



# 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



**2021**







## **Third Quarter Results Investor Presentation**

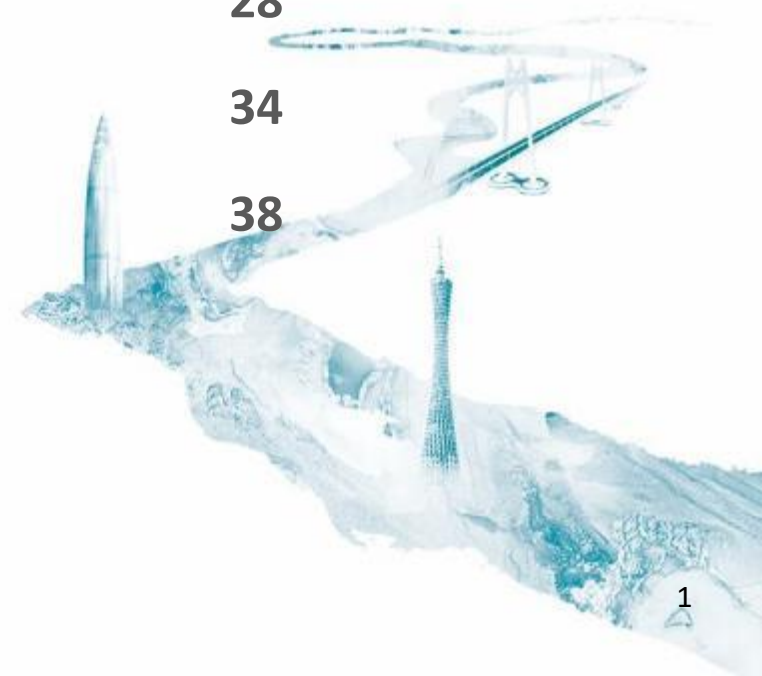
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華潤水泥控股有限公司

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

- ◆ One of **5** major industrial sectors of China Resources Group - **Urban Construction and Operation**
- ◆ CR Group is holding approx. **68.72%** of the Company's issued shares

## Subsidiary of CR Group

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



## Market Position

## 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

## Future Development

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



# Financial Performance

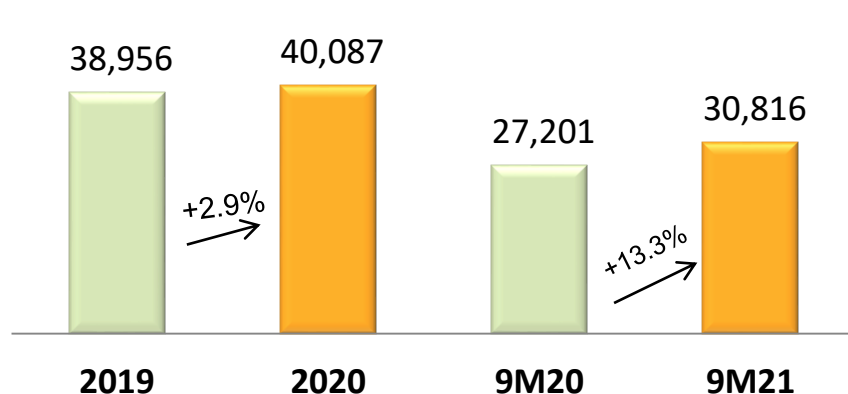


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China Resources Cement Holdings Limited

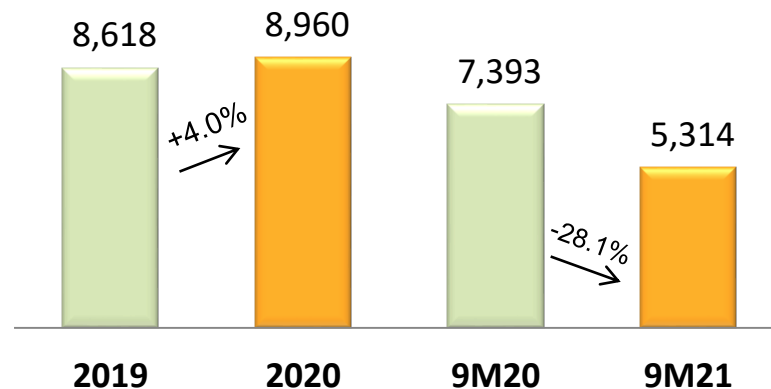
## Turnover

(HK\$ million)



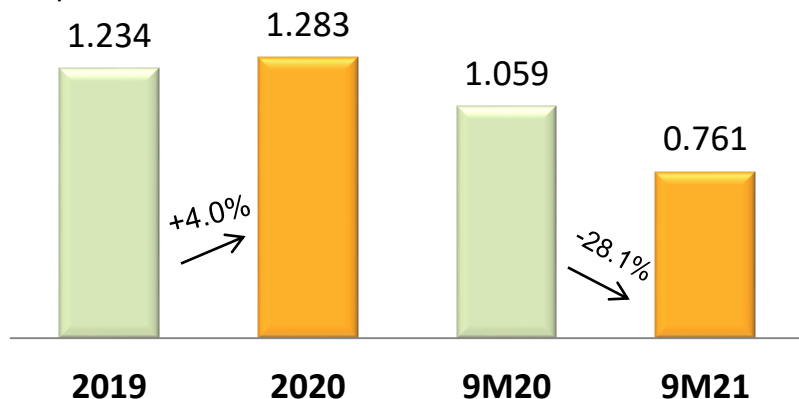
## Profit attributable to owners of the Company

(HK\$ million)



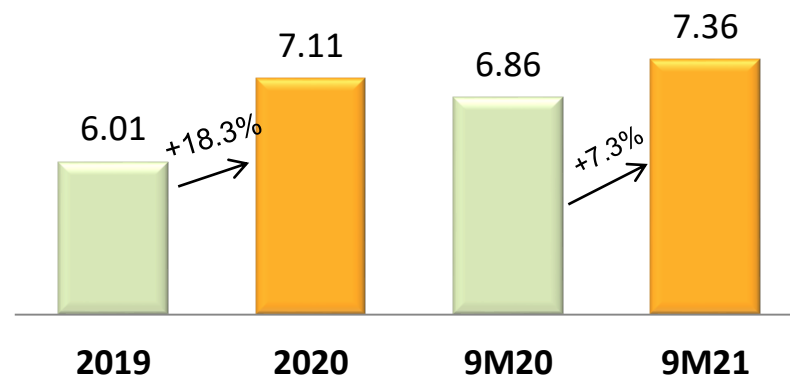
## Earnings per share

(HK\$)



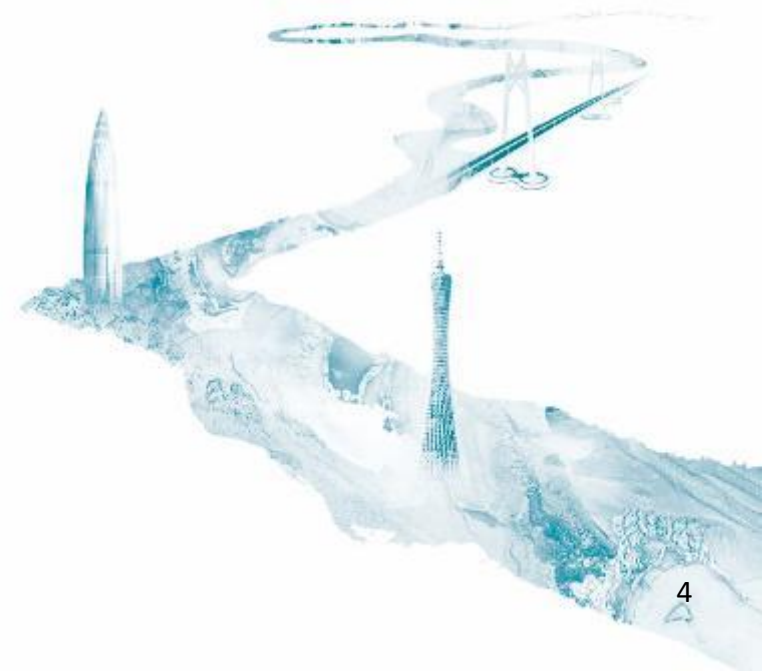
## Net assets per share

(HK\$)





# Industry Overview



# Economic Growth



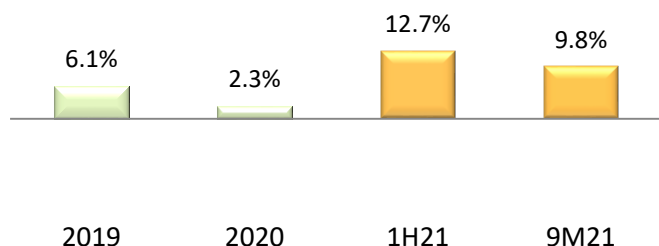
華潤水泥控股有限公司

China Resources Cement Holdings Limited

- In the face of the complex and variable domestic and international environment, the Chinese economy continued to steadily recover, and the economic development shows a reinforcing and better trend whilst ensuring stability.
- In 9M21, National GDP was **RMB 82.3 trillion, +9.8% YoY**. National FAI was **RMB 39.8 trillion, +7.3% YoY**.

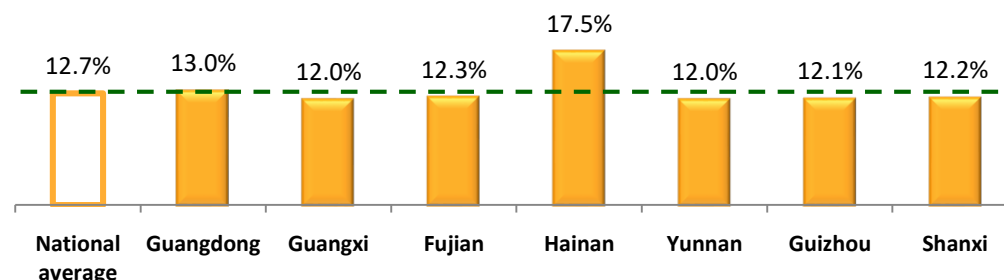
## National GDP

9M21: RMB 82.3 trillion



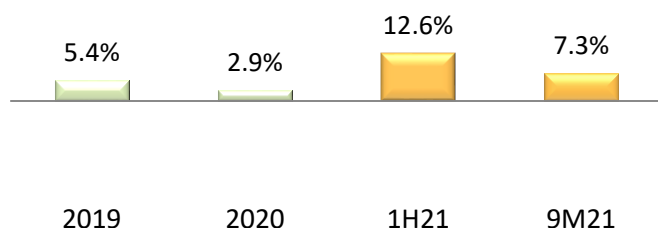
## GDP Growth (1H21)

(YoY)



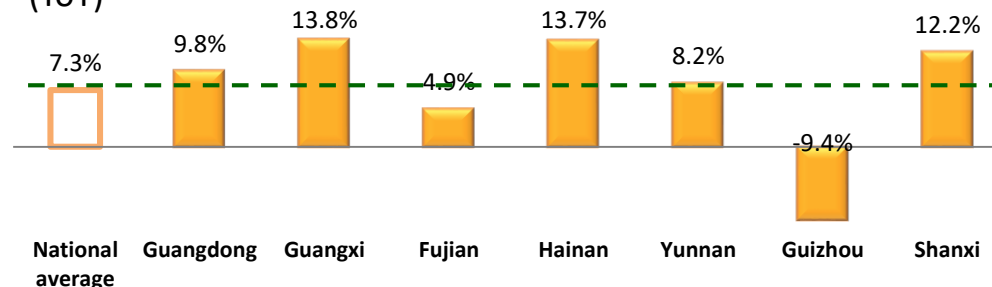
## National FAI (excluding rural households)

9M21: RMB 39.8 trillion



## FAI Growth (9M21)

(YoY)



# Cement Demand Drivers



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## Infrastructure

- In 9M21, national infrastructure investments\* increased by 1.5% (9M20: +0.2%).

(RMB)	9M21	YoY	2020 YoY
Railway	510.2 billion	-7.8%	-2.6%
Highways & waterways	1,975.4 billion	+4.8%	+10.4%

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



## Real Estate Market

- Real estate investment's growth was +8.8% YoY in 9M21 to RMB11.3 trillion (9M20: +5.6%).

(Million m <sup>2</sup> )	9M21	YoY	2020 YoY
Floor space of commodity housing sold	1,303.3	+11.3%	+2.6%
Floor space of houses newly started construction	1,529.4	-4.5%	-1.2%
Floor space of houses completed	510.1	+23.4%	-4.9%
Floor space under construction by real estate developers	9,280.7	+7.9%	+3.7%
Land area purchased by real estate developers	137.3	-8.5%	-1.1%



## Rural Market

- Government promoted new-type urbanization and integrated urban-rural development, and actively advocated policies for rural revitalization
- "Key Tasks for New-Type Urbanization and Integrated Urban-Rural Development in 2021"
  - 2021 target of 53,000 old communities newly started renovation
- Urbanization rate exceeded 60% as of the end of 2020

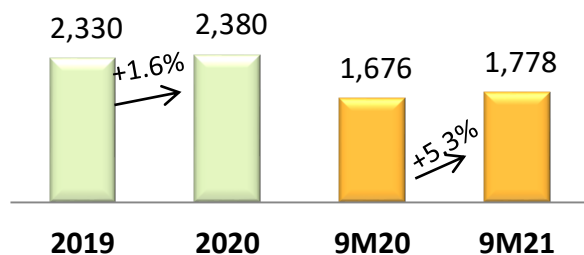
Sources: National Bureau of Statistics of China, Ministry of Transport of China, National Railway Administration, Ministry of Housing and Urban-Rural Development.

