

For Immediate Release

21 March, 2022



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)

China Resources Cement Holdings Limited

(Stock Code: 1313)

TURNOVER INCREASED BY 9.7% TO HK\$44.0 BILLION IN 2021
ANNUAL DIVIDEND PER SHARE OF HK\$0.520 DIVIDEND PAYOUT RATIO 46.7%

Financial Highlights

	For the year ended 31 December		
	2021	2020	Change
Turnover (HK\$ million)	43,962.7	40,086.9	+9.7%
Profit Attributable to Owners of the Company (HK\$ million)	7,767.4	8,959.9	-13.3%
Net Margin (%)	17.6	22.5	-4.9 ppt
Basic Earnings per Share (HK\$)	1.112	1.283	-13.3%
Net Assets per Share (HK\$)	7.86	7.11	+10.5%

(Hong Kong, 21 March 2022) – China Resources Cement Holdings Limited (“China Resources Cement” or the “Company”, SEHK stock code: 1313, and together with its subsidiaries, the “Group”) announced its annual results for the year ended 31 December 2021 (the “year”) on 18th March.

During the year, the Company’s consolidated turnover amounted to HK\$44.0 billion, representing an increase of 9.7% over last year. Profit attributable to owners of the Company amounted to HK\$7.8 billion, representing a decrease of 13.3% over last year. Basic earnings per share reached HK\$1.112. As at 31 December 2021, the total assets of the Group were HK\$79.1 billion and the net assets per share was HK\$7.86.

During the year, the Group’s external sales volume of cement, clinker and concrete reached approximately 81.3 million tons, 3.3 million tons, and 14.8 million m³. The utilization rates of cement, clinker and concrete production lines were 93.6%, 100.6% and 40.9%. The average selling price of cement and clinker was HK\$427 per ton, representing an increase of 15.7% over last year. The average selling price of concrete was HK\$528 per m³, representing an increase of 7.9% over last year. The consolidated gross margin of the Company was 32.1%. Net margin was 17.6%, which was 4.9 percentage points lower as compared to last year.

Chinese Economy Continued to Recover, Industry Policies Support High-Quality Development

In 2021, in the face of multiple challenges such as the complex and difficult international environment and domestic COVID-19 epidemic, the Chinese economy continued to recover and grow, and achieved a promising beginning to the "Fourteenth Five-Year". In 2021, the gross domestic product of China grew by 8.1% year-on-year to RMB114.4 trillion, and national fixed asset investments (excluding rural households) increased by 4.9% year-on-year to RMB54.5 trillion. In 2021, the total cement production in China amounted to approximately 2,360.0 million tons, representing a year-on-year decrease of 1.2%.

Regarding policies for the industry, the Chinese government had issued a series of policies and measures to actively promote energy saving, carbon emissions reduction and pollution reduction, improve and tighten capacity replacement policies, promote regular off-peak production and advance the rationalization of industrial structure so as to lay a foundation for achieving the targets of carbon emissions peaking and

carbon neutrality, which will propel the comprehensive green transformation of economic and social development. In addition, the Chinese government attaches great importance to production safety and occupational health and fosters the high-quality and sustainable development of the building materials industry.

Promote Excellent Operational Management, Dedicate to Digital Transformation

In 2021, in response to the national "dual carbon" targets and the "dual control" of energy consumption policy, the Group earnestly and thoroughly implemented the management theme of "seeking development, enhancing quality, and transforming innovation", and actively promoted the technological upgrade and low-carbon transformation of production lines, strengthened the application of equipment for energy saving and consumption reduction, promoted the digital and intelligent transformation of production plants, continued to promote excellent operational management, and maintained high-quality operational management under these new circumstances.

In 2021, the Group purchased a total of approximately 9.5 million tons of coal and the proportion of direct procurement from coal producers was approximately 82%. In addition, China Resources Cement had an annual shipping capacity of approximately 36.9 million tons along the Xijiang River, controlled the operations of 35 silo terminals with annual capacity of approximately 28.3 million tons. This consolidates the Group's leading market position in Southern China.

