



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

2023

Interim Results
Presentation



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Company Profile



華潤水泥控股有限公司

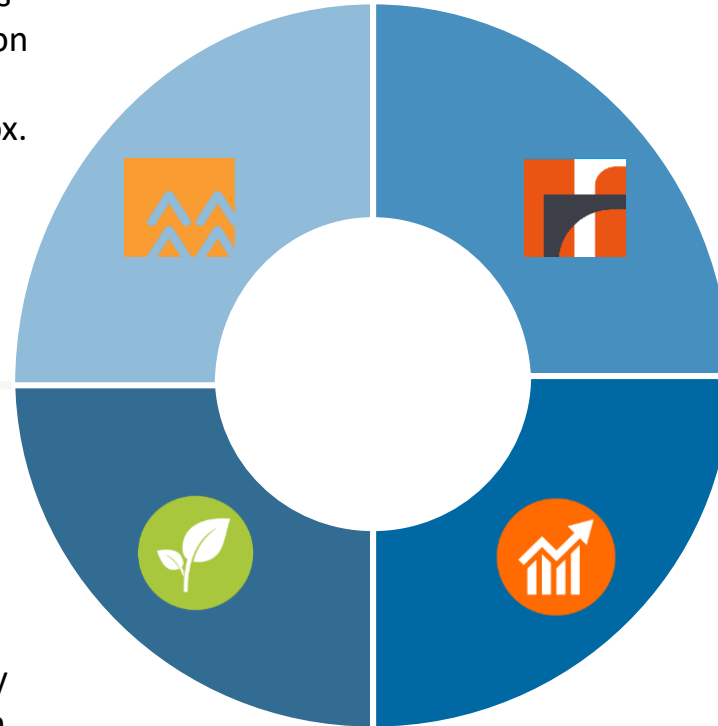
China Resources Cement Holdings Limited

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



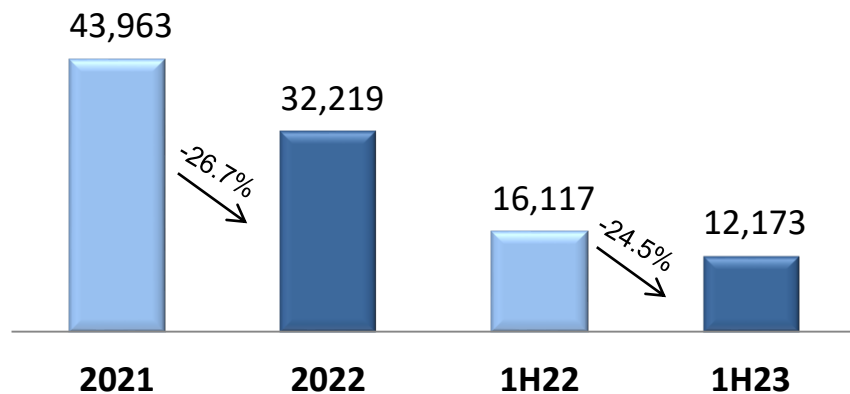
Future Development

- 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

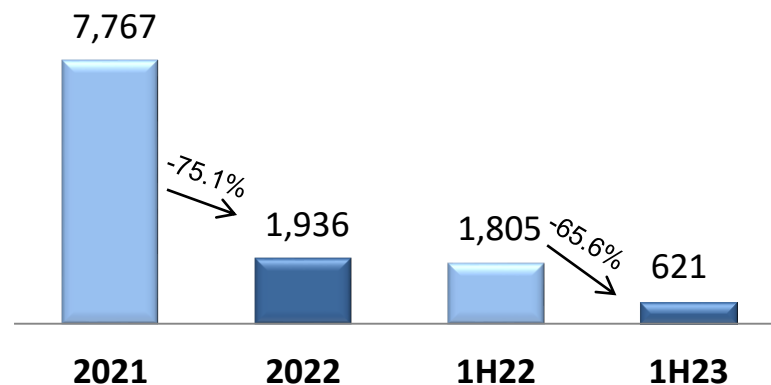
Turnover

(HK\$ million)



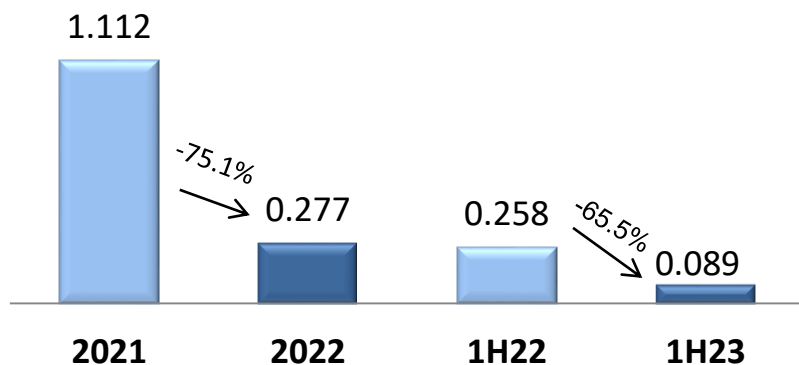
Profit attributable to owners of the Company

(HK\$ million)



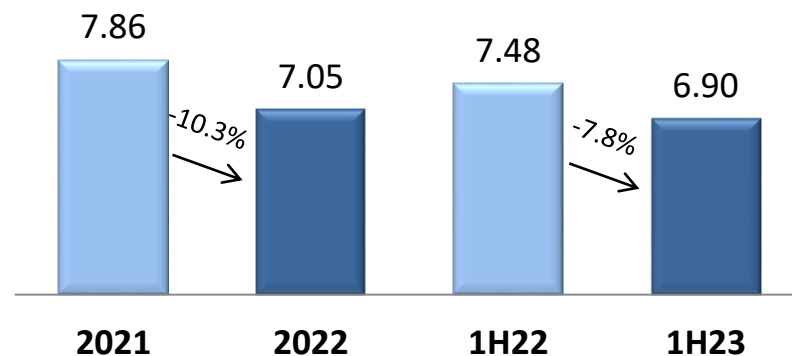
Earnings per share

(HK\$)



Net assets per share

(HK\$)





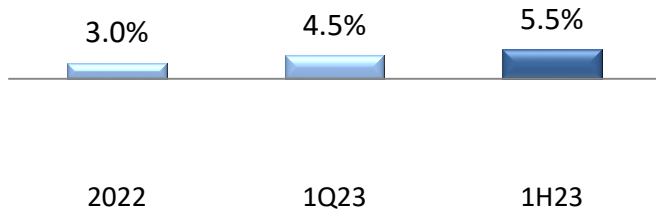
Industry Overview



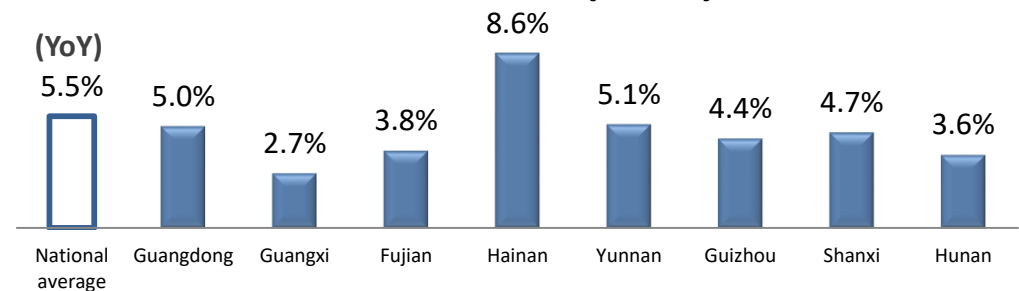
- In 1H23, in the face of the complex and difficult international environment and the formidable and onerous tasks of domestic reform and stable development, the Chinese government has adhered to the general principle of seeking progress while maintaining stability, accelerated the construction of a new development paradigm, focused on promoting high-quality development and better coordinated the two general domestic and international situations. The income of residents steadily grew and the overall operation of the economy has rebounded with better momentum.
- National GDP was RMB59.3 trillion, +5.5% YoY. National FAI was RMB24.3 trillion, +3.8% YoY.

National GDP

1H23: RMB59.3 trillion

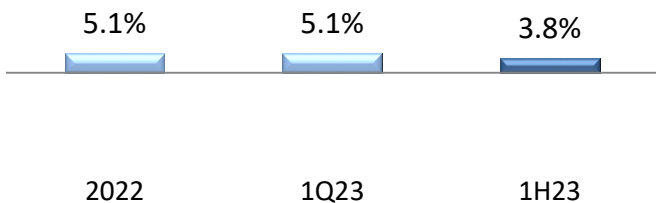


GDP Growth (1H23)

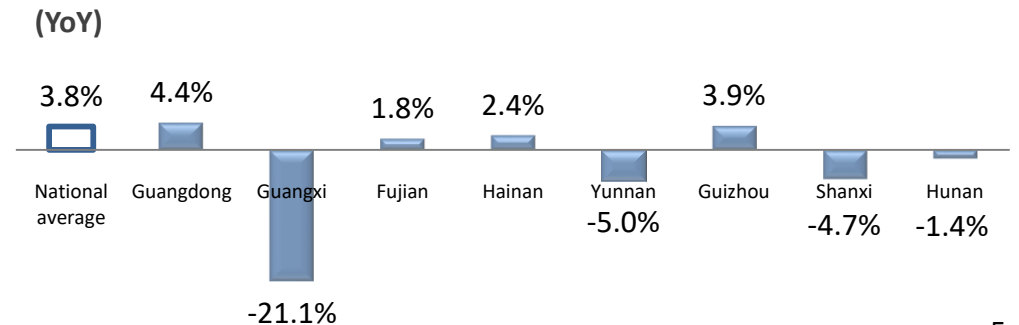


National FAI (excluding rural households)

1H23: RMB24.3 trillion



FAI Growth (1H23)



Cement Demand Drivers



Infrastructure

- In 1H23, national infrastructure investments (excluding the industries for production and supply of electricity, heat, gas and water) increased by 7.2% YoY.

(RMB)	1H23	YoY
Railway	304.9 billion	+6.9%
Highways & waterways	1.5 trillion	+9.8%



Real Estate Market

- In 1H23, real estate investment decreased by 7.9% YoY to RMB5.9 trillion.

