



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)

(Stock Code: 1313)

**PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY INCREASED BY 4.0%
 TO A HISTORICAL HIGH OF HK\$8,959.9 MILLION IN 2020
 ANNUAL DIVIDEND PER SHARE OF HK\$0.615 DIVIDEND PAYOUT RATIO 47.9%**

Financial Highlights

	For the year ended 31 December		
	2020	2019	Change
Turnover (HK\$ million)	40,086.9	38,955.6	+2.9%
Profit Attributable to Owners of the Company (HK\$ million)	8,959.9	8,617.5	+4.0%
Net Margin (%)	22.5	22.3	+0.2 ppt
Basic Earnings per Share (HK\$)	1.283	1.234	+4.0%
Annual Dividend per Share (HK\$)	0.615	0.595	+3.4%

(Hong Kong, 12 March 2021) – **China Resources Cement Holdings Limited** (“China Resources Cement” or the “Company”, SEHK stock code: 1313, and together with its subsidiaries, the “Group”), a large-scale and competitive cement, clinker and concrete producer in Southern China, announced its annual results for the twelve months ended 31 December 2020 (the “year”).

During the year, the Company’s consolidated turnover amounted to HK\$40.1 billion, representing an increase of 2.9% over last year. Profit attributable to owners of the Company amounted to HK\$9.0 billion, representing an increase of 4.0% over last year. Basic earnings per share reached HK\$1.283. As at 31 December 2020, the total assets of the Group were HK\$68.5 billion and the net assets per share was HK\$7.11.

During the year, the Group’s external sales volume of cement, clinker and concrete reached approximately 87.3 million tons, 3.6 million tons, and 13.4 million m³. The utilization rates of cement, clinker and concrete production lines were 101.1%, 112.6% and 37.5%. The average selling price of cement and clinker was HK\$369 per ton, representing an increase of 0.3% over last year. The average selling price of concrete was HK\$490 per m³, representing an increase of 0.7% over last year. The consolidated gross margin of the Company was 39.0%. Net margin was 22.5%, which was 0.2 percentage points higher as compared to last year.

Cement demand remained steady, high-quality development of the industry

In 2020, in the face of the challenging and complex domestic and international environment, as well as the severe impact of the novel coronavirus epidemic, the Chinese government introduced a series of policies and measures to promote continuous economic recovery and high-quality development. According to the statistics published by the National Bureau of Statistics of China, in 2020, China’s gross domestic product (“GDP”) grew by 2.3% year-on-year to RMB101.6 trillion, and national fixed asset investments (“FAI”) (excluding rural households) increased by 2.9% year-on-year to RMB51.9 trillion. The total cement production in China amounted to approximately 2,380 million tons, representing a year-on-year increase of 1.6%. The stable development of infrastructure construction and the real estate market, as well as the steady progress of urbanization and rural construction, will be conducive to supporting the demand of the cement industry. In addition, the Chinese government resolutely wins and fights well in the battles for prevention and treatment of pollution, further regulates the policies for capacity replacement and off-peak production,

strengthens response to climate change, and improves the standards of production safety and occupational health to foster the high-quality and sustainable development of the cement industry.

Construction of excellent operational systems, enhance brand value management

The Group conscientiously implements the management theme of “reform and innovation for quality development” with the construction of excellent operational system as the cardinal line and with the focus on benchmarking “world class” companies, and continues to launch in-depth work on lean management. The Group continued to improve operational indicators. The Group further promoted the application of new technologies, new equipment, new materials and innovation achievements.

In 2020, the Group purchased a total of approximately 10.2 million tons of coal and the proportion of direct procurement from coal producers was approximately 79%. During the year, through stable long-term strategic cooperation with suppliers, the Group had effectively reduced coal procurement costs. In addition, China Resources Cement had an annual shipping capacity of approximately 36.3 million tons along the Xijiang River, controlled the operations of 35 silo terminals with annual capacity of approximately 34.3 million tons. This consolidates the Group’s leading market position in Guangdong.

Since 2016, China Resources Cement comprehensively built its national unified brand “Runfeng Cement”. The Group formulated annual brand business promotion plan and created special theme activities of “6.28 Runfeng Brand Anniversary Celebration” to enhance brand awareness, strengthened marketing efforts for products such as “Wang Pai Gong Jiang” renovation cement, cement for nuclear power stations and Portland cement for roads. In March 2020, the Group engaged the “World Brand Lab” to evaluate the brand value of Runfeng Cement. The final report showed that the brand value of Runfeng Cement in 2020 was RMB51,958 million.

Enhance R&D and innovation capabilities, advance digital transformation

In April 2020, the laboratory of China Resources Cement Technology Research and Development Limited became a laboratory accredited by the China National Accreditation Service for Conformity Assessment. During the year, the Group’s Technology Research and Development Centre provided 1,495 checks and tests for cement production plants. Consumption of coal and energy was further reduced to optimize production costs and improve product quality. The Technology Research and Development Centre also provided support for the development of new businesses by actively developing new products with optimized performance.

Digital transformation is one of the important strategic development directions for the transformation and innovation of the Group. In July 2020, Phase 1 of the Group’s intelligent manufacturing pilot project at the production plant in Tianyang, being the first cooperation with Siemens Ltd., China, officially commenced operation. In addition, the Group, CITIC Holdings Co., Ltd., subsidiary of Foxconn Industrial Internet Co., Ltd. and other entities jointly set up the joint venture Shenzhen CRF Digital Technology Co., Ltd., which is dedicated to creating intelligent manufacturing solutions and digital platforms for the industries of automobile parts and building materials including cement. The Group plans to commence the construction of intelligent manufacturing and create a “lighthouse factory” at the cement production plant in Fengkai County, Guangdong.