The Group continued to intensify the marketing promotion of products such as "Wang Pai Gong Jiang" renovation cement, cement for nuclear power stations and Portland cement for roads. In addition, the Group continued to deepen brand building for end users by opening two brand flagship stores in Yunnan and Guangdong in October and December respectively. In terms of new brands and new products, during the year, the Group specified "Runpin" as the unified product brand for functional building materials and the Group's "Runpin" tile adhesive was officially launched to the market.

The Group continued to promote the construction of digitalization and intelligentization. In terms of intelligent factories, the Group cooperated with Siemens Ltd., China in the intelligent manufacturing pilot project at the production plant in Tianyang. On the one hand, we expanded the scope and application of online monitoring and implemented intelligent video projects. On the other hand, we implemented projects such as digital mines and intelligent laboratories to enhance production and operation efficiency and reduce equipment failure rates. In addition, the "lighthouse factory" project under construction by the Group in Fengkai was officially rolled out in mid-July, and has now entered the full implementation phase. In terms of smart marketing, in 2021, the digital transformation project of China Resources Cement's marketing model has been fully launched in Guangdong and Guangxi. The Group also rolled out the promotion of e-commerce platform in other regions.

Formulate Plans for Energy Saving and Carbon Emissions Reduction, Fulfil Corporate Social Responsibility

The Group actively responded to national policies and formulated action plans for energy saving and carbon emissions reduction, mainly by increasing grinding aids of raw materials and coal-saving agents, implementing alternative fuels, promoting upgrade of the firing system and the application of new technologies and new equipment, in order to achieve reduction in energy consumption levels. It is targeted that by 2025, the production capacity with comprehensive energy consumption per unit product that meets the benchmark level shall exceed 30%.

The Group will 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 (107.6 kg, 55.1 kwh and 31.2 kwh).

The Group attached great importance to the control of carbon emissions. In 2021, the "Strategic Plan for Control of Carbon Emissions" had been formulated in light of our own actual circumstances and development strategies, which will enhance the management capabilities and standards for controlling carbon emissions, and promote the green, low-carbon and sustainable corporate development. The Group targets for peaking its total carbon dioxide emissions by 2025 and reducing carbon dioxide emissions per

ton of clinker by 2% compared to 2020, and strives to achieve carbon neutrality in our industry chain by 2060.

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 2021, the Group had 10 co-processing projects in total, with annual processing capacity of approximately 1.71 million tons.

Actively Seize Development Opportunities, Accelerate New Business Development

In response to the Group's "Fourteenth Five-Year" strategic development plan, during the year, the Group reorganized the business into four business segments: basic building materials, structural building materials, functional building materials and new materials. The basic building materials business mainly includes cement and aggregates. The structural building materials business mainly includes concrete and prefabricated construction. The functional building materials business mainly includes engineered stone, tile adhesive and white cement. The new materials business currently mainly explores the development opportunities of new materials such as calcium-based, silicon-based and basalt materials.

Regarding the cement business, during the year, the Group started construction of the second clinker production line and two cement grinding lines at the cement production plant in Wuxuan, Guangxi, with total annual production capacities of approximately 2.4 million tons of cement and approximately 1.4 million tons of clinker respectively. The Group acquired 51% equity interests of Hunan Liangtian Cement Co., Ltd. in January 2022 to enter into the market in Chenzhou, Hunan. In March 2022, the Group sold 72% equity interests and loans of Shanxi China Resources Fulong Cement Limited to Tangshan Jidong Cement Co., Ltd., which had enabled the exit of the northern market in an orderly manner.

In terms of aggregates business, since 2021, the Group has continued to actively strive for high-quality aggregates mine resources. The Group obtained a total of 11 new mine resources in Deqing of Guangdong, Wuxuan, Nanning, Hengzhou and Shangsi of Guangxi, Nanping of Fujian, Tunchang of Hainan, Qijiang of Chongqing, and Luonan and Tongchuan of Shaanxi through bidding, acquisitions and equity participation. Upon completion of construction of all projects, the annual production capacity of aggregates controlled by the Group through its subsidiaries is expected to reach 84.9 million tons and the annual production capacity of aggregates attributable to the Group according to our equity interests of associates and joint ventures will reach approximately 16.4 million tons.