(Million m ²)	1H23	YoY
Floor space of commodity housing sold	600	-5.3%
Floor space of houses newly started construction	500	-24.3%
Floor space of houses completed	340	+19.0%
Floor space under construction by real estate developers	7,920	-6.6%



Rural Market

- Government systematically promoted urban construction and drove the high-quality development of urbanization
 - In 1H23, 42,600 old communities and 7.42 million households nationwide newly started renovations
 - Urbanization rate 65.22% as of the end of 2022 (+0.50 ppt YoY)

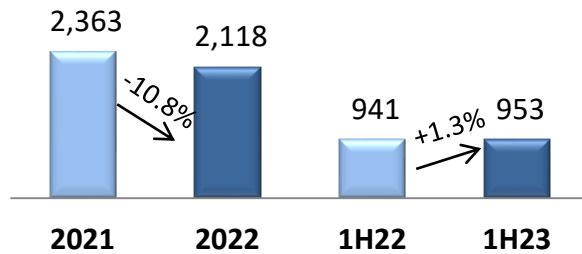
Cement Production



■ In 1H23, China's cement production was approximately 953 million tons*, +1.3% YoY.

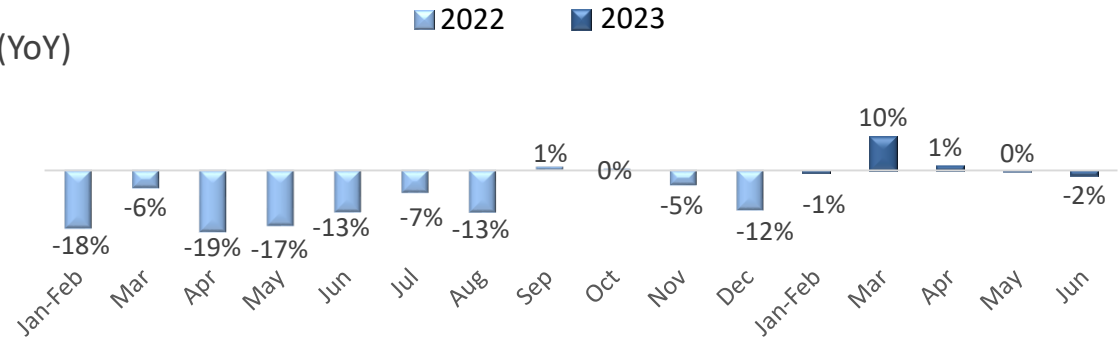
National Cement Production ⁽¹⁾

(million tons, YoY)



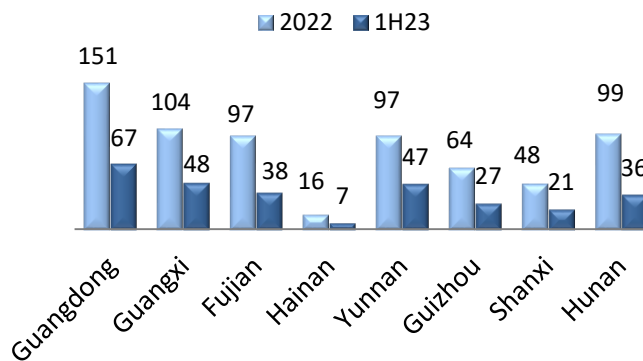
Note: Originally 977 million tons but restated as 941 million tons in 1H23 by the National Bureau of Statistics.

(YoY)

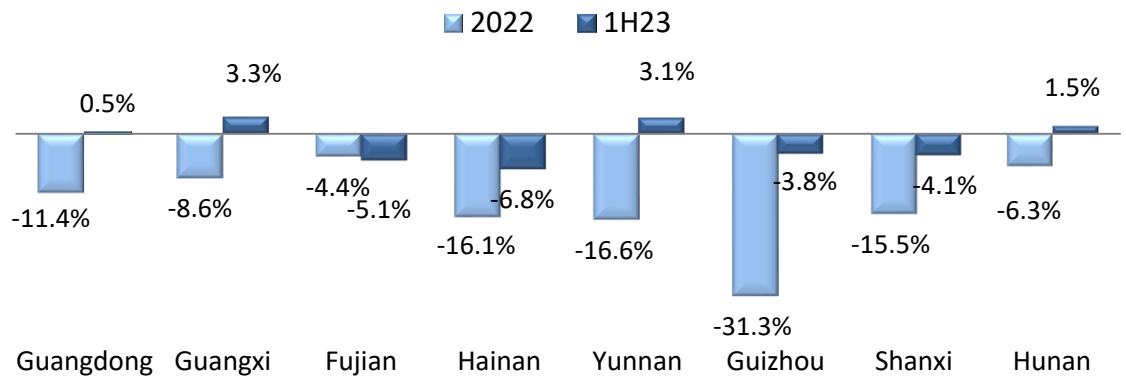


CRC's operating region ⁽²⁾

(million tons)



(YoY)



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

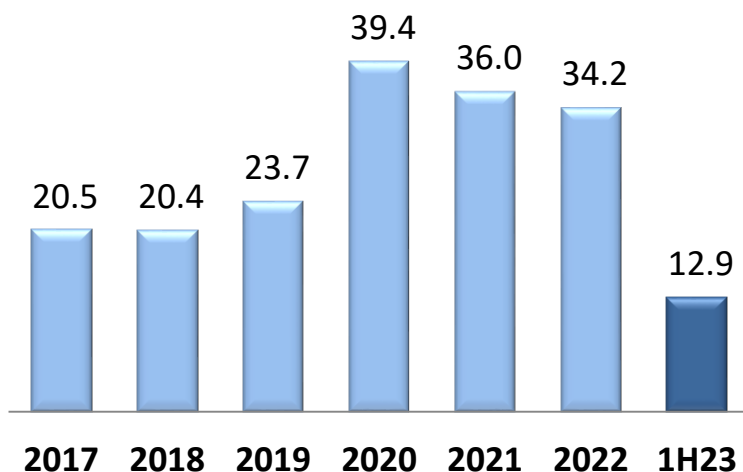
Source: (1) National Bureau of Statistics of China, (2) China Cement Association

Cement Supply

- In 1H23, there were 9 new clinker production lines nationwide with new annual clinker production capacity of 12.9 million tons in total.
- There were 2 new clinker production lines in Guangxi with new annual clinker production capacity of approximately 3.1 million tons.

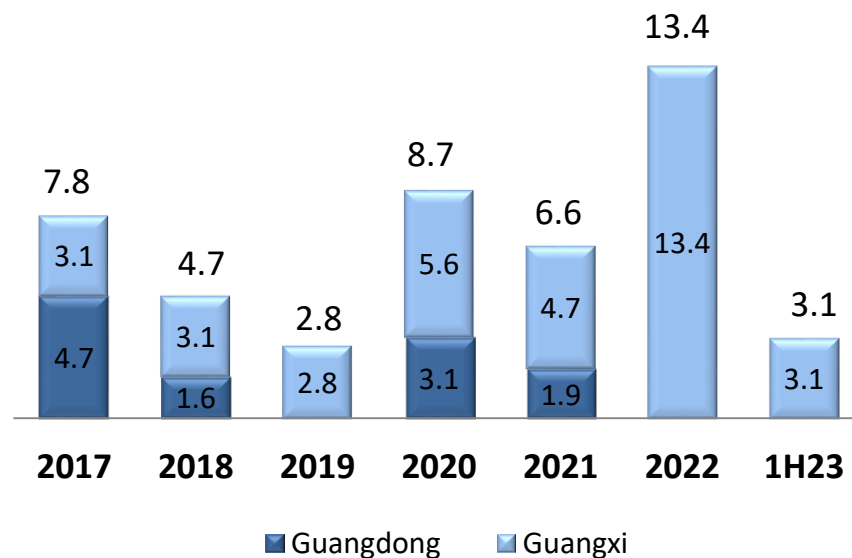
New Clinker Capacity in China

(million tons)



New Clinker Capacity in Guangdong & Guangxi

(million tons)



Source: Company information, China Cement Association

Carbon Emissions

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

Energy Consumption

■ Energy Consumption and Intensity Targets

- By 2025 to reduce compared to 2020:
 1. National energy consumption per unit of GDP by 13.5%
 2. 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)
- Comprehensive energy consumption level of cement and clinker per unit product should be reduced by over 3%

Cement Supply

■ Capacity Replacement

- In 2022, due low demand and high costs, the replacement of clinker production capacity fell sharply, where annual replacement clinker production capacity was 4.5 million tons, approximately 90% lower YoY.

Green Production

■ Carbon Trading Market

- Promote construction and expand coverage of national carbon emission trading market.

■ Prevention & Treatment of Pollution

- Key areas, Pearl River Delta and Chengdu-Chongqing region
- Advance pollution prevention and control to a new stage of joint governance, adhere to system concept

■ Production Safety

- Stricter and clearer requirements for safety in non-coal mines

■ Ultra-low Emission Transformation

- Targeted by 2025 for 50% of capacity to complete transformation, by 2028 to 80% of capacity in China to complete transformation



