



# 華潤水泥控股有限公司

## China Resources Cement Holdings Limited

(於開曼群島註冊成立之有限公司)

(incorporated in the Cayman Islands with limited liability)

股份代號 Stock Code:1313







# 2022 Interim Results Presentation



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**華潤水泥控股有限公司**  
China Resources Cement Holdings Limited

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# Company Profile



華潤水泥控股有限公司

China Resources Cement Holdings Limited



## Subsidiary of CR Group

- ◆ One of **6** major industrial sectors of China Resources Group - **Urban Construction and Operation**
- ◆ CR Group is holding approx. **68.72%** of the Company's issued shares



## Environment, Health & Safety

- ◆ **Production Safety & Occupational Health**
- ◆ **Green production** - Energy saving, Ultra-low emission, Carbon emission reduction
- ◆ **Co-processing by use of cement kilns** - Municipal solid waste, Urban sludge & Hazardous industrial waste



## Market Position

- ◆ One of the large-scale and competitive **Cement, Clinker & Concrete producers** in Southern China



RUNPIN



## Future Development

- ◆ **Three Core Strengths**: Leading position in regional market, Innovation-driven development, Lowest total cost
- ◆ **New Businesses**: Aggregates, Prefabricated Construction, Functional Building Materials, New Materials

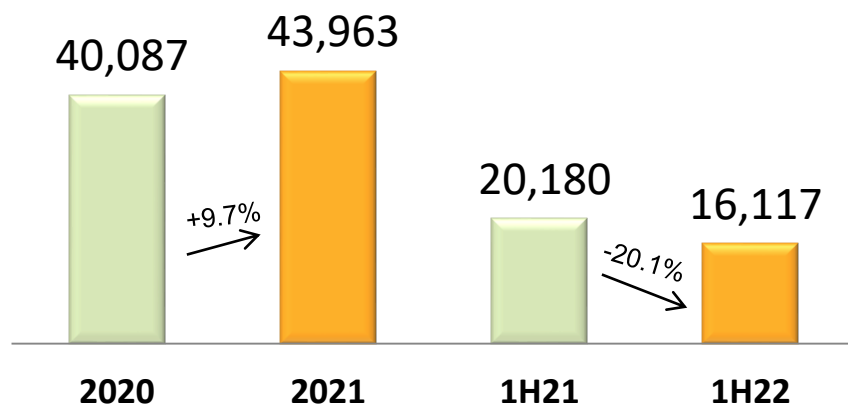
# Financial Performance



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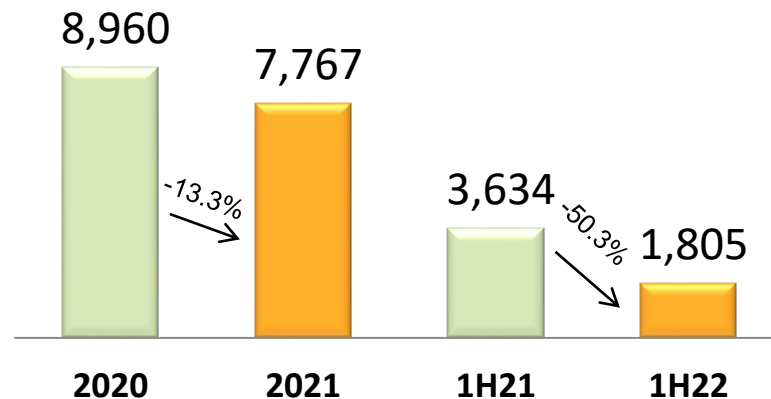
## Turnover

(HK\$ million)



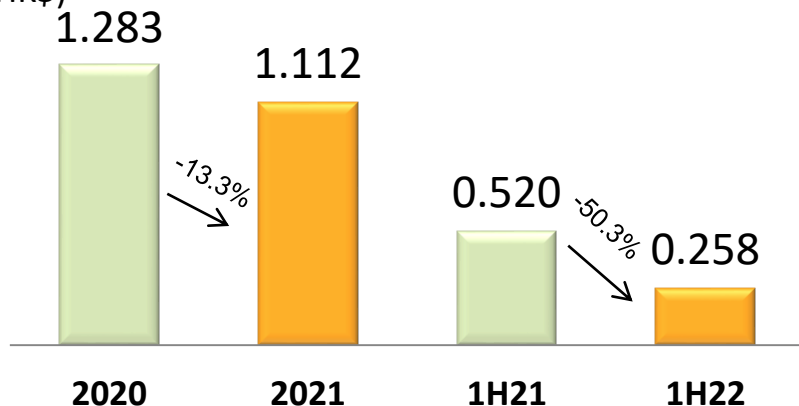
## Profit attributable to owners of the Company

(HK\$ million)



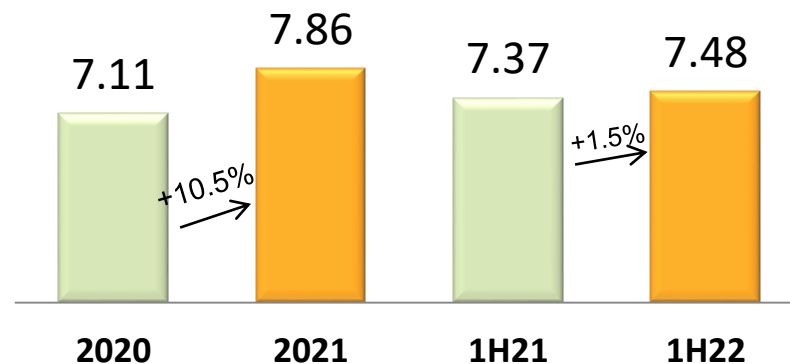
## Earnings per share

(HK\$)



## Net assets per share

(HK\$)





# Industry Overview



# Economic Growth



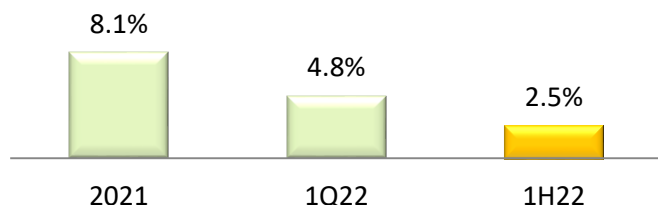
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China Resources Cement Holdings Limited

- In 1H22, in the face of the complex and difficult international environment and the adverse impacts from the domestic epidemic, the Chinese government boosted efforts on macro policy adjustments such that the economy has been stabilized and recovered, and the overall social situation has remained stable.
- In 1H22, National GDP was **RMB56.3 trillion**, **+2.5%** YoY. National FAI was **RMB27.1 trillion**, **+6.1%** YoY.

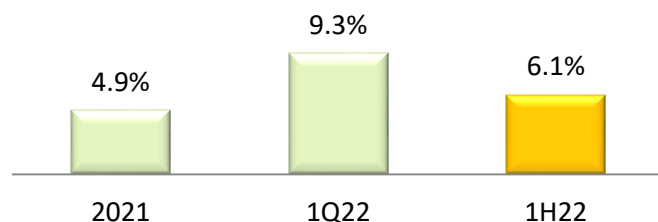
## National GDP

1H22: RMB 56.3 trillion



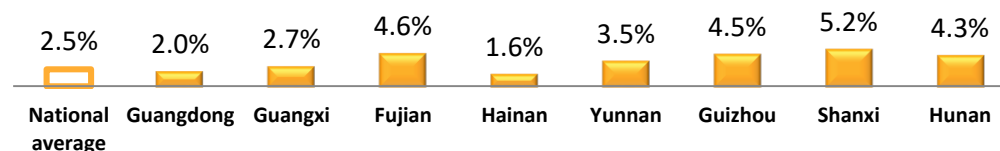
## National FAI (excluding rural households)

1H22: RMB 27.1 trillion



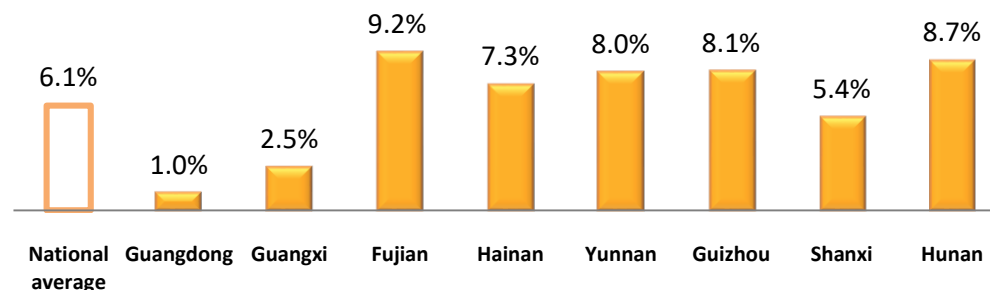
## GDP Growth (1H22)

(YoY)



## FAI Growth (1H22)

(YoY)



# Cement Demand Drivers

## Infrastructure

- In 1H22, national infrastructure investments\* increased by 7.1% YoY.

(RMB)	1H22	YoY
Railway	285.3 billion	-4.6%
Highways & waterways	1.3 trillion	+7.2%

\*Excluding the industries for production and supply of electricity, heat, gas and water

## Real Estate Market

- In 1H22, real estate investment decreased by 5.4% YoY to RMB6.8 trillion.

(Million m <sup>2</sup> )	1H22	YoY
Floor space of commodity housing sold	690	-22.2%
Floor space of houses newly started construction	660	-34.4%
Floor space of houses completed	290	-21.5%
Floor space under construction by real estate developers	8,490	-2.8%

## Rural Market

- Government actively implemented urban renewal and accelerated the renovation of old communities
  - In 1H2022, 38,900 old communities newly started renovation (76.0% of 2022 target: 51,000)
  - Urbanization rate 64.72% as of the end of 2021 (+0.83 ppt YoY)



# Cement Production



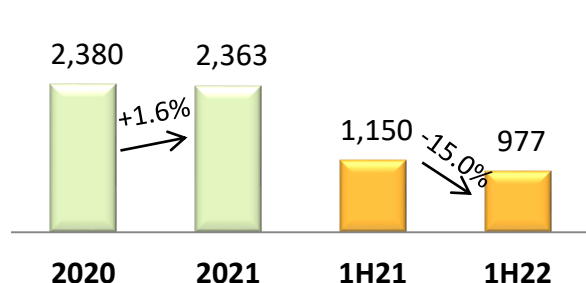
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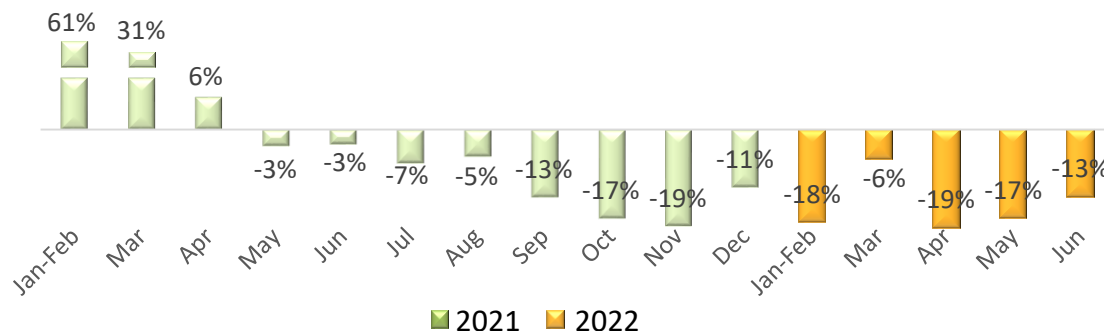
■ In 1H22, China's cement production was approximately **980 million tons\***, **-15.0%** YoY.

## National Cement Production <sup>(1)</sup>

(million tons , YoY)

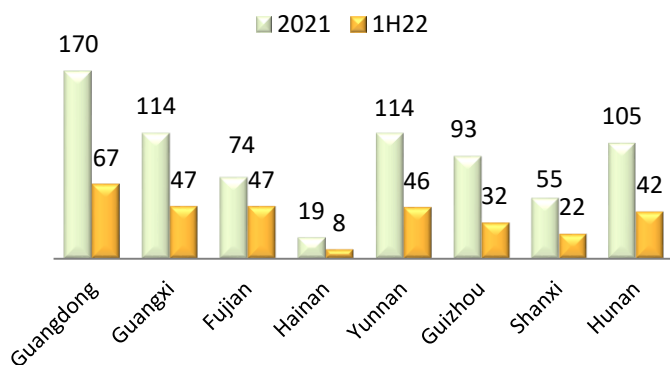


(YoY)

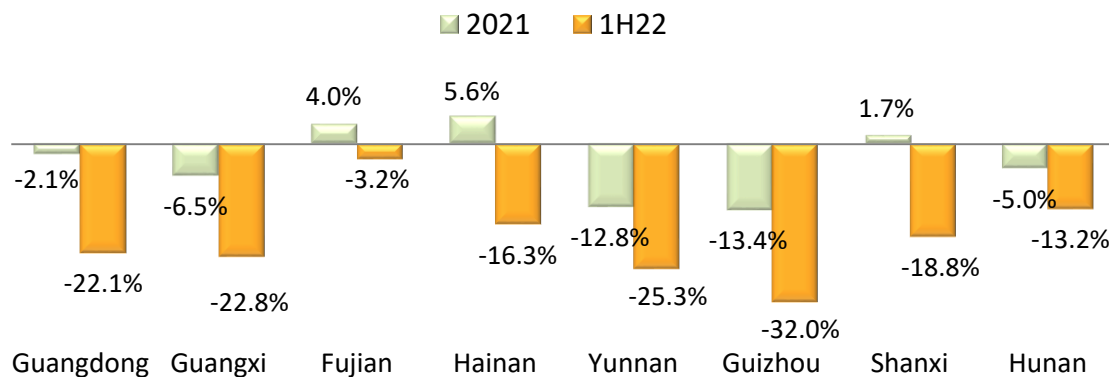


## CRC's operating region <sup>(2)</sup>

(million tons)



(YoY)



\* Note: Statistics only include enterprises with annual turnover above RMB20 million.

