



# 華潤水泥控股有限公司

**China Resources Cement Holdings Limited**

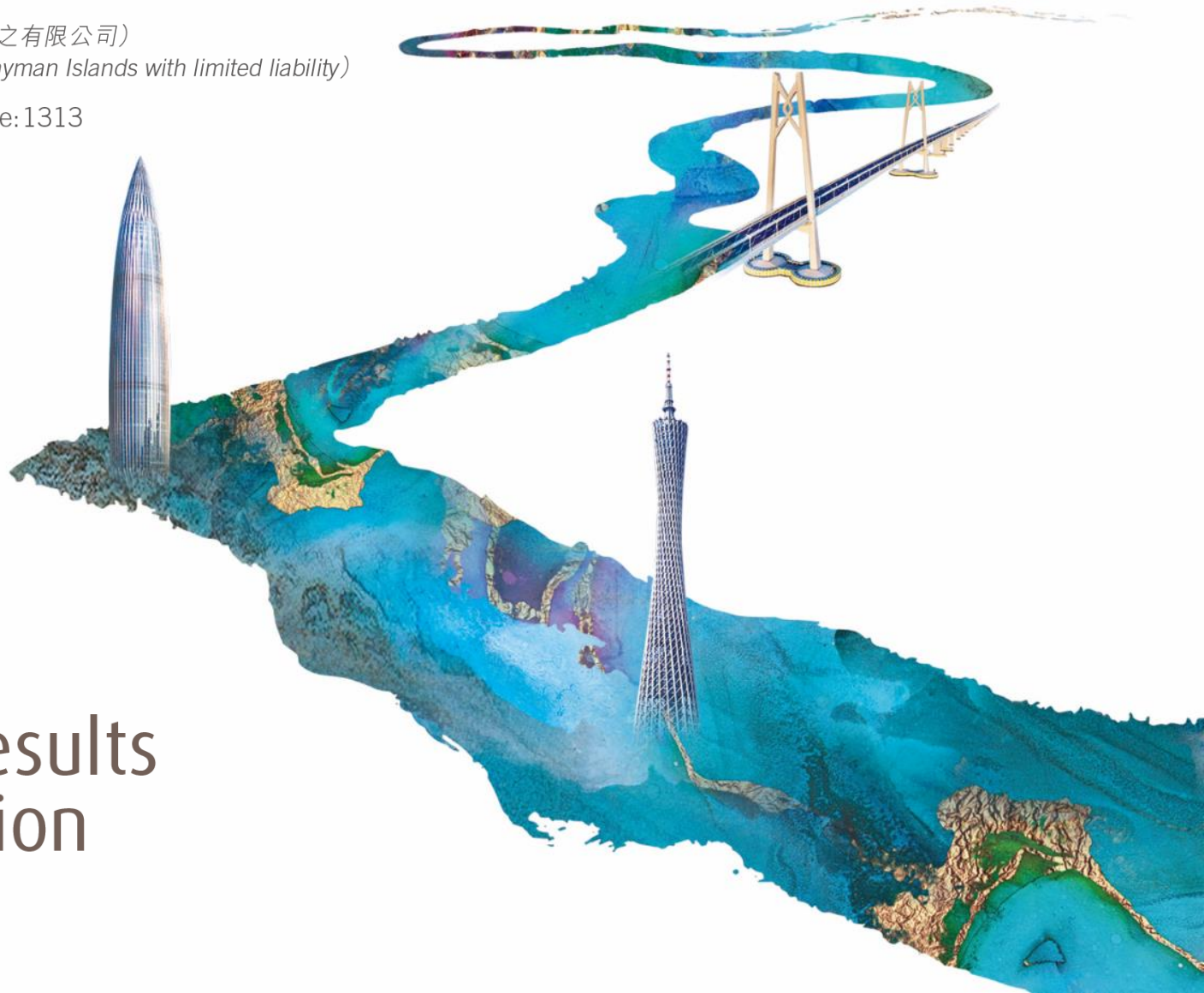
(於開曼群島註冊成立之有限公司)

(incorporated in the Cayman Islands with limited liability)

