CHINA TIANRUI GROUP CEMENT COMPANY LIMITED
中國天瑞集團水泥有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1252)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

SUMMARY/FINANCIAL HIGHLIGHTS

	For the year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Revenue	**6,195,093**	8,950,286
Gross profit	**1,247,154**	2,057,514
EBITDA	**2,130,805**	2,470,491
Profit	**283,505**	540,118
Of which: Profit attributable to owners of the Company	**313,079**	564,938
Basic earnings per share *(RMB)*	**0.13**	0.24

	As at 31 December	
	2015	2014
	RMB'000	*RMB'000*
Total assets	**27,090,642**	24,663,875
Of which: Current assets	**9,921,998**	7,837,624
Total liabilities	**19,672,581**	17,250,563
Of which: Current liabilities	**13,784,777**	12,859,211
Total equity	**7,418,061**	7,413,312
Of which: Equity attributable to owners of the Company	**7,470,283**	7,435,960

The board (the "**Board**") of directors (the "**Directors**") of China Tianrui Group Cement Company Limited (the "**Company**") is pleased to announce the audited financial results of the Company and its subsidiaries (the "**Group**" or "**we**" or "**our**") for the year ended 31 December 2015. The Group's financial results have been audited by Deloitte Touche Tohmatsu.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2015

	Notes	**2015** *RMB'000*	2014 *RMB'000*
Revenue	4, 5	**6,195,093**	8,950,286
Cost of sales		**(4,947,939)**	(6,892,772)
Gross profit		**1,247,154**	2,057,514
Other income and other gains and losses	6	**447,310**	446,756
Gains on fair value change of derivative financial assets	12	**449,569**	—
Distribution and selling expenses		**(334,315)**	(389,954)
Administrative expenses		**(374,468)**	(382,337)
Other expenses		**(92,042)**	(18,027)
Finance costs	7	**(1,030,682)**	(961,199)
Profit before tax		**312,526**	752,753
Income tax expense	8	**(29,021)**	(212,635)
Profit and total comprehensive income for the year	9	**283,505**	540,118
Profit and total comprehensive income (expense)for the year attributable to:			
Owners of the Company		**313,079**	564,938
Non-controlling interests		**(29,574)**	(24,820)
		283,505	540,118
		2015 *RMB*	2014 *RMB*
Earnings per share			
Basic	10	**0.13**	0.24

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2015

	Notes	2015 RMB'000	2014 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**12,491,514**	12,732,279
Deposits and advances		**2,431,208**	2,664,193
Prepaid lease payments		**811,594**	824,284
Mining rights		**255,406**	267,328
Goodwill		**272,311**	272,311
Other intangible assets		**6,607**	7,359
Interests in associates		**105,271**	—
Derivative financial assets	12	**678,809**	—
Deferred tax assets	21	**115,924**	58,497
		17,168,644	16,826,251
CURRENT ASSETS			
Inventories		**832,241**	1,331,028
Trade and other receivables	13	**3,170,116**	2,106,064
Amount due from an associate		**508,064**	458,635
Pledged bank balances	14	**4,689,266**	2,968,595
Cash and bank balances	15	**722,311**	973,302
		9,921,998	7,837,624
CURRENT LIABILITIES			
Trade and other payables	16	**4,112,868**	4,813,115
Short term debentures	17	**3,792,019**	2,296,446
Mid-term debentures — due within one year	19	**1,300,000**	700,000
Borrowings — due within one year	18	**4,334,423**	4,825,815
Obligations under finance leases		**55,358**	51,652
Tax liabilities		**179,472**	162,863
Financial guarantee contracts		**10,637**	9,320
		13,784,777	12,859,211
NET CURRENT LIABILITIES		**(3,862,779)**	(5,021,587)
TOTAL ASSETS LESS CURRENT LIABILITIES		**13,305,865**	11,804,664

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Notes	**2015** *RMB'000*	2014 *RMB'000*
CAPITAL AND RESERVES			
Share capital		**19,505**	19,505
Share premium and reserves		**7,450,778**	7,416,455
Equity attributable to owners of the Company		**7,470,283**	7,435,960
Non-controlling interests		**(52,222)**	(22,648)
TOTAL EQUITY		**7,418,061**	7,413,312
NON-CURRENT LIABILITIES			
Borrowings — due after one year	18	**155,000**	220,000
Mid-term debentures	19	**2,384,171**	1,792,595
Long-term corporate bonds	20	**3,057,635**	2,029,079
Other payables		**8,400**	8,400
Deferred tax liabilities	21	**56,054**	57,997
Deferred income		**177,483**	180,854
Obligations under finance leases		**28,887**	84,328
Provision for environmental restoration		**20,174**	18,099
		5,887,804	4,391,352
		13,305,865	11,804,664

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2015

1. GENERAL INFORMATION

China Tianrui Group Cement Company Limited (the "Company") is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands on 7 February 2011. The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 23 December 2011. The registered office of the Company is Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, and its principal place of business is located at No. 63, Guangcheng East Road, Ruzhou City, Henan 467500, the PRC.

The Company is an investment holding company. The principal activities of its subsidiaries are manufacture and sale of cement and clinker. Tianrui Group Company Limited ("Tianrui Group"), controlled by Mr. Li Liufa, a non-executive director of the Company, indirectly held 39.57% of shareholding of the Company as at 31 December 2015 and 2014.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2015, the Group's current liabilities exceeded its current assets by RMB3,862,779,000. The Group's current liabilities mainly included trade and other payables, borrowings and debentures.

In view of these circumstances, the directors of the Company (the "Directors") have given consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern.

The consolidated financial statements have been prepared on a going concern basis. In the opinion of the Directors, the Group should be able to continue as a going concern in the coming twelve months taking into consideration of various measures to improve its financial position which include, but are not limited to, the following:

(i) Unused banking facilities of RMB1,595,000,000 in aggregate are available which have been obtained before 31 December 2015, which comprised of:

   (a) a banking facility of RMB810,000,000 from the Agriculture Bank of China which is available until 30 October 2016;

   (b) a banking facility of RMB400,000,000 from the Construction Bank of China which is available until 12 November 2016;

   (c) a banking facility of RMB200,000,000 from the Ping An Bank Company Limited which is available until 25 October 2016;

   (d) a banking facility of RMB100,000,000 from the China Minsheng Bank Company Limited which is available until 16 September 2016;

   (e) a banking facility of RMB85,000,000 from the Industrial & Commercial Bank of China Company Limited which is available until 31 July 2016.

(ii) On 8 April 2014, the Company obtained approval from the National Association of Financial Market Institutional Investors (中國銀行間市場交易商協會) to issue debenture up to a maximum outstanding amount of RMB1,000,000,000 at any point in time within two years effective period through the lead underwriter, China Bohai Bank Company Limited. The first tranche of the debentures of RMB500,000,000 issued on 25 September 2015 carry interest of fixed rates of 8.00% with maturity of one year.

   The Directors are of the view that the Group is able to identify investors and issue the second tranche of debentures of RMB500,000,000 before 7 April 2016.

(iii) On 8 December 2014, the Company obtained approval from the National Association of Financial Market Institutional Investors (中國銀行間市場交易商協會) to issue debenture up to a maximum outstanding amount of RMB600,000,000 at any point in time within two years effective period through the lead underwriter, Pingan Bank Company Limited. The first tranche of the debentures of RMB300,000,000 issued on 8 June 2015 carry interest of fixed rates of 7.75% with maturity of one year.

The Directors are of the view that the Group is able to identify investors and issue the second tranche of debentures of RMB300,000,000 before 8 December 2016.

(iv) On 1 June 2015, the Company obtained approval from the National Association of Financial Market Institutional Investors (中國銀行間市場交易商協會) to issue short-term debenture up to a maximum outstanding amount of RMB2,000,000,000 at any point in time, subject to reissuance after maturity and settlement prior to expiration of the two years effective period through the lead underwriter, China Bohai Bank Company Limited. The first tranche of the debentures of RMB1,000,000,000 issued on 9 June 2015 carry interest of fixed rates of 5.99% with maturity of 270 days and the second tranche of the short-term debentures of RMB1,000,000,000 issued on 26 June 2015 carry interest of fixed rates of 6.00% with maturity of 270 days.

During the effective period, the Directors are of the view that the Group is able to identify investors and issue new debentures shortly after the settlement of the existing short term debentures on the respective maturity dates.