Source: (1) National Bureau of Statistics of China, (2) China Cement Association

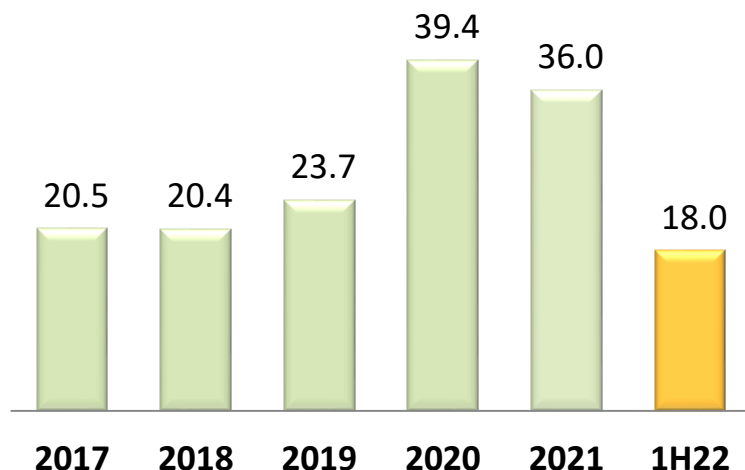


# Cement Supply

- In 1H22, there were **10** new clinker production lines nationwide with new annual clinker production capacity of **18.0** million tons in total.
- There were **3** new clinker production lines in Guangxi, of which **1** clinker production line partially replaced its own production capacity. As a result, the total annual clinker production capacity increased by approximately **5.1** million tons, representing a net increase of approximately **3.5** million tons.

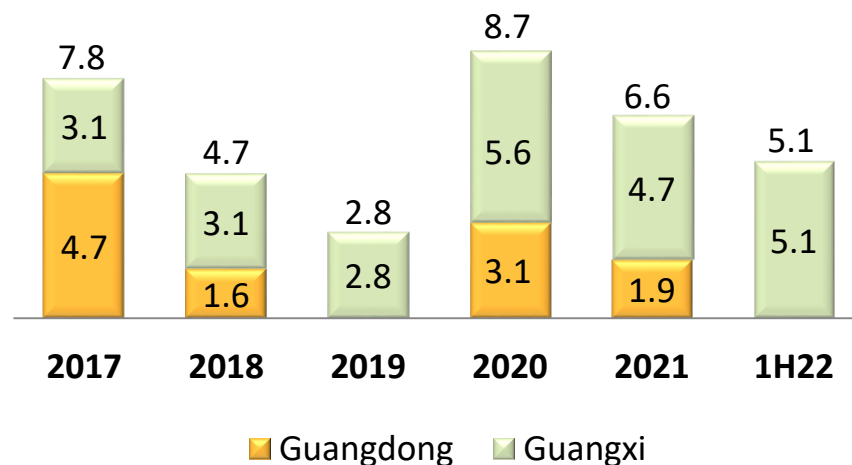
## New Clinker Capacity in China

(million tons)



## New Clinker Capacity in Guangdong & Guangxi

(million tons)



Source: Company information, China Cement Association

# Government Policies



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## Carbon Emissions

The Chinese government pledges to achieve the goals of carbon emissions peaking by 2030 & carbon neutrality by 2060.

## Energy Consumption

### □ Dual Control System for Energy Consumption

- Energy intensity reduction as restricting indicators
- Enhance flexibility of total energy consumption

### □ Energy Consumption and Intensity Targets

- By 2025 to reduce compared to 2020:
  - National energy consumption per unit of GDP by 13.5%
  - Energy consumption per unit of clinker by 3.7%
- By 2025, proportion of capacity that reach energy efficiency benchmark >30% (100 kg standard coal/ton clinker)

## Cement Supply

### □ Capacity Replacement

- Replacement ratio tightened to 2:1 and 1.5:1 for cement and clinker projects located in key and non-key areas respectively
- By 2025, proportion of clinker capacity > energy efficiency benchmark level will reach 30% and capacity below benchmark level will be zero
- By 2025, energy efficiency of key products will reach the international advanced level and energy consumption per added value of industrial units above designated size will decrease by 13.5% as compared with 2020

## Green Production

### □ Prevention & Treatment of Pollution

- Key areas, the Pearl River Delta, and the Chengdu-Chongqing region
- Steadily implement ultra-low emission transformation
- Total energy consumption - properly controlled, total nitrogen oxide emissions - reduced by more than 10% compared with 2020

### □ Production Safety

- By 2022, achieve the goal of closing 4,000 non-coal mines



# Financial Highlights



# 1H22 Results Summary

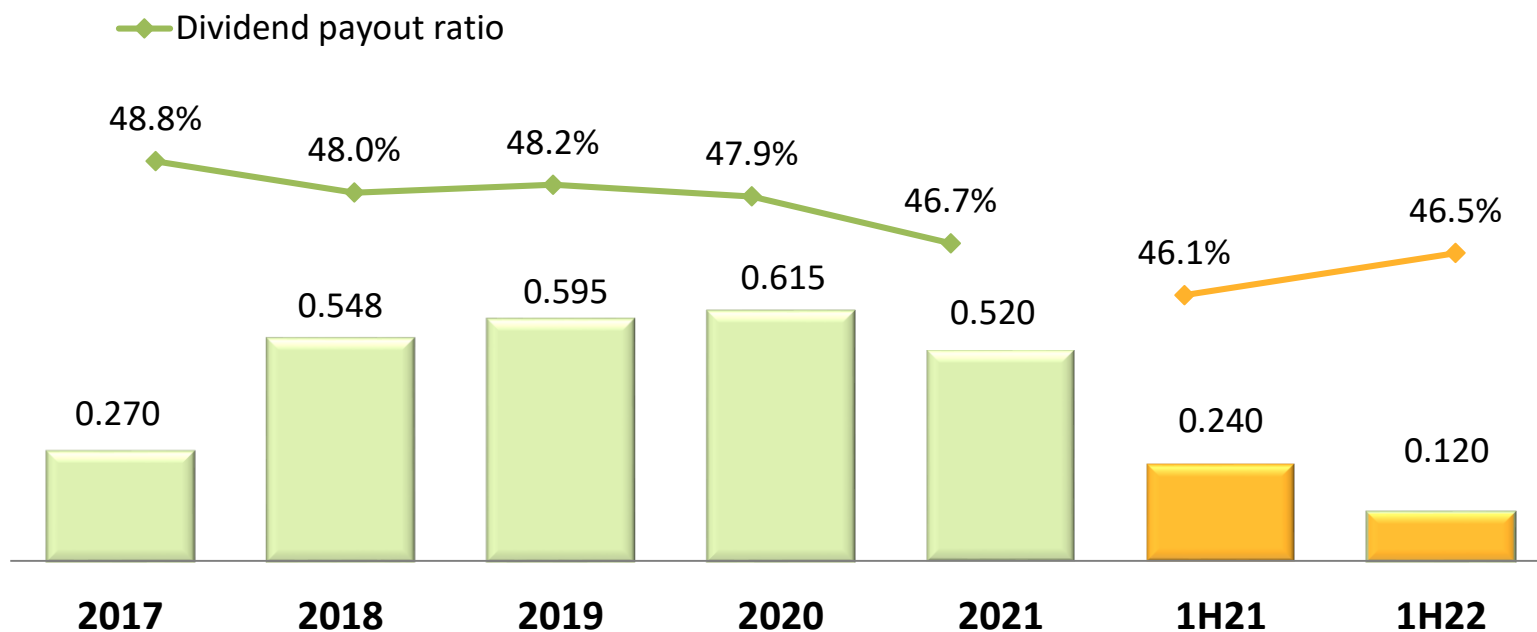
(HK\$ million)	1H21	1H22	YoY
Turnover	20,179.6	16,116.5	-20.1%
Gross profit	6,272.9	3,302.7	-47.4%
<i>Gross margin (%)</i>	<i>31.1%</i>	<i>20.5%</i>	<i>-10.6 ppt</i>
Exchange loss	(5.1)	(67.5)	+1,227.6%
Finance costs	(95.5)	(171.2)	+79.2%
Profit attributable to owners of the Company	3,633.5	1,804.5	-50.3%
<i>Net margin* (%)</i>	<i>18.0%</i>	<i>10.9%</i>	<i>-7.1 ppt</i>
Basic earnings per share (HK\$)	0.520	0.258	-50.3%

\*Note: Net margin is calculated by dividing profit for the period by turnover.

# Dividend Payout (HK\$)



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(HK\$)

Interim	0.115	0.275	0.260	0.275	0.240
Final	0.155	0.273	0.335	0.340	0.280

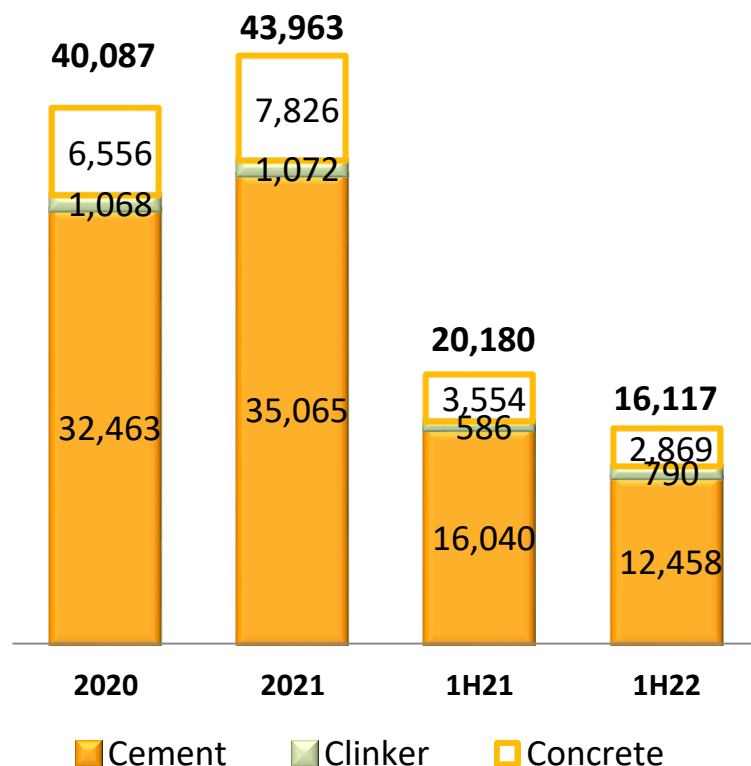
# Turnover



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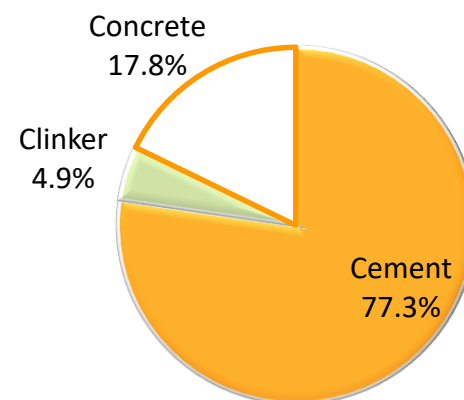
## Turnover by Product

(HK\$ million)



	2021 YoY	1H22 YoY
Cement	+8.0%	-22.3%
Clinker	+0.4%	+34.8%
Concrete	+19.4%	-19.3%
<b>Total</b>	<b>+9.7%</b>	<b>-20.1%</b>

