



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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1313)

2014 PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY
UP 26% TO HK\$4.21 BILLION
ANNUAL DIVIDEND UP 61.9% TO HK\$0.17 PER SHARE PAYOUT RATIO AT 26.4%

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URBAN WASTE CO-PROCESSING PROJECTS COMMENCED CONSTRUCTION
PROMOTING GREEN DEVELOPMENT OF THE CEMENT INDUSTRY

Financial Highlights

	For the year ended 31 December		
	2014	2013	Change
Turnover (HK\$ million)	32,668.9	29,340.6	+11.3%
Gross Margin	31.3%	28.5%	+2.8ppt
Profit Attributable to Owners of the Company (HK\$ million)	4,206.4	3,338.4	+26.0%
Net Margin	12.6%	11.2%	+1.4ppt
Basic Earnings per share (HK\$)	0.644	0.512	+25.8%
Final Dividend (HK\$)	0.10	0.07	+42.9%

(Hong Kong, 8 March 2015) – China Resources Cement Holdings Limited (“China Resources Cement” or the “Company”, SEHK stock code: 1313, and together with its subsidiaries, the “Group”), one of the leading cement and concrete producers in Southern China, announced its annual results for the year ended 31 December 2014.

In 2014, the Company’s consolidated turnover rose to HK\$32.67 billion, representing an increase of 11.3% over 2013. Profit attributable to owners of the Company achieved a growth of 26% year-on-year to HK\$4.21 billion. Consolidated gross margin grew 2.8 percentage points year-on-year from 28.5% to 31.3%, which was mainly attributable to the better selling prices. Net margin of the Group for 2014 was 12.6%, which was 1.4 percentage points higher than that for 2013. Basic earnings per share reached HK\$0.644. As at 31 December 2014, the total assets of the Group was HK\$57.5 billion, the net gearing ratio was 57.2% and the net assets per share was HK\$4.31. The Board has resolved to propose the payment of final dividend of HK\$0.10 per share for the year ended 31 December 2014 (2013: HK\$0.07 per share). Annual dividend payout ratio would be 26.4%.

Mr. Zhou Longshan, Chairman and Executive Director of China Resources Cement

said, “In 2014, the Chinese government launched a series of policies and measures to ensure steady economic growth, promote reform and restructuring, improve people's livelihood and control risks, which maintained a stable growth of economy. During the year, FAI and consumption remained the key drivers of economic growth: FAI (excluding rural households) was increased by 15.7% to RMB50.2 trillion, and the investment in infrastructure (excluding power supply) was RMB8.7 trillion, representing an increase of 21.5% over the last year. In order to cope with the pressure of domestic economic downturn, the government has accelerated the approval of infrastructure projects, loosened the control measures on real estate market, which will bring a steady and continued demand for the cement industry.”

In 2014, the total cement production increased by 1.8%, reaching 2,480 million tons. According to the statistics of China Cement Association, the cement productions in Guangdong, Guangxi, Fujian, Hainan, Shanxi, Yunnan and Guizhou were 147.4 million tons, 106.5 million tons, 77.3 million tons, 21.5 million tons, 45.4 million tons, 94.9 million tons and 93.9 million tons, representing changes of 12.8%, -0.04%, -1.4%, 8.3%, -7.7%, 4.1% and 15.5% respectively as compared to the preceding year.

In July 2014, A document regarding the capacity replacement of several severe overcapacity industries was released by the Ministry of Industry and Information Technology of China, which required those industries, including the cement industry, to strictly control new capacities and to establish capacity replacement mechanism. Among which, capacity reduction and replacement schemes are required to be implemented in the regions of Beijing, Tianjin, Hebei, Yangtze River Delta and Pearl River Delta regions. In December, the Standardization Administration Commission of China published the revised standard for Common Portland Cement which abolished the PC32.5 grade cement, so as to raise the quality of cement products and further improve the operating environment of the cement industry.

During the year, our external sale volume of cement, clinker and concrete increased by 4.9 million tons, decreased by 1.9 million tons and increased by 715,000 m³, representing an increase of 7.3%, decrease of 23.9% and increase of 4.7% respectively over 2013. The average selling prices of cement, clinker and concrete were HK\$338.2 per ton, HK\$267.2 per ton and HK\$422.7 per cubic meter, representing year-on-year increases of 5.3%, 7.9% and 10.0% respectively. The utilization rates of cement, clinker and concrete production lines were 99.3%, 117.1% and 42.4% respectively.

Enhance Regional Market Advantages

In 2014, the Group continued to adopt the “full-scaled production and sale” marketing strategy and to further solidify our regional market share and leading position: the Company found a joint venture with Fujian Energy Group on September 2014, which further strengthening our market influence in Fujian market. During the year, the Group completed the construction of a 5000 tons per day clinker production line and two cement grinding lines at Jinsha County, Guizhou Province and a 5000 tons per day clinker production line and two cement grinding lines at Midu County, Yunnan Province, which increased the Group's total annual clinker and cement production capacities by 3.2 million tons and 4.0 million tons respectively. The Jinsha project represents our first set of

production lines in Guizhou and a milestone of the Group's regional market development.