(v) On 31 July 2015, the Company obtained approval from the Shanghai Stock Exchange (上海證券交易所) to issue the corporate bonds up to a maximum outstanding amount of RMB2,000,000,000 at any point in time within 12 months effective period though the lead underwriter, Ever Bright Securities Company Limited. The first tranche of the corporate bonds of RMB150,000,000 issued on 24 September 2015 carry interest of fixed rates of 8.00% with maturity of two year.

The Directors are of the view that the Group is able to identify investors and issue the remaining amount of corporate bonds of RMB1,850,000,000 before 30 July 2016.

Taking into account of the aforesaid presently available banking facilities, corporate bonds, and internally generated funds of the Group, the Directors are satisfied that the Group is able to meet in full its financial obligations as they fall due in the foreseeable future and therefore the consolidated financial statements are prepared on a going concern basis.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

The Group has applied, for the first time, an interpretation and certain amendments to IFRSs that are mandatorily effective in the current year:

Amendments to IAS 19	Defined Benefit Plans: Employee Contributions
Amendments to IFRSs	Annual Improvements to IFRSs 2010-2012 Cycle
Amendments to IFRSs	Annual Improvements to IFRSs 2011-2013 Cycle

The Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	Financial Instruments[1]
IFRS 15	Revenue from Contracts with Customers[1]
IFRS 16	Leases[2]
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations[3]
Amendments to IAS 1	Disclosure Initiative[3]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[3]
Amendments to IFRSs	Annual Improvements to IFRSs 2012-2014 Cycle[3]
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception[3]
Amendments to IAS 7	Disclosure Initiative[5]
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealized Losses[5]

1 Effective for annual periods beginning on or after 1 January 2018.
2 Effective for annual periods beginning on or after 1 January 2019.
3 Effective for annual periods beginning on or after 1 January 2016.
4 Effective for annual periods beginning on or after a date to be determined.
5 Effective for annual periods beginning on or after 1 January 2017.

IFRS 9 Financial Instruments

IFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9 are described below:

- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Except for the potential early recognition of credit losses based on the expected loss model in relation to the Group's financial assets measured at amortised costs, the Directors anticipate that the adoption of IFRS 9 in the future may not have other significant impact on amounts reported in respect of the Group's financial assets and financial liabilities based on an analysis of the Group's financial instruments as at 31 December 2015.

IFRS 15 Revenue from Contracts with Customers

In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer

- Step 2: Identify the performance obligations in the contract

- Step 3: Determine the transaction price

- Step 4: Allocate the transaction price to the performance obligations in the contract

- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The Group is in the process of making an assessment of the impact of IFRS 15 and it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Group performs a detailed review.

Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) when the intangible asset is expressed as a measure of revenue; or

b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Group uses the straight-line method for depreciation and amortisation for its property, plant and equipment, and intangible assets respectively. The Directors believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the Directors do not anticipate that the application of these amendments to IAS 16 and IAS 38 will have a material impact on the Group's consolidated financial statements.

IFRS 16 Leases

IFRS 16, which upon the effective date will supersede IAS 17 Leases, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under IFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, IAS 17.

In respect of the lessor accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Directors anticipate that the application of IFRS 16 in the future may have a material impact on the amounts reported and/or disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 16 until the Group performs a detailed review.

Other than set out above, the Directors do not anticipate that the application of other new and revised IFRSs will have a material impact on amounts reported in the Group's consolidated financial statements and/or disclosures set out these consolidated financial statements.

4. REVENUE

Revenue represents the amount received and receivable for goods sold to external customers, net of sales tax.

An analysis of the Group's revenue for the year is as below:

	2015	2014
	RMB'000	*RMB'000*
Sales of cement	**5,844,586**	8,193,327
Sales of clinker	**350,507**	756,959
	6,195,093	8,950,286

5. SEGMENT INFORMATION

Segment information has been identified on the basis of internal management reports, which are regularly reviewed by the chief executive officer (being the chief operating decision maker) in order to allocate resources to the operating segments and to assess their performance.

The Group's chief executive officer reviews the Group's internal reporting which is mainly based on two broad geographical locations for the purposes of resource allocation and performance assessment. This is the basis upon which the Group is organised. Management has determined the operating segments based on these reports. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

The following is an analysis of the Group's revenue and results by reportable and operating segment:

	Segment revenue		Segment profit	
	2015	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Central China	**4,773,973**	6,286,386	**259,850**	672,567
Northeastern China	**1,421,120**	2,663,900	**(358,569)**	103,959
Total	**6,195,093**	8,950,286	**(98,719)**	776,526
Unallocated corporate administrative expenses			**(17,138)**	(8,140)
Unallocated other income and other gains and losses			**(21,186)**	(15,633)
Unallocated gains on fair value change of derivative financial assets			**449,569**	—
Profit before tax			**312,526**	752,753

Segment profit represents the profit before taxation without allocation unallocated corporate administrative expense including directors' emoluments, other income and other gains and losses and gain on fair value change of derivative financial assets.

Segment revenues are derived from sales to external customers. There are no inter-segment sales.

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

	2015	2014
	RMB'000	*RMB'000*
SEGMENT ASSETS		
Central China	**20,011,165**	17,378,792
Northeast China	**6,277,884**	7,207,140
Total segment assets	**26,289,049**	24,585,932
Derivative financial assets	**678,809**	—
Deferred tax assets	**115,924**	58,497
Other receivables	**2,686**	9,233
Cash and bank balances	**4,174**	10,213
Total assets	**27,090,642**	24,663,875
SEGMENT LIABILITIES		
Central China	**15,089,023**	13,430,142
Northeast China	**4,331,838**	3,591,075
Total segment liabilities	**19,420,861**	17,021,217
Deferred tax liabilities	**56,054**	57,997
Tax liabilities	**179,472**	162,863
Other payables	**16,194**	8,486
Total liabilities	**19,672,581**	17,250,563

For the purposes of monitoring segment performances and allocating resources between segments:

— all assets are allocated to operating and reportable segments other than derivative financial assets, deferred tax assets, certain other receivables, and cash and bank balances; and

— all liabilities are allocated to operating and reportable segments other than deferred tax liabilities, tax liabilities and certain other payables.

Other segment information

Amounts included in the measure of segment profit and segment assets:

For the year ended 31 December 2015

	Central China	**Northeast China**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
Additions to property, plant & equipment	**329,051**	**185,754**	**514,805**
Additions to prepaid lease payments	**5,076**	**883**	**5,959**
Additions to mining rights	**597**	**1,982**	**2,579**
Finance costs	**689,124**	**341,558**	**1,030,682**
Loss on inventory impairment	**—**	**2,932**	**2,932**
Provision for environmental restoration	**1,854**	**221**	**2,075**
Depreciation and amortisation	**533,211**	**254,386**	**787,597**
(Reversal) Allowance for bad and doubtful debts	**(5,722)**	**7,241**	**1,519**
Gain on disposal of property, plant and equipment	**(1,735)**	**(1,346)**	**(3,081)**
Value Added Tax refund	**(219,816)**	**(19,656)**	**(239,472)**
Incentive subsidies	**(15,090)**	**(15,220)**	**(30,310)**
Interest on bank deposits	**(116,226)**	**(16,532)**	**(132,758)**

For the year ended 31 December 2014

	Central China *RMB'000*	Northeast China *RMB'000*	Total *RMB'000*
Additions to property, plant & equipment	779,470	463,366	1,242,836
Additions to prepaid lease payments	15,921	7,850	23,771
Additions to mining rights	66,718	—	66,718
Finance costs	628,459	332,740	961,199
Provision for environmental restoration	3,052	417	3,469
Depreciation and amortisation	496,299	260,240	756,539
Allowance for bad and doubtful debts	9,723	16,321	26,044
(Gain) loss on disposal of property, plant and equipment	(904)	29	(875)
Value Added Tax refund	(214,481)	(42,519)	(257,000)
Incentive subsidies	(57,760)	(16,892)	(74,652)
Interest on bank deposits	(58,244)	(18,995)	(77,239)

All of the Group's operations, as well as all external customers and its non-current assets, are located in the PRC.

No revenue from a single customer or a group of customers under common control contributing over 10% of the total revenue of the Group for the year ended 31 December 2015 and 2014.