In terms of prefabricated construction business, in August 2021, the Group acquired Ding'an Runfeng Intelligent Building Co., Ltd. In September, Phase 1 production line of precast concrete components of the Zhanjiang Runyang project in Guangdong officially commenced production and the Phase 1 production line of precast concrete components of the Nanning Wuhe project in Guangxi commenced trial production. In December, the Baise Runhe project in Guangxi commenced construction. The project plans for initial construction of a dry-mixed mortar production line with annual production capacity of 300,000 tons, and further construction of production line of precast concrete components according to market conditions. As of the end of 2021, the Group had a total of 7 projects of precast concrete components. Following the completion of construction, the design annual production capacity of precast concrete components is expected to reach approximately 1.6 million m³. In addition, the Group actively expanded new products of the prefabricated construction business. We plan to build four production lines for autoclaved aerated lightweight concrete blocks and panels in Fengkai, Guangdong. Each production line has design annual production capacities of approximately 200,000 m³ of panels and approximately 100,000 m³ of blocks. Two production lines will initially be constructed in phase 1 of the Fengkai project. It is planned to commence construction in the first half of 2022, and trial production is expected to commence in the first half of 2023.

In terms of functional building materials business, in January 2021, the Group acquired approximately 58.8% equity interests of DongGuan Universal Classical Material Ltd. ("Universal Classical"), which increased our shareholding of Universal Classical to approximately 75.3%. Universal Classical owned one production line of inorganic engineered stones with planned annual production capacity of approximately 600,000 m² in Dongguan, Guangdong, and is expanding one production line of inorganic engineered stones with planned annual production capacity of approximately 1.5 million m². In addition, the Group is building

two production lines of inorganic engineered stones in Laibin, Guangxi with total planned annual production capacities of approximately 3.0 million m². The above projects are expected to commence operation in mid-2022. Besides, in March 2022, the Group acquired 75% equity interests of Guangdong Borrego New Material Technology Co., Ltd. The company has four production lines of engineered stones in operation in Lianzhou, Guangdong, with total planned annual production capacities of approximately 6.0 million m². In October 2021, the Group commenced operation of two fully-automated tile adhesive production lines with total planned annual production capacities of approximately 400,000 tons in Fengkai, Guangdong. The Group also invested in 70% equity interests of Deqing Yingqi Building Materials Co., Ltd. The company owns one production line for white cement in operation with annual production capacity of approximately 400,000 tons in Deqing, Guangdong.

Mr. Ji Youhong, CEO of China Resources Cement said, during the "Fourteenth Five-Year" period, in order to achieve the goal of "Building Another China Resources Cement", the Group will grasp the new development stage, thoroughly implement the new development philosophy, and build a new development paradigm. We will continue to reinforce the three core strengths of "leading market position in the region, innovation-driven development, lowest total costs". We will strengthen, optimize and expand the basic building materials and functional building materials businesses, steadily develop the structural building materials business, and incubate and cultivate the new materials business. The Group will continue to optimize the industrial chain layout, expand strategic regions, benchmark against international first-class standards, accelerate digital and intelligent transformation, and increase investment in innovation, research and development to inject lasting momentum into the high-quality corporate development. We will continuously improve operational efficiency and quality, enhance management standards of environmental protection, safety and health, and actively promote carbon emissions peaking and carbon neutrality. In order to consolidate market competitiveness, we will deepen brand marketing and the construction of sales channels. In addition, the Group will proactively seize the regional development opportunities in China including the Greater Bay Area, accelerate the pace of transformation and innovation, and fulfil corporate social responsibility to advance the green and 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	14.1
Guangxi	37	33.2	18	26.5	28	16.7
Fujian	14	10.1	6	7.0	-	-
Hainan	5	4.4	3	3.3	5	2.7
Yunnan	7	5.1	4	3.9	1	0.6
Guizhou	4	4.0	2	3.0	-	-
Shanxi	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	62	37.3

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 2021, 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 62 concrete batching plants with annual production capacity of 37.3 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 22.4 million tons of cement, 12.1 million tons of clinker and 4.5 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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