## 1H22



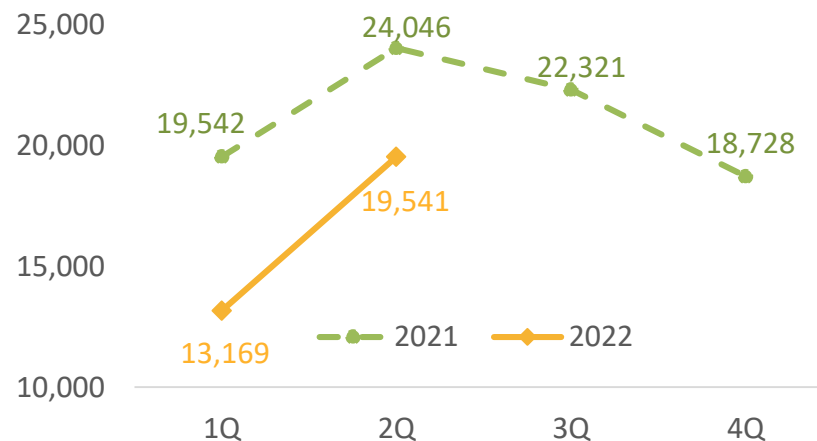
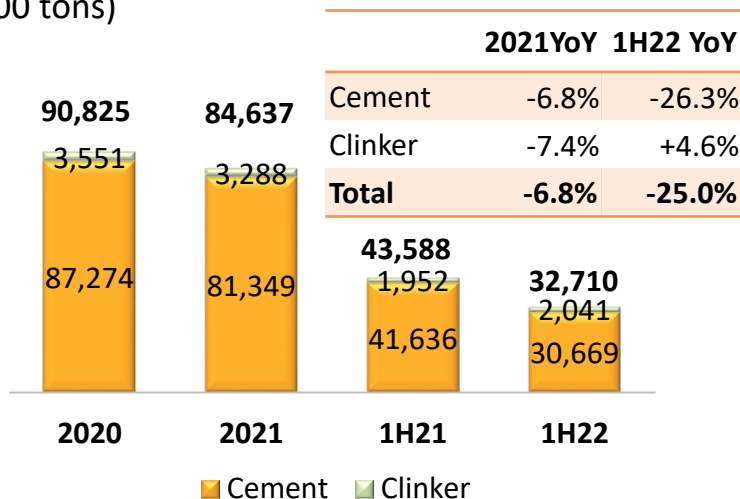
# Sales Volume



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## Cement & Clinker Sales Volume\*

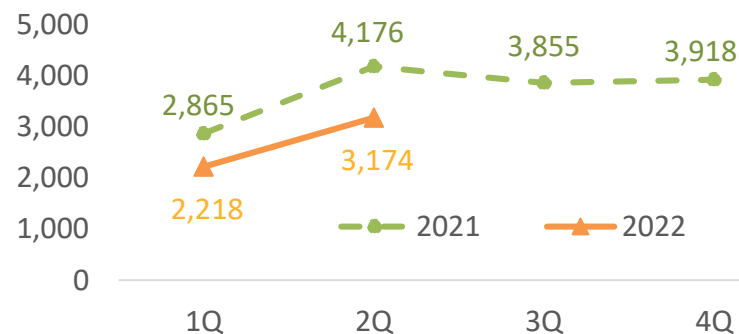
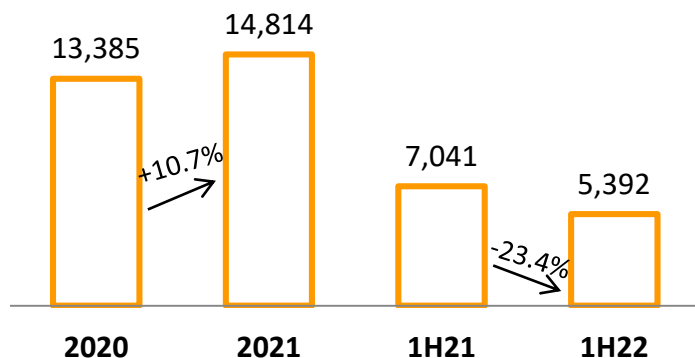
('000 tons)



\*Note: Inclusive of sales volume of 2.0 million tons of cement from related parties (1H21: 2.1 million tons).

## Concrete Sales Volume

('000 m<sup>3</sup>)





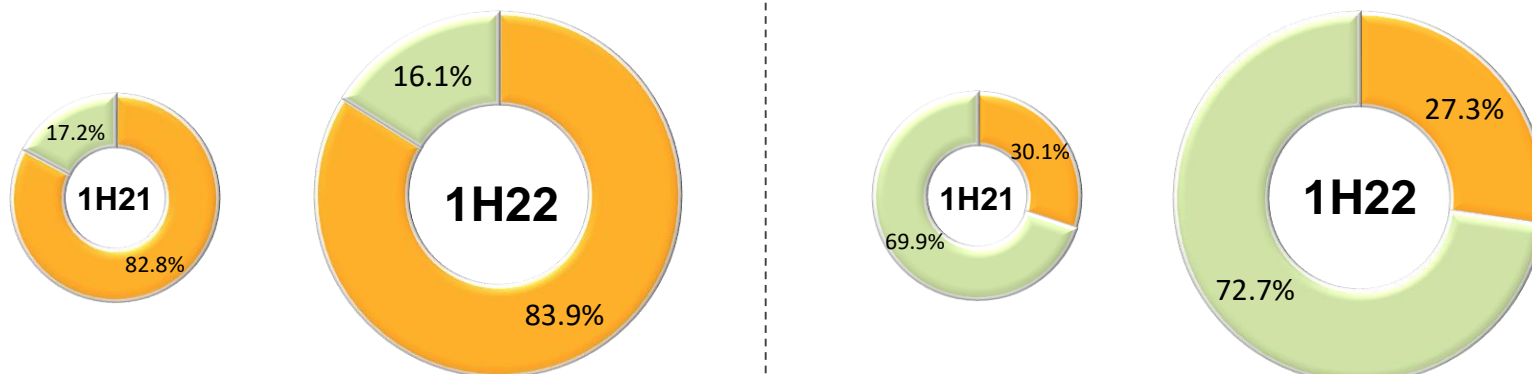
# Breakdown of Cement Sales Volume



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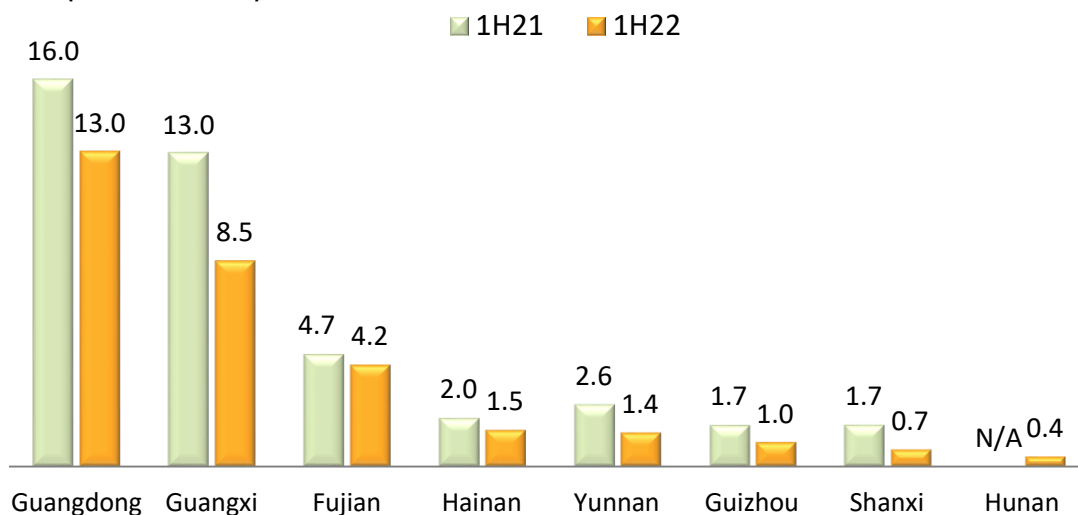
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## By Product Type



## By Region

(million tons)



	% of total cement sales volume
Guangdong	42.4%
Guangxi	27.7%
Fujian	13.6%
Hainan	4.7%
Yunnan	4.7%
Guizhou	3.2%
Shanxi	2.4%
Hunan	1.3%
<b>Total</b>	<b>100.0%</b>

# Average Selling Price



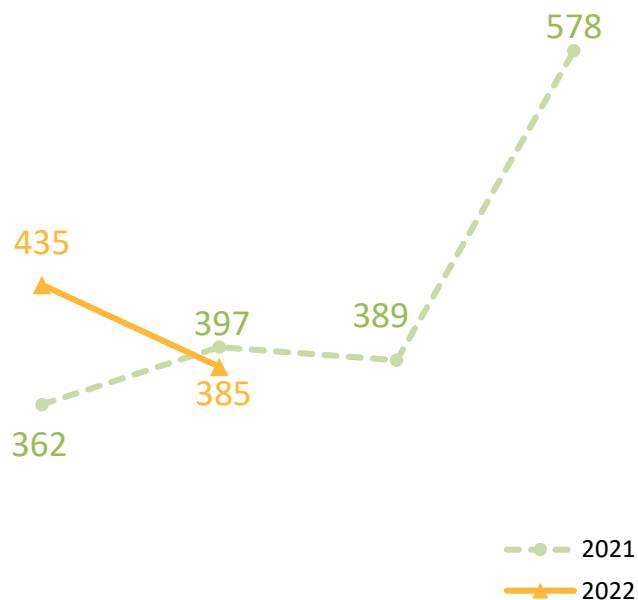
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## Cement & Clinker

(HK\$ per ton)

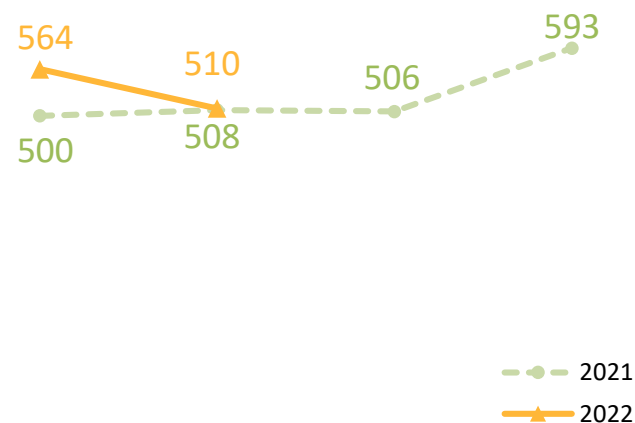
	2021	YoY	1H22	YoY
Cement & Clinker	427	+15.7%	405	+6.2%



## Concrete

(HK\$ per m<sup>3</sup>)

	2021	YoY	1H22	YoY
Concrete	528	+7.9%	532	+5.4%



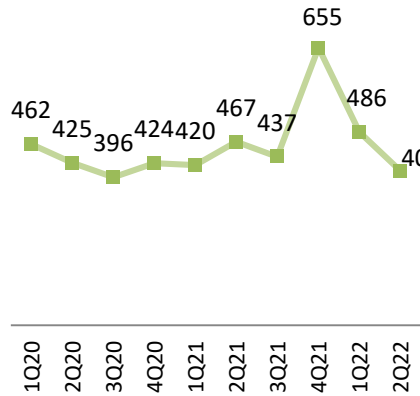
# Cement Selling Price by Region

(HK\$ per ton)

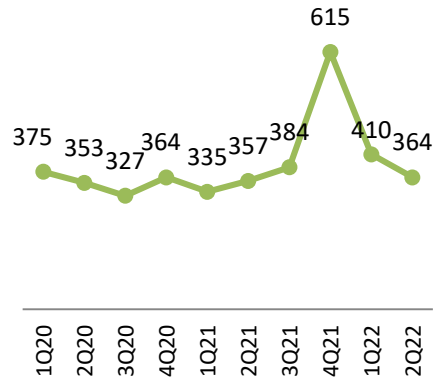


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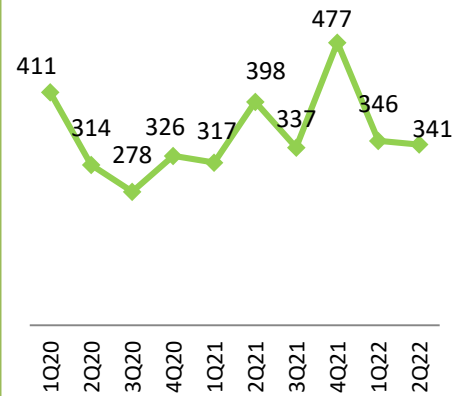
## Guangdong



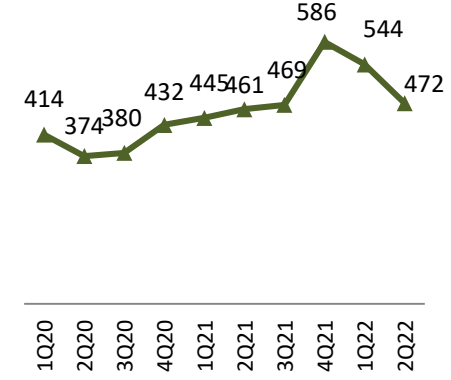
## Guangxi



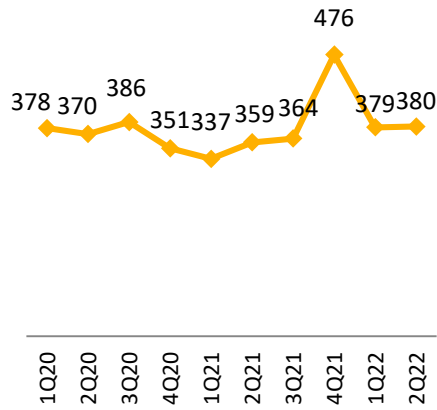
## Fujian



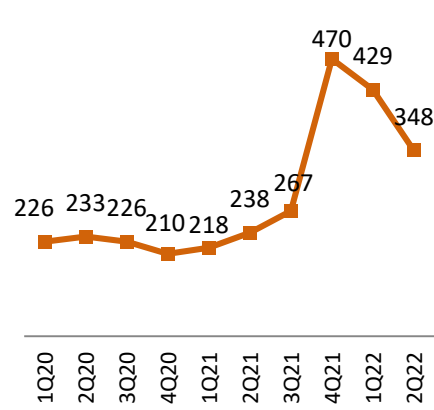
## Hainan



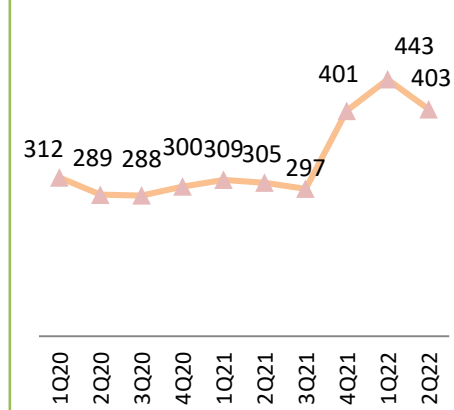
## Yunnan



## Guizhou



## Shanxi



- In 1Q22, the Cement Selling Price of Hunan was HK\$367 per ton.
- In 2Q22, the Cement Selling Price of Hunan was HK\$332 per ton.