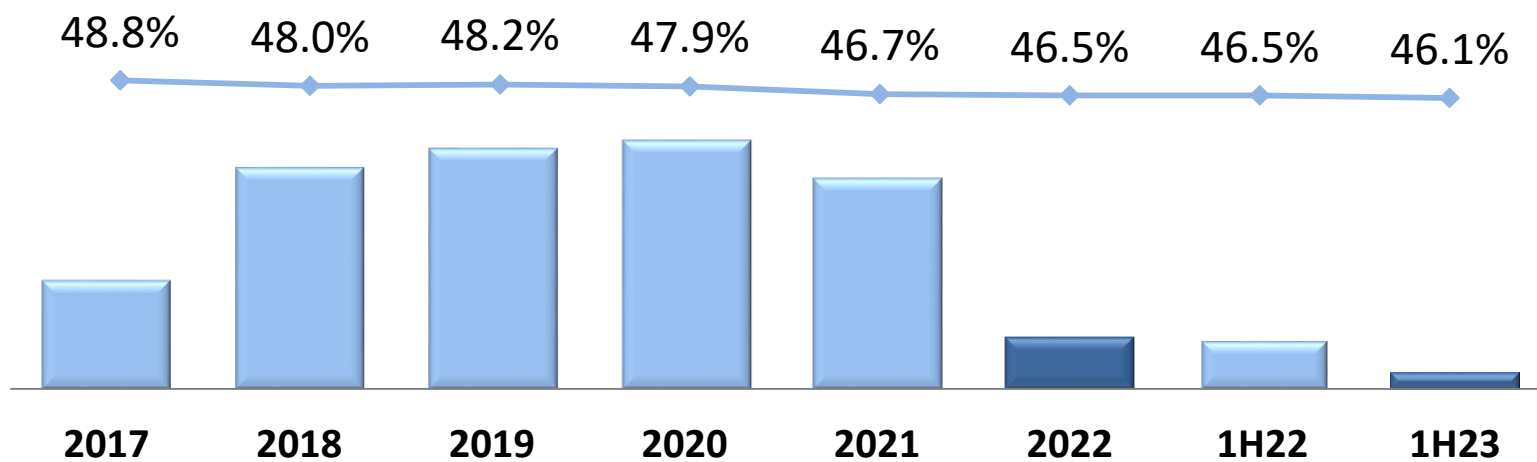
Financial Highlights

1H23 Results Summary

(HK\$ million)	1H22	1H23	YoY
Turnover	16,116.5	12,172.6	-24.5%
Gross profit	3,302.7	1,902.5	-42.4%
Gross margin	20.5%	15.6%	-4.9 ppt
Exchange (loss) gain	(67.5)	1.9	N/A
Finance costs	(171.2)	(295.6)	+72.7%
Profit attributable to owners of the Company	1,804.5	620.9	-65.6%
Basic earnings per share (HK\$)	0.258	0.089	-65.5%

Dividend Payout (HK\$)

◆ Dividend payout ratio



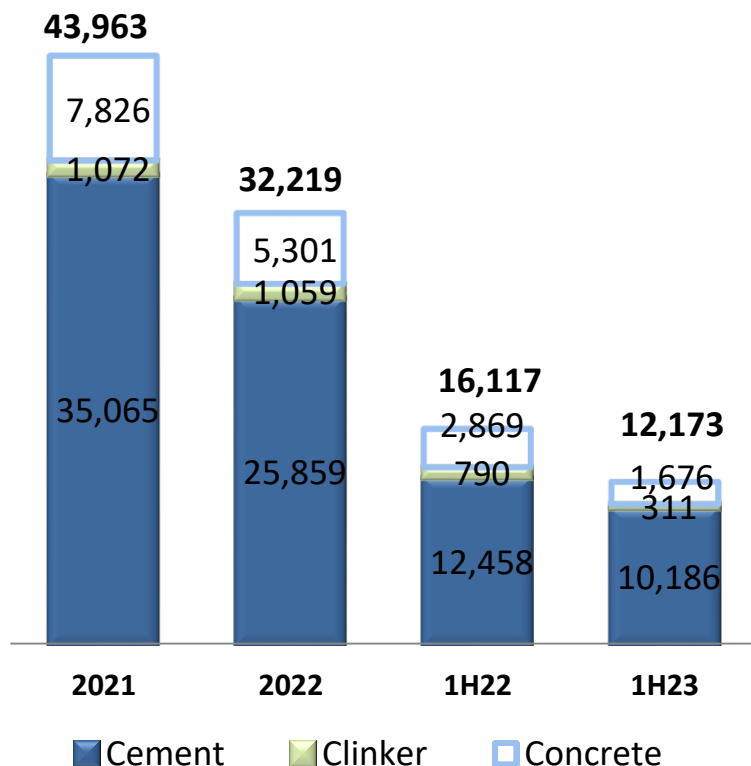
	(HK\$)							
Interim	0.115	0.275	0.260	0.275	0.240	0.120	0.120	0.041
Final	0.155	0.273	0.335	0.340	0.280	0.009		

Turnover



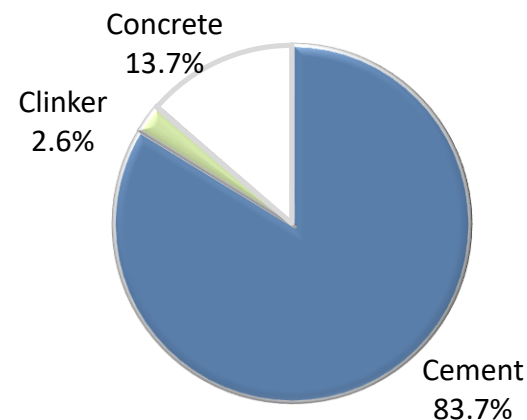
Turnover by Product

(HK\$ million)



	2022 YoY	1H23 YoY
Cement	-26.3%	-18.2%
Clinker	-1.2%	-60.6%
Concrete	-32.3%	-41.6%
Total	-26.7%	-24.5%

1H23

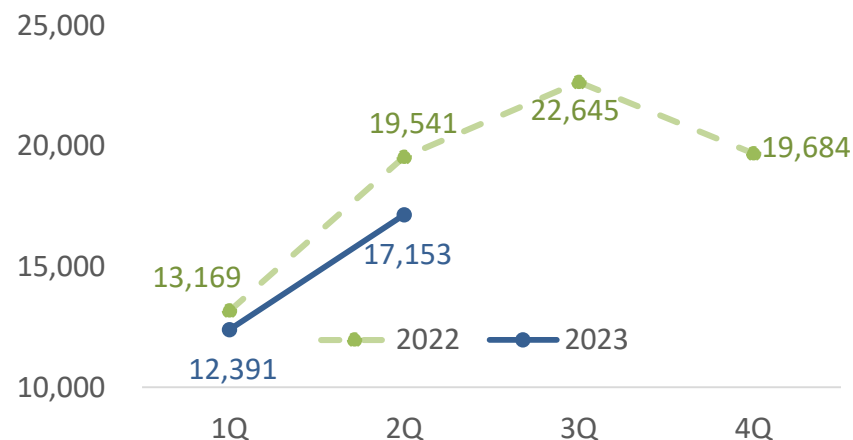
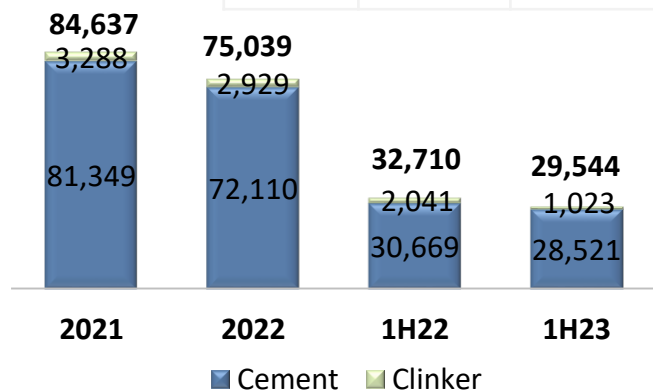


Sales Volume

Cement & Clinker Sales Volume*

('000 tons)

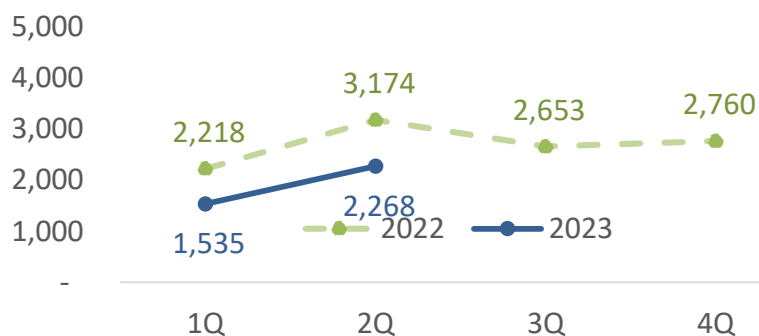
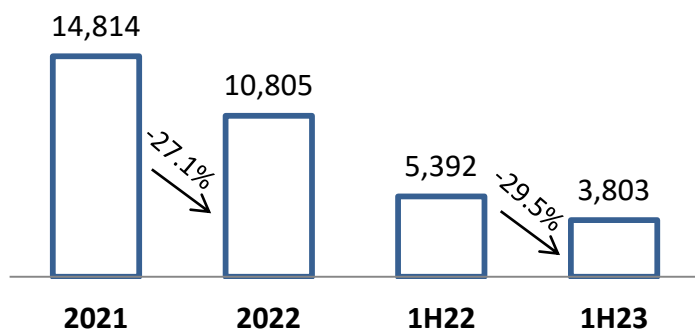
	2022 YoY	1H23 YoY
Cement	-11.4%	-7.0%
Clinker	-10.9%	-49.9%
Total	-11.3%	-9.7%



*Note: Inclusive of sales volume of 1.6 million tons of cement from related parties (1H22: 2.0 million tons).