# Cement Production

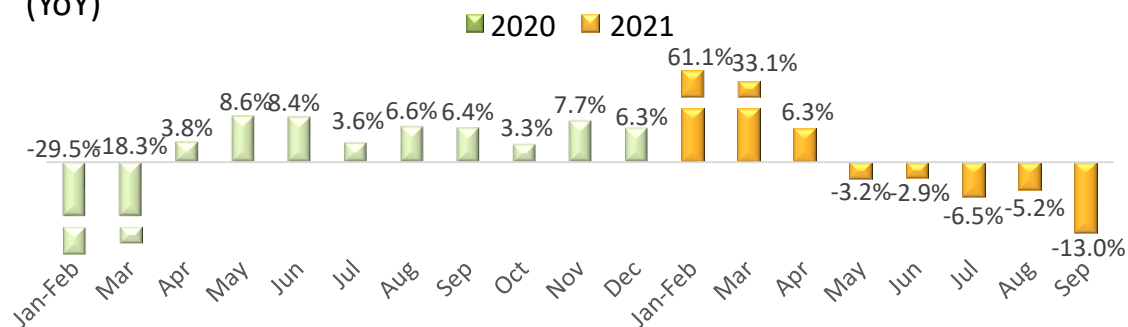
■ In 9M21, China's cement production was approximately **1.8 billion tons\***, **+5.3%** YoY.

## National Cement Production (1)

(million tons , YoY)

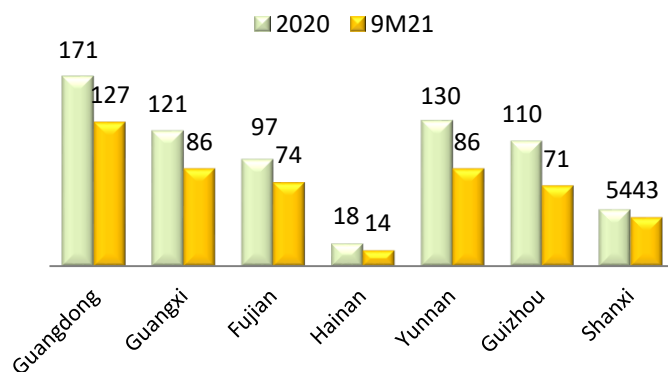


(YoY)

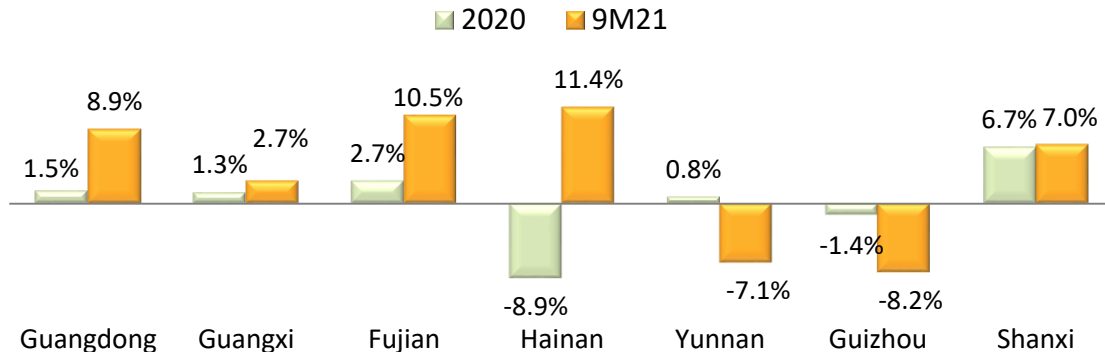


## CRC's operating region (2)

(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

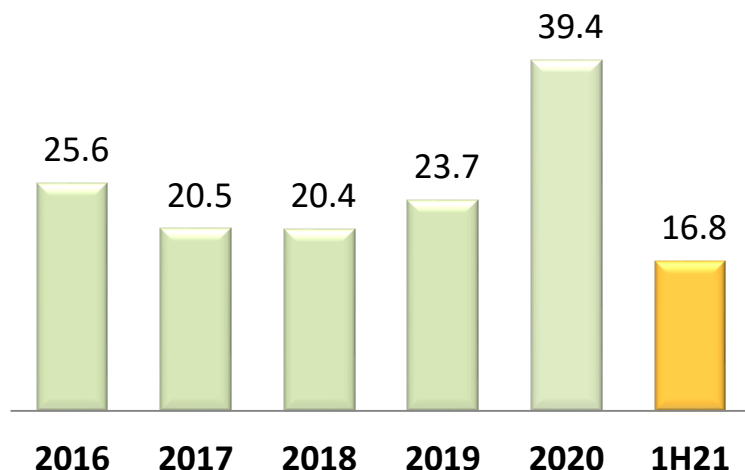


# Cement Supply

- In 1H21, there were **10** new clinker production lines nationwide with new annual clinker production capacity of **16.8** million tons in total.
- Two new clinker production lines were added in Guangxi, with new annual clinker production capacity of approximately **3.1** million tons in total.

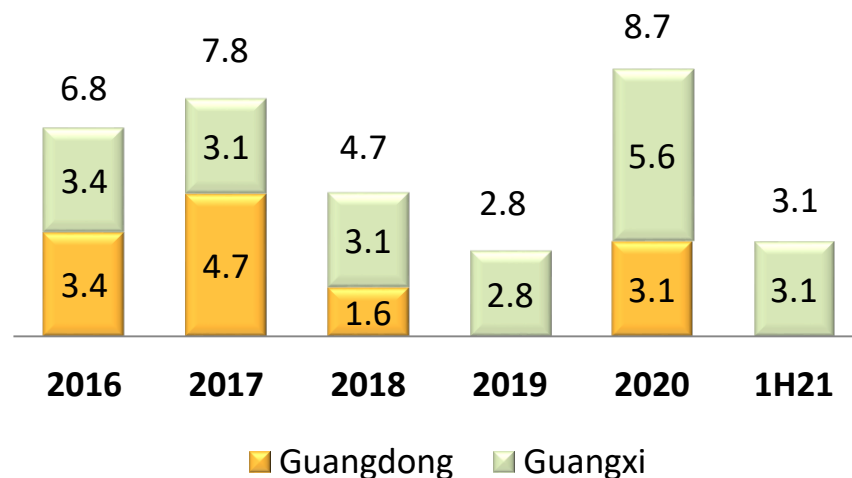
## New Clinker Capacity in China

(million tons)



## New Clinker Capacity in Guangdong & Guangxi

(million tons)



Source: Company information, China Cement Association

# Government Policies

- The Chinese government actively promotes energy saving and carbon reduction, further tightens requirements on capacity replacement and attaches great importance to production safety and occupational health to elevate the high-quality growth of the cement industry.

## Cement Supply

- **Energy Consumption and Intensity:** The Chinese government aims to reduce energy intensity by approx. 3% in 2021, with a total of 13.5% during 14th-Five Year period. In 1H21, seven provinces including Guangxi, Guangdong, Fujian and Yunnan are classified as Level one alert regions that both energy consumption and intensity increased year on year.
- **Off-peak Production:** Northern China - November to March; other regions - Chinese New Year, hot summers, rainy seasons and major events upon local conditions.
- **Capacity Replacement<sup>1</sup>:** Replacement ratio tightened to 2:1 and 1.5:1 for cement and clinker projects located in key and non-key areas respectively.

## Carbon Emissions

- China pledges to achieve CO<sub>2</sub> emissions peak before 2030, carbon neutrality before 2060. Government issued several rules to further regulate the registration, trading and settlement activities of national carbon emission rights. On July 16, 2021, the national carbon emission trading scheme was officially launched in China.

## Production Safety

- **Production Safety<sup>2</sup>:** Specify the main responsible person of a production and operation entity as the primary person responsible for production safety of the entity and stipulate that mine construction projects should not illegally transfer construction qualifications.



## Aggregate

- **Luonan, Shaanxi** : Acquired 95% equity of Shaanxi Xinhuada Building Materials in Sep 2021, which has an aggregate project of 3.0 million tons of annual capacity
  - CAPEX: HK\$810.3 million
- **Deqing, Guangdong** : Acquired 56% equity of Zhaoqing Jiaotou Taisheng Quarry in Oct, 2021, which has an aggregate project of 6.5 million tons of annual capacity
  - CAPEX: HK\$1,602.7 million

## New Materials

- **Tile adhesive (Fengkai, Guangdong)**
  - The tile adhesive production line commenced operations in Oct, 2021
    - Annual capacity: 0.4 million tons
    - CAPEX: HK\$161.9 million
    - Market: Pearl River Delta & Guangxi regions
- **White cement (Deqing, Guangdong)**
  - Acquired 70% equity of Yingqi Building Materials Co. Ltd. in Oct, 2021
    - Annual capacity: 0.4 million tons of white cement
    - CAPEX: HK\$269.9 million
    - Market: Pearl River Delta region
    - Usage: raw materials of inorganic engineered stone, tile adhesive etc.



Tile adhesive production line



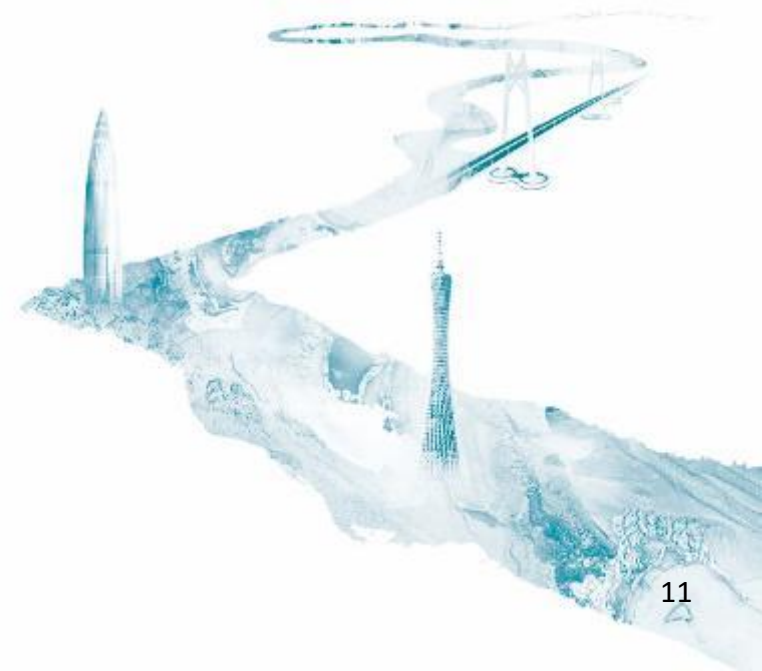
White cement production line

## Prefabricated Construction

- **Nanning Wuhe**: The phase I production line of started trial production in Sep, 2021
  - Annual capacity:
    - Precast concrete components: Phase I - 200,000 m<sup>3</sup>, Total - 400,000 m<sup>3</sup>
    - Concrete batching plant commenced operation in Dec 2019: 600,000 m<sup>3</sup>
  - CAPEX: HK\$578.0 million



# Financial Highlights



# Results Summary

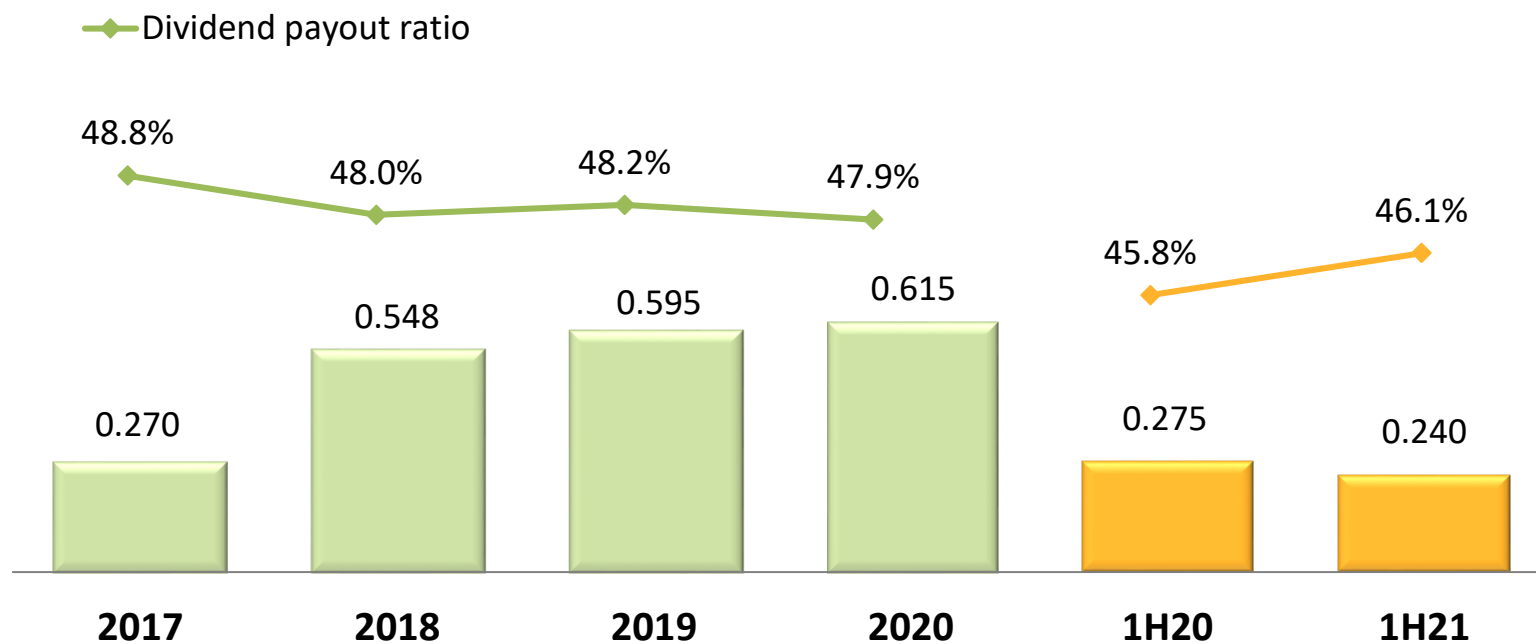
(HK\$ million)	9M20	9M21	YoY
Turnover	27,201.1	30,816.1	+13.3%
Gross profit	10,968.4	9,342.5	-14.8%
Gross margin (%)	40.3%	30.3%	-10.0ppt
Exchange gain (loss)	40.2	(6.0)	-115.0%
Finance costs	(203.3)	(156.8)	-22.8%
Profit attributable to owners of the Company	7,392.5	5,313.7	-28.1%
Net margin* (%)	27.4%	17.2%	-10.2ppt
Basic earnings per share (HK\$)	1.059	0.761	-28.1%