6. OTHER INCOME AND OTHER GAINS AND LOSSES

	2015 ***RMB'000***	2014 *RMB'000*
Value Added Tax refund *(Note i)*	**239,472**	257,000
Incentive subsidies *(Note ii)*	**30,310**	74,652
Foreign exchange loss, net	**(46,030)**	(4,596)
Interest on bank deposits	**132,758**	77,239
Share of profit of an associate	**271**	—
Rental income	**377**	2,058
Release of deferred income	**8,171**	8,074
Release of financial guarantee liability	**2,490**	2,177
Income from sundry operations *(Note iii)*	**68,926**	54,764
Gain on disposal of property, plant and equipment	**3,081**	875
Allowance for bad and doubtful debts	**(1,519)**	(26,044)
Write-down of inventories	**(2,932)**	—
Software service income	**2,564**	—
Others	**9,371**	557
	447,310	446,756

Note:

i. Value Added Tax refund represents incentives approved by relevant government authorities as a result of utilising industrial waste as part of the production materials.

ii. Amounts mainly represent subsidies granted by certain local governments for encouraging domestic business development.

iii. The balances comprise profits from sundry operations incidental to the main revenue-generating activities of the Group including sales of scrap and raw materials etc.

7. FINANCE COSTS

	2015	2014
	RMB'000	*RMB'000*
Interest on:		
Bank borrowings	**286,775**	377,761
Finance leases	**10,253**	11,755
Bills discounted with recourse	**154,669**	196,167
Short term debentures	**251,987**	141,502
Mid-term debentures	**246,482**	178,237
Long-term corporate bonds	**176,347**	148,062
Interest on other payables, including imputed interest	**—**	982
	1,126,513	1,054,466
Less: amounts capitalised in the cost of qualifying assets	**(95,831)**	(93,267)
	1,030,682	961,199

The borrowing costs on general borrowing pool capitalised are calculated by applying capitalisation rate of 6.44% per annum for the year ended 31 December 2015 (2014: 7.09% per annum).

Interest on bills discounted with recourse includes interest on discounted bills issued among subsidiaries of the Group for intra-group transactions of RMB118,036,000 (2014: RMB150,242,000).

8. INCOME TAX EXPENSE

	2015	2014
	RMB'000	*RMB'000*
PRC Enterprise Income Tax ("EIT")		
— current year	**83,565**	219,729
— under-provision in prior year	**4,826**	2,726
	88,391	222,455
Deferred tax *(Note 21)*	**(59,370)**	(9,820)
	29,021	212,635

No provision for Hong Kong taxation has been made during both years as the Group's income neither arisen nor is derived from Hong Kong.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "PRC EIT Law") and Implementation Regulation of the PRC EIT Law, the tax rate of the PRC subsidiaries is 25%.

The tax charge for the year can be reconciled to profit before taxation per consolidated statement of profit or loss and other comprehensive income as follows.

	2015	2014
	RMB'000	*RMB'000*
Profit before taxation	**312,526**	752,753
Tax at the applicable rate of 25% (2014: 25%)	**78,132**	188,188
Tax effect of expenses that are not deductible	**18,438**	5,085
Tax effect of tax losses and deductible temporary difference not recognised	**40,948**	14,173
Under-provision in prior years	**4,826**	2,726
Tax effect of option granted	**(112,392)**	—
Others	**(931)**	2,463
Income tax expenses for the year	**29,021**	212,635

9. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR

Profit and total comprehensive income for the year has been arrived at after charging:

	2015	2014
	RMB'000	*RMB'000*
Depreciation of property, plant and equipment	**753,541**	722,847
Amortisation of prepaid lease payments	**18,803**	17,905
Amortisation of mining rights, included in cost of sales	**14,501**	14,920
Amortisation of other intangible assets, included in cost of sales	**752**	867
Total depreciation and amortisation *(note)*	**787,597**	756,539
Cost of inventories recognised as an expense	**4,947,939**	6,892,772
Staff costs including retirement benefit	**376,022**	387,970
Auditor's remuneration	**3,000**	2,700
Release of financial guarantee liability	**2,490**	2,177

Note:

Depreciation and amortisation amounting to RMB44,047,000 (2014: RMB14,265,000) during the temporary suspension period due to seasonal effect are included in other expenses on the consolidated statement of profit or loss and other comprehensive income.

10. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company for the each of reporting period is based on the following data:

	2015	2014
	RMB'000	*RMB'000*
Earnings		
Profit for the year attributable to owners of the Company	**313,079**	564,938

	2015	2014
	RMB'000	*RMB'000*
Number of shares		
Number of shares for the purpose of basic earnings per share *(in thousands)*	**2,400,900**	2,400,900

No diluted earnings per share is presented for both years as there is no potential ordinary shares outstanding.

11. DIVIDEND

Dividends for the shareholders of the Company recognised as distribution during the year:

	2015	2014
	RMB'000	*RMB'000*
Total dividend (including final dividend and special dividend) in respect of the year ended 31 December 2014 of RMB0.21 (2014: nil) per share	**504,189**	—

Subsequent to the end of the reporting period, no dividend in respect of the year ended 31 December 2015 has been proposed by the directors of the Company.

12. DERIVATIVE FINANCIAL ASSETS

	2015	2014
	RMB'000	*RMB'000*
Derivative financial assets		
— Fair value	**678,809**	—

The Group and Tianrui Group, controlled by Mr. Li Liufa, a non-executive director of the Company, entered into the amended deed of non-competition undertaking in favor of the Company ("Amended Non-competition Deed"). The details of the Amended Non-competition Deed are set out in the Company's circular dated 31 October 2014 (the "Circular"). Under the Amended Non-competition Deed, Tianrui Group was allowed to pursue the business which is or may be in competition, directly or indirectly, with the business of the Group (the "New Business Opportunity") subject to certain restrictions and an option in favor of the Company over the business subsequently developed by Tianrui Group (the "Option").

Under the the Amended Non-competition Deed, the Group has the Option to acquire the New Business (as defined below) or any interest in it in accordance with (a) commercial terms which (i) will not be less favorable than those applicable to the acquisition of the same New Business Opportunity by Tianrui Group in the first instance, provided that the Company shall reimburse Tianrui Group for the acquisition costs (including tax expenses, financing costs, professional fees and travelling expenses) incurred by them in respect of their acquisition of such New Business Opportunity; and (ii) have been opined by an independent financial adviser of the Company as being normal commercial terms arrived at in the ordinary course of business of the Company, fair and reasonable and in the interest of the Company and the Shareholders as a whole; and (b) any requirement under the listing rules in relation to the acquisition of the New Business and any interest in it. The Group is entitled to exercise the Option at any time during the relevant restricted period as defined in the Amended Non-competition Deed (the "Restricted Period").

In addition, Tianrui Group have further undertaken that during the Restricted Period, without the Company's prior written consent, Tianrui Group and/or their respective associate(s) shall not transfer or dispose of any business (the "New Business") subsequently developed from the New Business Opportunity or any interest in the New Business to any third party, or create any mortgage, pledge, lien or any other encumbrance or third party's rights over the New Business or any interest in it.

Up to 31 December 2015, Tianrui Group acquired certain shares of four companies including Henan Tongli Cement Corporation (河南同力水泥股份有限公司,"Henan Tongli"), a company listed on the Shenzhen Stock Exchange, China ShanShui Cement Group Limited("Shanshui Cement"), a company listed on the Stock Exchange, which represented about 15.3% equity interests of Henan Tongli, 28.16% equity interests of Shanshui Cement and 55% and 100% equity interests of Tianrui Xindeng Zhengzhou Cement Company Limited (天瑞新登鄭州水泥有限公司) ("Xindeng Cement", formerly known as Guotou Xindeng Zhengzhou Cement Company Limited (国投新登鄭州水泥有限公司) and Henan Yongan Cement Company Limited (河南永安水泥有限責任公司) ("Yongan Cement") respectively. These investees mainly engage in cement related businesses and hence fulfilled the definition of New Business Opportunity pursue to the Option agreement. Accordingly, the Group has the Option to acquire these investees at any time during the Restricted Period and the Option can be exercised selectively and independently for each of the investee. The Option falls within the scope of IAS 39 Financial Instruments: Recognition and Measurement as derivative financial instruments. Except for Yong an disclosed below, the Group has not exercised the Options as at 31 December 2015.

In April 2015. Trading of Shanshui cement shares was suspended due to the public float of the Shanshui Cement has fallen below 25% requested under the listing rules. In the opinion of the Directors, the options to acquire Shanshui Cement cannot be reliably measured as the range of reasonable fair value measurements is significant and the probabilities of the various estimates cannot be reasonably assessed, which is measured at cost.