('000 m³)

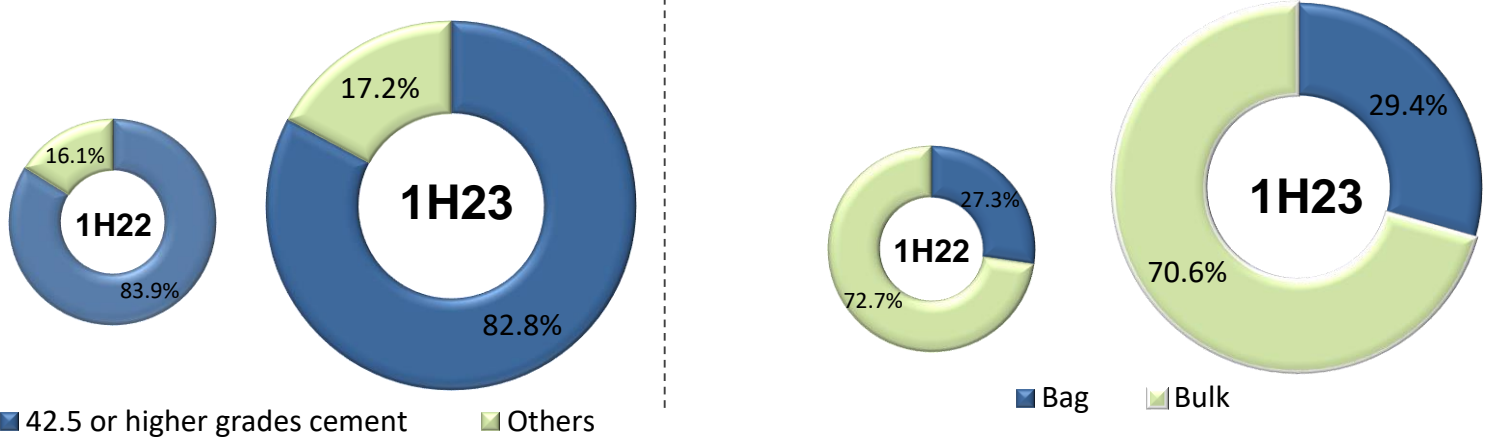
Concrete Sales Volume



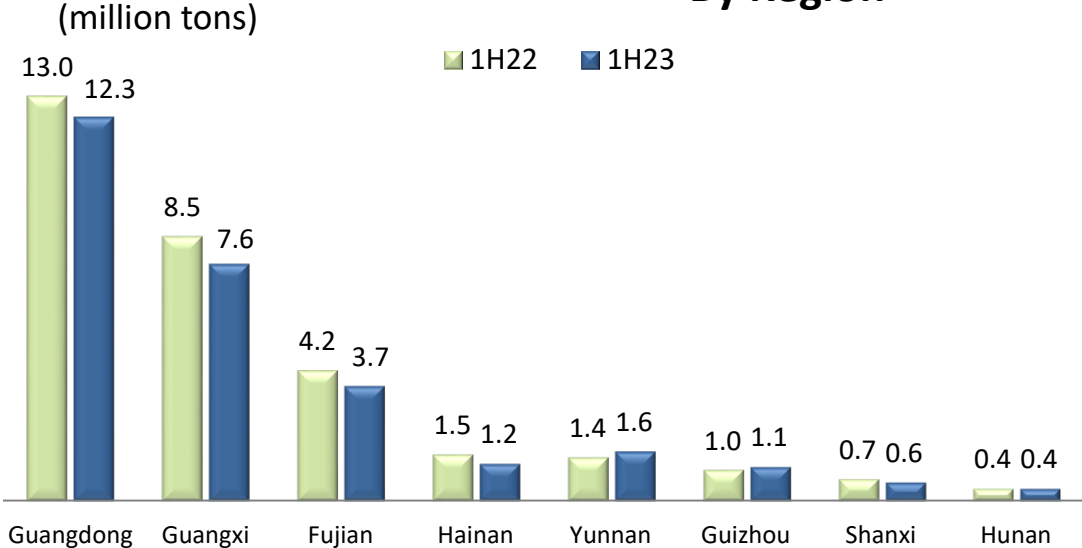
Breakdown of Cement Sales Volume



By Product Type



By Region



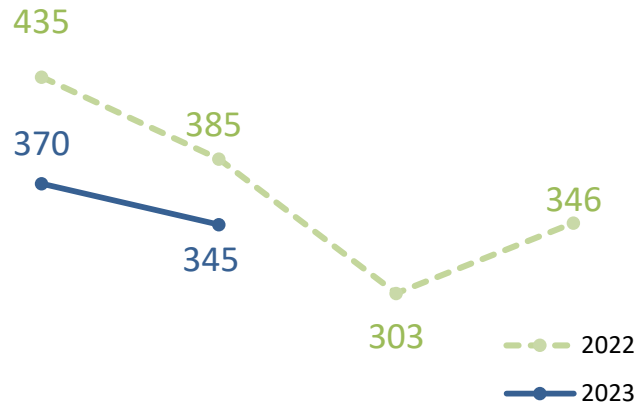
	% of total cement sales volume
Guangdong	43.1%
Guangxi	26.8%
Fujian	13.0%
Hainan	4.2%
Yunnan	5.6%
Guizhou	3.8%
Shanxi	2.1%
Hunan	1.4%
Total	100.0%

Average Selling Price

Cement & Clinker

(HK\$ per ton)

	2022	YoY	1H23	YoY
Cement & Clinker	359	-16.0%	355	-12.3%

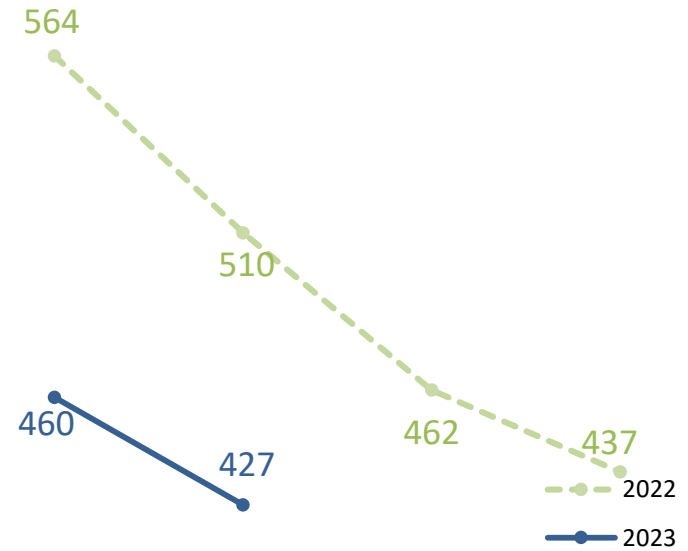


1Q 2Q 3Q 4Q

Concrete

(HK\$ per m³)

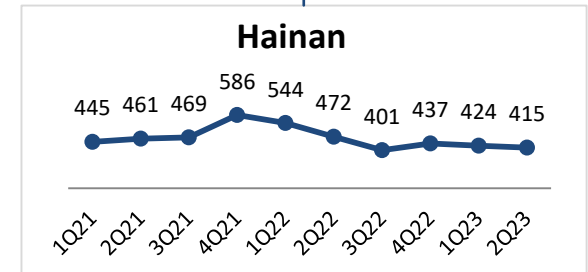
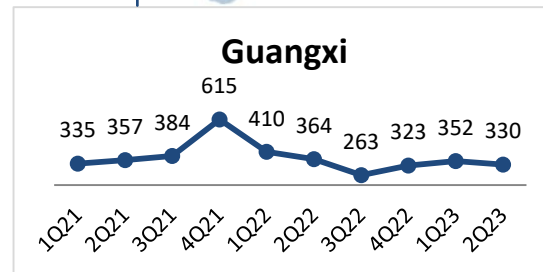
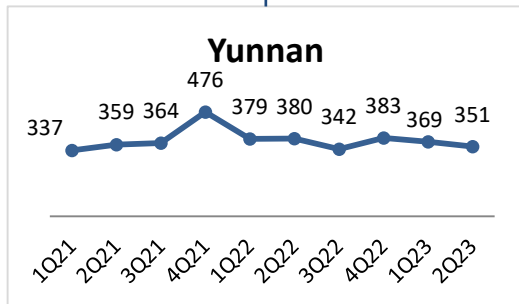
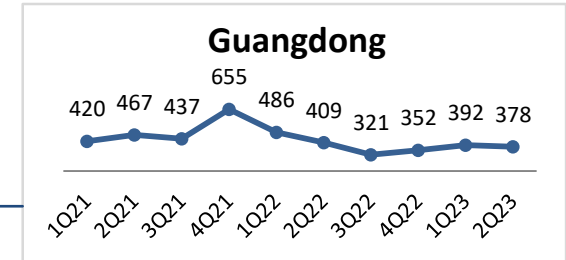
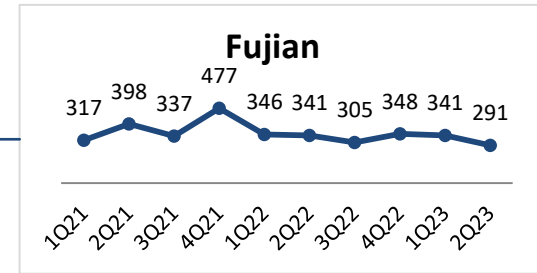
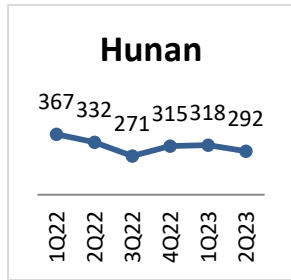
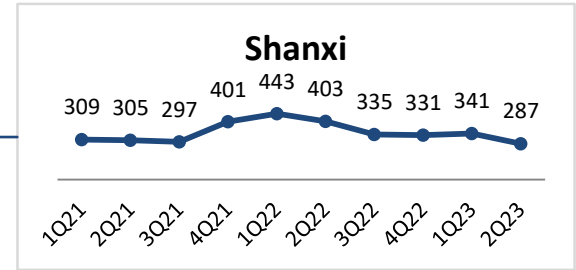
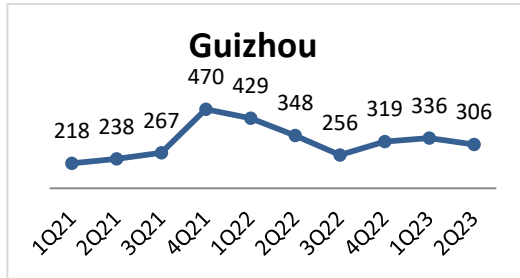
	2022	YoY	1H23	YoY
Concrete	491	-7.1%	441	-17.2%



1Q 2Q 3Q 4Q

Cement Selling Price by Region

(HK\$ per ton)



Cost Structure of Cement Products



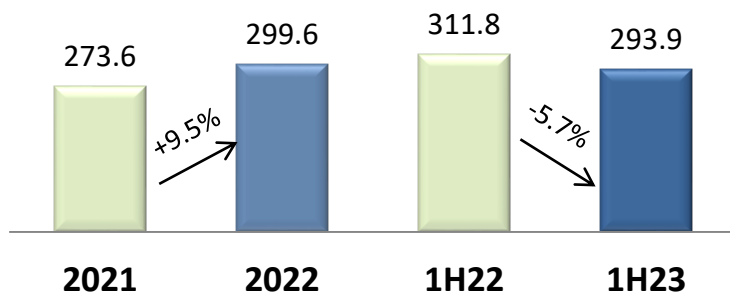
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China Resources Cement Holdings Limited