# Cost Structure of Cement Products

Cement products refer to cement & clinker

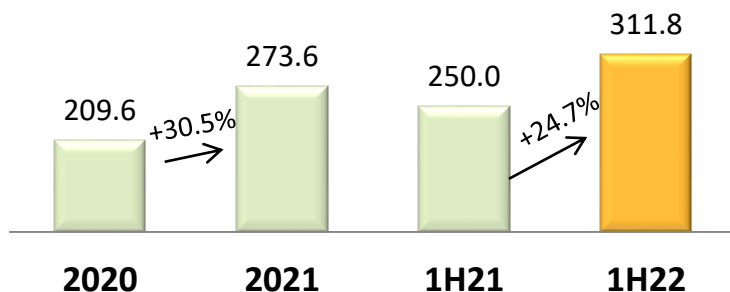


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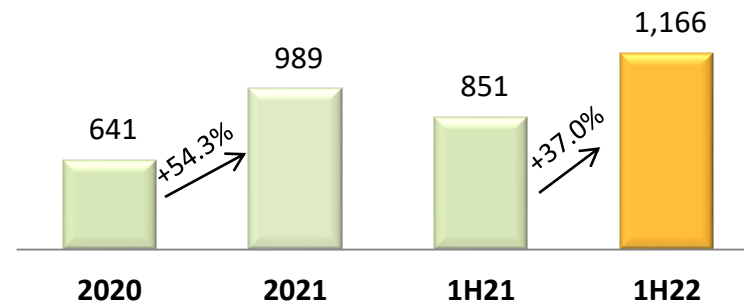
## Unit Cost

(HK\$ per ton)

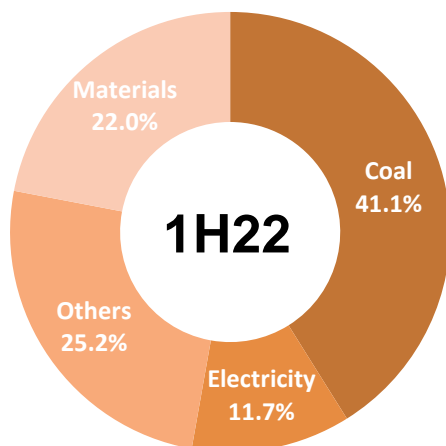


## Average Coal Purchase Price

(HK\$ per ton)



## Unit Cost Breakdown



(HK\$ per ton)	1H21	1H22	YoY
Coal	93.9	128.2	+36.5%
Electricity	32.4	36.4	+12.3%
Materials	60.7	68.7	+13.2%
Others	63.0	78.5	+24.6%
<b>Total</b>	<b>250.0</b>	<b>311.8</b>	<b>+24.7%</b>

### Notes:

1. Exclusive of sales from related parties;
2. Others: Staff, transportation, depreciation, repairs and maintenance costs and other indirect costs accounting for 6.7%, 2.3%, 7.0%, 5.9% and 3.3% respectively of total unit cost.

# Gross Profit & Margin

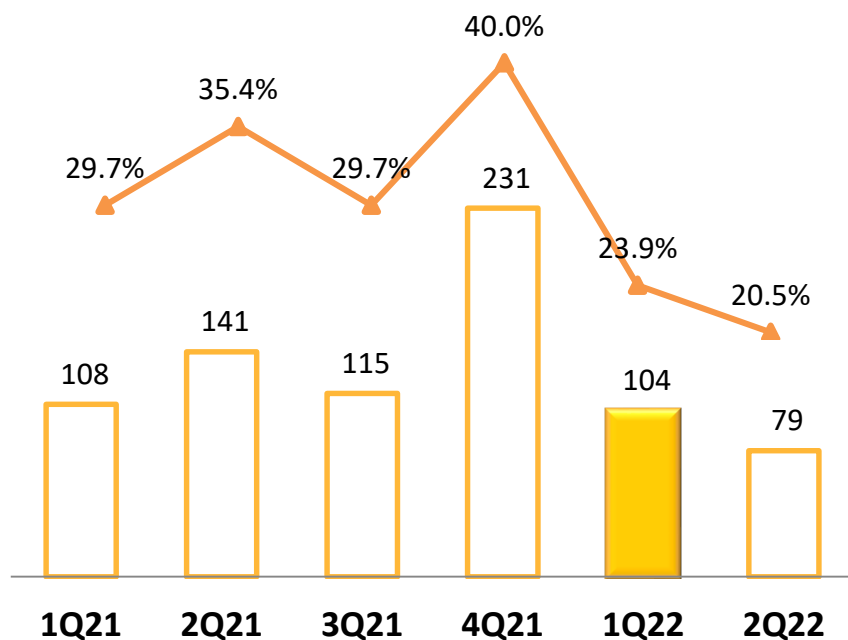


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## Cement & Clinker\*

(HK\$ per ton)

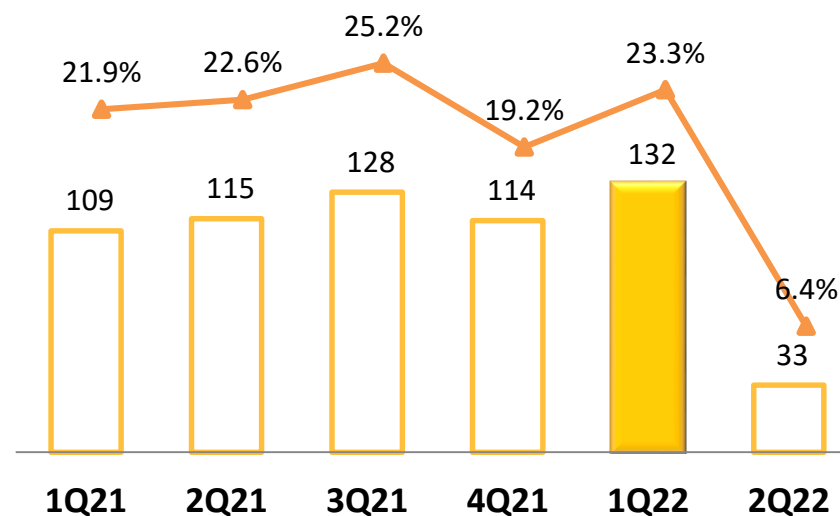
	2021	1H22
Gross Profit	146	89
Gross Margin	34.3%	21.9%



## Concrete

(HK\$ per m<sup>3</sup>)

	2021	1H22
Gross Profit	117	73
Gross Margin	22.1%	13.8%



\*Note: Inclusive of sales volume of cement from related parties.

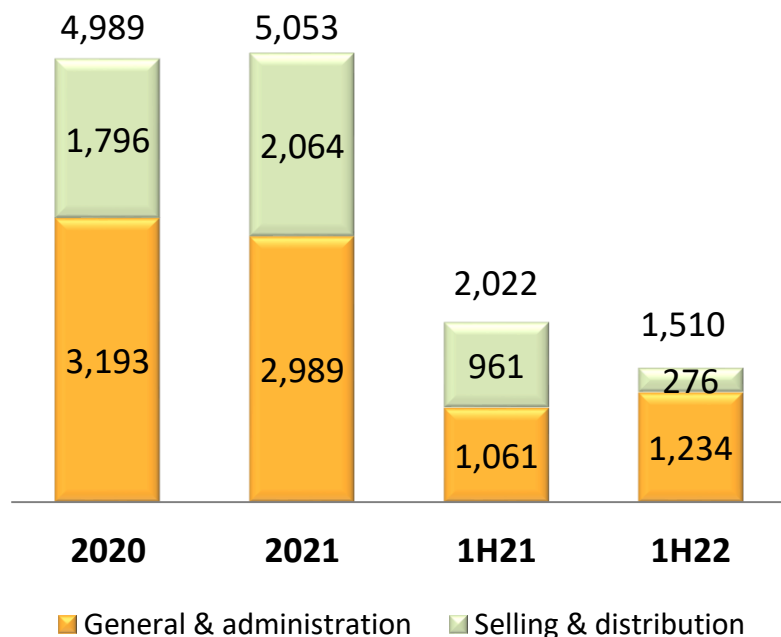
# Selling, General & Administrative Expenses

(HK\$ million)



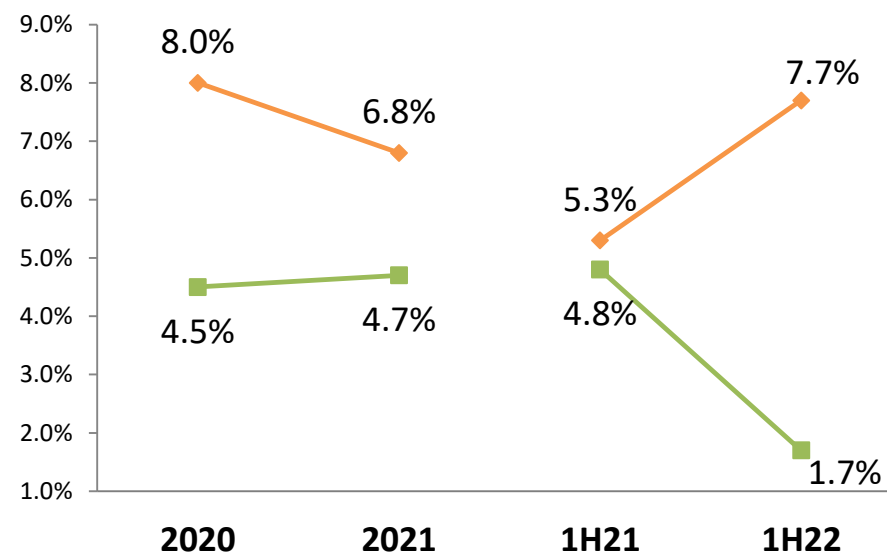
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	2021 YoY	1H22 YoY
General & administration	-6.4%	+16.2%
Selling & distribution	+14.9%	-71.3%
<b>Total</b>	<b>+1.3%</b>	<b>-25.4%</b>