On 9 September 2015, the Group and Tianrui Group Company entered into the Acquisition Agreement, pursuant to which Tianrui Group Company conditionally agreed to sell and the Company conditionally agreed to purchase the Sale Shares which represent 100% equity interest of Yong an Cement at the consideration of RMB842,016,891, which is less than the acquisition costs acquired by Tianrui Group. The acquisition has not been completed as at the date of this announcement as subject to approval of shareholders and regulators. The fair value of option at the initial recognition and year ended 31 December 2015 is not recognize as the value is insignificant.

The fair value of the options to acquire Henan Tongli and Xindeng Cement at initial recognition was RMB229,240,000 which was considered as a deemed contribution from Tianrui Group and credited to other reserves on the consolidated statement of changes in equity. The changes in fair value amounting to RMB449,569,000 subsequent to initial recognition was recognised in profit or loss during the year ended 31 December 2015.

13. TRADE AND OTHER RECEIVABLES

	2015	2014
	RMB'000	*RMB'000*
Trade receivables	**416,308**	551,418
Less: allowances for bad and doubtful debts	**(53,726)**	(52,207)
	362,582	499,211
Bills receivables	**612,267**	314,801
Bills endorsed to suppliers *(Note)*	**1,851,199**	1,028,054
Value Added Tax refund receivables	**26,122**	20,403
Prepayment for various taxes	**66,798**	80,044
Prepaid lease payments	**19,116**	19,270
Other receivables	**232,032**	144,281
	3,170,116	2,106,064

Bills receivables amounted to RMB602,650,000 as at 31 December 2015 (31 December 2014: RMB107,633,000) were discounted to banks to obtain borrowings of which RMB590,000,000 (31 December 2014: RMB60,000,000) relates to bills receivable issued among subsidiaries of the Group for intra-group transactions.

Note:

In addition to the above, the Group has also endorsed bills receivable arising from intra-group transaction to suppliers amounting to RMB2,865,000,000 (2014: RMB1,090,000,000) as at the end of the reporting period. The bills receivable and related payables issued between group entities were fully eliminated in the consolidated financial statements.

The aged analysis of the Group's trade receivables (net of allowances) and bills receivables (excluding bills endorsed to suppliers) from the goods delivery date at the end of each reporting period is as follows:

	2015	2014
	RMB'000	*RMB'000*
Within 90 days	**303,614**	621,197
91–180 days	**535,937**	152,453
181–360 days	**5,551**	37,262
Over 1 year	**129,747**	3,100
Total	**974,849**	814,012

Before accepting any new credit customers, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits and credit period attributed to customers are reviewed on a customer by customer basis. Over 90% of trade receivable and bills receivable that are neither past due nor impaired are regarded as customers with good credit quality under the internal assessment process used by the Group.

Included in the Group's trade receivable are debtors with aggregate carrying amount of RMB67,130,000 which are past due as at 31 December 2015 (31 December 2014: RMB40,362,000) for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances. No allowance has been provided for those balances as the Group considers that there is no significant change in the credit quality of those customers from the date credit was initially granted up to the end of the reporting period.

The aged analysis of the Group's trade receivables which are past due but not impaired as at the end of each reporting period is as follows:

Past due for:

	2015	2014
	RMB'000	*RMB'000*
181–360 days	**5,551**	37,262
Over 1 year	**129,747**	3,100
Total	**135,298**	40,362

Movement in the allowance for bad and doubtful debts

	2015	2014
	RMB'000	*RMB'000*
Balance at beginning of the year	**52,207**	26,163
Provided for the year	**11,865**	26,044
Reversal for the year	**(10,346)**	—
Balance at the end of the year	**53,726**	52,207

Included in the allowance for bad and doubtful debts are individually impaired trade receivables with an aggregate balance of RMB53,726,000 (31 December 2014: RMB52,207,000) which was considered as uncollectable. The Group does not hold any collateral over these balances.

14. PLEDGED BANK BALANCES

As at 31 December 2015, pledged bank balances represent deposits pledged to banks for (i) securing bank borrowings granted to the Group amounting to RMB802,300,000, (ii) issuing trade facilities such as bills payable and bankers' guarantee amounting to RMB3,886,966,000.

As at 31 December 2014, pledged bank balances represent deposits pledged to banks for (i) securing bank borrowings granted to the Group amounting to RMB561,400,000, and (ii) issuing trade facilities such as bills payable and bankers' guarantee amounting to RMB2,407,195,000.

The pledged bank balances carry market interest rate of 0.35% to 2.0% per annum as at 31 December 2015 (31 December 2014: 0.35% to 3.30% per annum).

15. CASH AND BANK BALANCES

The amounts represent cash and bank balances held by the Group. As at 31 December 2015, bank balances carry interest at market rates of 0.01% and 4.25% per annum (31 December 2014: 0.01% and 4.25% per annum).

16. TRADE AND OTHER PAYABLES

	2015	2014
	RMB'000	*RMB'000*
Trade payables	**1,127,011**	2,356,074
Bills payables	**1,734,000**	1,306,000
Construction cost and retention payable	**318,153**	341,655
Advances from customers	**219,380**	196,124
Other tax payables	**45,141**	63,093
Other payables — current	**4,500**	18,900
Payables for mining rights	**8,300**	8,300
Interest payables	**438,856**	299,615
Other payables and accrued expenses	**217,527**	223,354
	4,112,868	4,813,115

The aged analysis of the Group's trade and bills payable from the goods receipt date as at the end of each reporting period is as follows:

	2015	2014
	RMB'000	*RMB'000*
Within 90 days	**1,739,412**	2,175,460
91–180 days	**484,200**	1,279,763
181–365 days	**570,565**	153,732
Over 1 year	**66,834**	53,119
Total	**2,861,011**	3,662,074

17. SHORT TERM DEBENTURES

	2015	2014
	RMB'000	*RMB'000*
Short term debentures	**3,792,019**	2,296,446

The amounts as at 31 December 2015 represented the short term debentures which included: (i) the 2015 first tranche of short term debentures of RMB500,000,000 issued on 22 January 2015 through the lead underwriter, Huaxia Bank Company Limited with maturity of one year, (ii) the 2015 second tranche of short term debentures of

RMB500,000,000 issued on 27 May 2015 through the lead underwriter, China Ever Bright Bank Company Limited with maturity of one year, (iii) the 2015 third tranche of short term debentures of RMB300,000,000 issued on 8 June 2015 through the lead underwriter, Ping An Bank Company Limited with maturity of one year, (iv) the 2015 fourth tranche of short term debentures of RMB1,000,000,000 issued on 9 June 2015 through the lead underwriter, China Bohai Bank Company Limited with maturity of 270 days, (v) the 2015 fifth tranche of short term debentures of RMB1,000,000,000 issued on 26 June 2015 through the lead underwriter, China Bohai Bank Company Limited with maturity of 270 days and (vi) the 2015 sixth tranche of short term debentures of RMB500,000,000 issued on 25 September 2015 through the lead underwriter, China Bohai Bank Company Limited with maturity of one year. These short term debentures carry interest of fixed rates of 8.00%, 5.20%, 7.75%, 5.99%, 6.00% and 8.00% per annum, respectively.

The amounts as at 31 December 2014 represented the short term debentures which included: (i) the 2014 first tranche of short term debentures of RMB1,000,000,000 issued on 11 June 2014 through the lead underwriter, China Bohai Bank Company Limited with maturity of one year, (ii) the 2014 second tranche of short term debentures of RMB1,000,000,000 issued on 23 June 2014 through the lead underwriter, Huaxia Bank Company Limited with maturity of one year, and (iii) the short term debentures of RMB300,000,000 issued on 30 December 2014 through the lead underwriter, Ping An Bank Company Limited with maturity of 180 days. These short term debentures carry interest of fixed rates of 8.50%, 8.30% and 7.90% per annum, respectively.

The Directors consider that the carrying amounts of the short term debentures and related interest amounting to RMB144,073,000 (31 December 2014: RMB90,934,000) as at 31 December 2015 recognised in the consolidated financial statements approximate to their fair value.