Cement products refer to cement & clinker

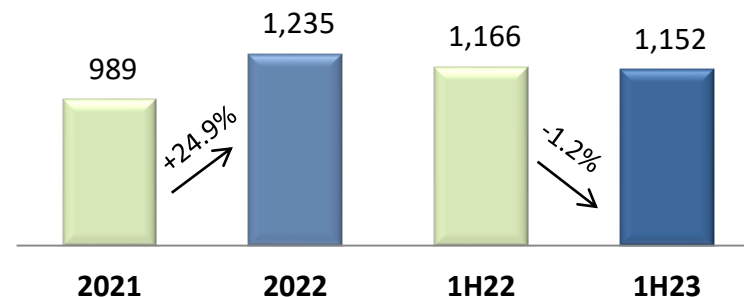
Unit Cost

(HK\$ per ton)



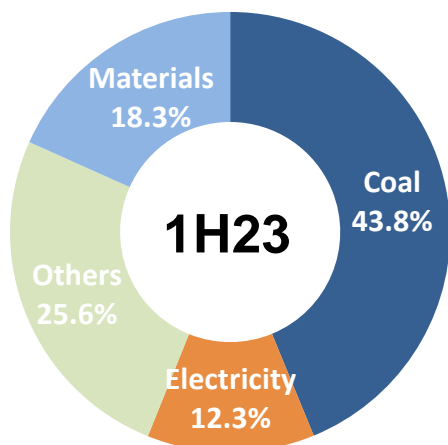
Average Coal Purchase Price

(HK\$ per ton)



Unit Cost Breakdown

18



(HK\$ per ton)	1H22	1H23	YoY
Coal	128.2	128.6	+0.3%
Electricity	36.4	36.2	-0.5%
Materials	68.7	53.8	-21.7%
Others	78.5	75.3	-4.0%
Total	311.8	293.9	-5.7%

Notes:

1. Exclusive of sales from related parties;
2. Others: Staff, transportation, depreciation, repairs and maintenance costs and other indirect costs accounting for 7.1%, 2.8%, 7.8%, 4.2% and 3.7% respectively of total unit cost.

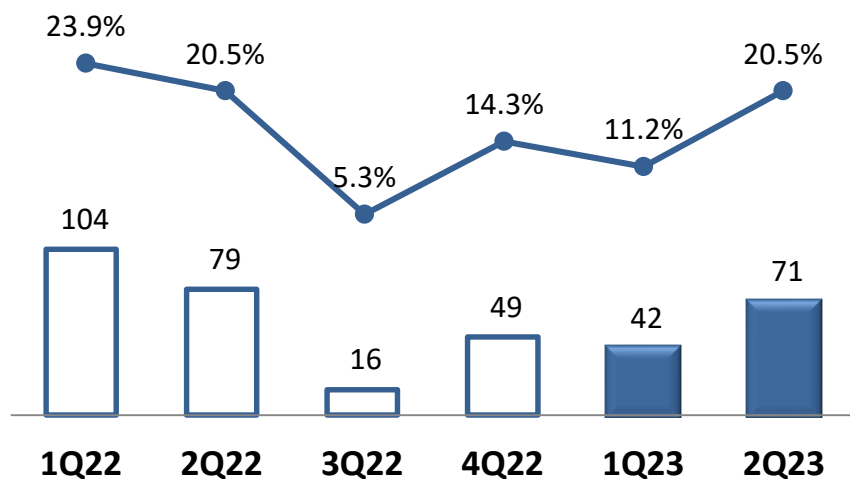
18

Gross Profit & Margin

Cement & Clinker*

(HK\$ per ton)

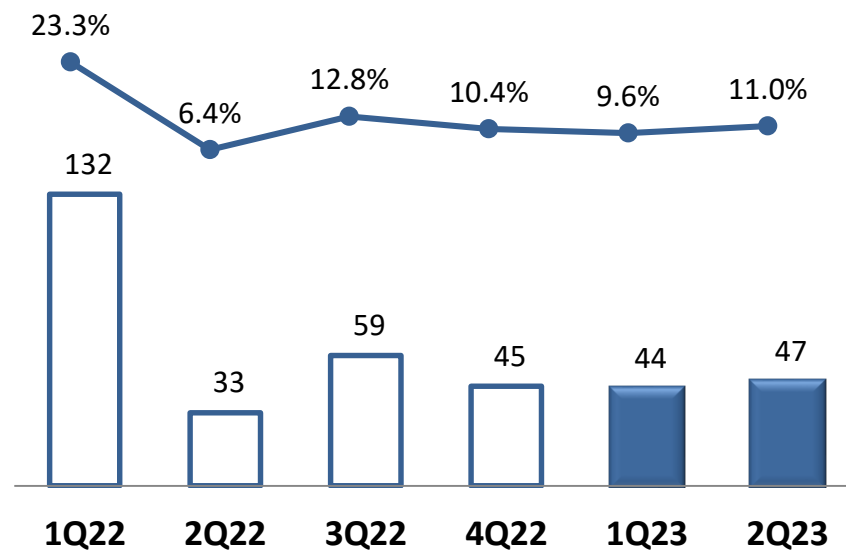
	2022	1H23
Gross Profit	56	58
Gross Margin	15.8%	16.5%



Concrete

(HK\$ per m³)

	2022	1H23
Gross Profit	63	46
Gross Margin	12.8%	10.4%



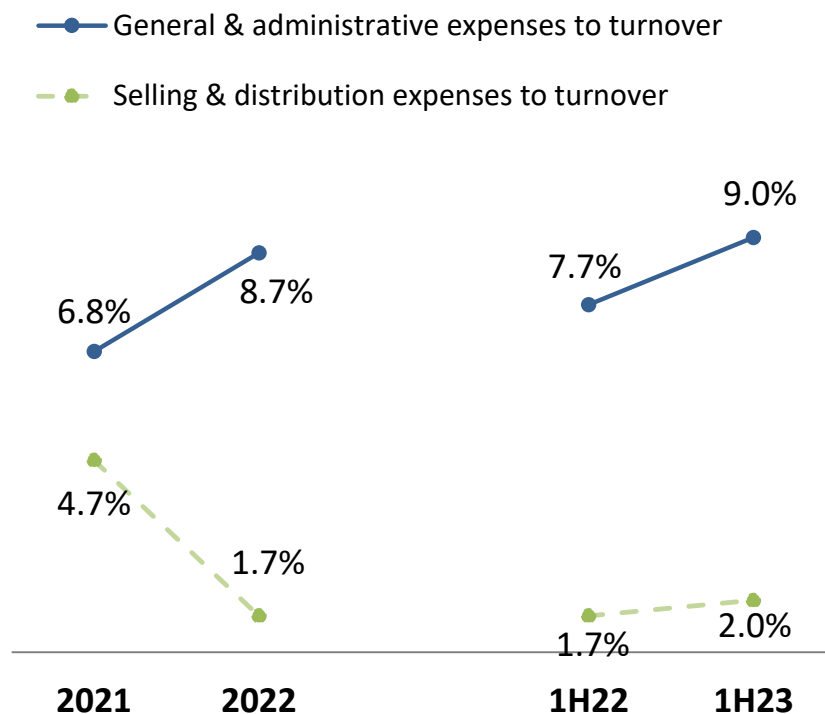
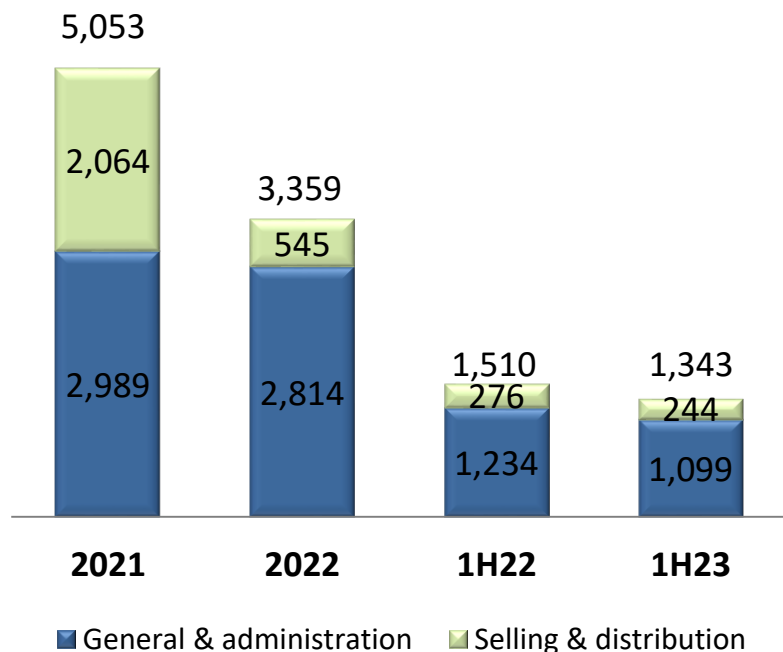
*Note: Inclusive of sales volume of cement from related parties.