股份代號 Stock Code: 1313

## 2020

## Annual Results Presentation









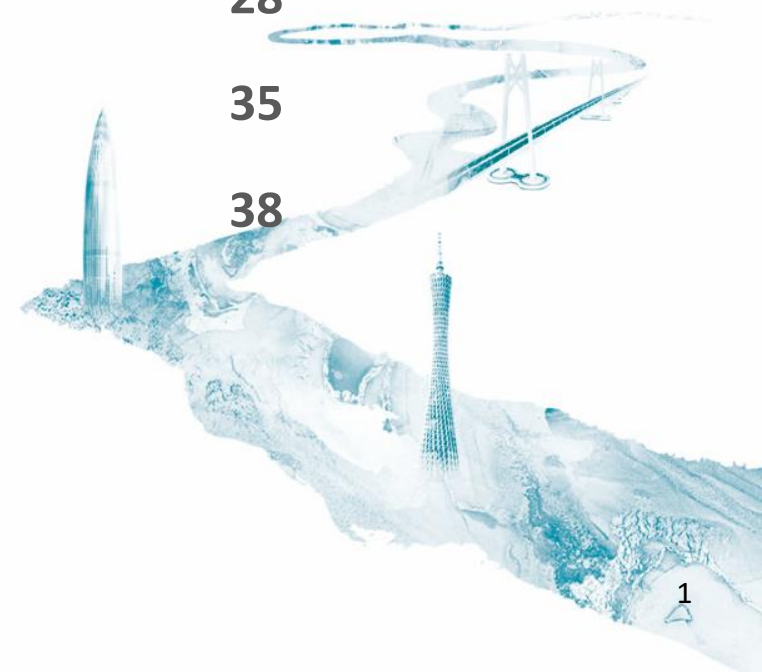
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華潤水泥控股有限公司

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, Lowest total cost & Innovation-driven development
- ◆ **Vertical Integration:** Aggregates, New Materials, Prefabricated Construction



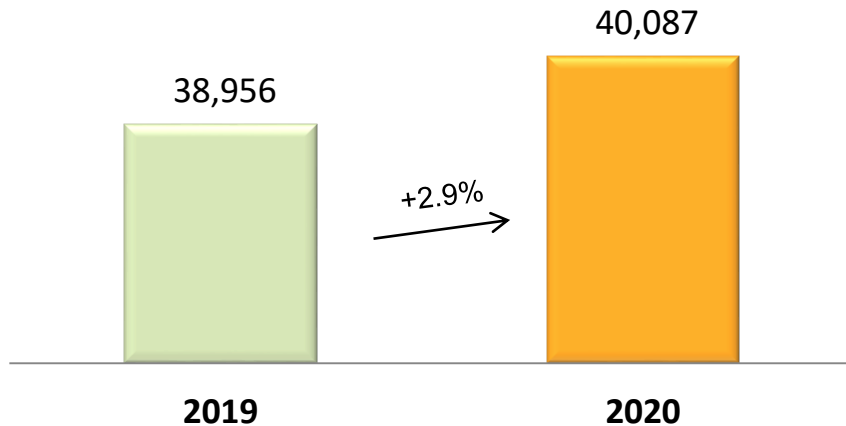
# Financial Performance



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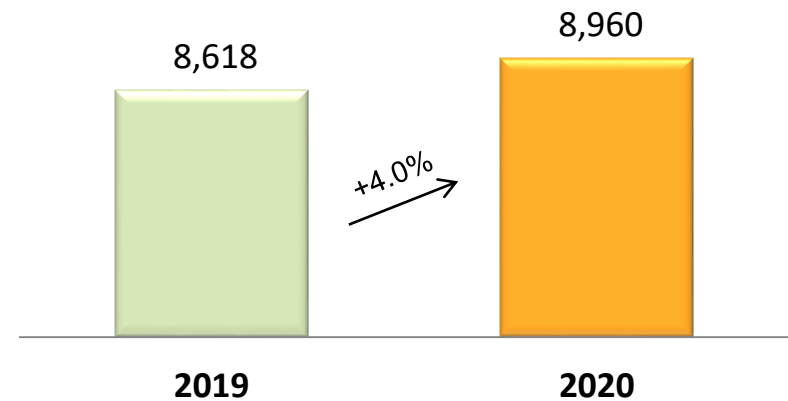
## Turnover

(HK\$ million)



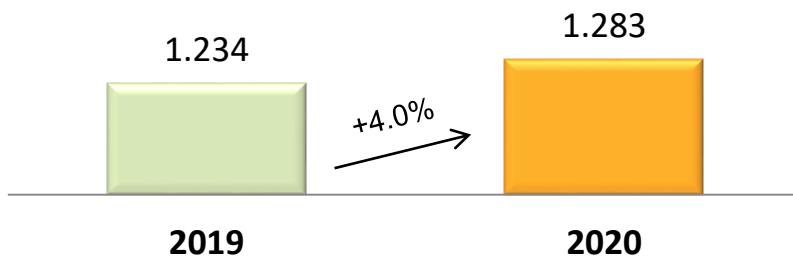
## Profit attributable to owners of the Company

(HK\$ million)



