinoma International possess four design institutes, four engineering construction companies and over ten equipment manufacture bases specialized in cement industry and several branches in lots of countries.

Sinoma International has been awarded with such honors as “the National May First Labor Certificate of Merit” and the “Advanced Group of The Central Government Enterprise”, etc. It leaps into the front ranks of the top 100 project general contractors in several years.

“Promoting the internationalization of the company, improving technical and management innovation system, continuously advancing system integration service capability and becoming the leading enterprise in the global cement construction market” is always the strategic goal of Sinoma International. The company focuses on the cement construction improving the core-competitiveness and makes the contribution to the upgrading of the cement industry, environmental protection, energy saving and lower consumption.

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<http://en.sinoma.cn/about/200907/237.html>

Shandong Shanshui Cement Group Limited (HKSE: 691)

2015 Interim Report

Operating Environment and Industry Overview

Confronted with economic downward pressure, the Chinese Government adhered to the general tone of moving forward while maintaining stability since the beginning of this year. It proactively guided the new normal of economic development by prioritizing structural adjustment and changing methods with a view to enhance quality and efficiency, placing more efforts on deepening reform and opening up and tapping on the vitality of the market. In the first half of 2015, GDP of China amounted to RMB29.6868 trillion, representing an increase of 7.0% as compared to the same period of last year. Total fixed asset investment of China amounted to RMB23.7132 trillion, representing an increase of 11.4% as compared to the same period of last year. In particular, investment on real estate development amounted to RMB4.3955 trillion, representing an increase of 4.6% as compared to the same period of last year.

In the first half of 2015, as a result of the significant slowdown of fixed asset and real estate investment, demand in the cement market had shrunken. Coupled with severe overcapacity, competition remained fierce in the market, both sales volume and prices were on the downside.

In the first half of 2015, the whole cement industry output was 1,077.14 million tons, down by 5.3% as compared to the same period of last year. The whole cement industry realized a total profit of RMB13.265 billion, down by approximately 61% as compared to the same period of last year.

As at 30 June 2015, the Group had a total production capacity of 106.60 million tonnes of cement, 52.93 million tonnes of clinker and 19.40 million cubic meters of concrete. During the Reporting Period, the Group's total sales of cement and clinker were 22.83 million tonnes, representing a year-on-year decrease of 20.9%; sales volume of concrete was 1.10 million cubic meters, representing a year-on-year decrease of 32.7%; sales revenue was RMB5,064 million, representing a year-on-year decrease of 31.1%; and the loss for the period was RMB1,096 million.

During the Reporting Period, the Company's sales revenue decreased by 31.1% to RMB5,064 million. With regard to revenue breakdown by products, cement revenue amounted to RMB4,113 million, representing a year-on-year decline of 29.7%, and clinker revenue amounted to RMB576 million, representing a year-on-year decline of 36.9%. The revenue from concrete amounted to RMB302 million, representing a year-on-year decline of 39.0%.

<http://en.shanshuigroup.com/Static/attachment/2015-09-11/55f2b13595dd1.pdf>

Tangshan Jidong Cement Co., Ltd (SZ: 401)

Tangshan Jidong Cement Co., Ltd., on the basis of former Hebei Provincial Jidong Cement Plant, was solely restructured and established by Hebei Provincial Jidong Cement Group Co., Ltd. in May, 1994 by means of directional capital collection. Jidong Cement A share was issued in Shenzhen Stock Exchange in 1996. The company has been the largest cement manufacturer and supplier in the north of China. The predecessor of the company, Hebei Provincial Jidong Cement Plant, began to construct in 1981 and was completed in Dec, 1983. After proved by the government and handed over by Japan, the plant formally began production on Jan 1, 1985 which is the cradle of Chinese new dry process cement industry.

The company is one of the twelve large-scale cement groups supported by nation as well as one of the largest modernized cement company and cement listed company. The company now has total assets of RMB 34.4 billion and the annual capacity of 100 million tons with 51 holding subsidiaries, and has more than 9000 employees. It has grown into a large scale building material conglomerate of environmental protection with its major products of cement, dry mortar, cement additive, grinding aids of cement and some new building materials. All the product lines adopt new dry process and equipment which stand for the advanced level of cement industry. The first product line with daily output of 4000 tons of cement clinker was the first domestic sophisticated product line of new dry process cement introduced from Japan. The second product line was the first domestic demonstration line with daily output of

4000 tons of cement clinker. The “Dunshi” trademark was assessed Chinese famous trademark which is one of the most famous trademarks in Chinese building material industry. Our company has been awarded the honorable titles one after another of “Advanced Unit of National Resource Use”, “National Beautiful Environment Factory”, “National 5.1 Labor Award”, “National Excellent Enterprise (Golden Horse)”, “National Civilized Unit”, “National Advanced Unit for Construction of Enterprise Culture”, etc. and is praised as “The Leader of Chinese Cement Industry”.

The major products of the company are the famous “Dunshui” brand of low alkali portland cement, which includes P.032.5R, P.042.5R, P.II42.5R, P.S32.5, P.C32.5, English and American standard portland cement, road portland cement, slag portland cement, compound cement, etc. in common and special series with more than ten types of products which have been widely adopted in the national key projects and infrastructure constructions. The qualified rates of the ex-factory Dunshi cement and grades always keep 100%. The products have been approved by ISO9001 quality management system and ISO14000 environmental management system and were among the list of domestic first batch of free-inspection products of cement as well as obtained the free-inspection certificate issued by Malaysian government. Our products enjoy high reputation and large market share both home and abroad. And our market covers north China region, northeast region, northwest region, southeast coastal region and Korea and some other Southeast Asian countries.

Under the guidance of the national policy of building material industry and keeping the competitive advantage of cement products, our company actively optimized and upgraded the products and its structure, and established Tangshan Dunshi Dry Mortar Building Material Co., Ltd. in 2000. This company introduced the product line of dry mortar with the international advanced technology of 1990s from Austria. Its annual output of complete series of environmental protection type of Dunshi dry mortar is 150 thousand tons. The company is the largest enterprise of dry mortar product in China. Our company organized and founded Tangshan Jidong Cement Additive Co., Ltd. in 2003. Its annual output of grinding aids of cement and concrete additive is 5000 tons and 20000 tons. It is one of the rare domestic enterprises which have the capability of independently innovating, researching and inventing and the independent intellectual property right of the formula of grinding aids. The company is the largest manufacturer of liquid grinding aids and its output and sales volume are all on the top.

The key values of our company is “Create together, win together”; our aim is “Strengthen the foundation of life.”; our enterprise spirit is “Unity, innovation, honesty, conscientiousness”; our managing conception is “Keep abreast of the market and pursue high efficiency.” We are eager to “offer more, offer better.”

<http://en.jdsn.com.cn/News/NewsDetails.aspx?newsid=7>



Sector Coverage

- China Petroleum and Chemicals
- China Information Technology
- China Biotechnology
- China Banking
- China Automotive
- China Mining
- China Cement
- China Shipbuilding
- China Renewable Energy
- India Information Technology
- India Banking
- Australia Metal and Mining
- Australia Specialty Minerals
- Australia Biotechnology and Pharmaceuticals
- Australia Grains
- Australia Banking
- Australia Tourism
- Brazil Banking
- Brazil Metal and Mining
- Canada Mining
- Canada Grains
- Canada Media
- Canada Telecommunications
- Japan Shipbuilding
- Japan Pharmaceuticals
- Japan Automotive
- Japan Telecommunications
- Mexico Mining
- South Korea Metal and Mining
- South Korea Shipbuilding
- South Korea Automotive
- US Pharmaceuticals
- US Automotive
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