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

# Dividend Payout (HK\$)



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(HK\$)

	2017	2018	2019	2020
Interim	0.115	0.275	0.260	0.275
Final	0.155	0.273	0.335	0.340

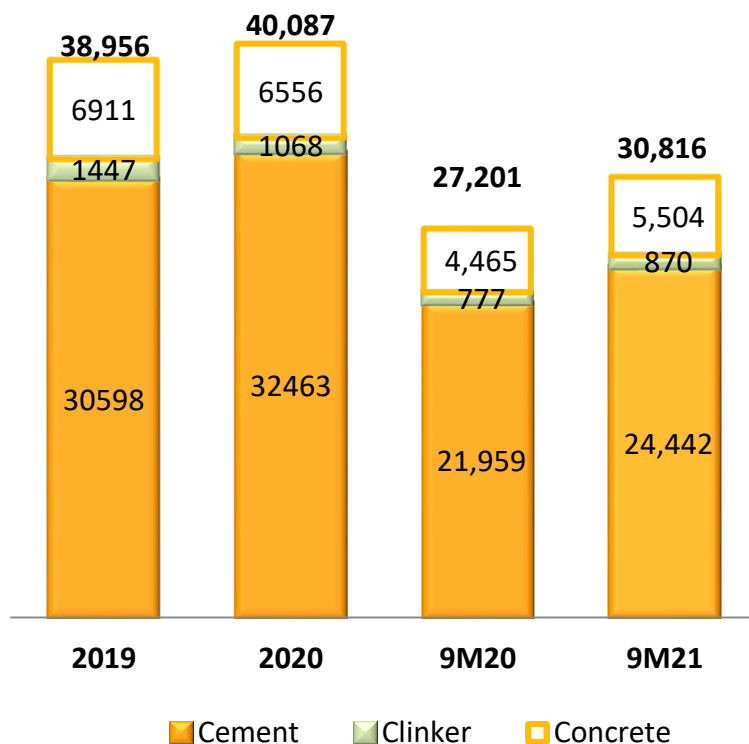
# Turnover



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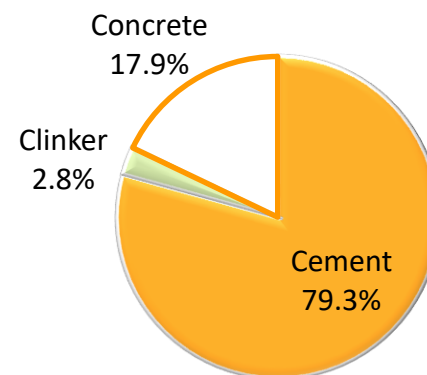
## Turnover by Product

(HK\$ million)



	2020 YoY	9M21 YoY
Cement	+6.1%	+11.3%
Clinker	-26.2%	+12.0%
Concrete	-5.1%	+23.3%
<b>Total</b>	<b>+2.9%</b>	<b>+13.3%</b>

### 9M21



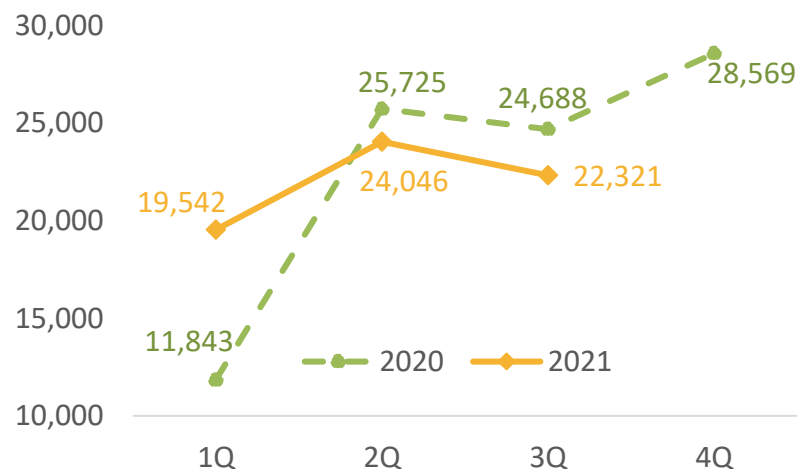
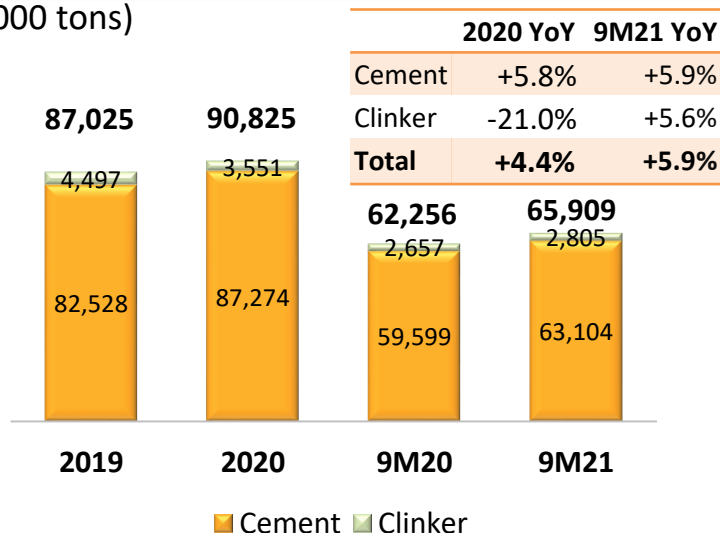
# Sales Volume



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## Cement & Clinker Sales Volume\*

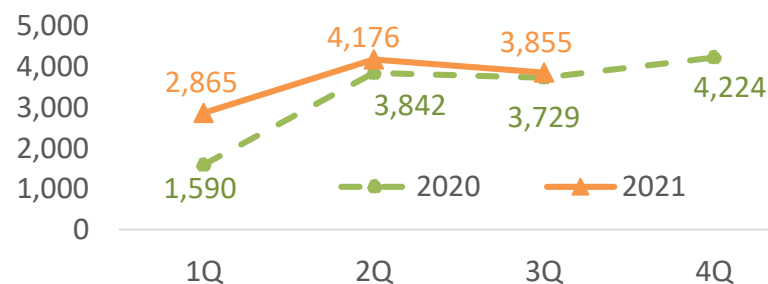
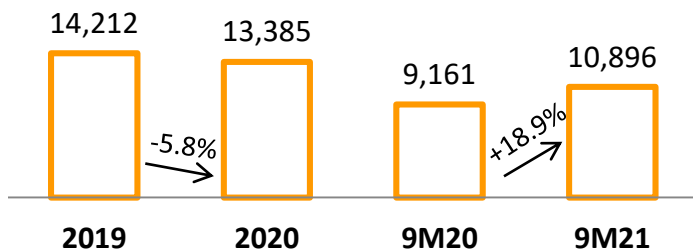
('000 tons)



\*Note: Inclusive of sales volume of 3.3 million tons of cement from related parties (9M20: 2.7 million).

## Concrete Sales Volume

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





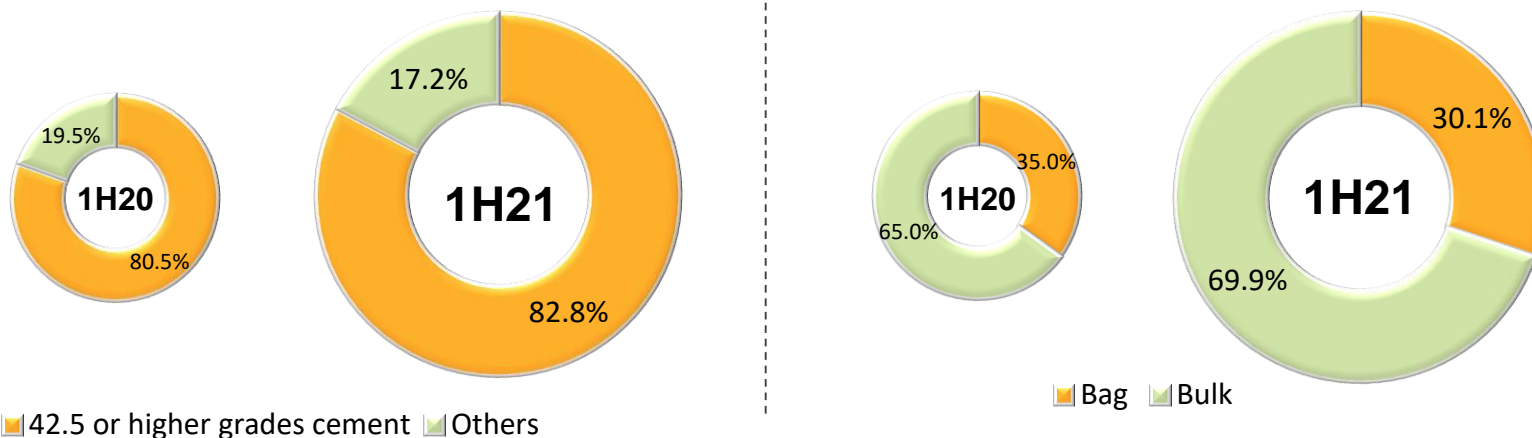
# Breakdown of Cement Sales Volume



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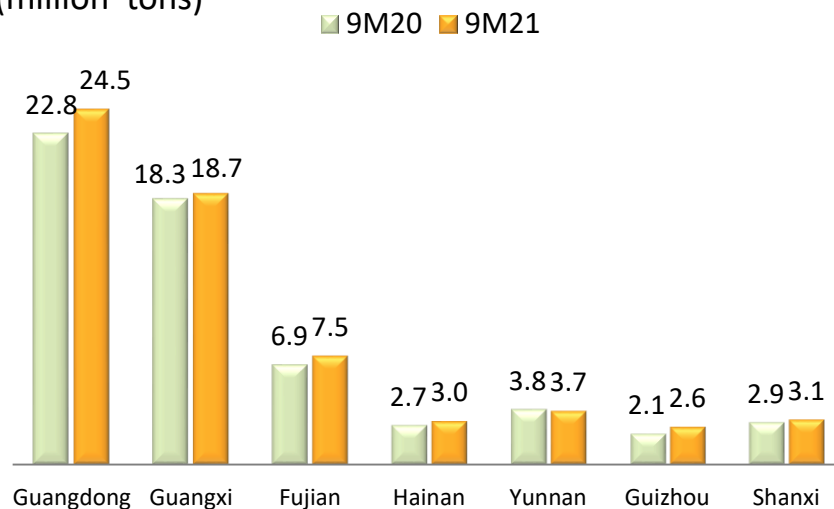
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## By Product Type



## By Region

(million tons)



% of total cement sales volume

	% of total cement sales volume
Guangdong	38.8%
Guangxi	29.7%
Fujian	12.0%
Hainan	4.7%
Yunnan	5.9%
Guizhou	4.1%
Shanxi	4.8%
<b>Total</b>	<b>100%</b>

# Average Selling Price

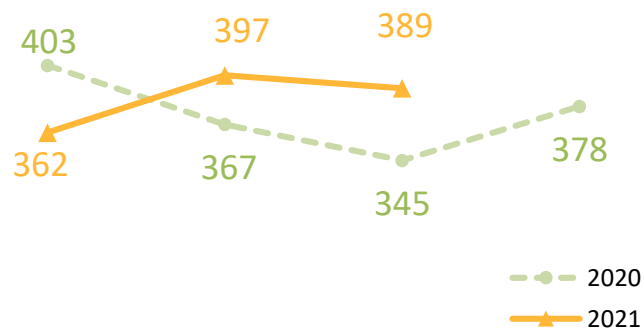


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## Cement & Clinker

(HK\$ per ton)

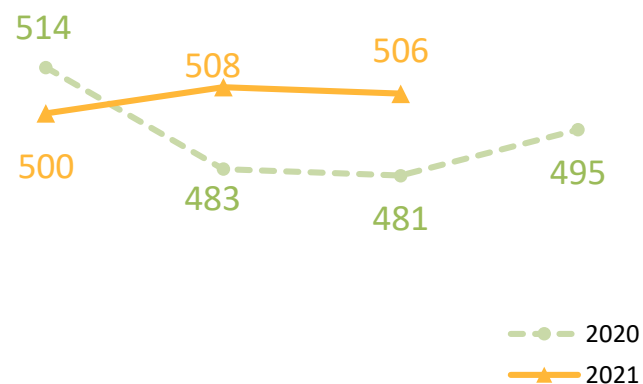
	2020	YoY	9M21	YoY
Cement & Clinker	369	+0.3%	384	+5.2%