18. BORROWINGS

	2015	2014
	RMB'000	*RMB'000*
Bank borrowings		
— fixed-rate *(i)*	**2,050,000**	3,221,000
— variable-rate *(ii, iii)*	**1,860,211**	1,720,265
	3,910,211	4,941,265
Bank borrowing relating to bills discounted with recourse *(iv)*	**579,212**	104,550
	4,489,423	5,045,815
Secured	**3,179,423**	3,235,815
Unsecured	**1,310,000**	1,810,000
	4,489,423	5,045,815

The borrowings are repayable as follows:

	2015	2014
	RMB'000	*RMB'000*
Within one year	**4,334,423**	4,825,815
More than one year, but not exceeding two years	**125,000**	65,000
More than two years, but not exceeding five years	**30,000**	155,000
	4,489,423	5,045,815
Less: Amount due within one year shown under current liabilities	**(4,334,423)**	(4,825,815)
Amount due after one year	**155,000**	220,000

The Directors consider that the carrying amounts of borrowings and related interest amounting to RMB9,984,000 (31 December 2014: RMB12,599,000) as at 31 December 2015 recognised in the consolidated financial statements approximate to their fair value.

During the year, the Group discounted bills receivable with recourse in aggregated amounts of RMB479,383,000 (2014: RMB490,735,000) to banks for short term financing. As at 31 December 2015, the associated borrowings amount to RMB12,374,000 (2014: RMB46,500,000). The relevant cash flows of these borrowings are presented as operating cash flows in the consolidated statement of cash flows as the management considers the cash flows are, in substance, the receipts from trade customers.

Note:

i As at 31 December 2015, the fixed-rate borrowings carry interests ranged from 4.35% to 10.40% per annum (31 December 2014 from 5.60% to 12.00% per annum).

ii As at 31 December 2015, the variable-rate borrowings carry interests ranged from 2.86% to 6.89% per annum (31 December 2014: from 2.86% to 7.2% per annum).

iii As at 31 December 2015, the interest rate of US Dollar variable-rate loans, amounting to RMB704,211,000 (31 December 2014: RMB671,266,000) is determined based on London Interbank Offered Rate ("LIBOR") plus from 2.60% to 3.35% per annum (2014: LIBOR plus from 2.60% to 2.75% per annum), and interest rate of remaining RMB variable-rate loans is determined based on the Benchmark Interest Rate announced by the People's Bank of China.

iv As at 31 December 2015, the amounts represented the cash received on bills receivables discounted to various banks with full recourse of which RMB566,838,000 (31 December 2014: RMB58,050,000) relates to discounted bills issued among subsidiaries of the Group for intra-group transactions. The discounted bills carried fixed interests ranging from 2.99% to 7.30% per annum (31 December 2014: from 4.16% to 10.99% per annum).

19. MID-TERM DEBENTURES

	Mid-term debentures *RMB'000*
At 1 January 2014	1,800,000
Additions	692,595
At 31 December 2014	2,492,595
Additions	2,136,176
Repayments	(944,600)
At 31 December 2015	3,684,171

	2015 ***RMB'000***	2014 *RMB'000*
Mid-term debentures	**3,684,171**	2,492,595
Less: Amount due within one year	**(1,300,000)**	(700,000)
Amount due after one year	**2,384,171**	1,792,595

The amounts as at 31 December 2015 represented the mid-term debentures which included: (i) the issuance of mid-term debentures of RMB800,000,000 which included RMB400,000,000 on 2 April 2013 and RMB400,000,000 on 9 August 2013 with maturity of three years, carrying fixed interest rate at 7.31% and 7.31% per annum respectively, (ii) the issuance of small and medium-sized enterprise private debentures RMB250,000,000 on 25 April 2014 with maturity of three years, carrying fixed interest rate at 9.00% per annum, (iii) the issuance of mid-term debentures of RMB500,000,000 on 24 September 2014 with maturity of two years, carrying fixed interest rate at 8.60% per annum, (iv) the issuance of the enterprise private debentures of RMB500,000,000 on 9 January 2015 with maturity of three years, carrying fixed interest rate at 8.50% per annum, (v) the issuance of the enterprise private debentures of RMB500,000,000 on 27 August 2015 with maturity of two years, carrying fixed interest rate at 7.90% per annum, (vi) the issuance of enterprise private debentures of RMB150,000,000 on 24 September 2015 with maturity of two years, carrying fixed interest rate at 8.00% per annum, (vii) the issuance of mid-term debenture of RMB550,000,000 on 14 September 2015 and RMB450,000,000 on 23 October 2015 with maturity of two years, both carrying fixed interest rate at 8.00% per annum.

The Directors consider that the carrying amounts of the mid-term debentures and related interest amounting to RMB139,860,000 (31 December 2014: RMB68,973,000) as at 31 December 2015 recognised in the consolidated financial statements approximate to their fair value.

20. LONG-TERM CORPORATE BONDS

	2015	2014
	RMB'000	*RMB'000*
Long-term corporate bonds	**3,057,635**	2,029,079

The amounts as at 31 December 2015 represented: (i) the issuance of long-term corporate bonds in an aggregate principal amount RMB2,000,000,000 on 6 February 2013, with a term of five years and a rate of 7.21% per annum, with an option to further extend for three years subject to the approval of the bondholders and negotiation of terms and conditions between the Group and the bondholders. This long-term corporate bonds were issued through the lead underwriter, HUAXI Securities Co., Ltd (華西證券有限責任公司), to non-specific buyers. This long-term corporate bonds are jointly and severally guaranteed by two subsidiaries of Tianrui Foundry and Tianrui Travel. The guarantees have been provided at no cost to the Group, (ii) the issuance of long-term corporate bonds in an aggregate principal amount RMB1,000,000,000 on 29 September 2015 through the lead underwriter, Ping An Securities Company Limited(平安證券有限責任公司), with a term of three years and a rate of 5.95 % per annum, with an option to further extend for two years subject to the approval of the bondholders and negotiation of terms and conditions between the Group and the bondholders and (iii) the issuance of long-term corporate bonds in an aggregate principal amount HK$79,000,000, amounting to RMB66,184,620 which including the issuance of first tranche corporate bonds of HK$45,540,000 on 2 December 2014 and the second tranche corporate bonds of HK$33,460,000 on 15 July 2015, with a term of eight years and a rate of 6.50% per annum. This long-term corporate bonds were issued through the lead underwriter, Convoy Investment Service Limited (康宏證券投資服務有限公司), to non-specific buyers.

The Directors consider that the carrying amounts of the long-term corporate bonds and related interest amounting to RMB144,939,000 (31 December 2014: 127,109,000) as at 31 December 2015 recognised in the consolidated financial statements approximate to their fair value.

21. DEFERRED TAXATION

The following are the major deferred tax assets (liabilities) recognised by the Group, and the movements thereon, during the year:

	Trade and other receivables and write-down of inventories	Allowance on property, plant, equipment and prepaid lease payments	Imputed interest on other payables	Tax losses	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(note)*	*RMB'000*
At 1 January 2014	7,657	(49,420)	(246)	25,580	22,949	6,520
Credit (charge) to profit or loss for the year	6,137	3,092	246	2,485	(2,140)	9,820
Acquisition of subsidiaries	—	(15,840)	—	—	—	(15,840)
At 31 December 2014	13,794	(62,168)	—	28,065	20,809	500
Credit (charge) to profit or loss for the year	316	2,983	—	62,481	(6,410)	59,370
At 31 December 2015	14,110	(59,185)	—	90,546	14,399	59,870

Note: Others mainly represented the deferred tax assets arising from start-up costs, unrealised profits on intragroup transactions, provision for financial guarantee, and deferred income in respect of asset- related government grant.

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2015	2014
	RMB'000	*RMB'000*
Deferred tax assets	**115,924**	58,497
Deferred tax liabilities	**(56,054)**	(57,997)
	59,870	500

22. CONTINGENT LIABILITIES

	2015	2014
	RMB'000	*RMB'000*
Guarantees given to banks in respect of banking facilities granted to:		
Related parties	**647,650**	720,650
Third party	**—**	13,000
	647,650	733,650

The management considers the risk of the contingent liabilities and recognised financial guarantee liabilities of RMB10,637,000 (2014: RMB9,320,000) in the consolidated financial statement.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2015, economic growth in China slowed further and the cement industry was mired in the most difficult situation in years. National cement output decreased by 5.0% year-over-year. Given the continued market downturn in the cement industry, as one of the largest enterprise groups in the cement industry, our Group has made great contributions to fulfil its industry responsibilities, respond to the relevant state departments and industry associations, strive to stagger production in coordination with other companies in the cement industry, and reduce disordered price competition.

— According to the website of Digital Cement (數字水泥), in 2015, the cement production volume in the mid-southern region decreased by approximately 1.7% year-over-year. On the other hand, in 2015, the Group sold about 25.2 million tonnes of cement in Henan, representing a decrease of about 13.7% from 2014.