Selling, General & Administrative Expenses

(HK\$ million)



	2022 YoY	1H23 YoY
General & administration	-5.8%	-10.9%
Selling & distribution	-73.6%	-11.6%
Total	-33.5%	-11.0%



Finance Costs & Exchange Gain/(Loss)

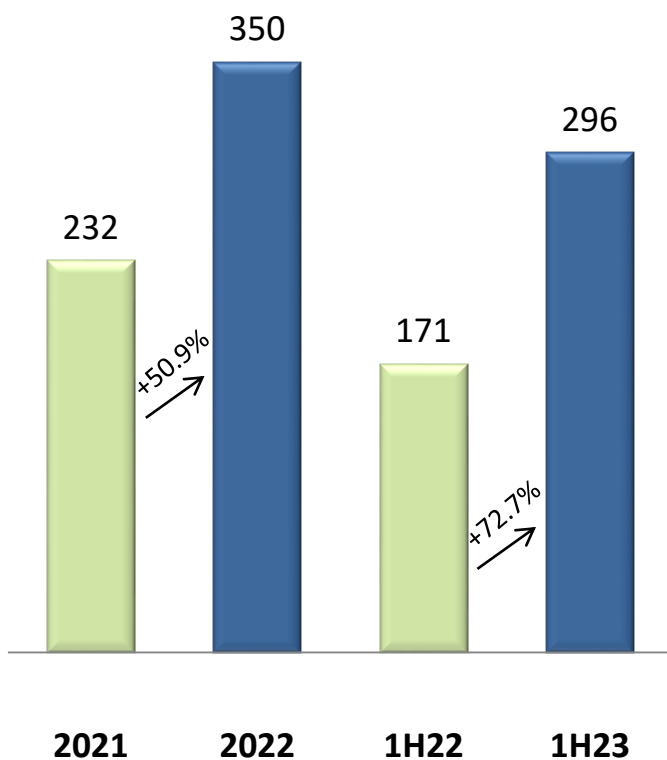


華潤水泥控股有限公司

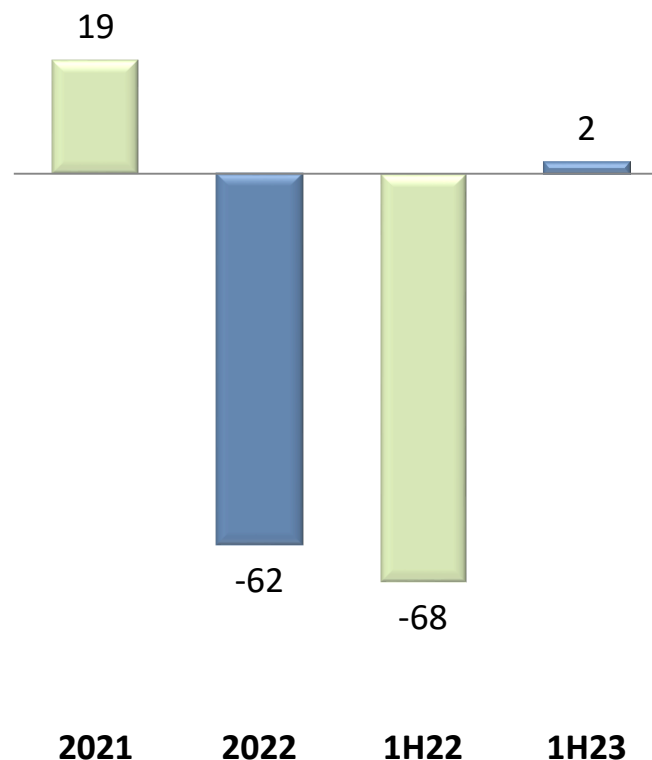
China Resources Cement Holdings Limited

(HK\$ million)

Finance costs



Exchange gain/(loss)



Share of results of Associates & JVs

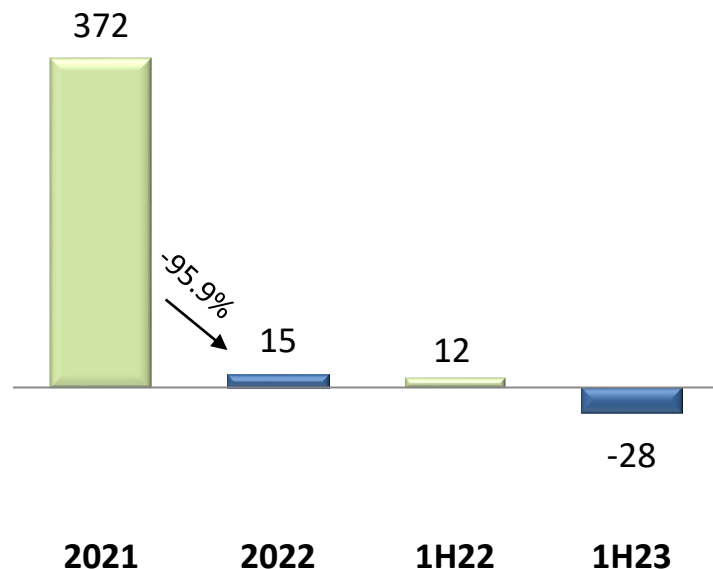


華潤水泥控股有限公司

China Resources Cement Holdings Limited

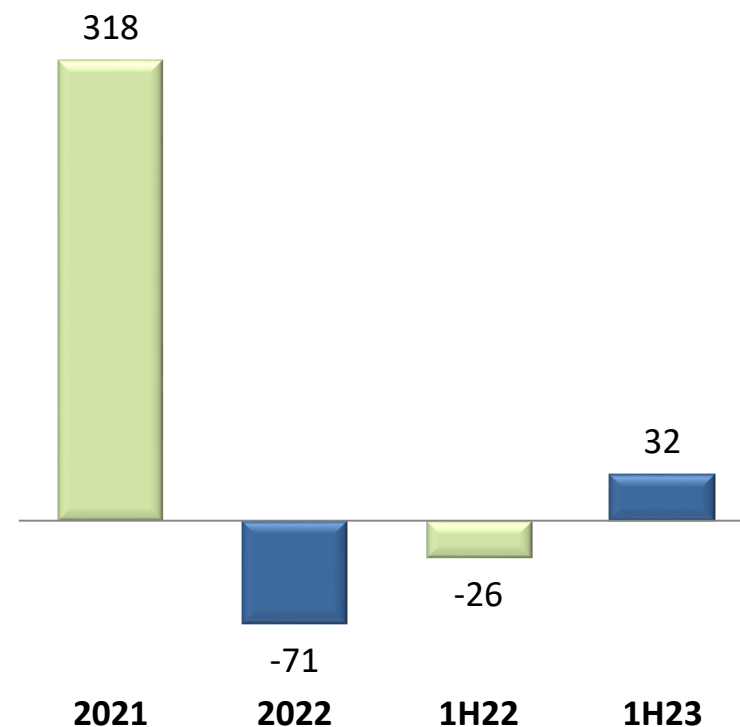
(HK\$ million)

Share of results of associates



HK\$ million	1H22	1H23
Fujian	-11.1	-38.7
Yunnan	-30.9	24.7
Inner Mongolia	72.4	22.4

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.

	1H22	1H23	YoY
Taxation (HK\$ million)	357.7	244.5	-31.7%
Effective tax rate	19.5%	27.7%	+8.2 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

(HK\$ million)	31 Dec 2022	30 Jun 2023	Change
Cash and bank balances	2,181.7	3,343.0	+53.2%
Total assets	80,613.8	81,656.8	+1.3%
Gearing ratio	33.4%	41.2%	+7.8 ppt
Net assets per share (HK\$)	7.05	6.90	-2.1%

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 year/the relevant reporting period.*

Cash Flow

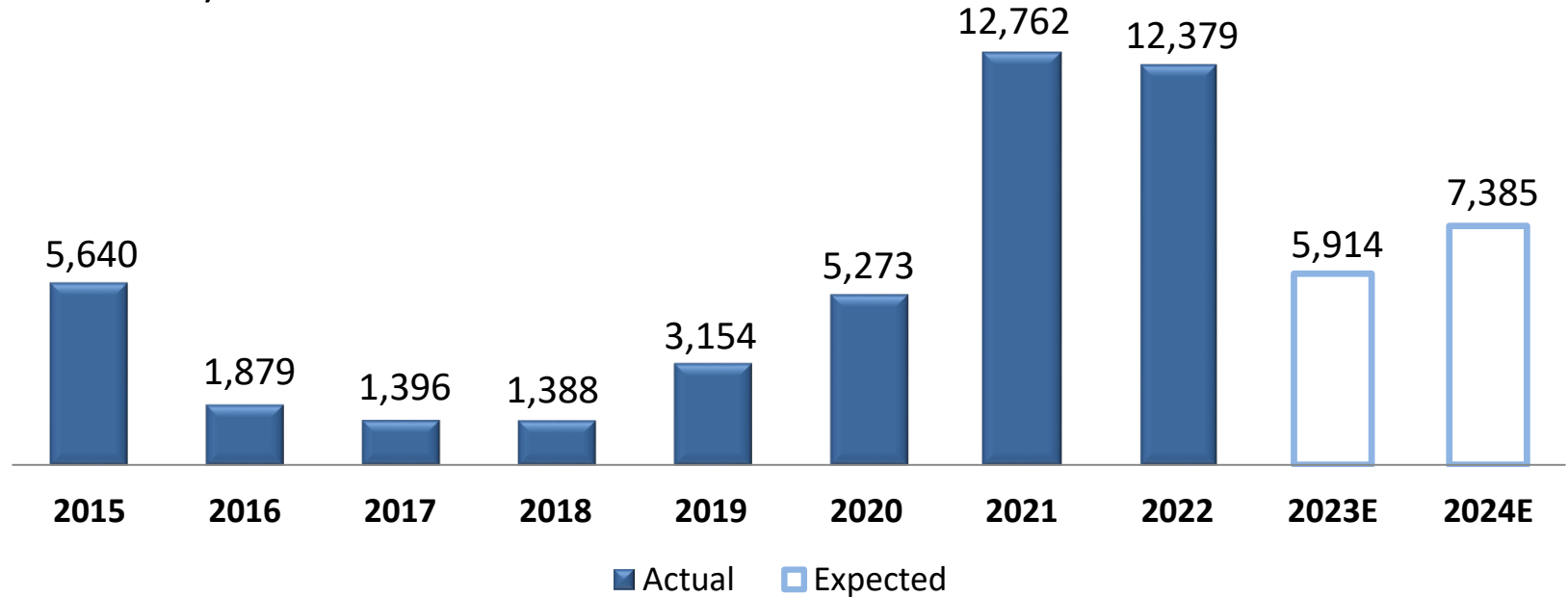
(HK\$ million)	30 Jun 2022	30 Jun 2023	Change
Net cash (used in) generated from operating activities	(312.9)	180.9	N/A
Net cash used in investing activities	(2,690.0)	(2,756.7)	+2.5%
Net cash (used in) generated from financing activities	(261.9)	3,859.0	N/A
Net (decrease) increase in cash and cash equivalents for the period	(3,264.8)	1,283.2	N/A
Cash and cash equivalent at end of the period	3,597.0	3,343.0	-7.1%

- Total payment for capital expenditure of the Group in 1H23 was HK\$2,976 million.
- Expected capital expenditures are approximately HK\$2,938 million and HK\$7,385 million in 2H23 and 2024 respectively.