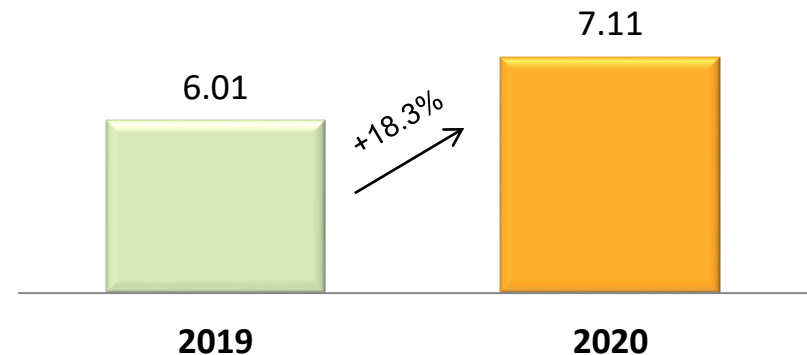
## Earnings per share

(HK\$)



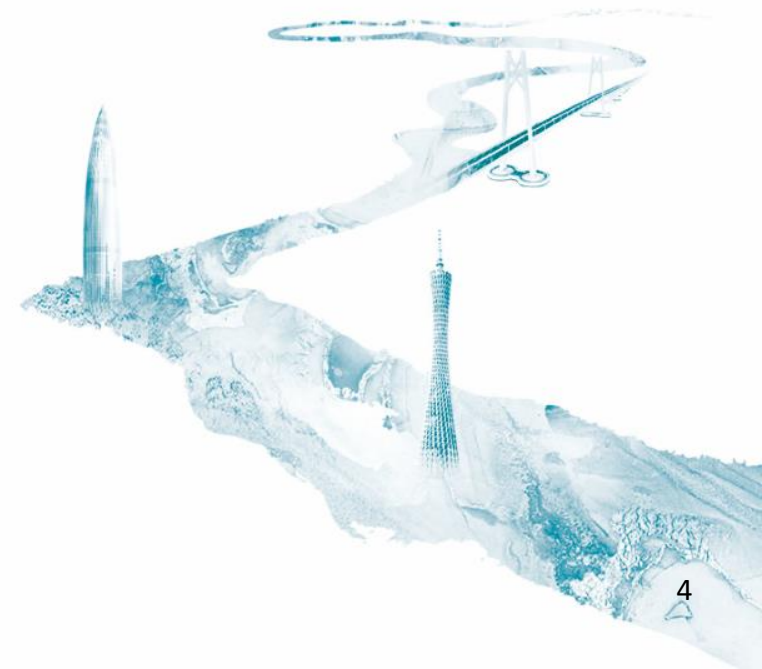
## Net assets per share

(HK\$)





# Industry Overview



# Economic Growth

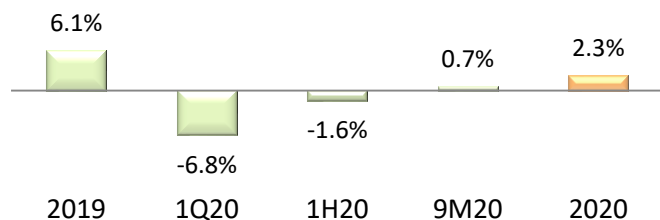


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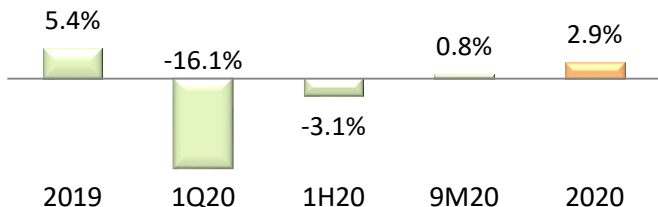
China Resources Cement Holdings Limited

- 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 has introduced a series of policies and measures to promote sustained economic recovery and high-quality development.
- In 2020, National GDP was **RMB 101.6 trillion**, **+2.3%** YoY. National FAI was **RMB 51.9 trillion**, **+2.9%** YoY.