— According to the website of Digital Cement (數字水泥), in 2015, the cement production volume in the northeastern region decreased by approximately 15.8% year-over-year. On the other hand, in 2015, the Group sold about 6.0 million tonnes of cement in Liaoning, representing a decrease of 32.6% from 2014.

In 2015, while striving to stagger production and reduce disordered price competition, we adopted various measures to lower production costs and enhance business efficiency, including the expansion of centralized procurement of supplies, implementation of delicacy management, and endeavor to further reduce energy consumption during production, which effectively alleviated the pressure on gross profit margin arising from the decrease in the selling price of cement due to the market downturn.

— In 2015, our gross profit margin was about 20.1%, representing a decrease of 2.9 percentage points from about 23.0% last year. Meanwhile, the average selling price of our cement decreased from about RMB215.4 per tonne in 2014 to about RMB187.2 per tonne in 2015 due to the sluggish market demand, representing a decrease of approximately 13.1%, much higher than that of our gross profit margin.

In 2015, about 2.3 million tonnes of clinker was sold externally, representing a decrease of 1.6 million tonnes from the sales of 3.9 million tonnes in 2014. During the same period, more clinker produced by us was utilized to satisfy our internal demand for cement production.

BUSINESS ENVIRONMENT

In 2015, given the sluggish global economy, the Chinese government, after due consideration of the market conditions, implemented a series of measures to maintain its economic growth, including but not limited to measures such as the reductions in deposit and lending benchmark rates of financial institutions, decreases in deposit reserve requirement ratios of various types of financial institutions, acceleration of approvals for infrastructure projects, and active promotion of the PPP cooperation model (公共私營合作制). In 2015, national GDP increased by 6.9% year-on-year, which largely met the target set by the Chinese government at the beginning of the year. Economic development also remained within a reasonable range, although this represented the lowest growth rate since 1990.

Weak macroeconomic growth was primarily due to the significant decrease in growth of investments closely related to cement demand. In 2015, China's fixed asset investments ("FAI") (excluding rural households) amounted to approximately RMB55.2 trillion, representing a decrease in investment growth from 15.7% last year to 10.0%. Among this, investment in infrastructure (excluding production and supply of electricity, heat, gas and water) increased by 17.2%, representing a decrease of 4.3 percentage points over the growth rate in 2014. Investment in property development nationwide increased by 1.0%, 9.5 percentage points lower than the growth rate in 2014.

According to the Bureau of Statistics of relevant provinces or regions, in 2015, Henan, Liaoning, Anhui and Tianjin, the regions where we operate, recorded GDP growth of 8.3%, 3.0%, 8.7% and 9.3% year-on-year respectively. Meanwhile, the FAI (excluding rural households) in Henan, Liaoning, Anhui and Tianjin increased by 16.5%, -27.8%, 12.7% and 12.1% respectively as compared to those in 2014. The figures indicated that in 2015, the lower FAI, as compared to last year, in regions in which the Group operates resulted in slower economic growth in the region.

CEMENT INDUSTRY

According to the website of Digital Cement (數字水泥), in 2015, cement output in China amounted to approximately 2.35 billion tonnes, representing a decrease of 5.0% from 2014; total profit of the industry reached approximately RMB32.97 billion, representing a decrease of approximately 57.9% over last year. The significant drop in total profit was mainly due to the decreasing sales volume and transaction price of cement.

According to the website of Digital Cement (數字水泥), 31 new clinker production lines commenced operation in 2015, which increased the clinker production capacity by approximately 47.1 million tonnes per annum. Compared to the approximately 70.3 million tonnes of newly-added clinker production capacity in 2014, the growth rate decreased by approximately 33.0%.

As the policy on the cement industry in China focuses primarily on the optimization of resources allocation and the maintenance of sustainable growth of the cement industry, the key tasks for the development of the cement industry going forward will lie in the stringent control of new capacity, elimination of obsolete capacity, and energy saving and emission reduction. The elimination of obsolete capacity and stricter approval on new capacity will improve demand and supply dynamics, resulting in a better business environment of the cement industry. Meanwhile, the Chinese government has been strongly supporting large and efficient cement enterprises and encouraging consolidation of the cement industry. With the Chinese government's encouragement and promotion, mergers and acquisitions led by major cement producers are expected to accelerate the consolidation of the cement industry.

FINANCIAL REVIEW

Revenue

Our revenue was approximately RMB6,195.1 million in 2015, representing a decrease of RMB2,755.2 million, or 30.8%, from approximately RMB8,950.3 million in 2014.

Our revenue from cement sales was approximately RMB5,844.6 million in 2015, representing a decrease of RMB2,348.7 million, or 28.7%, as compared with 2014. The decrease was primarily attributable to the decrease of sales volume of our cement by 6.8 million tonnes or 17.9%, from 38.0 million tonnes in 2014 to 31.2 million tonnes in 2015. The respective decrease in sales volumes of cement products were primarily due to the reduction in infrastructure investment in Henan and Liaoning where the Group operates.

Clinker is a semi-finished product used to produce cement. Our clinkers produced in 2015 were primarily used to satisfy our internal demand for cement production. Only 2.3 million tonnes of the Group's clinkers were sold externally. We recorded approximately RMB350.5 million of revenue generated from clinker sales in 2015, representing a decrease of RMB406.5 million, or 53.7%, from approximately RMB757.0 million in 2014.

Our revenue from sales of cement as a percentage of revenue was approximately 94.3% in 2015 and 91.5% in 2014, respectively. Our revenue from sales of clinker as a percentage of revenue was approximately 5.7% in 2015 and 8.5% in 2014, respectively.

Cost of Sales

In 2015, we continued our efforts in reducing unit production costs of cement and clinker by leveraging on our economies of scale and through centralized procurement. Our unit production cost of cement further reduced to partly offset the negative effect on our gross margin as the result of lower selling prices. Our cost of sales was approximately RMB4,947.9 million in 2015, representing a decrease of RMB1,944.9 million, or 28.2% as compared with 2014. The decrease was primarily due to the bulk purchase price of raw materials for the production of cement and clinker.

Our cost of sales mainly consists of cost of raw materials, coal and electricity. In 2015, our costs of raw materials, coal and electricity as a percentage of cost of sales were 42.4%, 22.7% and 19.1%, respectively. During the period, our costs of raw materials, coal and electricity for production of cement per tonne were RMB62.6, RMB33.6 and RMB28.1, respectively, representing a decrease of RMB6.7, a decrease of RMB13.2 and a decrease of RMB0.8, respectively, as compared with 2014.

Gross Profit and Gross Profit Margin

Our gross profit was approximately RMB1,247.2 million for the year ended 31 December 2015, representing a decrease of RMB810.3 million, or 39.4%, from approximately RMB2,057.5 million last year. Our gross profit margin decreased to approximately 20.1% in 2015 from 23.0% in 2014. The decreases gross profit margin was primarily due to the reduction in selling prices.

Other income and other gains and losses

Other income was approximately RMB447.3 million for the year ended 31 December 2015, representing an increase of RMB0.5 million, or 0.1%, from approximately RMB446.8 million for the year ended 31 December 2014. The increase was primarily due to increase in interest on bank deposits.

Gains on fair value changes of derivative financial assets

As reference to the circular dated 31 October 2014 (the "Circular"), the amended deed of non-competition ("Amended Non-competition Deed") undertaking was entered into by Tianrui Group Company Limited ("**Tianrui Group**"), controlled by Mr. Li Liufa, a non-executive director of the Company, in favour of the Company. Under the Amended Non-competition Deed, Tianrui Group granted the Group the option ("**Option**") to acquire the business which is or may be in competition, directly or indirectly, with the business of the Group (the "**New Business Opportunity**").

Under the Amended Non-competition Deed, we have the option to acquire the New Business or any interest in it in accordance with (a) commercial terms which (i) will not be less favorable than those applicable to the acquisition of the same New Business Opportunity by Tianrui Group in the first instance, provided that the Company shall reimburse Tianrui Group for the acquisition costs (including tax expenses, financing costs, professional fees and travelling expenses) incurred by them in respect of their acquisition of such New Business Opportunity; and (ii) have been opined by an independent financial adviser of the Company as being normal commercial terms arrived at in the ordinary course of business of the Company, fair and reasonable and in the interest of the Company and the shareholders as a whole; and (b) any requirement under the listing rules in relation to the acquisition of the New Business and any interest in it.