Fulfill corporate social responsibility to promote green development in the industry

China Resources Cement puts very strong emphasis on production safety and occupational health. As the novel coronavirus epidemic had spread globally, the Group proactively responded to the epidemic by establishing a leading group and a working group on epidemic prevention and control to ensure the epidemic prevention to be organized in an orderly manner. The Group is committed to production safety standardization. As of the end of 2020, 28 cement production plants (inclusive of grinding stations) 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.

During the year, we continuously advance energy saving and emission reduction. Unit coal consumption decreased to 141.3 kg per ton of clinker produced and electricity consumption was 72.2 kwh per ton of cement. Electricity generated from residual heat represented approximately 32.2% of electricity

consumption required for production of cement products. The average emission concentrations of nitrogen oxides, sulphur dioxide and particulate matters decreased to 197 mg/m³, 10 mg/m³ and 7 mg/m³ respectively and are lower than the national standard limits of pollutant emissions. As of the end of 2020, 6 cement production plants had been included as green factories in the register of national-level Green Manufacturing, and 10 mines at 9 plants had passed the selection of national-level green mines.

The Group proactively promotes green production, plans to upgrade the “second-generation cement” technology, and aims to reduce standard coal consumption per ton of clinker by 5%, consolidated electricity consumption per ton of clinker by 10% and electricity consumption per ton of PO42.5 cement processed by 16% respectively by 2025 as compared with 2015. Regarding emission reduction, the group aim at reducing the emissions of nitrogen oxides, sulphur dioxide and particulate matters by 63%, 57% and 41% respectively by 2025 as compared with 2015. During the “Fourteenth Five-Year” period, the Group will actively reduce carbon emissions through reduction of energy consumption, pilot trial of new technologies and new techniques, and development of low-carbon products to assist China in achieving the targets of reaching peak carbon dioxide emissions and carbon neutrality and make a positive contribution to environmental treatment and management.

On the other hand, in reliance on our own technological advantages, the Group 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 2020, the Group had 10 co-processing projects in total and annual processing capacity of 1.45 million tons.

Transformation and innovation to promote strategy of industrial chain extension

The Group proactively promotes the development strategy for extension of industry chain and seizes development opportunities of new businesses. We fully leverage on the synergetic advantages of cement, concrete, aggregates, new materials and prefabricated construction businesses, and further consolidate the core competitive advantages of the Group.

In terms of cement business, in February 2020, the Group completed the construction of one clinker production line with annual production capacity of approximately 1.4 million tons and two cement grinding lines with total annual production capacity of approximately 2.0 million tons in Anshun City, Guizhou.

In terms of aggregates, since 2020, the Group newly acquired the mining rights of six aggregates quarries located in Fengkai County of Guangdong, Shangsi County, Tianyang District and Wuxuan County of Guangxi, Dingan County of Hainan and Weishan County of Yunnan respectively. Based on its own existing cement mines and the newly acquired aggregates mines, the Group’s total annual aggregates production capacity of the Group is expected to exceed 63.0 million tons.

Regarding new materials, the Group actively developed new inorganic engineered stone products. The Group entered into an equity transfer agreement in January 2021 with Universal Marble and its subsidiaries to acquire approximately 58.8% equity interests of Universal Classical. This will increase our shareholding in Universal Classical to approximately 75.3%. In the future, we will jointly develop the engineered stone business.

With regards to prefabricated construction business, Phase 1 production line of precast concrete components of the Guigang Runhe Project had commenced trial production in June 2020. During the year, the Group had acquired lands for prefabricated construction projects located in Jiangmen City, Guangdong, Laibin City and Baise City, Guangxi. As of the end of 2020, the Group had planned for a total of 7 prefabricated construction projects and the design annual production capacity of precast concrete components is expected to reach approximately 1.5 million m³ after completion.

Mr. Ji Youhong, Chief Executive Officer of China Resources Cement said, 2021 is the opening year of the “Fourteenth Five-Year” Plan. The Group will continue to reinforce the three core strengths of the “leading market position in the region, lowest total costs, innovation-driven development”, commit to enhancing efficiency and quality of operation and improving the management standards of environmental protection, safety and health. The Group will 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. The Group will actively fulfil corporate social responsibility, promote co-processing by use of cement kilns and foster green development of the industry. In addition, the Group will proactively seize the opportunities in the development of the Guangdong-Hong Kong-Macau Greater Bay Area, accelerate the pace of transformation and innovation, and advance the development strategy for extension along the industry chain. The Group will also continue to seek opportunities for strategic cooperation with domestic and overseas leading enterprises for the joint promotion of sustainable development of the cement industry in China.

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Appendix:

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

Province/AR/SAR	Cement		Clinker		Concrete	
	No. of lines	million tons	No. of lines	million tons	No. of plants	million m ³
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
Total	97	85.3	46	62.7	60	36.0

About China Resources Cement Holdings Limited

China Resources Cement Holdings Limited is a large-scale and competitive cement, clinker and concrete producer in Southern China. As at 31 December 2020, it had 97 cement grinding lines and 46 clinker production lines in operation, with annual production capacity of 85.3 million tons of cement and 62.7 million tons of clinker respectively. It also owned 60 concrete batching plants with annual production capacity of 36.0 million m³ of concrete. In addition, through our equity interests in certain associates and joint ventures, the respective annual production capacities attributable to the Company were 20.4 million tons of cement, 11.2 million tons of clinker and 4.1 million m³ of concrete.

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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