## Concrete

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

	2020	YoY	9M21	YoY
Concrete	490	+0.7%	505	+3.6%



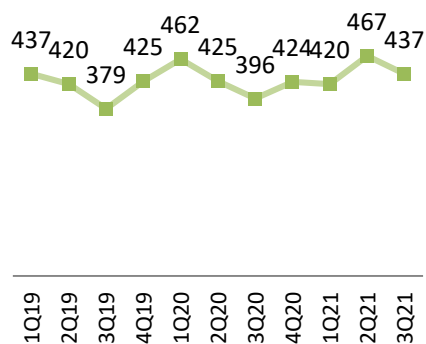
# Cement Selling Price by Region

(HK\$ per ton)

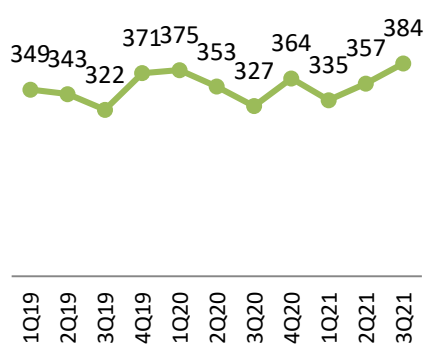


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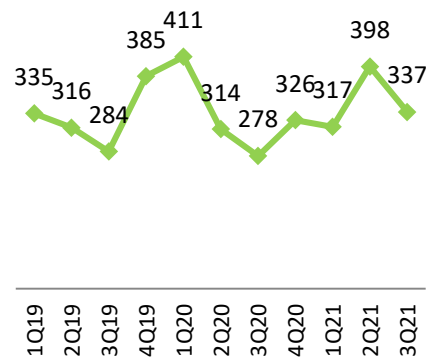
## Guangdong



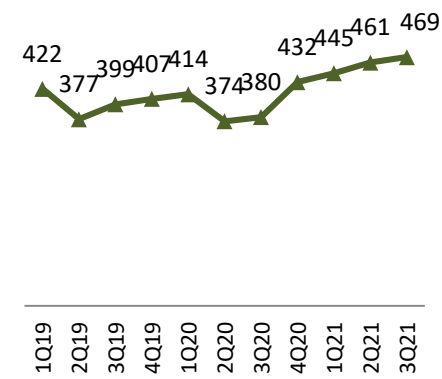
## Guangxi



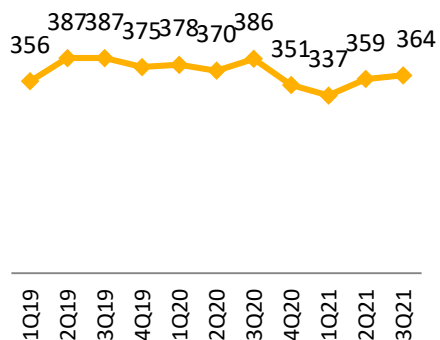
## Fujian



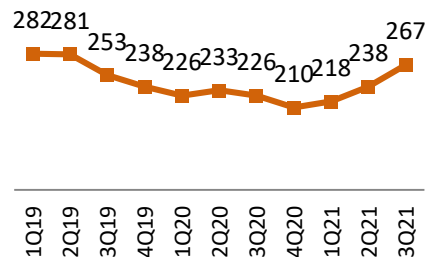
## Hainan



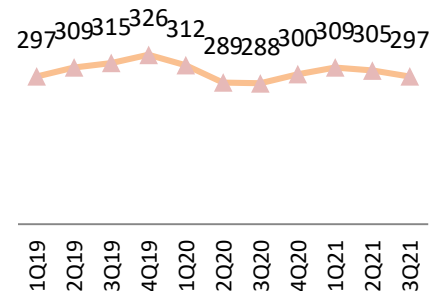
## Yunnan



## Guizhou



## Shanxi



# Cost Structure of Cement Products

Cement products refer to cement & clinker

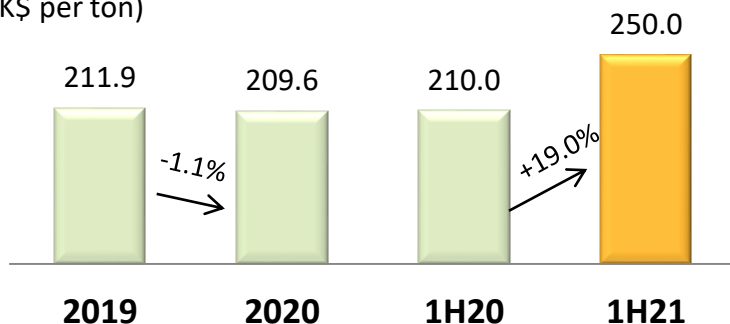


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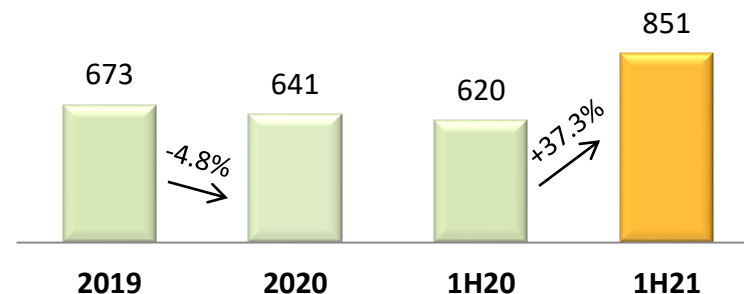
## Unit Cost

(HK\$ per ton)

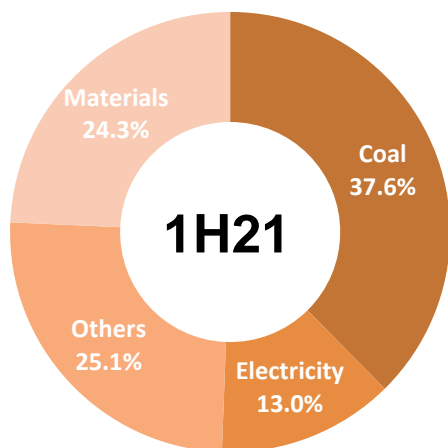


## Average Coal Purchase Price

(HK\$ per ton)



## Unit Cost Breakdown



(HK\$ per ton)	1H20	1H21	YoY
Coal	73.0	93.9	+28.6%
Electricity	30.0	32.4	+8.0%
Materials	49.7	60.7	+22.1%
Others	57.3	63.0	+9.9%
<b>Total</b>	<b>210.0</b>	<b>250.0</b>	<b>+19.0%</b>

### Notes:

1. Exclusive of sales from related parties;
2. Others: Staff, depreciation, repairs and maintenance costs and other indirect costs accounting for 7.0%, 7.2%, 7.4% and 3.5% respectively of total unit cost.

# Gross Profit & Margin

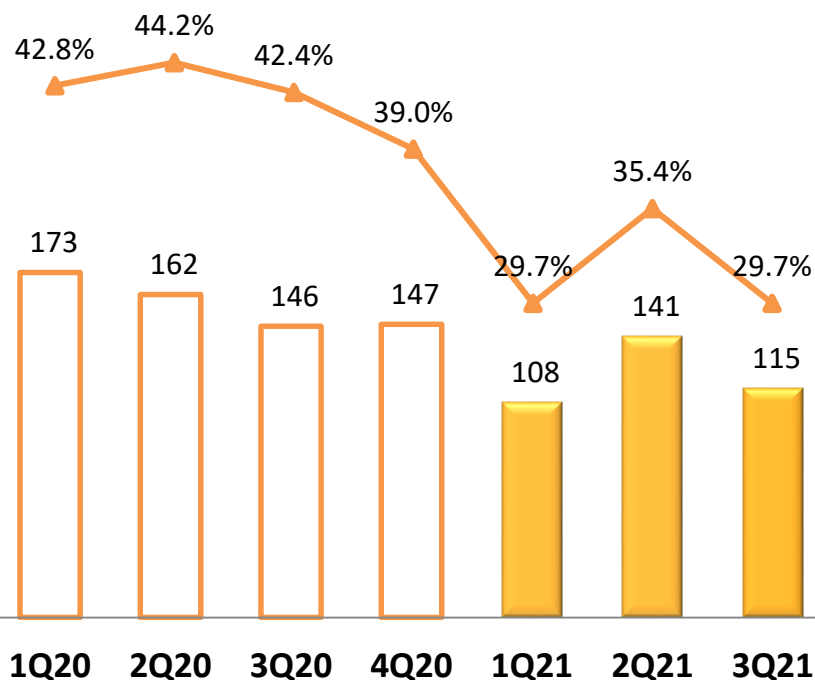


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## Cement & Clinker

(HK\$ per ton)

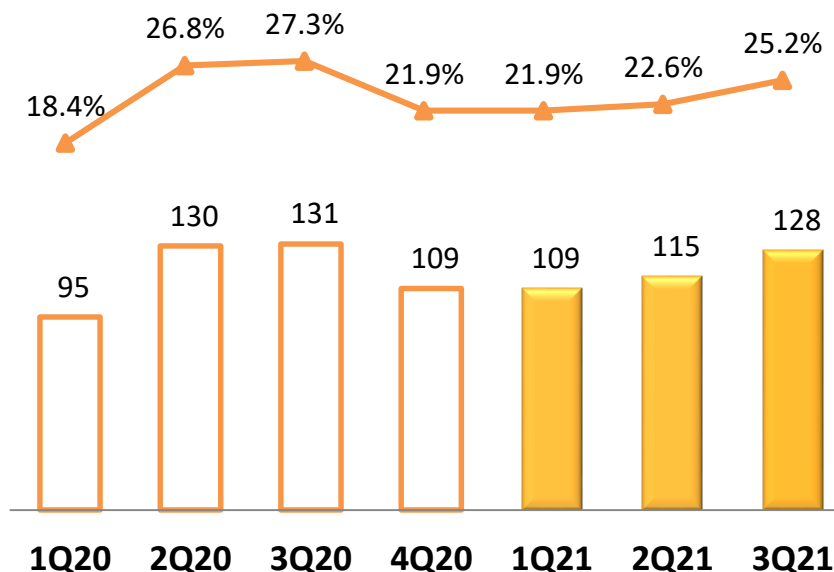
	2020	9M21
Gross Profit	155	122
Gross Margin	41.9%	31.8%



## Concrete

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

	2020	9M21
Gross Profit	119	118
Gross Margin	24.3%	23.4%



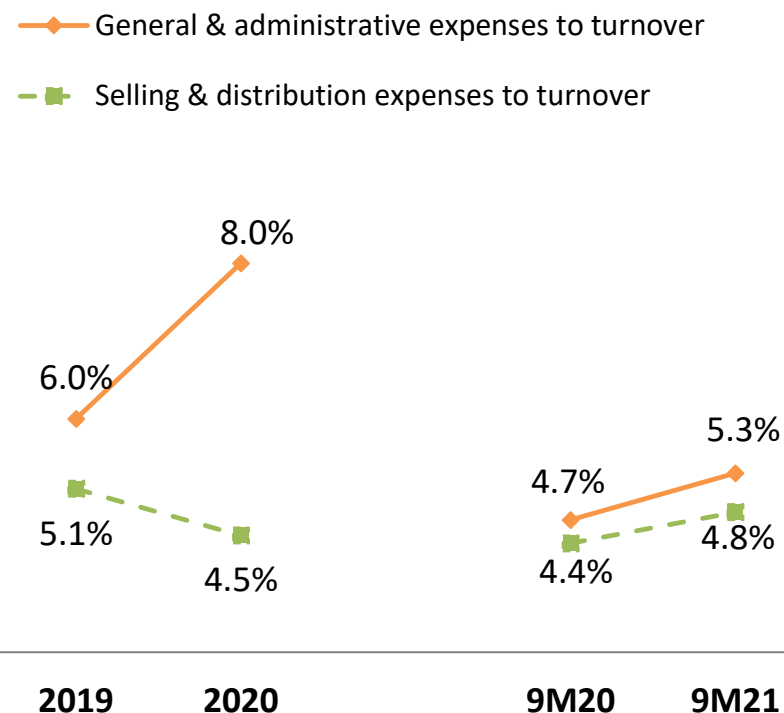
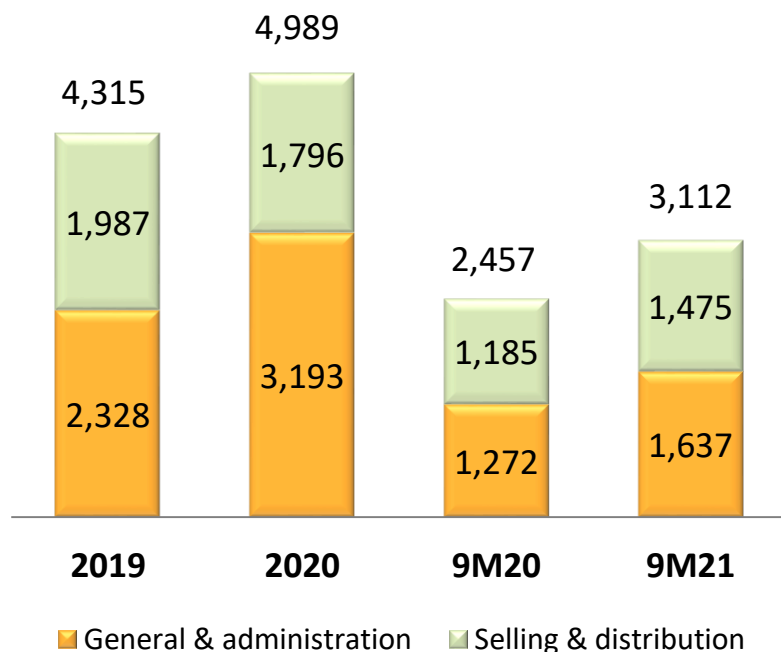
# Selling, General & Administrative Expenses