Under the Amended Non-competition Deed, we are entitled to exercise the Option at any time during the Restricted Period as defined in the Circular.

As of 31 December 2015, Tianrui Group acquired certain shares of four companies including Henan Tongli Cement Corporation (河南同力水泥股份有限公司) ("Tongli Cement", a company listed on the Shenzhen Stock Exchange), China Shanshui Cement Group Limited ("Shanshui", a company listed on the main board of the Stock Exchange of Hong Kong Limited), Tianrui Xindeng Zhengzhou Cement Company Limited (天瑞新登鄭州水泥有限公司) ("Xindeng Cement", formerly known as Guotou Xindeng Zhengzhou Cement Company Limited (國投新登鄭州水泥有限公司)) and Henan Yongan Cement Company Limited (河南永安水泥有限責任公司) ("Yongan Cement"), all of which are principally engaged in manufacture and sale of cement products. As of 31 December 2015, the Company has conditionally agreed to acquire the entire equity interest in Yongan Cement but the proposed acquisition has not been completed, the details of which are set out in the announcements dated 9 September 2015 and 25 January 2016.

The Option were measured at fair value and recognized as other reserve RMB229,240,000 in the consolidated financial statements at initial recognition. The fair value of the Options at the end of December 2015 are about RMB678,809,000. The change in fair value during the year in the amount of about RMB449,569,000 are recognized in profit or loss in the consolidated financial statements.

Selling and Distribution Expenses

Our selling and distribution expenses were approximately RMB334.3 million for the year ended 31 December 2015, representing a decrease of RMB55.7 million, or 14.3%, from approximately RMB390.0 million for the year ended 31 December 2014. The decrease was primarily due to the decrease in packaging expenses, transportation costs and other distribution costs as a result of the decrease in our cement sales volume.

Administrative Expenses

Administrative expenses were approximately RMB374.5 million for the year ended 31 December 2015, representing a decrease of RMB7.8 million, or 2.0%, from approximately RMB382.3 million for the year ended 31 December 2014. The decrease in administrative expenses was mainly due to the fact that we adopted stricter budget control.

Other Expenses

Other expenses were approximately RMB92.0 million for the year ended 31 December 2015, representing an increase of approximately RMB74.0 million, or 411.1%, from approximately RMB18.0 million for the year ended 31 December 2014. The increase in other expenses was mainly due to the increase in expense incurred in temporary suspension period due to seasonal effect.

Finance Costs

Finance costs were approximately RMB1,030.7 million for the year ended 31 December 2015, representing an increase of RMB69.5 million, or 7.2%, from RMB961.2 million for the year ended 31 December 2014. The increase was primarily attributable to the increase in interest expenses due to increases in the Company's total debts as compared to those of 2014.

PROFIT BEFORE TAXATION

As a result of the foregoing, our profit before taxation was approximately RMB312.5 million for the year ended 31 December 2015, representing an decrease of approximately RMB440.3 million, or approximately 58.5%, from approximately RMB752.8 million for the year ended 31 December 2014.

INCOME TAX EXPENSES

Our income tax expenses were approximately RMB29.0 million for the year ended 31 December 2015, representing a decrease of RMB183.6 million, or about 86.4% from approximately RMB212.6 million for the year ended 31 December 2014, which was mainly due to decreases in profit before tax.

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY AND NET PROFIT MARGIN

As a result of the foregoing, our profit attributable to owners of the Company for the year ended 31 December 2015 was approximately RMB313.1 million, representing a decrease of RMB251.8 million, or about 44.6%, from approximately RMB564.9 million for the year ended 31 December 2014. The net profit margin decreased from 6.3% for the year ended 31 December 2014 to 5.1% for the year ended 31 December 2015.

FINANCIAL AND LIQUIDITY POSITION

Trade and other receivables

Trade and other receivables increased from RMB2,106.1 million as at 31 December 2014 to RMB3,170.1 million as at 31 December 2015, mainly due to the increase in balance of trade receivables and advance to suppliers.

Amounts due from an associate

The amounts due from an associate of approximately RMB508.1 million as at 31 December 2015 (2014: RMB458.6 million) represents the advance payment paid to Ruiping Shilong for the clinker purchase in 2015 under the Clinker Supply Framework Agreement. The advance payment arrangement has been agreed after arm's length negotiation to secure clinker supply in 2016 on competitive pricing terms. For further details of the Clinker Supply Framework Agreement, please refer to the announcement dated 25 March 2014.

Inventories

Inventories decreased from RMB1,331.0 million as at 31 December 2014 to RMB832.2 million as at 31 December 2015, primarily due to the inventory procurement cost during the year 2015.

Cash and cash equivalents

Cash and bank balance decreased from RMB973.3 million as at 31 December 2014 by RMB251.0 million or 25.8% to RMB722.3 million as at 31 December 2015, primarily due to decrease in cash inflows from operating activities during the current year.

Borrowings

As at 31 December 2015, the amount of total borrowings and bonds (including corporate bonds) of the Group increased by approximately RMB3,159.3 million or 26.6% to approximately RMB15,023.2 million from RMB11,863.9 million last year. Borrowings due within one year and short-term bonds (including mid-term bonds due within one year) increased from RMB7,822.3 million as at 31 December 2014 to RMB9,426.4 million as at 31 December 2015, borrowings due after one year, mid-term, long-term bonds and corporate bonds increased from RMB4,041.7 million as at 31 December 2014 to RMB5,596.8 million as at 31 December 2015; the Group has been repaying the debts in accordance with the terms of the loan agreement, and we had unutilized bank facilities of approximately RMB1,595.0 million as at 31 December 2015.

Principal sources of liquidity

The Group's principal sources of liquidity have historically been cash generated from operations and bank and other borrowings. We have historically used cash from such sources for working capital, production facility expansions, other capital expenditures and debt repayments. We anticipate these these sources will continue to be our principal financing in the future. We expect our cash flow will be sufficient to fund our ongoing business requirements. Meanwhile, we have decided to further broaden our financing channel to improve our capital structure.

MAJOR ACQUISITIONS AND DISPOSALS

In 2015, we did not make new acquisition or purchase shares of any enterprises save for as disclosed herein.

(a) Definitive JV Memorandum

On 21 August 2015 (after trading hours), the Company entered into the Definitive JV Memorandum with Tianrui Group, Tianrui Group Travel Development Company Limited (天瑞集團旅遊發展有限公司) and Tianrui Group Foundry Company Limited (天瑞集團鑄造有限公司) with respect to the contribution commitment to and the operation of Tianrui Group Finance Company Limited (天瑞集團財務有限責任公司) whose principal business activity is to integrate internal and external financial resources, strengthen risk control, aggregate idle funds, decrease financing cost, accelerate turnover of capital to increase capital usage efficiency, effectively bring into play the existing financial and capital economies of scale of the Company and Tianrui Group so as to cater for the financing needs of the Company and Tianrui Group Company. For further details, please refer to the announcement dated 23 August 2015.

(b) Proposed Acquisition of Henan Yongan Cement Company Limited (河南永安水泥有限責任公司) ("Target Company" or "Yongan Cement")

On 9 September 2015, the Company and Tianrui Group Company entered into the Acquisition Agreement, pursuant to which Tianrui Group Company conditionally agreed to sell and the Company conditionally agreed to purchase the Sale Shares, which represent 100% equity interest of the Target Company as at the Acquisition Completion, at the consideration of RMB842,016,891, to be settled by the allotment and issue of the Consideration Shares by the Company to Yu Kuo, a wholly-owned subsidiary of Tianrui Group Company, credited as fully paid, at the Issue Price upon Acquisition Completion. The Consideration Shares will be issued under the Specific Mandate to be approved at the EGM. The Acquisition has not been completed as at the date of this announcement. For further details, please refer to the announcements dated 9 September 2015 and 25 January 2016.

GEARING RATIO

As at 31 December 2015, our current ratio was 0.7, representing a increase by 18.1% from 0.6 as at 31 December 2014. Our quick ratio was 0.7, representing a increase of 0.2 or 30.3% from 0.5 as at 31 December 2014. Changes of above ratios were due to the increase of ending balances of derivative financial assets and trade and other receivables.

As at 31 December 2015, our equity ratio was 2.7, representing an increase of 0.4 or 32.5% from 2.3 as at 31 December 2014. The change of equity ratio was due to the increase of debts during the current year.