— General & administrative expenses to turnover

— Selling & distribution expenses to turnover



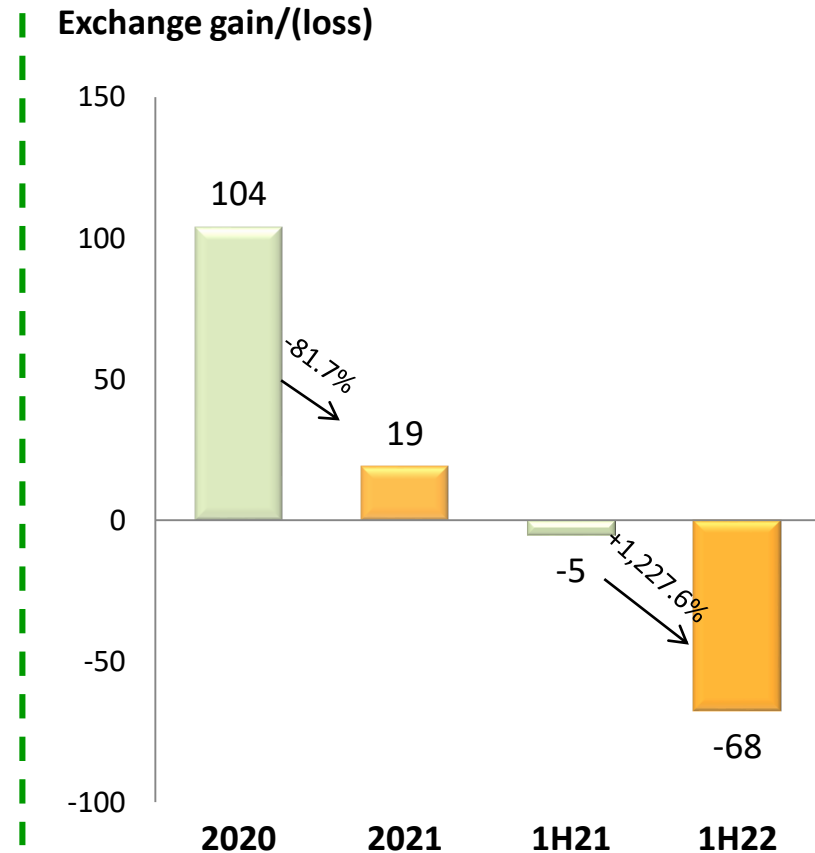
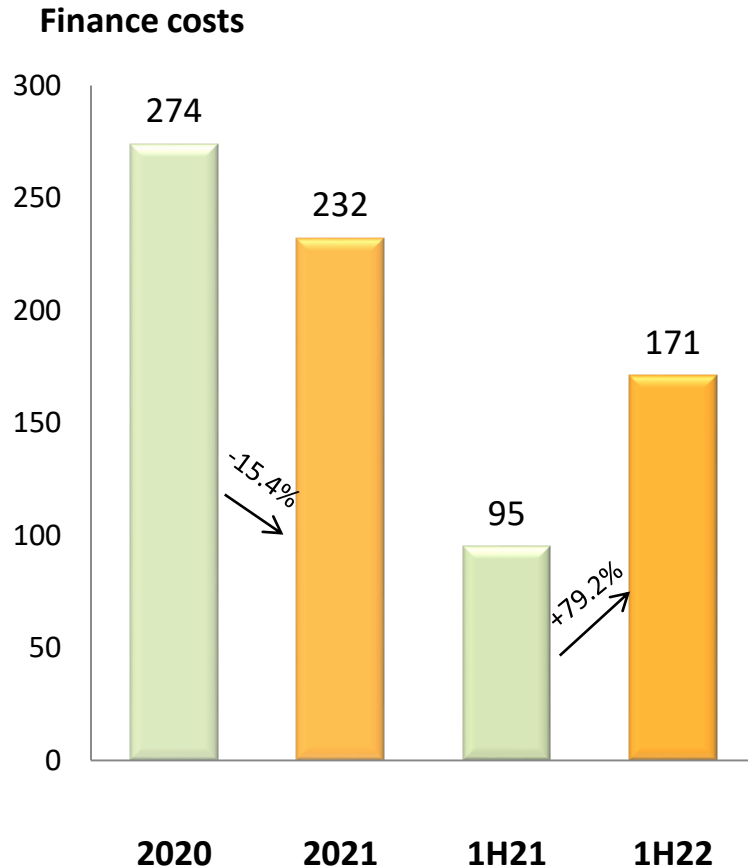
# Finance Costs & Exchange Gain/(Loss)



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(HK\$ million)





# Share of results of Associates & JVs

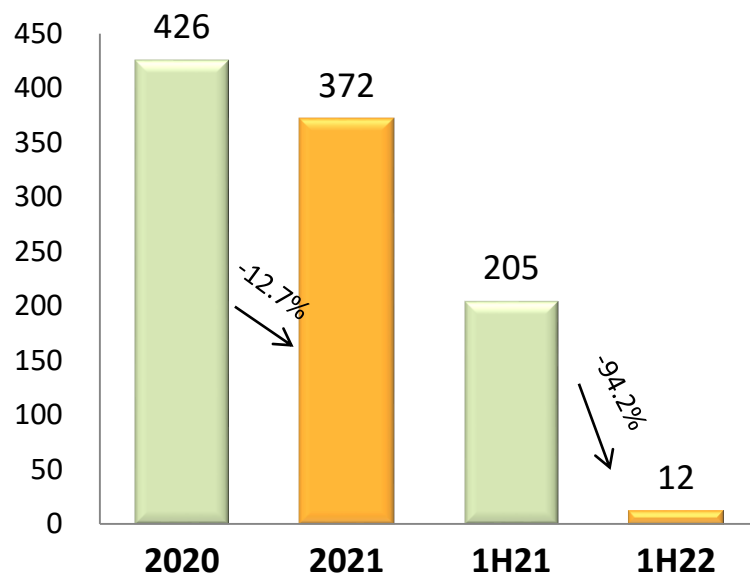


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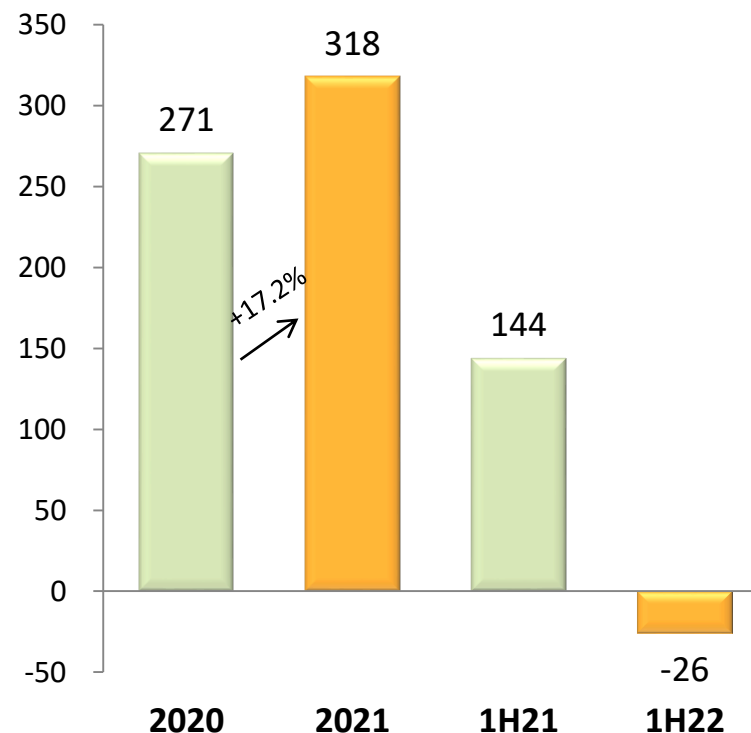
(HK\$ million)

## Share of results of associates



HK\$ million	1H21	1H22
Fujian	52.5	-11.1
Yunnan	97.4	-30.9
Inner Mongolia	42.6	72.4

## Share of results of joint ventures



### Notes:

1. CR Cement holds 49.0%, 50.0%, 40.6%, in our cement-related Associates in Fujian, Yunnan and Inner Mongolia respectively.
2. CR Cement holds 50.0% in our cement-related Joint Ventures.

	1H21	1H22	YoY
Taxation (HK\$ million)	1,237.3	357.7	-71.1%
Effective tax rate	24.5%	19.5%	-5.0 ppt

**Notes:**

- 1. The withholding tax calculated at 5% on dividends in the Chinese Mainland, and the deferred tax calculated at 5% on the intended distribution profits from subsidiaries in the Chinese Mainland to a holding company in Hong Kong.*
- 2. Effective tax rate excludes the effects of the results of associates and joint ventures, the exchange difference, as well as the withholding tax in the Chinese Mainland for dividends and the deferred tax on the intended distribution profits from subsidiaries in the Chinese Mainland to a holding company in Hong Kong.*

# Financial Position



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(HK\$ million)	31 Dec 2021	30 June 2022	Change
Cash and bank balances	7,067.4	3,597.0	-49.1%
Total assets	79,149.2	75,974.5	-4.0%
Gearing ratio	19.0%	19.1%	+0.1 ppt
Net assets per share (HK\$)	7.86	7.48	-4.8%

**Notes:**

- 1. Gearing ratio is calculated by dividing the total bank borrowing and loans from related parties by equity attributable to owners of the Company.***
- 2. Net assets per share is calculated by dividing equity attributable to owners of the Company by the number of issued shares at the end of the relevant reporting period.***

# Cash Flow



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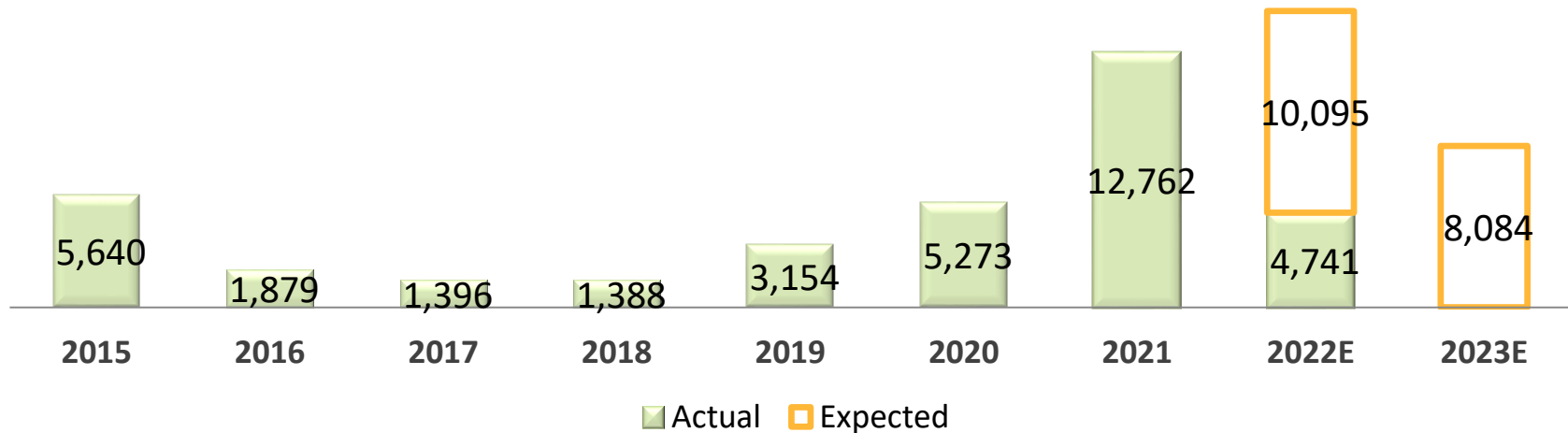
(HK\$ million)	30 June 2021	30 June 2022	Change
Net cash used in operating activities	(1,594.7)	(312.9)	-80.4%
Net cash used in investing activities	(4,064.3)	(2,690.0)	-33.8%
Net cash used in financing activities	(2,297.6)	(261.9)	-88.6%
Net decrease in cash and cash equivalents for the period	(7,956.5)	(3,264.8)	-59.0%
Cash and cash equivalent at end of the period	5,408.0	3,597.0	-33.5%

- Total payment for capital expenditure of the Group in 1H22 was HK\$4,741 million.
- Expected capital expenditures are approximately HK\$10,095 million and HK\$8,084 million in 2H22 and 2023 respectively.



# Capital Expenditure

(HK\$ million)



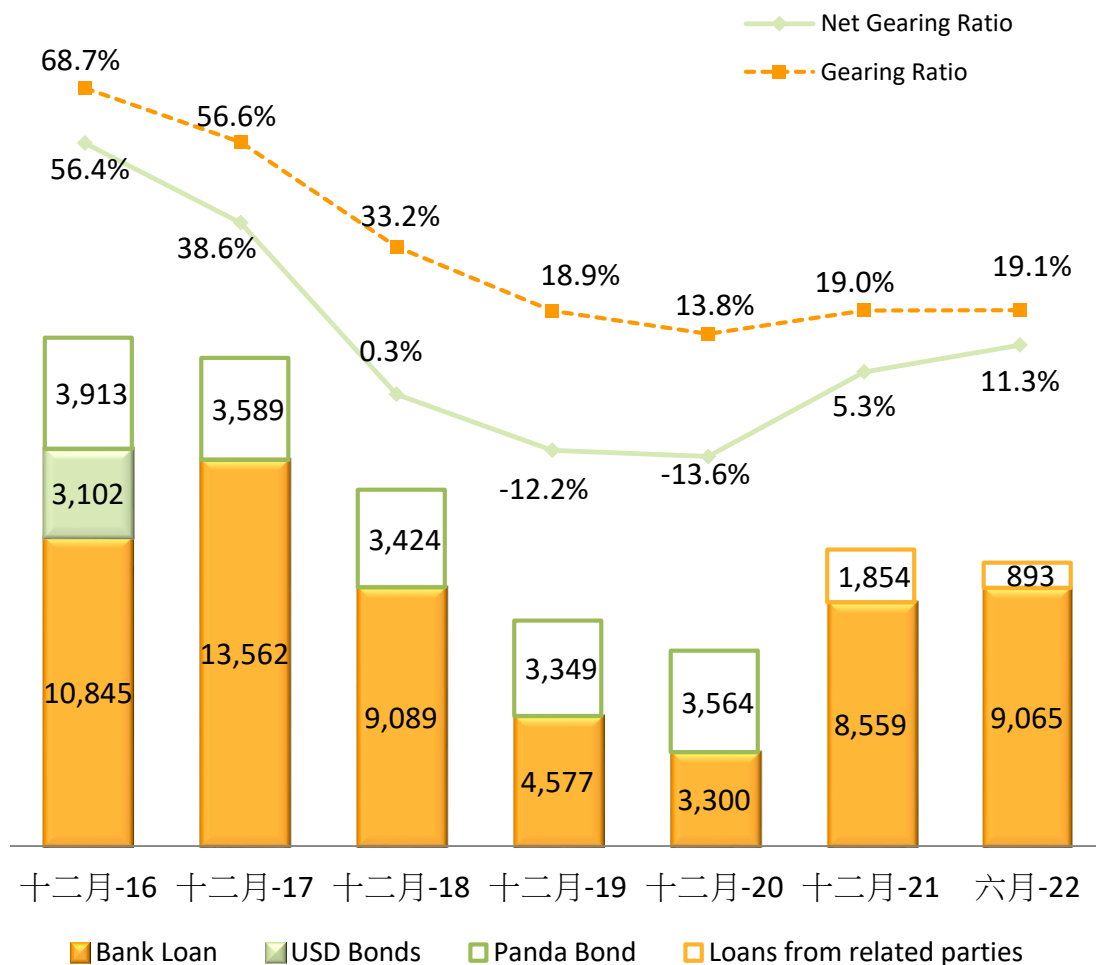
(HK\$ Million)	2019	2020	2021	2022E	2023E
Aggregates	182	3,850	6,640	8,871	5,562
Prefabricated Construction	112	393	523	801	794
Functional Building Materials	907	-	751	1,975	297
<b>New Business Total</b>	<b>1,201</b>	<b>4,243</b>	<b>7,914</b>	<b>11,647</b>	<b>6,653</b>
<b>% of Total Capex</b>	<b>38%</b>	<b>80%</b>	<b>62%</b>	<b>79%</b>	<b>82%</b>