(HK\$ million)



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	2020 YoY	9M21 YoY
General & administration	+37.1%	+28.7%
Selling & distribution	-9.6%	+24.5%
<b>Total</b>	<b>+15.6%</b>	<b>+26.6%</b>



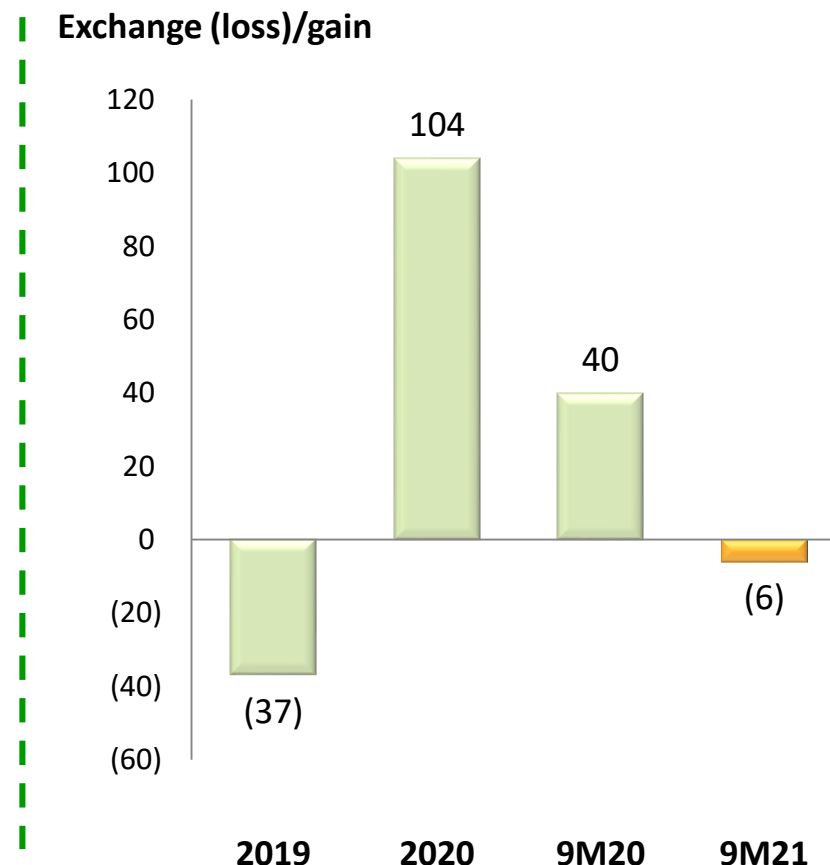
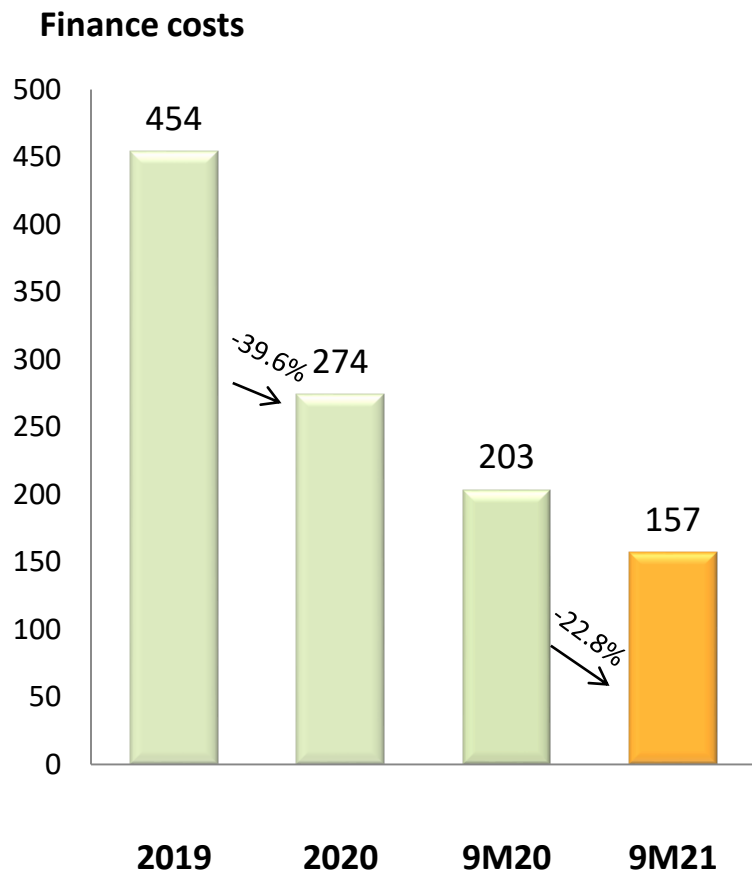
# Finance Costs & Exchange (Loss)/Gain



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(HK\$ million)



# Share of results of Associates & JVs

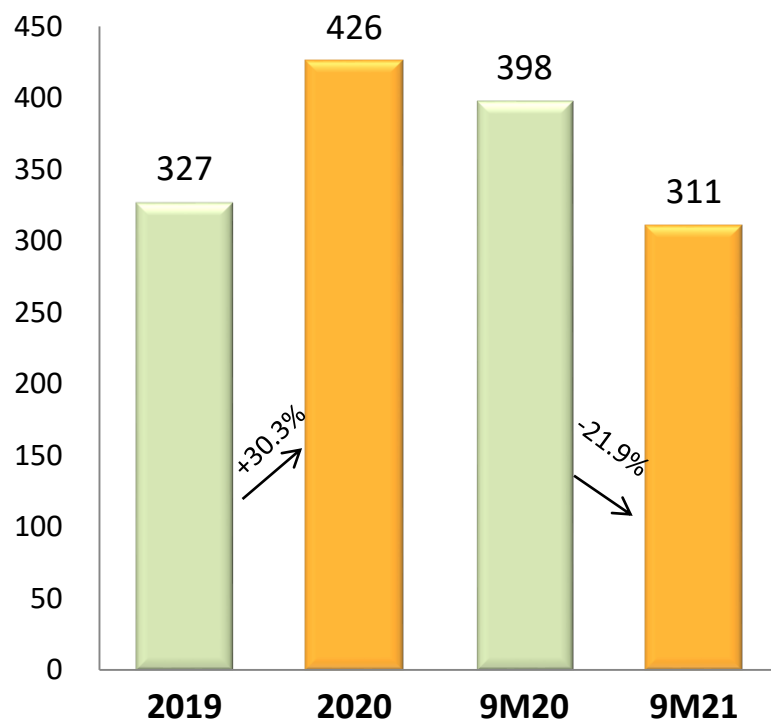


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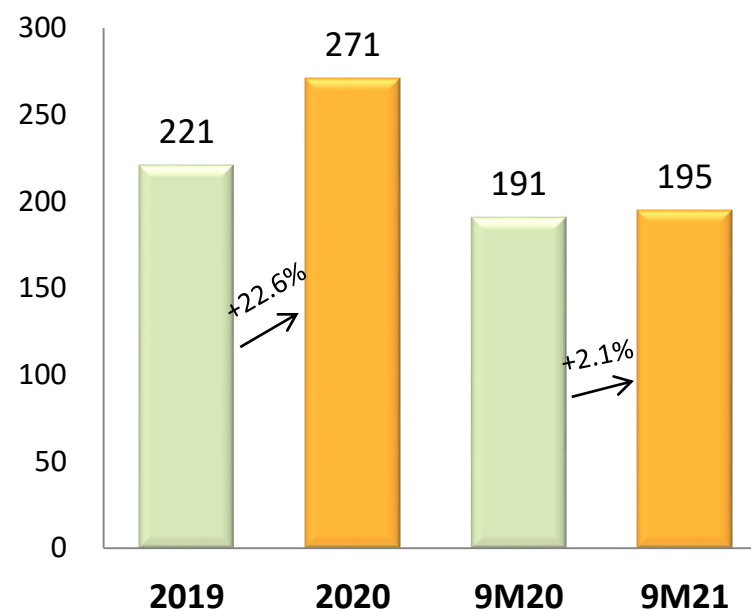
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(HK\$ million)

Share of results of associates



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, principally operating in Guangzhou area.



	9M20	9M21	YoY
Taxation (HK\$ million)	2,021.2	1,818.9	-10.0%
Effective tax rate	25.9%	24.5%	-1.4ppt

**Note:**

- 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

(HK\$ million)	31 Dec 2020	30 Sep 2021	Change
Cash and bank balances	13,226.9	6,163.8	-53.4%
Total assets	68,532.5	71,858.4	+4.9%
Gearing ratio	13.8%	14.1%	+0.3ppt
Net assets per share (HK\$)	7.11	7.36	+3.5%

**Notes:**

- 1. Gearing ratio is calculated by dividing the total bank borrowing and unsecured medium term notes 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 2020	30 June 2021	Change
Net cash generated from (used in) operating activities	1,538.8	(1,594.7)	N/A
Net cash used in investing activities	(591.4)	(4,064.3)	+587.2%
Net cash used in financing activities	(888.2)	(2,297.6)	+158.7%
Net increase (decrease) in cash and cash equivalents for the period	59.2	(7,956.5)	N/A
Cash and cash equivalent at end of the period	12,658.0	5,408.0	-57.3%

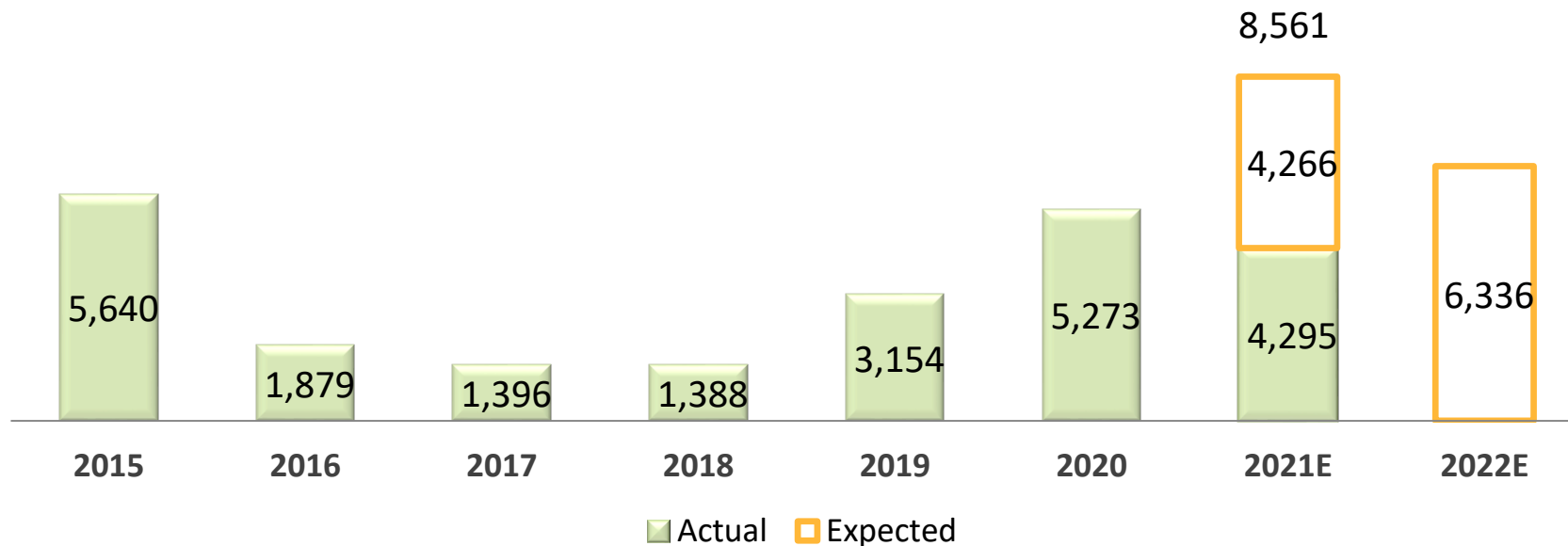
- Total payment for capital expenditure of the Group in 1H21 was HK\$4,295.2 million.
- Expected capital expenditures are approximately HK\$2,965.6 million and HK\$4,202.9 million in 2H21 and 2022 respectively.