Capital Expenditure

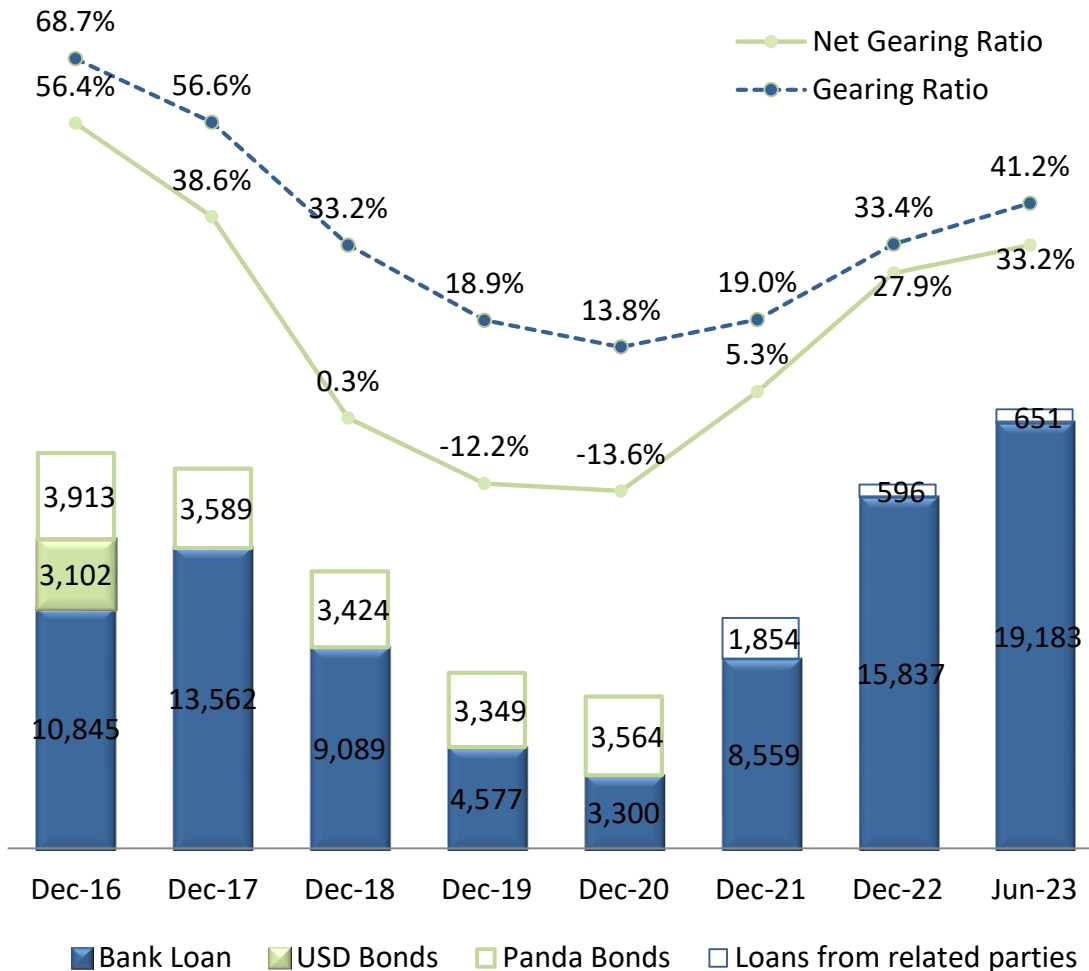
(HK\$ million)



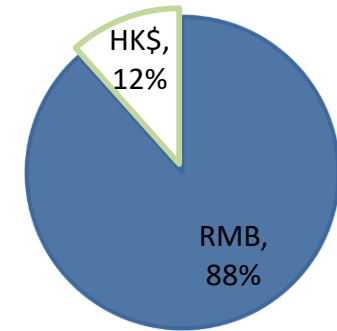
(HK\$ Million)	2019	2020	2021	2022	2023E
Aggregates	182	3,850	6,640	6,445	3,411
Functional Building Materials	907	-	751	1,671	436
Others	112	393	523	441	154
New Business Total	1,201	4,243	7,914	8,557	4,001
% of Total Capex	38%	80%	62%	69%	68%

Debt Structure

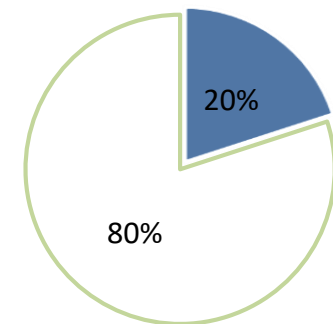
(HK\$ million)



Currency (30 Jun 2023)



Duration (30 Jun 2023)



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

2023 Business Development



- February: Won bid for mining rights of a limestone quarry for cement in Hunan with resource reserve of 36.3 million tons.
- June: Won bid for mining rights of quarry in Guangdong with resource reserve of 30.8 million tons and planned annual production capacity of 2.5 million tons for limestone for cement, as well as resource reserve of 12.0 million tons and planned annual production capacity of 1.3 million tons for aggregates.



- January: Won bid for mining rights of a limestone quarry in Guangxi with resource reserve of 76.0 million tons and planned annual production capacity of 5.0 million tons.
- March: Completed construction and commenced operation of aggregates and concrete project with annual production capacity of 1.0 million m³ of concrete and planned annual production capacity of 2.0 million tons of aggregates in Guizhou.
- June: Commenced operation of aggregates project with planned annual production capacity of 30.0 million tons of aggregates and manufactured sand in Guangdong.
- July: Completed construction and commenced operation of aggregates project of granite for construction with resource reserve of 66.3 million tons and planned annual production capacity of 3.0 million tons of aggregates and manufactured sand in Hainan.



- May: The precast concrete components project at Intelligent Building Jiangmen, Guangdong, formally commenced operation, with annual production capacity of 50,000 m³.



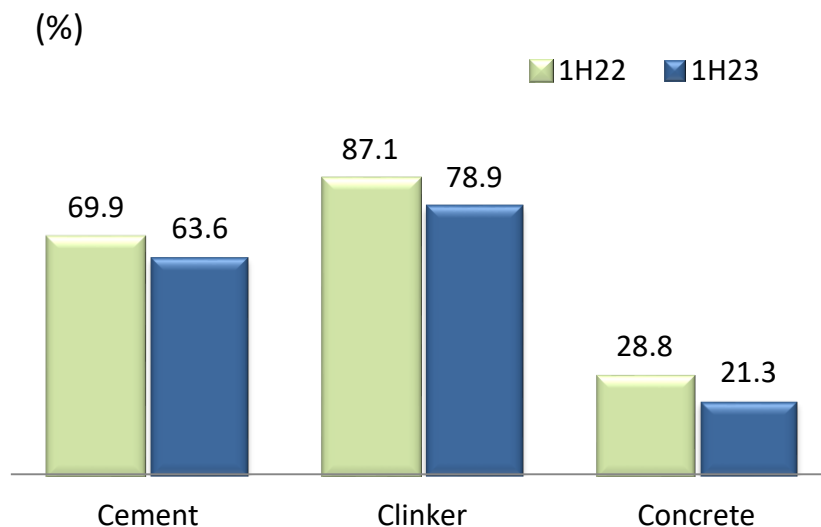
- July: The expansion of inorganic engineered stone production line of Dongguan Universal Classical New Material in Guangdong is expected to officially commence operation with planned annual production capacity of 1.5 million m².

Production Capacity

- As of the end of June 2023, the Group had 101 cement grinding lines, 49 clinker production lines and 63 concrete batching plants with annual production capacity of 90.1 million tons, 63.6 million tons and 38.5 million m³ respectively.
- Annual production capacities attributable to the Company (equity interests in associates and joint ventures) were 22.3 million tons of cement, 12.1 million tons of clinker and 3.9 million m³ of concrete.



Utilization Rate



Operational Review

Production and Operation

Operation Management

- In 1H23, focused on “systematic reshaping and high-quality development”, deepened operational excellence, built “large-scale operations management system”, implemented the action plan for energy saving and carbon reduction, formulated key indicators for assessment measures, benchmarked against the world-class enterprises and industry benchmarks, and strived to promote the high-quality development of the enterprise.

Digitalization and Intelligentization

- Tianyang was selected in the 2022 Intelligent Manufacturing Demonstration Factories.
- Built model for intelligent control of kilns, mills and residual heat power generation at 8 cement production plants.
- “Smart Card” intelligent logistics system had been promoted and launched at 5 concrete batching plants and 2 aggregates production plants.

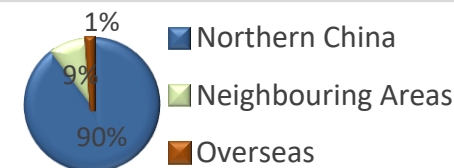
R&D and Innovation

- As of the end of June 2023, had 329 technology talents, 66 specialized in R&D and 68 specialized in intelligentization and digitalization.
- Constructed platform for new materials R&D with Southeast University, China Academy of Space Technology, CR Chemical Materials and CR Land.