# Debt Structure

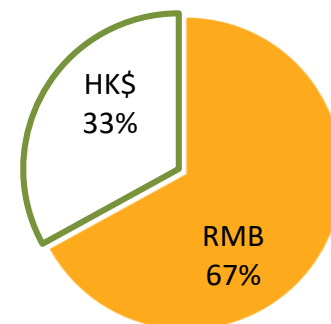
(HK\$ million)



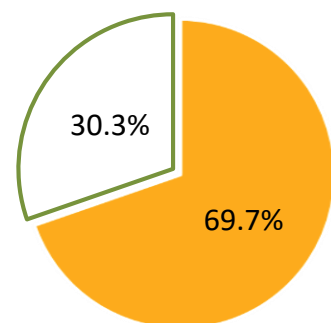
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China Resources Cement Holdings Limited



## Currency (30 June 2022)



## Duration (30 June 2022)



Due within 1 year (Orange) Due after 1 year (Green)

### Notes:

1. Net gearing ratio is calculated by dividing net borrowings by equity attributable to owners of the Company.
2. Gearing ratio is calculated by dividing the total bank borrowings, unsecured bonds, unsecured commercial paper, loans from related parties and unsecured medium term notes by equity attributable to owners of the Company.
3. Panda bond encompasses commercial paper and medium term notes. The commercial paper was fully repaid in Sep 2017 and the unsecured medium term notes was fully repaid in Sep 2021.
4. The Company issued 450 million new Shares on 11 June 2018 at a price of HK\$9.30 per Share for net proceeds of approximately HK\$4.18 billion.



# Operational Review





# Business Development

## Cement

- Jan: Acquired **51% equity interests** of Hunan Liangtian Cement with ann. capacities of **1.6 mil** tons clinker and **2.0 mil** tons cement in Chenzhou, Hunan.
- Mar: Sold **72% equity interests** and loans of Fulong Cement to Tangshan Jidong Cement.
- Jul: Acquired **85% equity interests** of Jingang Cement with ann. capacities of **0.75 mil** tons clinker and **1.0 mil** tons cement in Zhaoqing, Guangdong.

## Aggregates

- Jan: Project in Nanping, Fujian, completed and commenced trial operation.
- May: Acquired **51% equity interests** in Guangxi Tianyang Jiang'an Stone.
- Jun: Commenced ann. capacity expansion of project at Guigang, Guangxi, to approx. **3.0 mil** tons.
- Jun: Project in Wuping, Fujian, commenced production and won mining rights of a quarry in Shadun Mining Concession, Chongyang County, Xianning City, Hubei, for **RMB120 mil**.
- Jul: Acquired **44% equity interests** of Zhaoqing Runsheng Quarry, to achieve 100% control of project of Guangdong Deqing.
- Aug: Acquired **65% equity interests** of Chongqing Wushan County Zhongsheng Mining and Wushan Zhongrun Desheng Building Materials.

## Prefabricated Construction

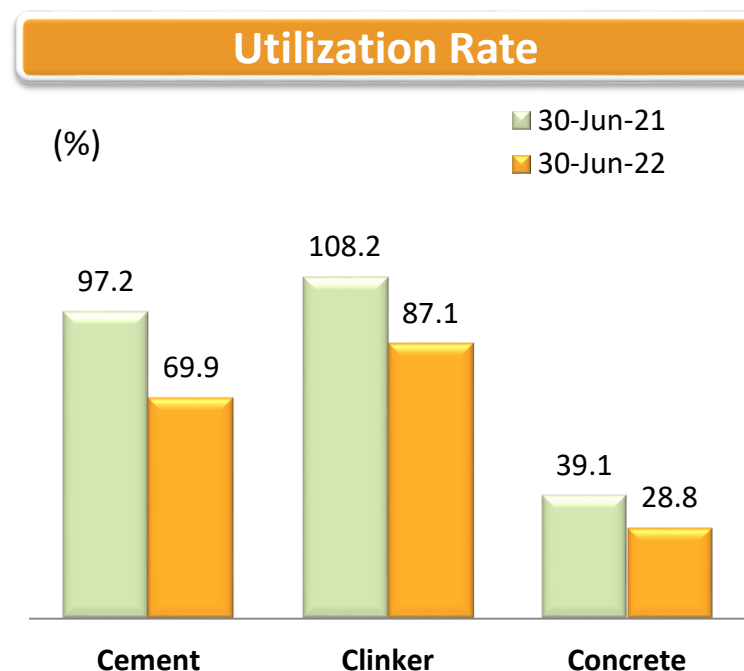
- Apr: Commenced construction of 1<sup>st</sup> phase of autoclaved aerated lightweight concrete blocks and panels project in Fengkai, Guangdong with ann. capacity of approx. **400,000 m<sup>3</sup>** of panels and **200,000 m<sup>3</sup>** of blocks.
- May: Won plot of land with area of approx. **130,000 m<sup>2</sup>** in Xinzhu Town, Ding'an County, Hainan to build three production lines for autoclaved aerated lightweight concrete blocks and panels, each with ann. capacities of approx. **200,000 m<sup>3</sup>** of panels and approx. **100,000 m<sup>3</sup>** of blocks.

## Functional Building Materials

- Mar: Acquired **75% equity interests** of Guangdong Borrego New Material Technology with planned ann. capacities of approx. **6.0 million m<sup>2</sup>** in Lianzhou, Guangdong.
- Jul: Acquired **67% equity interests** of each of Shandong Runhe New Material, Runhe (Lanling) New Material, and Runhe (Feixian) New Material, which own 107 production lines for compression molding of engineered stone and 27 grinding and polishing lines of engineered stone with planned ann. capacity of **15.0 million m<sup>2</sup>** in Linyi City, Shandong.
- Jul: Acquired **85% equity interests** of Hezhou Xubao Mining Investments through bidding for a consideration of RMB 893,510,140 with resource reserve of approximately **46.7 million m<sup>3</sup>** and planned annual production capacity of approximately **1.14 million m<sup>3</sup>** in Hezhou, Guangxi.

# Production Capacity

- As of the end of June 2022, the Group had 95 cement grinding lines, 46 clinker production lines and 63 concrete batching plants with annual production capacity of **83.3** million tons, **61.1** million tons and **37.9** million m<sup>3</sup> respectively.
- Annual production capacities attributable to the Company (equity interests in associates and joint ventures) were **22.7** million tons of cement, **12.3** million tons of clinker and **4.6** million m<sup>3</sup> of concrete.



## Production and Operation

### Operation Management

- In 1H22, centered on “steady growth” and “cost reduction”, improved management system for energy saving and carbon reduction, benchmarked against world-class enterprises and improved level of operational management.

### Digitalization and Intelligentization

- Deepened the application of intelligent factories at Tianyang and constructed “lighthouse factory” at Fengkai.
- Built model for intelligent control of kilns, mills and residual heat power generation at Luoding, Luchuan and Hepu.
- Jointly established the “5G + Smart Building Materials” innovation laboratory with ZTE Corporation.
- Digital transformation project of the marketing model has a coverage rate of 100%. As of end-Jun 2022, the cumulative transaction volume of the e-commerce platform reached approximately 61.6 million tons.

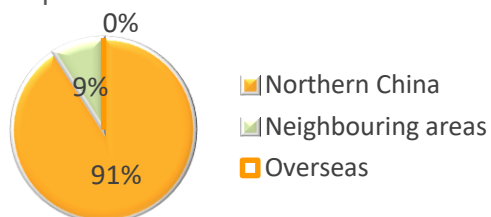
### R&D and Innovation

- Established a “Joint Research and Development Centre” with Southeast University and “Green, Low-Carbon and Environmentally Friendly Building Materials Innovation Consortium” with China Resources Chemical and China Resources Land.

### Procurement Management

#### Coal Procurement:

- **4.3 million tons** of coal at the end of June 2022
- Proportion of direct procurement: **91%**



### Logistics Management

#### Shipping and Silo Capacity:

- Annual shipping capacity along Xijiang River: **39.5 million tons**
- **38** silo terminals with annual capacity of approximately **35.1 million tons** which are mainly located in the Pearl River Delta Region



### Sales and Marketing

**Runfeng Cement:** Further consolidate the positioning of Runfeng’s quality

- “6.28 Runfeng Brand Anniversary”
- Product Promotion: “Wang Pai Gong Jiang” renovation cement, cement for nuclear power stations, Portland cement for roads
- “**Runpin**” Unified Brand for functional building materials
- **Smart marketing**

**RUNPIN**

# Energy Saving & Emission Reduction



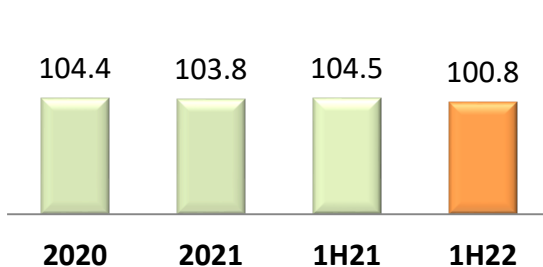
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## ➤ Electrical Structure:

- **Residual Heat Power Generation** — 780.0 million kwh of electricity generate (32.3% of total electricity consumption)
- **Direct Power Supply** — 1,589.0 million kwh of electricity consumed (65.9% of total electricity consumption)

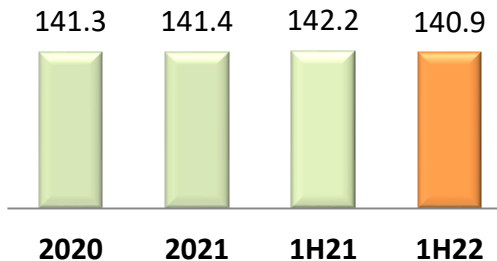
### Standard Coal Consumption

(kg per ton of clinker)



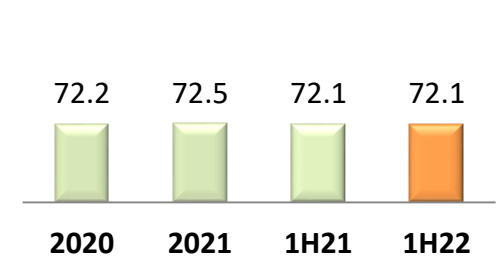
### Unit Coal Consumption

(kg per ton of clinker)



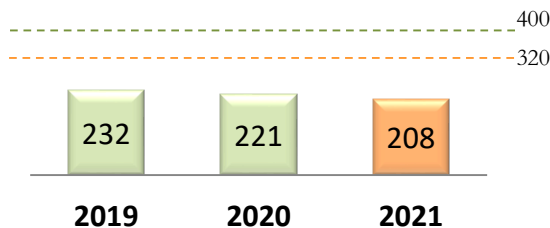
### Electricity Consumption

(kwh per ton of cement)



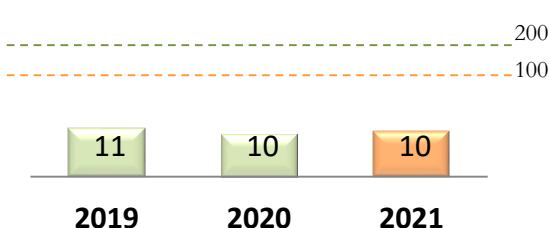
### Emission concentration of Nitrogen Oxides

mg/m<sup>3</sup>



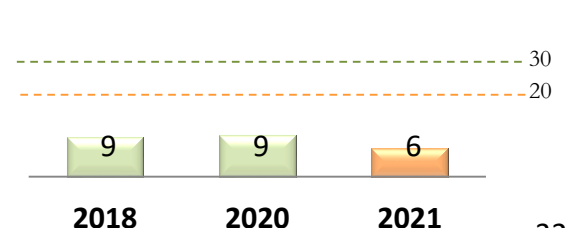
### Emission Concentration of Sulphur Dioxide

mg/m<sup>3</sup>



### Emission Concentrations of Particulate Matters

mg/m<sup>3</sup>



Ordinary Emission Limits

Special Emission Limits

# Green Development



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- The Company proactively fulfils its social responsibilities as a corporate citizen and continuously launch management on pollutant, waste, carbon emissions, energy and resources management.