# Capital Expenditure

(HK\$ million)

(HK\$ Million)	2019	2020	2021E	2022E
Aggregates	182	3,850	6,025	4,882
New Materials	907	-	800	389
Prefabricated Construction	112	393	528	566

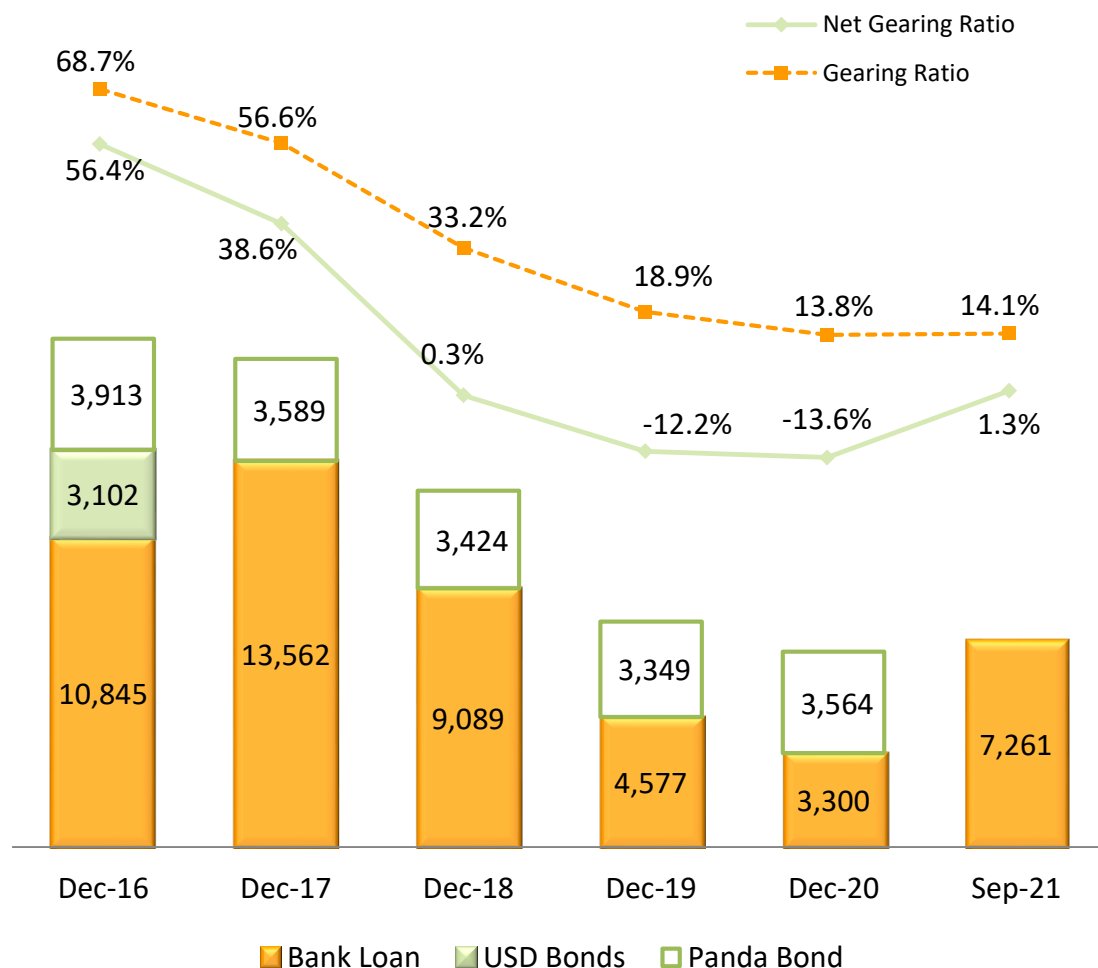


# Debt Structure

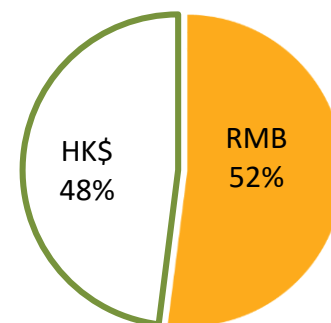
(HK\$ million)



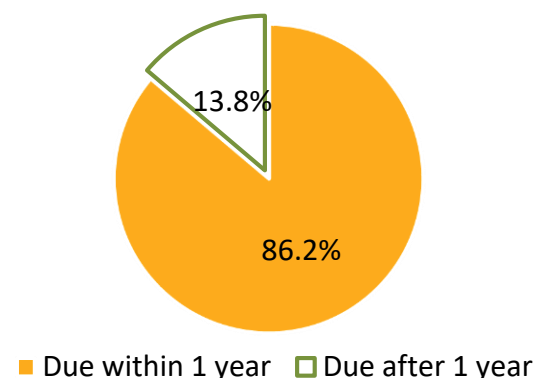
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China Resources Cement Holdings Limited



## Currency (30 Jun 2021)



## Duration (30 Sep 2021)

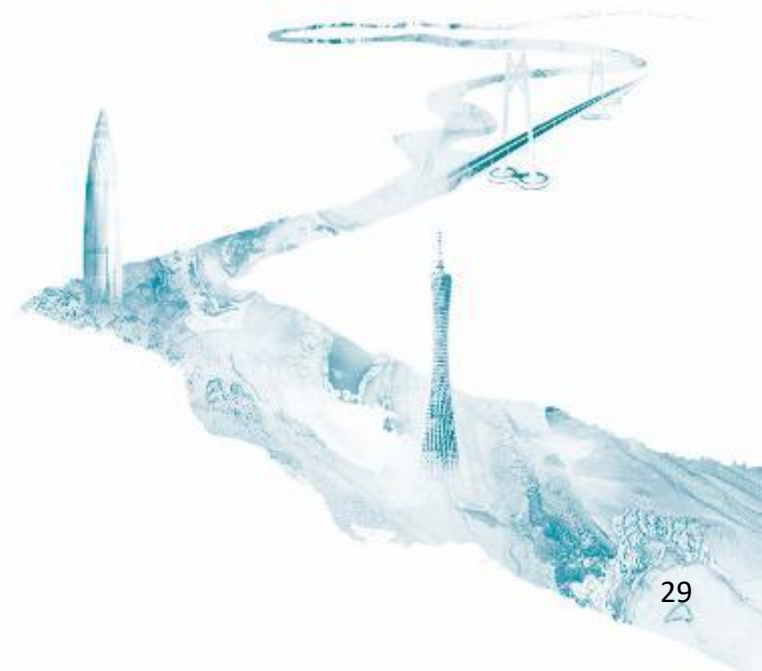


### Notes:

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 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



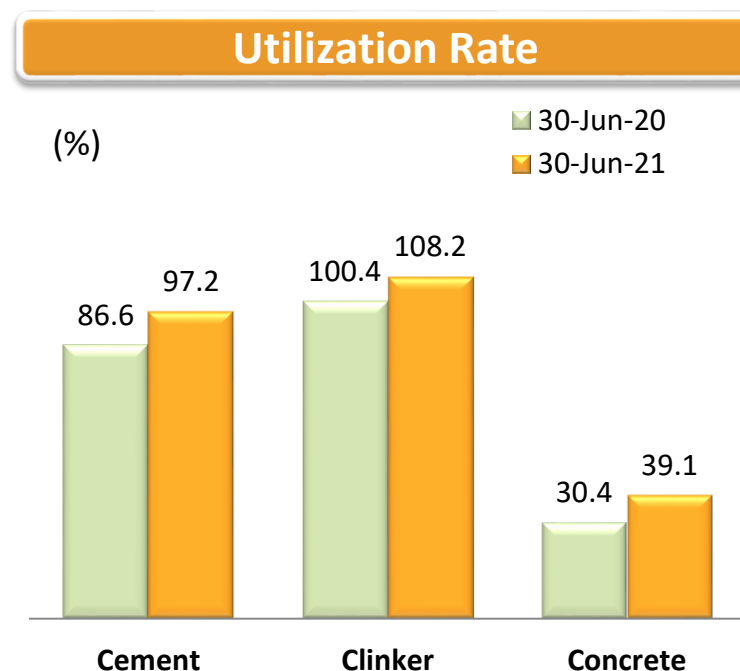
# Production Capacity



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China Resources Cement Holdings Limited

- As at 30 Jun 2021, the Group had 97 cement grinding lines, 46 clinker production lines and 60 concrete batching plants with annual production capacity of **85.3** million tons, **62.7** million tons and **36.0** million m<sup>3</sup> respectively.
- Annual production capacities attributable to the Company (equity interests in associates and joint ventures) were **21.7** million tons of cement, **12.1** million tons of clinker and **4.2** million m<sup>3</sup> of concrete.



## Production and Operation

### Production Safety

- As of the end of June 2021, 28 cement production plants of the Group had passed the on-site assessments as the First-Class Enterprise in National Production Safety Standardization and the limestone mines of 21 cement production plants have passed the assessments as the Second-Class Enterprise in Safety Standardization.

### Digitalization and Intelligitization

- In July 2021, Shenzhen Runfeng Smart Technology Co., Ltd. was established to assist the goal of digital transformation and improve the industry influence of the Group.
- Implementation of Phase 2 of the intelligent manufacturing pilot project with Siemens Ltd., China at the production plant in Tianyang for digital mines, intelligent laboratories, intelligent video monitoring and all-coverage of online monitoring equipment.

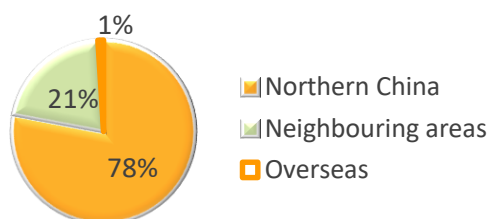
### R&D and Innovation

- Technology R&D Centre provided 713 checks and tests for cement production plants. Optimization proposals for cement production plants are offered to improve the usage performance and energy consumption of clinker.

## Procurement Management

### Coal Procurement:

- **5.4 million tons** of coal in 1H21
- Proportion of direct procurement: **81%**



## Logistics Management

### Shipping and Silo Capacity:

- Annual shipping capacity along Xijiang River: **36.8 million tons**
- **38** silo terminals with annual capacity of approximately **28.7 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 Celebration"
- Product Promotion: "Wang Pai Gong Jiang" renovation cement, cement for nuclear power stations, Portland cement for roads



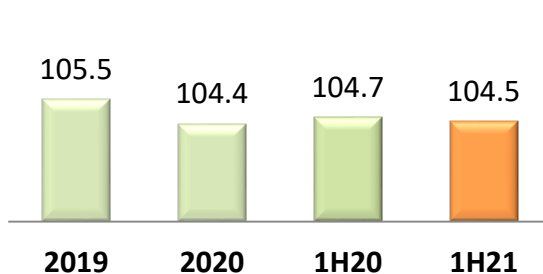
# Energy Saving & Emission Reduction



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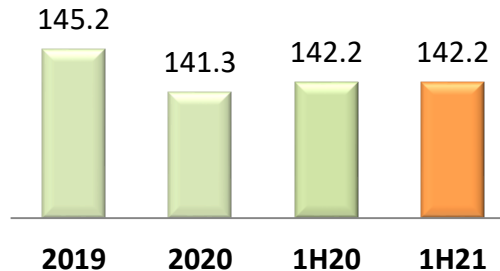
## Standard Coal Consumption

(kg per ton of clinker)



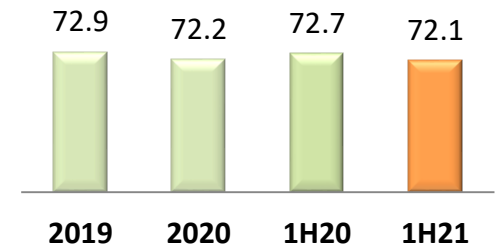
## Unit Coal Consumption

(kg per ton of clinker)



## Electricity Consumption

(kwh per ton of cement)



### ➤ Electrical Structure:

- **Residual Heat Power Generation** — approx. **998.4 million** kwh of electricity generate (approx. **31.7%** of total electricity consumption)
- **Direct Power Supply** — enjoyed the benefits of lower electricity tariff for a total of **2,030.7 million** kwh of electricity consumed (**64.4%** of the total electricity consumption)

# Corporate Social Responsibility

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

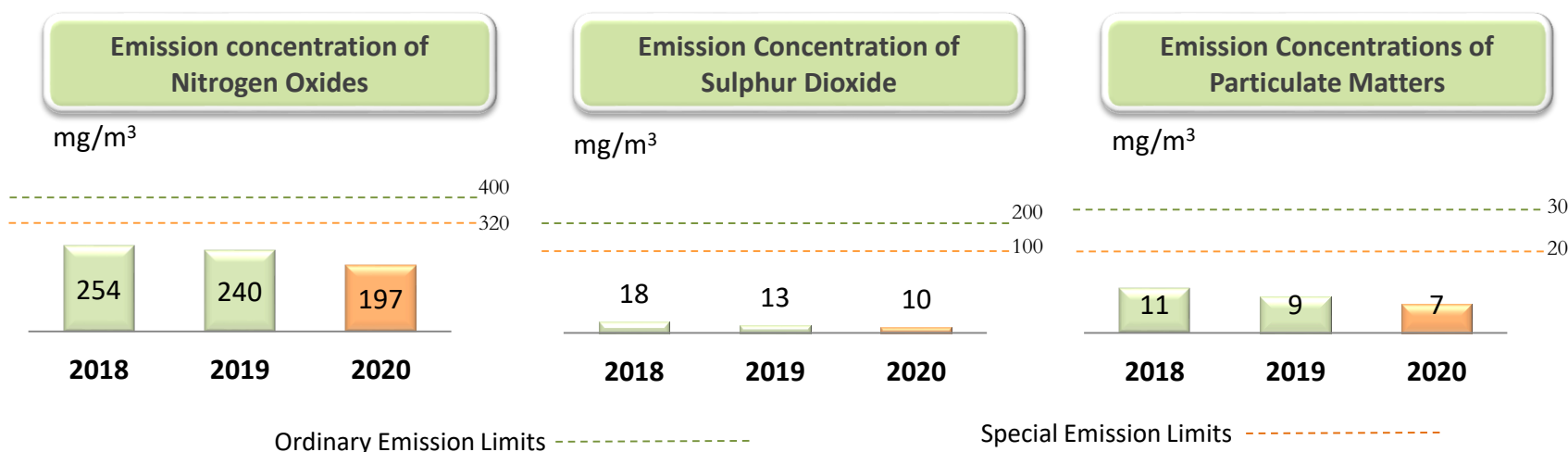
## Green Development

### Energy Saving and Emission Reduction

- Decrease by 2025 compared to 2015: **Standard coal consumption per ton of clinker** by 5%; **Electricity consumption per ton of clinker** by 10%; **Electricity consumption per ton of PO42.5 cement** by 16%
- Decrease by 2025 compared to 2015: Emission concentrations of **nitrogen oxide**, **sulphur dioxide** and **particulate matters** below 100 mg/m<sup>3</sup>, below 50 mg/m<sup>3</sup> and below 10 mg/m<sup>3</sup> respectively; Emissions by **63%**, **57%** and **41%** respectively
- During “Fourteenth Five-Year” period, reduce carbon emissions via reduction of energy consumption, pilot trial of new technologies and techniques, and development of low-carbon products; launch identification of risks and opportunities of climate change and formulate strategic measures against climate change

### Co-processing

- As of the end of June 2021, the Group had 10 co-processing projects in total, with annual processing capacity of 1.45 million tons.