Procurement Management

Coal Procurement:

- 4.6 million tons of coal at the end of June 2023
- Proportion of direct procurement: 92%



Logistics Management

Shipping and Silo Capacity:

- Annual shipping capacity along Xijiang River: 38.6 million tons
- 35 silo terminals with annual capacity of approximately 31.9 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”
 - Products: “Wang Pai Gong Jiang” renovation cement, cement for nuclear power stations i.e. Hainan, Portland cement for roads
 - “Runpin” Unified Brand for functional building materials
 - Smart marketing



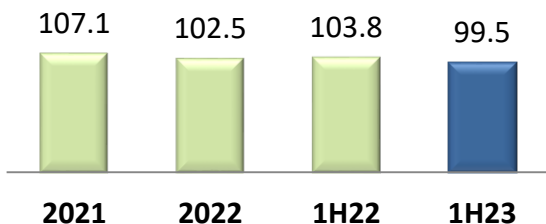
Energy Saving & Emission Reduction

■ Electrical Structure:

- Residual Heat Recovery — 711.3 million kwh of electricity generated (29.9% of total electricity consumption)
- Direct Power Supply — 1,463.2 million kwh of electricity consumed (61.5% of total electricity consumption)

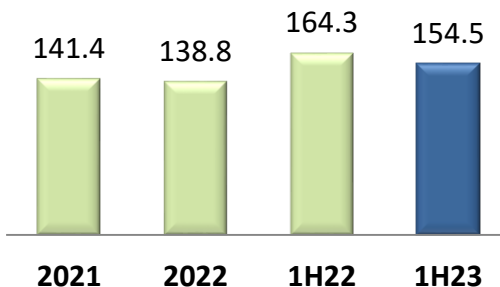
Standard Coal Consumption

(kg per ton of clinker)



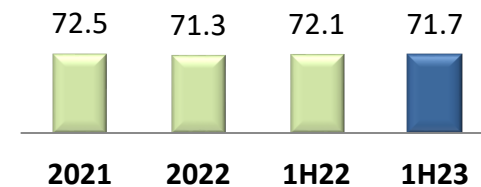
Unit Coal Consumption

(kg per ton of clinker)



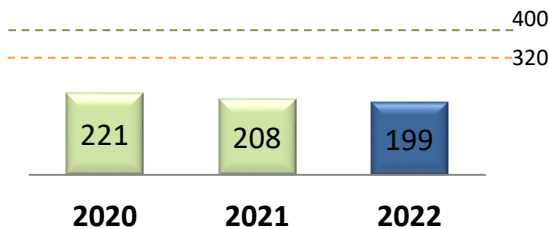
Electricity Consumption

(kwh per ton of cement)



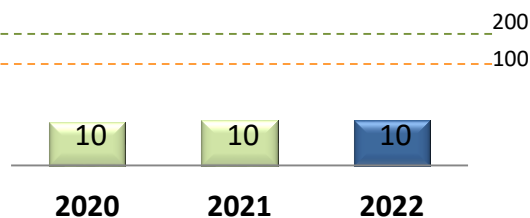
Emission concentration of Nitrogen Oxides

mg/m³



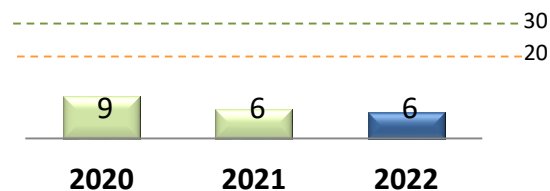
Emission Concentration of Sulphur Dioxide

mg/m³



Emission Concentrations of Particulate Matters

mg/m³



Ordinary Emission Limits -----

Special Emission Limits -----

Green Development

- 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/m³, below 50 mg/m³ and below 10 mg/m³ 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.

Green Factories

- As of end-Dec 2022, 19 production plants were included in the register of national, provincial or autonomous region level “Green Factories”.

Clean Energy

- In 2022, completed photovoltaic projects at Fengkai and Luoding of Guangdong, and Fuchuan of Guangxi with total annual power generation of approx. 28.3 million kWh, reducing 600,000 tons of standard coal per year and reducing 16,400 tons of carbon dioxide emissions per year. Projects in Wuxuan and Tianyang of Guangxi are expected to commence operation in Mar 2023.



Outlook & Prospects



- In 2023, the Chinese economy upholds the general principle of prioritizing stability while pursuing progress, increases macro-economic policy adjustments, reinforces various types of policies, and forms synergy for the joint promotion of high-quality development.
- 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: By 2027, length of railways to reach 170,000 km, including 53,000 km of high-speed railways, 130,000 km of expressways, 270,000 km of ordinary roads, 19,000 km of waterways and 280 civil transport airports.

Real Estate



- “Residential properties are not for speculation”: intensively introduced policies such as provident fund support, home purchase subsidies, optimized purchase restrictions, lower down payment ratios and mortgage interest rates, and optimized supervision on pre-sale funds.

Rural Market



- Rural revitalization: By 2025, rural construction will achieve substantive progress, the living environment in rural areas will continue to improve, positive progress will be made in covering more villages with respect to rural public infrastructure and the level of basic public services in rural areas will steadily increase.

Strategies and Prospects

■ 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

- Focus on “systematic reshaping and high-quality development” and conduct medium term strategic review
- Strengthen research and practice development model of “resources + research and development + industry”
- Follow the “4+1” business portfolio (cement, aggregates, concrete, engineered stone and new materials)
- Optimize resource allocation and investment, increase industry positioning in markets of existing businesses, accelerate intelligent, digital and green transformation and focus transformation of new materials
- Adhere to world-class benchmarking, continue to improve operational efficiency and improve levels of environmental protection, safety, and health management to accelerate the goal of carbon peaking

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

CR Cement's Production Capacity

Controlled by the Group

(As at 30 Jun 2023)

Province/AR/SAR	Cement		Clinker		Concrete	
	No. of lines	million tons	No. of lines	million tons	No. of plants	million m ³
Guangdong	32	27.7	12	15.5	21	13.3
Guangxi	35	34.8	19	28.0	28	17.6
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	2.9	1	1.0
Shanxi	2	2.0	1	1.5	1	0.6
Hunan	2	2.0	2	1.5	-	-
Zhejiang	-	-	-	-	2	1.1
Hong Kong	-	-	-	-	4	1.6
Total	101	90.1	49	63.6	63	38.5

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 ³
Guangdong	6	7.3	2	3.7	-	-
Fujian	16	16.2	7	9.6	8	4.8
Yunnan	31	23.9	16	16.7	3	1.2
Inner Mongolia	21	17.3	5	7.0	4	1.2
Hong Kong	-	-	-	-	5	1.3
Total	74	64.7	30	37.0	20	8.5
Attributable	-	22.3	-	12.1	-	3.9

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.

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:** As of 30 June 2023, the Group's annual aggregates production capacity through subsidiaries was approx. **83.4** million tons, and the attributable capacity through associate in Yunnan was approx. **3.1** million tons. In addition to the newly obtained aggregate projects, the annual aggregates production capacity through subsidiaries is expected to reach approx. **146.4** million tons, and the attributable capacity controlled by associates & JVs will reach approx. **13.6** million tons.

Aggregate Quarry



Aggregate Mine in Fengkai,
Guangdong

Aggregate Production Line



Aggregate Production Line in Nanning,
Guangxi

Aggregate Products



Manufactured Gravel



Coarse Aggregate

Prefabricated Construction

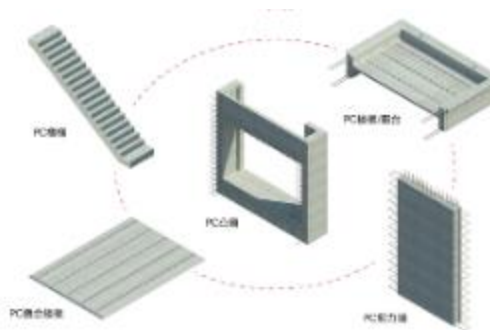
- **Prefabricated construction** components are produced in factories for prefabricated buildings, and transported to the construction site and assembled onsite. The products generally are floor slabs, walls, stairs and balconies etc.
- **Advantages** include: Improve project quality and construction 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 July 2022, the government issued the “Notice on Issuing the Implementation Plan for Carbon Peaking in Urban and Rural Construction”, which proposed to vigorously develop prefabricated construction such that by 2030 prefabricated construction for the year would account for 40% of new buildings in cities and towns.

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

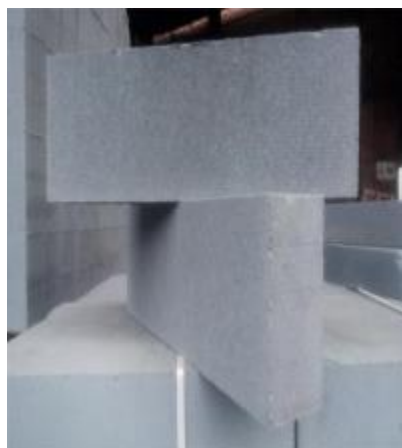
ALC Products

- **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



■ Engineered Stone

- Universal Classical owns capacity of engineered stones of **600,000 m²** and expanded another **1.5 million m²** in Guangdong which commenced production in Jul 2023.
- CR Cement building two lines with capacity of **3 million m²** in Guangxi.
- In Mar 2022, acquired 75% of Borrego New Material, with capacity of **6.0 million m²** of engineered stones in Guangdong.
- In Jul 2022, acquired 67% of each of Runhe New Material, Runhe (Lanling) New Material and Runhe (Feixian) New Material with capacity of **15.0 million m²** in Shandong.
- In Jul 2022, acquired 85% of Hezhou Xubao Mining Investments with capacity of **1.14 million m³**, 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.



Tile Adhesive Production Line in Fengkai, Guangdong

■ 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.

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

(HK\$ million)	2022	2021	2020	2019	2018	2017	2016	2015	2014
Turnover	32,219	43,963	40,087	38,956	38,791	29,958	25,648	26,779	32,669
EBITDA	5,228	12,367	13,606	14,040	13,730	7,433	4,882	3,838	8,285
Profit attributable to owners of the Company	1,936	7,767	8,960	8,618	7,975	3,617	1,326	1,015	4,206
Basic earnings per share (HK\$)	0.277	1.112	1.283	1.234	1.179	0.554	0.203	0.155	0.644
Total Assets	80,614	79,149	68,532	61,171	60,506	56,527	52,157	54,217	57,537
Equity attributable to owners of the Company	49,233	54,856	49,627	41,980	37,691	30,309	26,007	26,557	28,180
Net assets per share (HK\$)	7.05	7.86	7.11	6.01	5.40	4.64	3.98	4.07	4.31

(HK\$ million)	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net cash generated from operating activities	3,170	6,034	10,268	11,285	11,331	6,613	4,112	4,834	6,859
Net cash used in investing activities	(10,336)	(11,730)	(5,004)	(2,618)	(1,075)	(1,888)	(1,671)	(4,642)	(4,557)
Net cash generated from (used in) in financing activities	2,696	(755)	(5,688)	(7,837)	(2,803)	(2,792)	(1,035)	(2,245)	(972)
Cash and cash equivalent at end of the year	2,182	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 2023 Interim Report	7 September 2023
Ex-dividend Date for 2023 Interim Dividend	September 2023*
3Q23 Results Announcement	October 2023*
2023 Interim Dividend Distribution	October 2023*

*Tentative dates



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