Strengthen the Systemic Cost Control

In 2014, in response to the downward trend of coal market in China, the Group made reasonable adjustments to the structure of procurement channels, resulting in effective control of procurement costs and enhancing risk control capability. During the year, the Group purchased 9.3 million tons of coal, representing an increase of 2.2% over the previous year, of which, approximately 73%, 17% and 8% were sourced from northern China, neighbouring areas of our plants and other countries. During the year, the Group's direct coal procurement from coal supplier was approximately 68%.

The Group continued to adopt multiple logistic channels, including waterway freight, road freight and transshipment. As at 31 December 2014, through owning of vessels and tendering for shipping services, the Group has secured 670,000 tons of shipping capacity on the Xijiang River, with annual shipping capacity of about 30 million tons. In addition, the Group has controlled the operation of 57 silo terminals with an annual capacity of 38.6 million tons, enhancing our competitive advantage in terms of logistics and transportation in the Pearl River Delta Region and further strengthening the market competitiveness in the region.

Promote Green Development

In 2014, the Group has continued to promote standardization on production safety. 14 of our cement production plants have been accredited the First-Class Enterprise in Production Safety Standardization by the State Administration of Work Safety in China. The Group actively promotes green development and responds to the national call for energy saving and emission reduction: all our 41 clinker production lines are equipped with the advanced NSP technology, have completed technological upgrade on denitrogenation and are in full compliance with the latest national standards on the emission levels of nitrogen oxides. As regards dust emission, we have completed technological upgrade on dust collection systems of 10 production plants, while 28 production plants are in the progress of tendering. We are at a leading position in the industry.

In addition, the Group achieved a breakthrough in urban waste co-processing projects. We set up two pilot plants for urban waste co-processing projects at Luoding County, Guangdong and Binyang County, Guangxi which introduced international technology and equipment. These two pilot projects have commenced construction, which are expected to be put into operation this year, signifying a new page for the green development of the Group.

Mr. Zhou Longshan concluded, "Looking ahead, the Chinese government will strictly control new capacity expansion, actively eliminate obsolete ones, and raise the standards of environmental protection and production of the industry so as to improve the supply and demand dynamics and promote the long term healthy development of the cement industry. The promotion of infrastructure construction, the stabilization of the real estate market as well as the development projects of "One Belt and One Road", "the Synergetic Development of Beijing, Tianjin and Hebei" and the Yangtze Economic Zone will help to

stabilize the medium and long term demands of the cement industry. We will persistently adhere to the “3+2” development strategy through control, conversion and distribution of resources, making us the producer with the lowest total cost and leading market position in the region. While promoting lean management, cost reduction and efficiency enhancement, we will continue to seek acquisition opportunities in the regions where we have presence, strengthen research and innovation, promote green development and contribute to the healthy development of the cement industry in China, and create higher value for our shareholders.”

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Appendix:

Location of the Company's production facilities in operation and the respective production capacities

Province/SAR	Cement		Clinker		Concrete	
	<i>No. of lines</i>	<i>million tons</i>	<i>No. of lines</i>	<i>million tons</i>	<i>No. of lines</i>	<i>million m³</i>
Guangdong	21	19.5	7	9.4	25	15.3
Guangxi	35	31.2	17	25.0	18	10.6
Fujian	14	10.1	6	7.0	-	-
Hainan	5	4.4	3	3.3	5	3.0
Shanxi	6	6.0	3	4.6	1	0.6
Yunnan	7	5.1	4	3.9	1	0.6
Guizhou	2	2.0	1	1.6	-	-
Zhejiang	-	-	-	-	2	1.1
Hong Kong	-	-	-	-	3	1.5
Total	90	78.3	41	54.8	55	32.7

Expected Annual Production Capacities

Year	Cement <i>(million tons)</i>	Clinker <i>(million tons)</i>	Concrete <i>(million m³)</i>
End of 2015	81.3	56.3	36.4
End of 2016	87.3	64.2	40.0
End of 2017	93.3	68.7	43.6

About China Resources Cement Holdings Limited

China Resources Cement Holdings Limited is one of the leading cement and concrete producers in Southern China. The Company is the largest NSP clinker and cement producer by production capacity and the largest concrete producer by sales volume in Southern China. As at 31 December 2014, it had 90 cement grinding lines and 41 clinker production lines in operation, with an annual production capacity of 78.3 million tons of cement and 54.8 million tons of clinker respectively. It also operated 55 concrete batching plants with an annual production capacity of 32.7 million cubic meters of concrete. The Company has been listed on The Stock Exchange of Hong Kong Limited since October 2009 (SEHK stock code: 1313).

For more information, please visit www.crcement.com.

This press release is distributed by Wonderful Sky Financial Group Limited on behalf of China Resources Cement Holdings Limited.

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