# Business Development in 9M21



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China Resources Cement Holdings Limited

- The Group actively seizes development opportunities of new businesses, fully leverages on the synergetic advantages of cement, concrete, aggregates, new materials and prefabricated businesses, and further consolidates the core competitive advantages of the Group.

## A ggregates

- The Group won the bid for the mining rights of a limestone quarry in **Wuxuan and Nanning in Guangxi**, with planned annual production capacity of **6.5 million** and **9.8 million tons**, in Feb and June, respectively
- Acquired 95% equity of Shaanxi Xinhuada Building Materials Company Limited in Sep, which has an aggregate project in **Luonan, Shaanxi**
- Acquired 56% equity of Zhaoqing Jiaotou Taisheng Quarry Co., Ltd. in Oct, which has an aggregate project in **Deqing, Guangdong**

## N ew materials

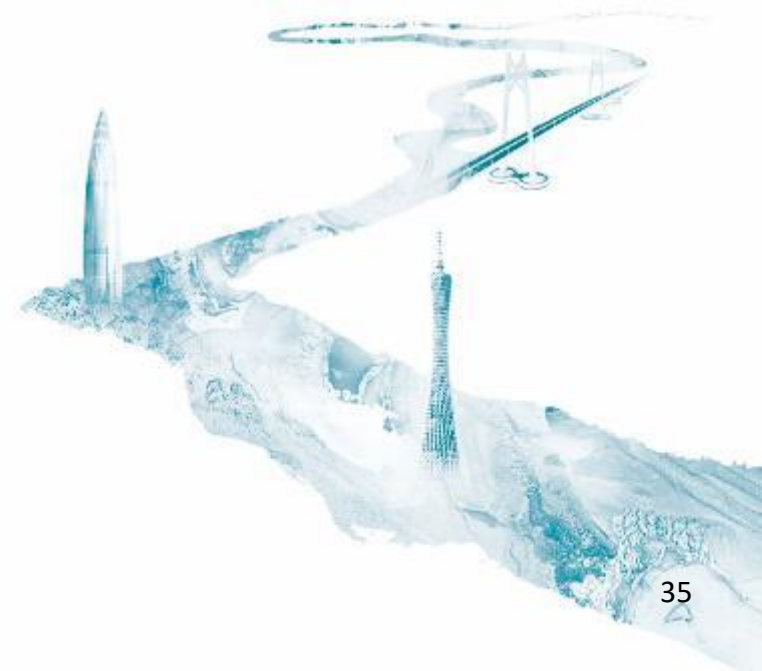
- **Engineered stones:**
  - Increased our shareholdings stakes to 75.3% in **Universal Classical** in Dongguan, Guangdong
  - The Group plans to build two new production lines with 3.0 million m<sup>2</sup> annual capacity in **Laibin, Guangxi**
- **Tile adhesive:**
  - Two production lines of tile adhesive with 0.4 million tons of annual capacity commenced operations in Oct in **Fengkai, Guangdong**
- **White cement:**
  - Acquired 70% equity of Yingqi Building Materials Company Limited in Oct, which has a white cement production line in **Deqing, Guangdong**

## P refabricated construction

- The phase I production line of **Zhanjiang Runyang** and **Nanning Wuhe** started trial production in Mar and Sep respectively
- Acquired 100% equity of Dingan New Century Construction Industry Co., Ltd. in Aug, which has a prefabricated construction project in **Dingan, Hainan**



# Outlook & Prospects



# 2021 Macro Outlook



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- The Chinese government will seek progress amidst stability as its general keynote, promote high-quality development and deepen supply-side structural reforms, while stabilizing the expectations. 2021 goal is to achieve GDP growth of above 6%.
- Regional Development: Construction of GBA and other regions will drive regional demand for cement and concrete in medium to long term.

## Infrastructure



- ✓ World leader in transport: Increase length of railways by 3,700 km by 2021; increase length of intercity & regional railways by 3,000 km, newly reconstructed highways by 25,000 km and number of civil airports by 30 or above within three years

## Real Estate



- ✓ “Residential properties are not for speculation”: stabilize land & house prices and expectations & speculative investment and home-rental market

## Rural Market



- ✓ Promote rural revitalization: rural highways & water supply and affordable electricity

# Strategies and Prospects



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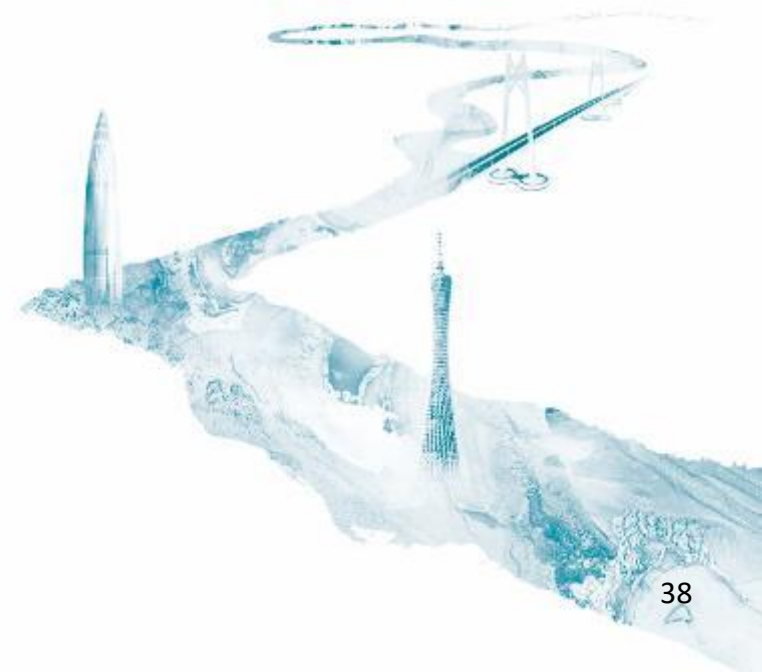
- ▲ **Three Core Strengths** - Leading position in regional market, Innovation-driven development, Lowest total cost
- ▲ The Group is committed to enhancing **efficiency and quality of operation** and improving the management standards of **environmental protection, safety and health**; deepen **brand marketing** and the construction of sales channels, consolidate market share; strengthen the capability in **research and development** of new products, new technologies and new materials, and promote construction of digitalization and intelligentization for the creation of competitive advantage by differentiation.



- ▲ **Opportunities** - The Group will proactively seize the opportunities in the development of the **Greater Bay Area**, accelerate the pace of **transformation and innovation**, and advance the sustainable development of Chinese cement industry.



# Appendix







# *Our vision*

*To become a respected world-class cement company*





# CR Cement's Footprint



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China Resources Cement Holdings Limited



● 白雲水泥·熟料生產基地 Cement and clinker production plants operated by the Group

- |                |               |                       |                |
|----------------|---------------|-----------------------|----------------|
| 1 廉江 Lianjiang | 6 貴港 Guiang   | 11 高川 Fuchuan         | 16 鶴慶 Heqing   |
| 2 封開 Fengkai   | 7 武宣 Wuxuan   | 12 龍岩曹溪 Longyan Caoxi | 17 金沙 Jinsha   |
| 3 羅定 Luoding   | 8 合浦 Hepu     | 13 永定 Yongding        | 18 安順 Anshun   |
| 4 陽春 Yangchun  | 9 陸川 Luchuan  | 14 龍岩 Longyan         | 19 福龍 Fulong   |
| 5 惠州 Huizhou   | 10 平南 Pingnan | 15 漳平 Zhangping       | 20 長治 Changzhi |

設有協同處置項目的水泥·熟料生產基地 Cement and clinker production plants with co-processing projects

- |                            |   |              |                |
|----------------------------|---|--------------|----------------|
| ● 自營 Operated by the Group | ○ 聯營及合營公司 Associates and joint ventures |              |                |
| 1 田陽 Tianyang              | 4 紅水河 Hongshuihe                        | 7 彌渡 Midu    | 10 鳳慶 Fengqing |
| 2 上思 Shangsi               | 5 昌江 Changjiang                         | 8 珠水 Zhushui |                |
| 3 南寧 Nanning               | 6 龍岩藤石 Longyan Yanshi                   | 9 越堡 Yuebao  |                |

■ 白雲水泥粉磨線 Cement grinding lines operated by the Group

- |                |                     |                 |                |
|----------------|---------------------|-----------------|----------------|
| 1 湛江 Zhanjiang | 3 汕頭 Shantou        | 5 五指山 Wuzhishan | 7 泉州 Quanzhou  |
| 2 東莞 Dongguan  | 4 防城港 Fangchenggang | 6 金江 Jinjiang   | 8 連江 Lianjiang |

聯營及合營公司擁有的水泥·熟料生產基地 Cement and clinker production plants owned by associates and joint ventures

- |                      |                      |                      |
|----------------------|----------------------|----------------------|
| ○ 雲南水泥 Yunnan Cement | ○ 福建水泥 Fujian Cement | ○ 蒙西水泥 Mengxi Cement |
|----------------------|----------------------|----------------------|

聯營及合營公司擁有的水泥粉磨線 Cement grinding lines owned by associates and joint ventures

- |                      |                      |                      |
|----------------------|----------------------|----------------------|
| □ 雲南水泥 Yunnan Cement | □ 福建水泥 Fujian Cement | □ 蒙西水泥 Mengxi Cement |
|----------------------|----------------------|----------------------|

★ 自營混凝土攪拌站  
Concrete batching plants operated by the Group

★ 聯營及合營公司擁有的混凝土攪拌站  
Concrete batching plants owned by associates and joint ventures

骨料項目 Aggregates projects

- |               |              |              |              |
|---------------|--------------|--------------|--------------|
| ▲ 封開 Fengkai  | ▲ 上思 Shangsi | ▲ 武平 Wuping  | ▲ 巍山 Weishan |
| ▲ 田陽 Tianyang | ▲ 武宣 Wuxuan  | ▲ 定安 Ding'an | ▲ 南寧 Nanning |

▲ 規劃中 Under planning

裝配式建築項目 Prefabricated construction projects

- |                  |                 |                |                |
|------------------|-----------------|----------------|----------------|
| ◆ 1 湛江 Zhanjiang | ◆ 3 東莞 Dongguan | ◆ 5 南寧 Nanning | ◆ 7 定安 Ding'an |
| ◆ 2 江門 Jiangmen  | ◆ 4 百色 Baise    | ◆ 6 貴港 Guiang  |                |

▲ 規劃中 Under planning    ○ 聯營公司 Associates

Note: Please refer to the 2021 Interim Report for details.

# CR Cement's Production Capacity

## Controlled by the Group

(As at 30 Jun 2021)

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	13.7
Guangxi	37	33.2	18	26.5	27	16.1
Fujian	14	10.1	6	7.0	-	-
Hainan	5	4.4	3	3.3	4	2.4
Yunnan	7	5.1	4	3.9	1	0.6
Guizhou	4	4.0	2	3.0	-	-
Shanxi	6	6.0	3	4.6	1	0.6
Zhejiang	-	-	-	-	2	1.1
Hong Kong	-	-	-	-	3	1.5
<b>Total</b>	<b>97</b>	<b>85.3</b>	<b>46</b>	<b>62.7</b>	<b>60</b>	<b>36.0</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	14	12.6	7	9.6	8	4.8
Yunnan	34	25.6	16	16.7	2	0.6
Inner Mongolia	21	17.3	5	7.0	4	1.2
Hong Kong	-	-	-	-	5	2.3
<b>Total</b>	<b>77</b>	<b>62.8</b>	<b>30</b>	<b>37.0</b>	<b>19</b>	<b>8.9</b>
<b>Attributable</b>	<b>-</b>	<b>21.7</b>	<b>-</b>	<b>12.1</b>	<b>-</b>	<b>4.2</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

# Sustainable Development

- As of the end of Jun 2021, the cement production plants located in Tianyang, Nanning, Pingnan, Wuxuan and Guigang of Guangxi, and Heqing of Yunnan had been included as green factories in the register of national-level Green Manufacturing, 10 mines at 9 plants had passed the selection of national-level green mines.
- 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.
- The Group and environmental protection companies cooperated in the development of co-processing projects in Shangsi, Guangxi and Yanshi, Fujian, which started trial operation in Jan and May 2021 respectively. As of the end of June 2021, the Group had 10 co-processing projects with annual processing capacity of 1.45 million tons.