## Energy Consumption

- By 2025 compared to 2015:
- **Standard coal consumption per ton of clinker** down by **5%**
- **Electricity consumption per ton of clinker** down by **10%**
- **Electricity consumption per ton of PO42.5 cement** down by **16%**

## Pollutant Emissions

- By 2025, emission concentrations of **nitrogen oxide, sulphur dioxide** and **particulate matters** will strive to fall below 100 mg/m<sup>3</sup>, below 50 mg/m<sup>3</sup> and below 10 mg/m<sup>3</sup> respectively

## Carbon Emissions

- Targets for **peaking total carbon dioxide emissions** by 2025 and reducing CO2 emissions per ton of clinker by **2%** compared to 2020, and strives to achieve **carbon neutrality** by 2060.

### Ultra-Low Emissions

- In 1H22, completed upgrade of SCR systems at Changzhi with NOx emission concentration at 50 mg/m<sup>3</sup> or below and heSNCR systems for 3 production lines at Fengkai with NOx emission concentration at 100 mg/m<sup>3</sup> or below.

### Clean Energy

- In 1H22, Fuchuan and Luoding photovoltaic power started construction with total installed cap. of 4.9 MW and 11.6 MW and ann. power cap. of 4.3 mil kwh and 12.0 mil kwh.

### Low-Carbon Products


- As of end-Jun 2022, products from 14 cement plants had passed low-carbon product certification.



# Outlook & Prospects



# 2022 Macro Outlook

- 
- The Chinese government proposed that economic work in 2022 should **prioritize stability while pursuing progress**.
  - **Regional Development**: Construction of GBA and other regions will drive regional demand for building materials in medium to long term.



## Infrastructure

- ✓ World leader in transport: Operational length of national railways, highways, urban rail transit to reach 165,000 km, 5.5 million km, and 10,000 km, among which, high-speed rail and expressways will reach 50,000 km and 190,000 km.



## Real Estate

- ✓ “Residential properties are not for speculation”: Planned to newly build 6.5 million units of affordable rental housing in 40 major cities by 2025. In 2022, focusing in large cities with net inflow of populations, it is aimed to construct 2.4 million units of affordable rental housing throughout the year.



## Rural Market

- ✓ Rural revitalization: Expected that by 2022, the reconstruction of rural roads with accumulated length of 150,000 km will be completed, rural road safety and life protection projects of 80,000 km will be implemented and transformation of 8,000 decaying bridges on rural roads will be completed.



# Strategies and Prospects



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## ^ 3 Core Strengths

- ✓ Leading market position in the region
- ✓ Innovation-driven development
- ✓ Lowest total costs

## ^ 4 Business Segments

- ✓ Strengthen, optimize and expand the **basic building materials** and **functional building materials** businesses
- ✓ Steadily develop the **structural building materials** business
- ✓ Incubate and cultivate the **new materials** business

## ^ Strategies

- ✓ Emphasize on the three themes of “promoting development, grasping innovation, stabilizing operation”
- ✓ Optimize industrial chain layout and expand strategic regions
- ✓ Benchmark against international first-class standards, accelerate digital and intelligent transformation, increase investment in innovation and R&D
- ✓ Improve operational efficiency and quality, enhance management levels of environmental protection, safety and health, promote carbon emissions peaking and carbon neutrality
- ✓ Deepen brand marketing and the construction of sales channels

## ^ Opportunities

The Group will proactively seize the regional development opportunities in China including the Greater Bay Area, accelerate the pace of transformation and innovation, and fulfill corporate social responsibility to advance the green and sustainable development of the cement industry in China.





# Appendix





# *Our vision*

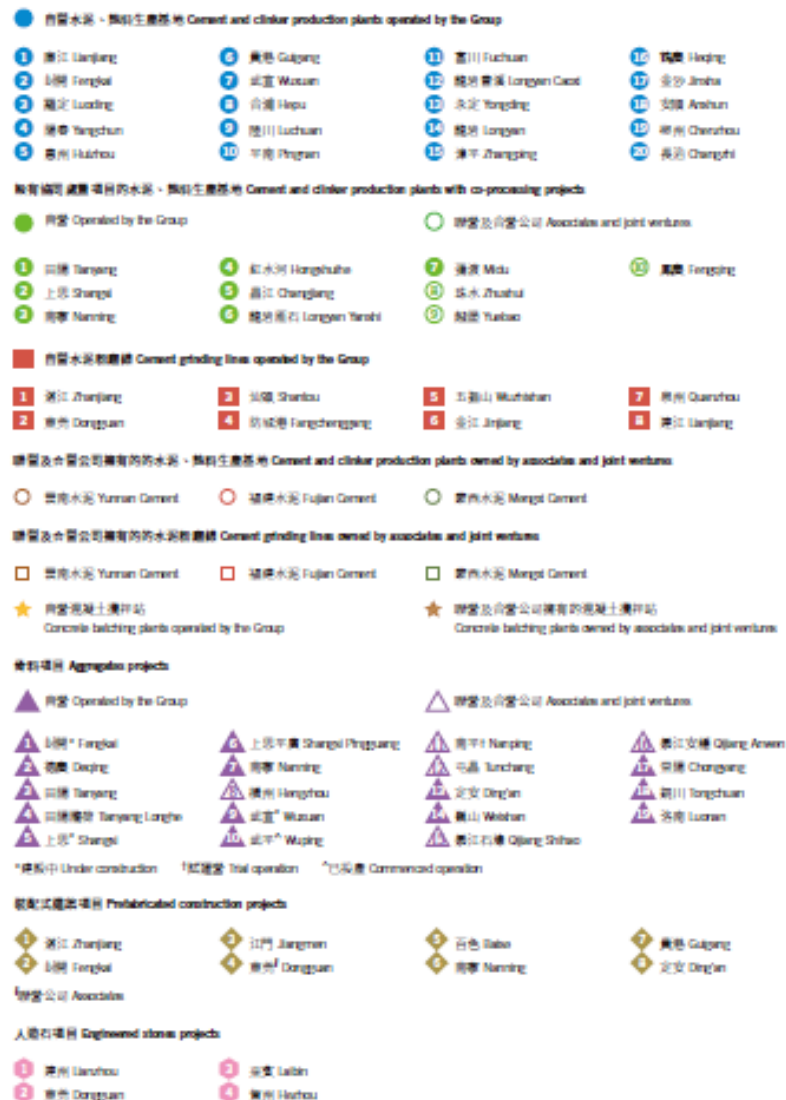
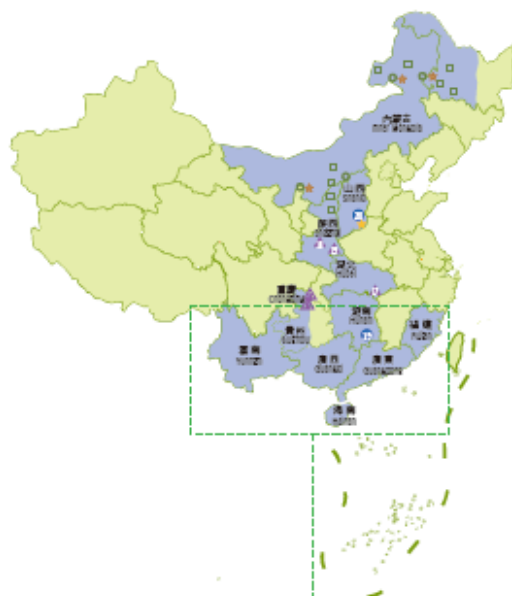
*To become a respected world-class  
building materials company*



# CR Cement's Footprint



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China Resources Cement Holdings Limited



Note: Please refer to the 2022 Interim Report for details.

# CR Cement's Production Capacity



華潤水泥控股有限公司  
China Resources Cement Holdings Limited

## Controlled by the Group

(As at 30 Jun 2022)

Province/AR/SAR	Cement		Clinker		Concrete	
	No. of lines	million tons	No. of lines	million tons	No. of plants	million m <sup>3</sup>
Guangdong	24	22.5	10	14.4	22	14.1
Guangxi	37	33.2	18	26.5	29	17.3
Fujian	14	10.1	6	7.0	-	-
Hainan	5	4.4	3	3.3	5	2.7
Yunnan	7	5.1	4	3.9	1	0.6
Guizhou	4	4.0	2	3.0	-	-
Shanxi	2	2.0	1	1.5	1	0.6
Hunan	2	2.0	2	1.5	-	-
Zhejiang	-	-	-	-	2	1.1
Hong Kong	-	-	-	-	3	1.5
<b>Total</b>	<b>95</b>	<b>83.3</b>	<b>46</b>	<b>61.1</b>	<b>63</b>	<b>37.9</b>

## Controlled by associates and joint ventures

Province/AR/SAR	Cement		Clinker		Concrete	
	No. of lines	million tons	No. of lines	million tons	No. of plants	million m <sup>3</sup>
Guangdong	8	7.3	2	3.7	-	-
Fujian	16	16.2	7	9.6	8	5.1
Yunnan	34	25.6	16	16.7	3	1.2
Inner Mongolia	19	15.3	5	7.0	4	1.2
Heilongjiang	2	2.0	-	-	-	-
Hong Kong	-	-	-	-	5	2.3
<b>Total</b>	<b>79</b>	<b>66.4</b>	<b>30</b>	<b>37.0</b>	<b>20</b>	<b>9.8</b>
<b>Attributable</b>	<b>-</b>	<b>22.7</b>	<b>-</b>	<b>12.3</b>	<b>-</b>	<b>4.6</b>

*Note: CR Cement holds 50.0% in our Joint Ventures operating in Guangdong and Hong Kong as well as 49.0%, 50.0% and 40.6% in our Associates in Fujian, Yunnan and Inner Mongolia respectively.*



# Greater Bay Area

## □ Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area (“GBA”)

- By 2022: To form the framework for an international first-class bay area and world-class city cluster
- By 2035: Meet first-class global standards for innovation, international competitiveness, commerce & liveability

□ **Total Area:** 56,000 km<sup>2</sup>, including **Hong Kong, Macau** and 9 cities in **Guangdong**

□ **2020: Population:** 86.0 million, **GDP:** RMB11.6 trillion

## □ **Transportation Infrastructure:**

- **By 2022:** Total operational length of rail transit of 2,400 km and that of expressways of 5,000 km
- Total operational length of railway: 4,700 km **by 2025**, 5,700 km **by 2035**



- Cement and clinker production plants
- Cement and clinker production plants owned by joint ventures
- Cement grinding lines

## CR Cement's Production Facilities

- ▲ Concrete batching plants
- △ Concrete batching plants owned by joint ventures

# Business Development

- In response to the Group's "14th Five-Year" strategic development plan, the Group reorganized the business into **4 business segments**:

## Basic Building Materials

Cement

Aggregates

Structural Building Materials

Functional Building Materials

New Materials

Concrete

Prefabricated  
Construction

Engineered Stone

Tile Adhesive

White Cement

Calcium-based

Silicon-based

Basalt

- In order to enhance management efficiency and effectively utilize resources, the Group consolidated its operating regions and divided them into **4 regions**:

South China

Guangdong, Hainan

Southwest China

Guangxi, Guizhou

Southeast China

Fujian

West China

Yunnan

# Sustainable Development

- In reliance on our own technological advantages, we comprehensively promote co-processing projects in the three scopes of municipal solid waste, urban sludge and hazardous industrial waste to create complete solutions to solid waste processing.
- As of the end of June 2022, the Group had 10 co-processing projects in total, with annual processing capacity of approximately 1.71 million tons.

## Co-Processing

Project	Type	Annual processing capacity (tons)	Status
Binyang, Guangxi	Municipal waste	110,000	In operation
Tianyang, Guangxi	Municipal waste	180,000	In operation
Fengqing, Yunnan <sup>#</sup>	Municipal waste	110,000	In operation
Midu, Yunnan	Municipal waste	110,000	In trial operation
Nanning, Guangxi	Urban sludge <sup>*</sup>	110,000	In operation
Zhushui, Guangzhou <sup>#</sup>	Urban sludge <sup>*</sup>	300,000	In operation
Yuebao, Guangzhou <sup>#</sup>	Urban sludge <sup>*</sup>	560,000	In operation
Changjiang, Hainan	Hazardous waste	30,000	In operation
Shangsi, Guangxi <sup>^</sup>	Hazardous waste	100,000	In trial operation
Yanshi, Fujian <sup>^</sup>	Hazardous waste	80,000	In operation
	Urban sludge	20,000	Under construction



The Municipal Waste Co-processing Project  
in Tianyang, Guangxi

### Note:

<sup>#</sup>Located in the cement production plants of our associates and joint ventures.

