

TARGET

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ASIA CEMENT (CHINA) HOLDINGS CORPORATION: PRAYERS FOR RAIN ARE NOT ALWAYS HEARD IN THE HEAVENS

An experienced farmer knows when to harvest his crops in the field.

So it is, too, to many a businessman, the world over:

‘When to “harvest” the crops that were result of the “seeds” that had carefully been planted in days of yore.’

Mr Hsu Shu Tong (徐旭東), the 81-year-old Chairman of Asia Cement (China) Holdings Corporation (亞洲水泥[中國]控股公司) (Code: 743, Main Board, The Stock Exchange of Hongkong Ltd), appears to have a great deal in common with those experienced farmers who make their daily bread by planting and harvesting the fruits of their labours.

Asia Cement (China) Holdings Corporation, a corporate entity, having been domiciled in The Cayman Islands on or about April 7, 2004, is principally engaged in the manufacturing and sales of cement and concrete.

This corporate entity is an investment holding company, based in the Hongkong Special Administrative Region (HKSAR) of the People’s Republic of China (PRC), its entire Issued and Fully Paid-Up Share Capital, having been listed on the premier equity market of the HKSAR on or about May 20, 2008.

Today, the entire Group’s Revenue is derived from activities, carried out in the PRC, proper, being separate and distinct from the HKSAR.

Also, the Group’s Non-Current Assets (property, plant and equipment, quarry, goodwill, investment properties, intangible assets, interests in joint ventures, interests in associates and right of-use assets) are principally located in PRC, proper.

The Immediate and Ultimate Holding Company of Asia Cement (China) Holdings Corporation is Asia Cement Corporation (亞洲水泥股份有限公司), a company, incorporated in Taiwan, with its shares, having been listed on The Taiwan Stock Exchange Corporation (臺灣證券交易所).

THE 2022 ANNUAL REPORT OF

ASIA CEMENT (CHINA) HOLDINGS CORPORATION

On or about Tuesday, April 25, 2023, the 2022 Annual Report of the Company was published and disseminated in the HKSAR.

On Pages Five and Six of this 196-page Report, the Chairman, Mr Hsu Shu Tong (徐旭東), in his Statement to shareholders, presented as follows:

‘In 2022, China’s economy, despite under pressure, moved forward and made steady progress, with an annual GDP (Gross Domestic Product) growth rate of 3.0%. Judging from the major macroeconomic indicators, the foundation of economic stability in China was still solid. However, affected by multiple factors including severe epidemic prevention and control situation, continuous decline of the real estate market and abnormal climate changes in certain areas, cement demand had been sluggish throughout the year, leading to a downward cement market price trend. All this coupled with rising production costs driven by increasing coal and electricity prices had caused the industry’s profits to shrink...

‘Facing such a challenging year, Asia Cement (China) was determined to move towards a high quality development, and scientifically coordinated orderly and stable production and operation. By setting synergy between pollution control and carbon reduction as an important task, the Group pushed forward works including cement kilns treating waste, ultra-low emission modification and alternative raw materials and fuels; it also steadily carried out industrial digitalization, intelligentization, green mines and green factory construction and planned for the extension of aggregate industry chain to accelerate the pace of transformation. Asia Cement (China) adopted a prudent approach in the fight against COVID-19; it made all-out efforts to protect employees’ life, health and safety, and continued to invest in public welfare undertakings with an aim to give back to society.

‘Affected by the macro environment, Asia Cement (China)’s revenue in 2022 amounted to RMB9,614,330,000, representing a year-on-year decrease of 18%. Owing to (the) soaring coal price, the gross operating profit and net operating profit amounted to RMB1,288,929,000 and RMB532,702,000, representing year-on-year decreases of 65% and 82% respectively. The gross operating margin and net operating margin were 13.4% and 5.5% respectively. The Group maintained profitability thanks to the dedication of the management team, but performance had dropped significantly compared with that of the same period in 2021.’

Then, Mr Hsu Shu Ping (徐旭平), the 77 year-old, Vice Chairman of Asia Cement (China) Holdings Corporation, at Pages Seven and Eight, had this to say:

‘... Despite encountering a series of severe and complex challenges, Asia Cement (China) had shown great sangfroid in response. Adhering to scientific coordination, the Group stabilized production and operation in various aspects. Internally, the Group focused on talent management,

accumulated development momentum, formulated employee license/certification management measures, timely adjusted leave policy, carried out online and offline dual-mode training management, and stimulated employee's innovation and vitality. Externally, the Group fine-tuned its market position, strengthened study and analysis of market situation, reset its business strategy's focus back to market share, actively developed markets such as Jiangling in Hubei, enhanced promotion and sales of packaged cement, expanded market coverage, increased end market dominance and customer engagement...

'The cement industry is currently in the doldrums. The task of achieving high-quality development of the industry is imminent. From the "Comprehensive Work Plan for Energy Conservation and Emission Reduction for the 14th Five-Year Plan" to the "Implementation Guidelines on Energy Conservation, Carbon Reduction Modification and Upgrades in Key Areas for Industries with High Energy Consumption" and the "Building Materials Industry Carbon Peak Implementation Plan", the green and low-carbon development path of the cement industry has been ... [CLICK TO ORDER FULL ARTICLE](#)

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