## Co-Processing

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



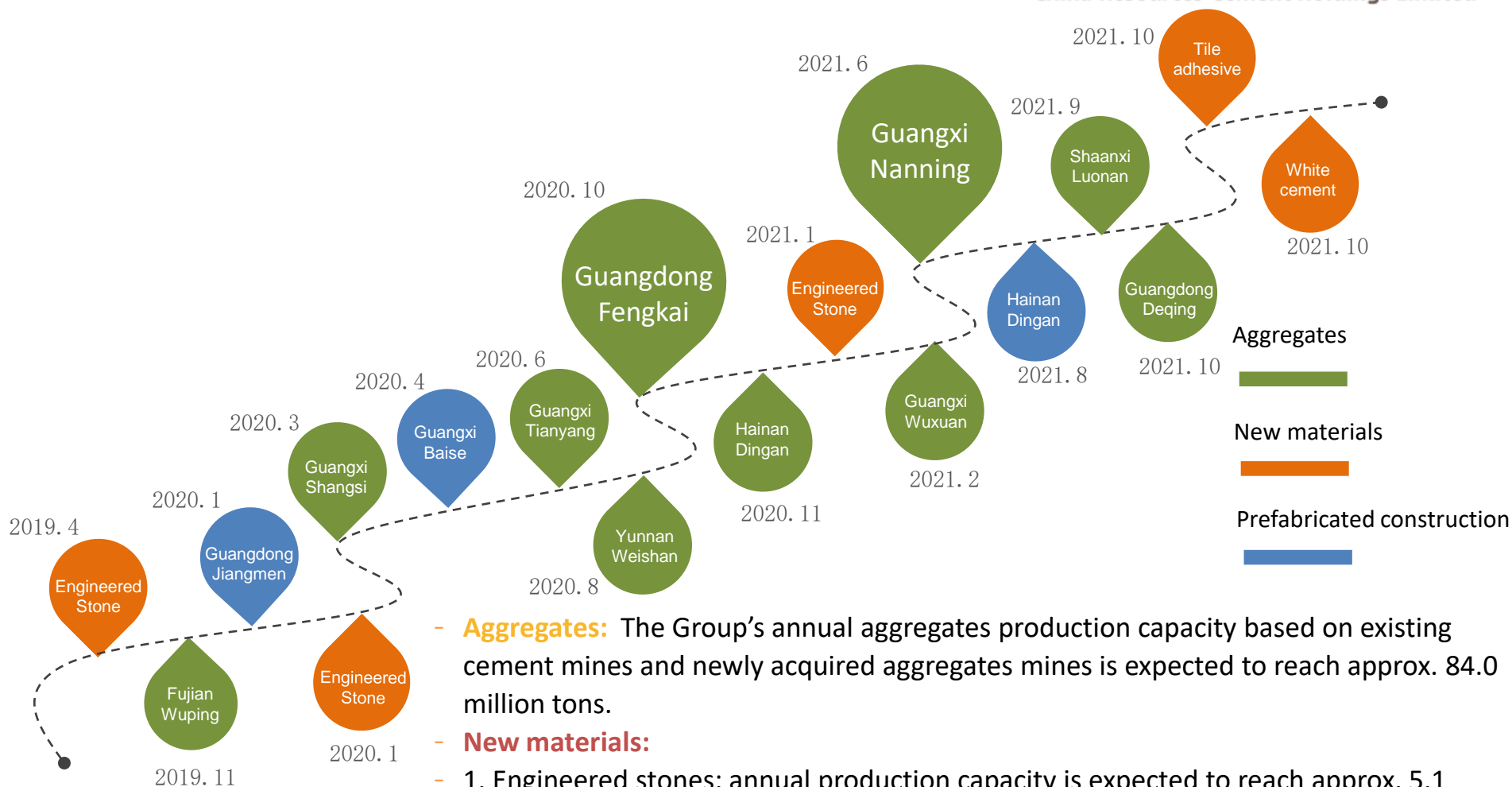
The Municipal Waste Co-processing Project in Tianyang, Guangxi

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

*\*The Nanning project co-processed wet sludge of 80% moisture content. The Zhushui project co-processed dry sludge of below 40% moisture content. The Yuebao project co-processed dry sludge of below 40% moisture content in Guangzhou City on an urgent basis.*

*<sup>^</sup>The project at Shangsi, Guangxi commenced trial operations in January 2021.*

# New Business Development



- **Aggregates:** The Group's annual aggregates production capacity based on existing cement mines and newly acquired aggregates mines is expected to reach approx. 84.0 million tons.
- **New materials:**
  - 1. Engineered stones: annual production capacity is expected to reach approx. 5.1 million m<sup>2</sup> after completion.
  - 2. Tile adhesive: annual production capacity - 0.4 million tons in Fengkai, Guangdong
  - 3. White cement: annual production capacity - 0.4 million tons in Deqing, Guangdong
- **Prefabricated construction:** 7 prefabricated construction projects with design annual production capacity of approx. 1.6 million m<sup>3</sup> after completion.



# 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 mine**: 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.

## Aggregate Quarry



Aggregate Quarry in Fengkai,  
Guangdong

## Aggregate Production Line



Aggregate Production Line in Hongshuihe,  
Guangxi

## Aggregate Products



Manufactured Gravel



Coarse Aggregate

# Aggregates (cont'd)

- As of the end of Sep 2021, the Group's annual aggregates production capacity based on its own existing cement mines was approximately **10.6 million tons**. In addition to the newly acquired aggregates mines since 2019, the total annual aggregates production capacity of the Group is expected to reach approx. **84.0 million tons**.

Project	Planned annual production capacity (mil tons)	Resource reserve (mil tons)	Total CAPEX (HK\$ mil)	Expended capital (HK\$ mil)	Mining rights acquisition	Completion
<b>Guangdong</b>						
Fengkai	30.0	425.0	6,367.7	4,226.1	Oct 2020	2022
Deqing	6.5	169.0	Note	N/A	Jun 2020	2023
<b>Guangxi</b>						
Shangsi	5.0	65.0	478.1	121.6	Mar 2020	2022
Tianyang	5.0	61.0	474.7	124.0	Jun 2020	2022
Wuxuan	6.5	208.0	904.7	349.3	Feb 2021	2023
Nanning	9.8	153.8	1,497.2	163.2	June 2021	2023
<b>Fujian</b>						
Wuping	2.0	56.0	470.1	254.4	Nov 2019	2021
<b>Hainan</b>						
Dingan	3.0	63.0	2,053.6	1,517.4	Nov 2020	2022
<b>Yunnan</b>						
Weishan	3.0	100.0	435.6	128.5	Aug 2020	2022
<b>Shaanxi</b>						
Luonan	3.0	122.0	Note	N/A	Nov 2019	2023

Note: Total CAPEX of projects in Deqing, Guangdong and Luonan, Shaanxi would be HK\$1,602.7 million, HK\$810.3 million respectively.

# 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.
- In January 2021, the Group's shareholding of Universal Classical increased to approx. **75.3%** after acquiring approx. 58.8% equity interests of Universal Classical from Universal Marble and its subsidiaries.
- **Capacity:**
  - Universal Classical owned one production line of inorganic engineered stones with planned annual production capacity of approx. **600,000 m<sup>2</sup>** and is expanding another approx. **1.5 million m<sup>2</sup>**.
  - The Group is building two production lines of inorganic engineered stones with total planned annual production capacity of approx. **3 million m<sup>2</sup>**. The projects are expected to commence production in mid-2022.

## Runfeng New Materials



RUN Stone-lab

## Universal Classical



Reception of Universal Classical

## Product Application



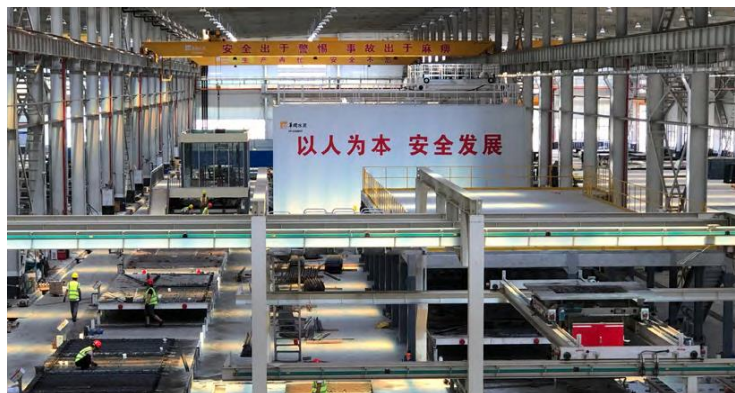
The Exterior of Guiyang Shopping Center



# Prefabricated Construction

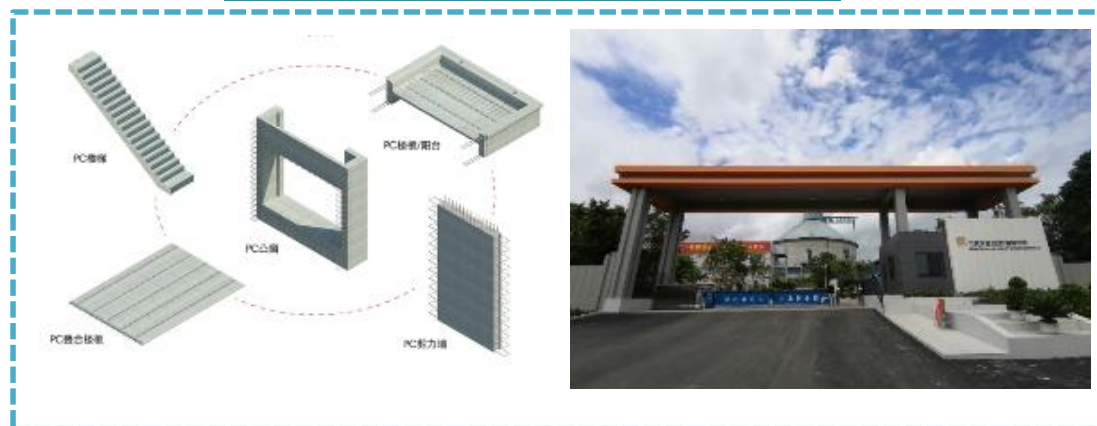
- **Prefabricated construction** components are produced in factories for prefabricated buildings, and transported to the construction site and assembled onsite. The products generally are floor slabs, walls, stairs and balconies etc.
- **Advantages** include: Improve project quality and construction 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
- \*Proportion of floor space of prefabricated buildings to newly constructed buildings in China target:
  - ✓ National – 2026: **30%**; Shenzhen/Guangzhou – 2025: **50%**; Nanning/Liuzhou – 2025: **30%**; Hainan – 2025: **80%**
- In 2020, 630 million m<sup>2</sup> of prefabricated buildings newly started construction, **+50%**, accounting for **20.5%** of the total floor space of newly constructed buildings, which had exceeded the 13<sup>th</sup> Five-Year target of reaching over 15% by 2020.

## Precast Concrete Production Plant



Precast Concrete Production Plant in Zhanjiang, Guangdong

## Precast Concrete Product



Precast Concrete Components

Prefabricated Entrance in Tianyang, Guangxi

\*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)



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

- Currently, the Group had planned for a total of 7 prefabricated construction 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> )	Total CAPEX (HK\$ mil)	Expended capital (HK\$ mil)	Status	Remarks
<b>Guangdong</b>					
Dongguan Runyang*	40,000	-	-	Operation	➤ Mainly supplies to Shenzhen, Zhuhai, Guangzhou
Zhanjiang Runyang	400,000	524.3	234.0	Trial production	➤ Trial production: Precast concrete - Phase I (annual capacity: 200,000 m <sup>3</sup> ) – March 2021
Jiangmen Runfeng	50,000	303.2	81.5	Under construction	➤ Completion: Precast concrete & concrete batching plant – 2H22
<b>Guangxi</b>					
Nanning Wuhe	400,000	578.0	192.9	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	239.5	195.8	Trial production	➤ Concrete batching plant commenced operation in Nov 2019; ➤ Trial production: Precast concrete - Phase I (annual capacity: 100,000 m <sup>3</sup> ) – June 2020
Baise Runhe	200,000	256.8	33.6	Planning	➤ April 2020: Won the bid for land
<b>Hainan</b>					
Dingan Runfeng	300,000	231.7	-	Trial production	➤ April 2021: Commenced trial production
<b>Total</b>	<b>1,590,000</b>	<b>2,133.5</b>	<b>737.8</b>		

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

# Financial Summary



**華潤水泥控股有限公司**  
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(HK\$ million)	2020	2019	2018	2017	2016	2015	2014	2013
Turnover	40,087	38,956	38,791	29,958	25,648	26,779	32,669	29,341
EBITDA	13,606	14,040	13,730	7,433	4,882	3,838	8,285	6,698
Profit attributable to owners of the Company	8,960	8,618	7,975	3,617	1,326	1,015	4,206	3,338
Basic earnings per share (HK\$)	1.283	1.234	1.179	0.554	0.203	0.155	0.644	0.512
Total Assets	68,532	61,171	60,506	56,527	52,157	54,217	57,537	54,180
Equity attributable to owners of the Company	49,627	41,980	37,691	30,309	26,007	26,557	28,180	24,821
Net assets per share (HK\$)	7.11	6.01	5.40	4.64	3.98	4.07	4.31	3.80

(HK\$ million)	2020	2019	2018	2017	2016	2015	2014	2013
Net cash generated from operating activities	10,268	11,285	11,331	6,613	4,112	4,834	6,859	5,121
Net cash used in investing activities	(5,004)	(2,618)	(1,075)	(1,888)	(1,671)	(4,642)	(4,557)	(3,317)
Net cash used in financing activities	(5,688)	(7,837)	(2,803)	(2,792)	(1,035)	(2,245)	(972)	(2,643)
Cash and cash equivalent at end of the year	13,227	12,848	12,302	5,384	3,159	1,938	4,148	2,822

**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
2021 Annual Results Announcement	11 March 2022*
2022 First Quarter Results Announcement	22 April 2022*
Annual General Meeting	13 May 2022*
2022 Interim Results Announcement	12 August 2022*

\*Tentative dates

### 2020 Annual Report



### 2020 Social Responsibility Report



Chinese version



English version



# Disclaimer



華潤水泥控股有限公司

China Resources Cement Holdings Limited

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