<sup>\*</sup>The Nanning project co-processed wet sludge of 80% moisture content. The Zhushui and Yuebao projects co-processed dry sludge of below 40% moisture content. The annual processing capacity of each urban sludge co-processing project is calculated as the annual processing capacity of wet sludge.

<sup>^</sup>Co-processing projects jointly developed by the Group and environmental protection companies.



# Aggregates

- **Aggregates** are granular materials that constitute the skeleton and filler in concrete and mortar. Products are divided into fine aggregate and coarse aggregate.
- The Chinese government aims to increase the proportion of production capacity from ultra-large-scale manufactured gravel enterprises with annual production capacity of at least 10 million tons to **40%** by 2025.
- **Green mines**: The Chinese government requires newly built mines to comply with all the requirements of green mine construction. Green mines refer to mines with eco-friendly mining areas, scientific excavation, highly effective use of resources, informationized and digitalized management and harmonious integration of mining areas with local communities.
- **Capacity**: Currently, the Group's annual aggregates production capacity through subsidiaries was approx. **14.1** million tons, and the attributable capacity through associate in Yunnan was approx. **2.95** million tons. In addition to the newly obtained aggregate projects, the annual aggregates production capacity through subsidiaries is expected to reach approx. **114.2** million tons, and the attributable capacity controlled by associates & JVs will reach approx. **13.7** million tons.

## Aggregate Quarry



Aggregate Mine in Fengkai,  
Guangdong

## Aggregate Production Line



Aggregate Production Line in Nanning,  
Guangxi

## Aggregate Products



Manufactured Gravel



Coarse Aggregate

# Aggregates



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## Controlled by the Group

Project Location	Annual production capacity (mil tons)	Resource reserve (mil tons)	Completion expectation
<b>Guangdong</b>			
Fengkai	30.0	425.0	2022
Deqing	6.5	169.0	2022
<b>Guangxi</b>			
Shangsi	5.0	65.0	2022
Tianyang	5.0	61.0	2022
Tianyang Napo	4.0	114.0	2022
Wuxuan	6.5	208.0	2022
Nanning	9.8	153.8	2022
Shangsi Pingguang	2.0	42.0	2023
Guigang Gangnan	9.7	296.0	2025
<b>Fujian</b>			
Wuping	2.0	56.0	2022

Project Location	Annual production capacity (mil tons)	Resource reserve (mil tons)	Completion expectation
<b>Hainan</b>			
Ding'an	3.0	63.0	2022
<b>Yunnan</b>			
Weishan	3.0	100.0	2023
<b>Chongqing</b>			
Wushan	2.6	150.0	2021
<b>Hubei</b>			
Chongyang	5.0	84.0	2024
<b>Shanxi</b>			
Luonan	3.0	122.0	2023
Tongchuan	5.0	147.0	2023
<b>Total</b>	<b>102.1</b>	<b>2,255.8</b>	

# Aggregates (Cont'd)

## Controlled by associates and joint ventures

Project Location	Equity Interests	Annual production capacity (mil tons)	Attributable annual production capacity (mil tons)	Resource reserve (mil tons)	Completion expectation
<b>Guangxi</b>					
Hengzhou	50%	10.0	5.0	180.0	2023
<b>Fujian</b>					
Nanping	49%	1.5	0.7	13.3	2022
<b>Hainan</b>					
Tunchang	34%	6.0	2.0	120.0	2024
<b>Chongqing</b>					
Qijiang Anwen	50%	3.0	1.5	70.3	2023
Qijiang Shihao	50%	3.0	1.5	20.7	2023
<b>Total</b>		<b>23.5</b>	<b>10.7</b>	<b>404.3</b>	

# Prefabricated Construction

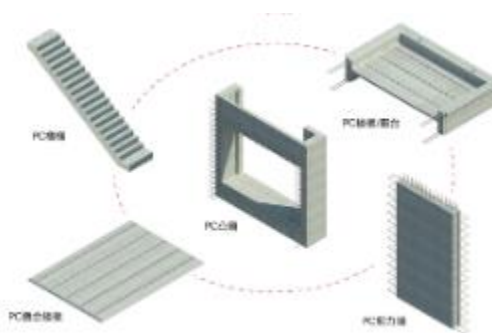
- **Prefabricated construction** components are produced in factories for prefabricated buildings, and transported to the construction site and assembled onsite. The products generally are floor slabs, walls, stairs and balconies etc.
- **Advantages** include: Improve project quality and construction efficiency, reduce resource usage, energy consumption and construction waste, shorten construction time and improve labor productivity, reduce construction site accident and construction delay due to poor weather
- \*Target for proportion of floor space of prefabricated buildings to newly constructed buildings in China:
  - ✓ National – 2025: **30%**;
  - ✓ Shenzhen/Guangzhou – 2025: **50%**; Nanning/Liuzhou – 2025: **30%**; Hainan – 2025: **100%**
- In Jan 2022, the government issued the “**14th Five-Year Development Plan for Construction Industry**”, targeting by 2025, emission of construction waste per 10,000 m<sup>2</sup> of new buildings shall not exceed 300 tons, of which prefabricated buildings shall not exceed 200 tons.

## Precast Concrete Production Plant



Precast Concrete Production Plant in Guigang, Guangxi

## Precast Concrete Product



Precast Concrete Components

## Product Application



China Resources Wanyue Mansion at Pingshan, Shenzhen, Guangdong

\*Sources:  
Policies issued by the Ministry of Housing and Urban Rural Development of China, the Ministry of Industry and Information Technology of China, the Guangdong Municipal Housing and Urban Rural Construction Bureau, Shenzhen, Guangzhou, Nanning, Guangxi and Hainan government

# Prefabricated Construction (Cont'd)



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- As of the end of June 2022, the Group had a total of 7 precast concrete component projects and the design annual production capacity is expected to reach approximately 1.6 million m<sup>3</sup> after completion.

Project	Design annual production capacity (m <sup>3</sup> )	Status	Remarks
<b>Guangdong</b>			
Dongguan Runyang*	40,000	In operation	➤ Mainly supplies to Shenzhen, Zhuhai, Guangzhou
Zhanjiang Runyang	400,000	In operation	➤ Commenced operation: Precast concrete - Phase I (annual capacity: 200,000 m <sup>3</sup> ) – Sep 2021
Jiangmen Runfeng	50,000	Under construction	➤ Completion: Precast concrete - (annual capacity: 900,000 m <sup>3</sup> ) – end of 2022
<b>Guangxi</b>			
Nanning Wuhe	400,000	Trial production	➤ Concrete batching plant commenced operation in Dec 2019; ➤ Trial production: Precast concrete - Phase I (annual capacity: 200,000 m <sup>3</sup> ) – Sep 2021
Guigang Runhe	200,000	Trial production	➤ Concrete batching plant commenced operation in Nov 2019; ➤ Trial production: Precast concrete – Jun 2020
Baise Runhe	200,000	Under planning	➤ Precast concrete - according to market conditions
<b>Hainan</b>			
Ding'an Runfeng	300,000	Trial production	➤ Trial production: Apr 2021

\*Notes: The Group holds 49% equity interests of the associate DongGuan RunYang United Intelligent Manufacturing Company Limited.

# ALC Products



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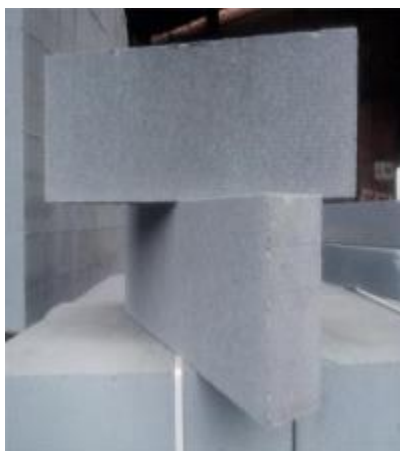
China Resources Cement Holdings Limited

- **Autoclaved aerated lightweight concrete (ALC) blocks** are a type of porous concrete product mainly composed of raw materials such as high silicon, lime, cement and gypsum, with an appropriate amount of foaming agents, admixtures and bubble stabilizers, and with mixing, pouring, curing, cutting and high-pressure steaming of ingredients during the technological process. **ALC panels** have steel bars added during the production process and are mainly used for non-load-bearing structures such as interior and exterior wall panels.
- **Advantages:** Favorable characteristics include green & environmental-friendliness, fire resistance & heat insulation, lightweight & high-strength, as well as sound insulation, earthquake resistance, frost resistance, durability and impermeability, which can save on building materials, reduce labor costs, improve construction efficiency and reduce construction waste.
- **Policies:** ALC panels belong to the category of "Component-based Building Material Products Suitable for Prefabricated Buildings" encouraged by the "Industrial Structure Adjustment Guidance Catalog". ALC panels and blocks can enjoy a preferential policy of 50% refund in value-added tax.

## Product Types



ALC Panel



ALC Block

## Product Applications



Interior Wall Panel



Floor Panel



# Functional Materials



華潤水泥控股有限公司  
China Resources Cement Holdings Limited

## ■ Engineered Stone

- Universal Classical owned planned annual production capacity of engineered stones of approx. **600,000 m<sup>2</sup>** and is expanding another approx. **1.5 million m<sup>2</sup>** in Dongguan, Guangdong.
- Building two production lines of engineered stones with planned annual production capacity of approx. **3 million m<sup>2</sup>** in Laibin, Guangxi.
- In Mar 2022, acquired 75% equity interests of Borrego New Material, which has planned annual production capacity of approx. **6.0 million m<sup>2</sup>** of engineered stones in operation in Lianzhou, Guangdong.
- In Jun 2022, acquired 85% equity interests of Hezhou Xubao Mining Investments with planned annual production capacity of approx. **1.14 million m<sup>3</sup>**, expected to commence operation in 2024.



Engineered Stone Production Line in Dongguan, Guangdong

## ■ Tile Adhesive

- In Oct 2021, the tile adhesive production line, located in Fengkai, Guangdong, with annual production capacity of **0.4 million tons** commenced operations.

## ■ White Cement

- In Oct 2021, the Group invested in 70% equity interests of Deqing Yingqi Building Materials Co., Ltd. which owns one production line for white cement in operation with annual production capacity of approx. **400,000 tons** in Deqing, Guangdong.
- Usage: Raw materials of inorganic engineered stone, tile adhesive etc.



Tile Adhesive Production Line in Fengkai, Guangdong

# Engineered Stone

- **Engineered Stone** refers to material synthesized from raw materials such as natural marble through a manufacturing process. The process inserts a bonding agent, curing aid and pigments before stirring, vacuuming, vibration and pressure, molding and curing to form the final product.
- **Advantages** include being environmentally-friendly, ability to create large slabs, possess great variety in design, usability for exterior walls as well as being flame retardant and abrasion resistant.
- **Recognition:** In 2021, the Group's inorganic engineered stone products obtained the "China Green Building Materials Product Certification (Three-Star)" issued by the China Building Material Test & Certification Group Co., Ltd. , and the independently developed "Key Technology for Production of High-performance Inorganic Engineered Stone" won the Shenzhen Construction Engineering New Technology Certification.

## Runfeng New Materials



RUN Stone-lab

## Universal Classical



Reception of Universal Classical

## Product Application



The Exterior of Guiyang Shopping Center



# Financial Summary



**華潤水泥控股有限公司**  
China Resources Cement Holdings Limited

(HK\$ million)	2021	2020	2019	2018	2017	2016	2015	2014
Turnover	43,963	40,087	38,956	38,791	29,958	25,648	26,779	32,669
EBITDA	12,367	13,606	14,040	13,730	7,433	4,882	3,838	8,285
Profit attributable to owners of the Company	7,767	8,960	8,618	7,975	3,617	1,326	1,015	4,206
Basic earnings per share (HK\$)	1.112	1.283	1.234	1.179	0.554	0.203	0.155	0.644
Total Assets	79,149	68,532	61,171	60,506	56,527	52,157	54,217	57,537
Equity attributable to owners of the Company	54,856	49,627	41,980	37,691	30,309	26,007	26,557	28,180
Net assets per share (HK\$)	7.86	7.11	6.01	5.40	4.64	3.98	4.07	4.31

(HK\$ million)	2021	2020	2019	2018	2017	2016	2015	2014
Net cash generated from operating activities	6,034	10,268	11,285	11,331	6,613	4,112	4,834	6,859
Net cash used in investing activities	(11,730)	(5,004)	(2,618)	(1,075)	(1,888)	(1,671)	(4,642)	(4,557)
Net cash used in financing activities	(755)	(5,688)	(7,837)	(2,803)	(2,792)	(1,035)	(2,245)	(972)
Cash and cash equivalent at end of the year	7,067	13,227	12,848	12,302	5,384	3,159	1,938	4,148

**Note:** Net assets per share is calculated by dividing equity attributable to owners of the Company by the number of issued shares at the end of the year.



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## Important Shareholders' Dates

Events	Dates
Publication of 2022 Interim Report	31 August 2022
Ex-dividend Date for 2022 Interim Dividend	8 September 2022*
3Q22 Results Announcement	21 October 2022*
2022 Interim Dividend Distribution	26 October 2022*

\*Tentative dates



# Disclaimer



華潤水泥控股有限公司  
China Resources Cement Holdings Limited

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