Notes: 1. Gearing ratio = total liabilities/total assets X 100%;

2. Current ratio = current assets/current liabilities;

3. Quick ratio = (current assets – inventory)/current liabilities;

4. Debt equity ratio = Total liabilities/equity interest, of which, equity interest includes minority interest and non-controlling interest

NET GEARING RATIO

As at 31 December 2015, our net gearing ratio was 106.7%, representing an increase of 0.2 percentage point from 106.5% as at 31 December 2014. Net gearing ratio is calculated by dividing net debts by equity attributable to owners of the Company.

CAPITAL EXPENDITURE AND CAPITAL COMMITMENT

Capital expenditure for the year ended 31 December 2015 was approximately RMB320.4 million (2014: approximately RMB2,998.2 million) and capital commitments for the year ended 31 December 2015 was approximately RMB458.3 million (2014: approximately RMB468.3 million). Both the capital expenditure and capital commitments were mainly related to the acquisition of the business, the construction of production facilities and the acquisition of buildings, plant and machinery, motor vehicles, office equipment, construction in progress and mining rights. Our Group funded capital expenditure through cash generated from operations and bank and other borrowings.

PLEDGE OF ASSETS

As at 31 December 2015, carrying amount of the assets of the Group pledged to secure the bank borrowings granted to the Group amounted to approximately RMB2,028.2 million (2014: approximately RMB2,645.3 million).

CONTINGENT LIABILITIES

As at 31 December 2015, other than contingent liabilities arising from the provision of guarantee to third parties and connected parties amounting to approximately RMB647.7 million (31 December 2014: RMB733.7 million), we did not have other contingent liabilities. The guarantees provided to the connected parties have been provided pursuant to Tianrui Cement Guarantees, the details of which are set out in the circular dated 30 October 2015.

SIGNIFICANT INVESTMENTS

For the year ended 31 December 2015, the Group neither held any material investment nor planned to make any material investment and acquire any capital assets as of 31 December 2015.

MARKET RISKS

Interest rate risk

We are exposed to interest rate risk resulting from our long-term and short-term borrowings. We review our borrowings regularly to monitor our interest rate exposure, and will consider hedging significant interest rate exposure should the need arise. As our exposure to interest rate risk relates primarily to our interest-bearing bank loans, our policy is to keep our borrowings at variable rates of interest so as to minimize fair value interest rate risk, and to manage our interest rate exposure in all of our interest-bearing loans through the use of a mix of fixed and variable rates.

Liquidity risk

We have established an appropriate liquidity risk management system of our short, medium and long-term funding and liquidity management requirements. We manage the liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate by our management to finance our operations and mitigate the effects of fluctuations in (both actual and forecast) cash flows. Our management also monitors the utilization of bank borrowings and ensures compliance with loan covenants.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2015, our Group had 8,398 employees (31 December 2014: 8,624). As at 31 December 2015, the employees' cost (including remuneration) was approximately RMB376.0 million (2014: approximately RMB388.0 million). The remuneration policies, bonus and training programs for employees of our Group were implemented continuously according to policies disclosed in the 2012 Annual Report of the Company and no change has been made for the year ended 31 December 2015.

RE-DESIGNATION AND APPOINTMENT OF DIRECTOR OF THE COMPANY

During 2015, there have been the following changes to the composition of the board of directors of the Company:

(a) Mr. Li He Ping has entered into an appointment letter as non-executive director of the Company for a term of 1 year with effect from 4 December 2015 subject to rotation and re-election in accordance with the articles of association of the Company. Mr. Li will not receive remuneration from the Company as a non-executive director. For further details, please refer to the announcement dated 4 December 2015.

(b) Mr. Yang Yongzheng (the former executive Director) was re-designated as non-executive Director of the Company with effect from 3 December 2015. Mr. Yang has also resigned from being authorized representative and chief operating officer of the Company and general manager of Tianrui Cement with effect from 3 December 2015. Mr. Yang's membership in the nomination committee of the Board remains unchanged. For further details, please refer to the announcement dated 3 December 2015.

PROSPECTS

In 2015, the PRC government largely achieved its economic development target set at the beginning of the year through a series of controlling measures. On the other hand, we should realize that the overall economic development is exposed to significant downward pressure. We therefore believe that there is a probability that the PRC government will implement more similar policies in 2016 to maintain an appropriate growth rate of economic development. The proposal and implementation of the three strategies — "One belt, one road", synergistic development among Beijing-Tianjin-Hebei and Yangtze River Economic Belt-will definitely initiate infrastructure projects and increase investment efforts. This will effectively offset downward pressure posed on cement demand and achieve a smooth transition in respect of such demand against the backdrop of a low-digit growth rate of investments in real estate and manufacture industries.

Our Group is one of the 12 national key cement enterprises recognized by the PRC government and one of the five cement enterprises designated by the Ministry of Industry and Information Technology which are encouraged to undertake cement industry-specific mergers and consolidation in central China. To encourage the consolidation of cement industry, the PRC government provides the designated enterprises with supports such as tax incentives, and special project or financing approval. Under the circumstances of reduced demand on cement and intensified competition, we will, leveraging on our edges and favorable policies, capture all opportunities and continue to consolidate our position as a leader in Henan and Liaoning markets through internal growth and selective acquisitions.

Furthermore, we will improve our production utilization rate through further expanding centralized purchase of materials and strengthening refined management. This will allow us to further reduce production unit cost and maintain our leading position in markets. We believe that the maintenance and improvement of such cost advantages will facilitate the Group to enjoy healthier profitability in Henan and Liaoning cement markets than that of other major competitors. In order to expand our market coverage, we will make strategic acquisitions when necessary.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance. The principle of the Company's corporate governance is to implement effective internal control measures and to increase the transparency of the Board and accountability to all shareholders.

For the period from 1 January 2015 to 31 December 2015, the Company has adopted the code provisions set out in the Corporate Governance Code set out in the Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as its own code on corporate governance practice. The Company has been in compliance with all code provisions set out in the Corporate Governance Code throughout the year ended 31 December 2015.

COMPLIANCE WITH THE MODEL CODE BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its code of conduct regarding directors' securities transactions. Directors are reminded of their obligations under the Model Code on a regular basis. Following specific enquiry with the Directors, all of them have confirmed that they have complied with the required standards as set out in the Model Code throughout the year ended 31 December 2015.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS

The audit committee of the Board of the Company has discussed with the management of the Company on and reviewed the consolidated financial statements of the Group for the year ended 31 December 2015. The financial information included in this announcement has been agreed with the Company's auditor, Deloitte Touche Tohmatsu.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities except as disclosed herein. On 9 September 2015, the Company and Tianrui Group Company entered into the Acquisition Agreement, pursuant to which Tianrui Group Company conditionally agreed to sell and the Company conditionally agreed to purchase the Sale Shares, which represent 100% equity interest of the Target Company as at the Acquisition Completion, at the consideration of RMB842,016,891, to be settled by the allotment and issue of the Consideration Shares by the Company to Yu Kuo, a wholly-owned subsidiary of Tianrui Group Company, credited as fully paid, at the Issue Price upon Acquisition Completion. The Acquisition has not been completed as at the date of this announcement. For further details, please refer to the section headed "Major Acquisition and Disposals" in this announcement.

ANNUAL GENERAL MEETING

Notice of the annual general meeting of the Company will be published and dispatched to the Company's shareholders in the manner required by the Listing Rules in due course.

FINAL DIVIDEND

The Board did not propose the declaration of final dividend for the year ended 31 December 2015 (2014: final dividend of RMB0.06 per share and special dividend of RMB0.15 per share, representing a total dividend distribution of RMB504,189,000).

PUBLICATION OF ANNUAL REPORT

The Company's annual report for the year ended 31 December 2015 will be published on the website of the Stock Exchange and the Company's website at http://www.trcement.com and will be dispatched to the Company's shareholders in due course.

APPRECIATION

On behalf of the Directors, I would like to express my sincere gratitude to our shareholders, customers and business partners for their continued support, and all our employees for their dedication and hard work.

By order of the Board
China Tianrui Group Cement Company Limited
Li Liufa
Chairman

Ruzhou City, Henan Province, PRC, 15 March 2016

As at the date of this announcement, the Board consists of:

Chairman and Non-executive Director
Mr. Li Liufa

Executive Directors
Mr. Xu Wuxue and Mr. Li Jiangming

Non-executive Directors
Mr. Li Heping and Mr. Yang Yongzheng

Independent Non-executive Directors
Mr. Kong Xiangzhong, Mr. Wang Ping and Mr. Du Xiaotang