## National GDP

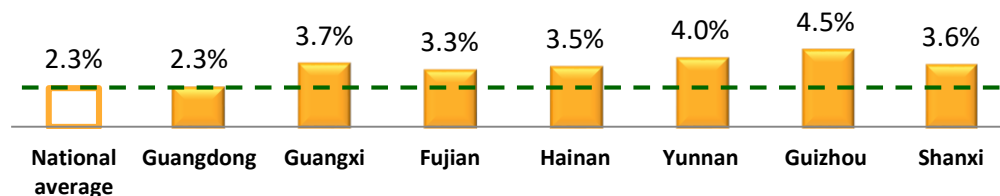


## National FAI (excluding rural households)



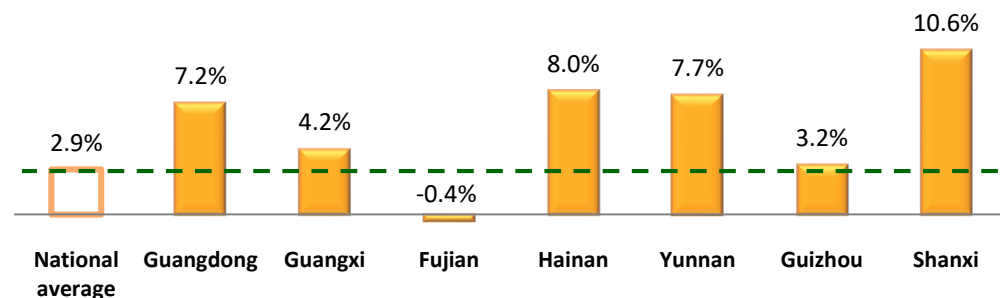
## GDP Growth (2020)

(YoY)



## FAI Growth (2020)

(YoY)



Sources: National Bureau of Statistics of China, Provincial Bureaux of Statistics of China

# Cement Demand Drivers



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## Infrastructure

- In 2020, national infrastructure investments\* increased by 0.9% (2019: 3.8%).
- Highways & waterways FAI amounted to approx. RMB2.6 trillion, +10.4% YoY, which exceeded the annual target of RMB1.8 trillion.

(RMB)	2020	YoY	2019 YoY
Railway	781.9 billion	-2.6%	0.0%
Highways & waterways	2.6 trillion	+10.4%	+2.6%

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



## Real Estate Market

- Real estate investment's growth was +7.0% YoY in 2020 to RMB14.1 trillion (2019: 9.9%).

(Million m <sup>2</sup> )	2020	YoY	2019 YoY
Floor space of commodity housing sold	1,760	+2.6%	-0.1%
Floor space of houses newly started construction	2,240	-1.2%	+8.5%
Floor space of houses completed	910	-4.9%	+2.6%
Floor space under construction by real estate developers	9,270	+3.7%	+8.7%
Land area purchased by real estate developers	255	-1.1%	-11.4%



## Rural Market

- Government promoted new-type urbanization and urban-rural integrative development, and actively advocated policies for rural revitalization
- In 2020, 40,300 newly started renovations of old communities in cities and towns, which exceeded the annual target of 39,000; newly built and re-built rural roads reached 269,000 km.
- 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 of China, Ministry of Housing and Urban-Rural Development.

# Cement Production



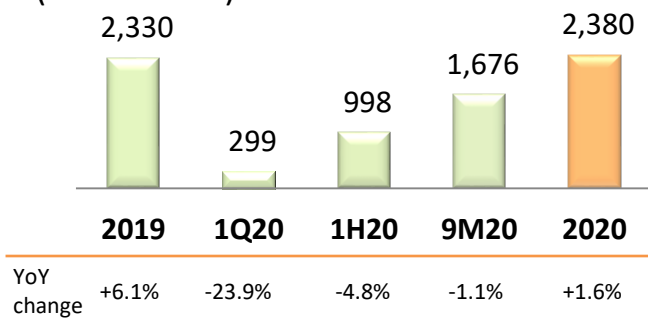
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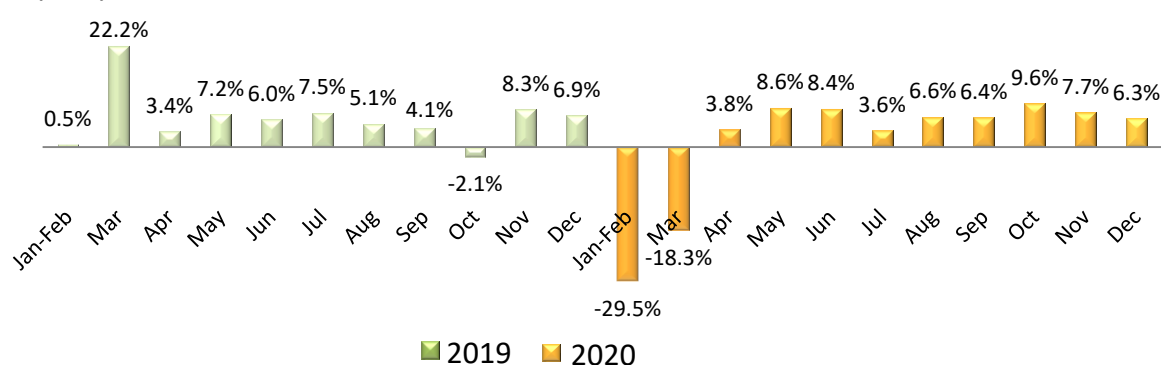
■ In 2020, China's cement production was approximately **2.38 billion tons\***, **+1.6%** YoY.

## National Cement Production (1)

(million tons)

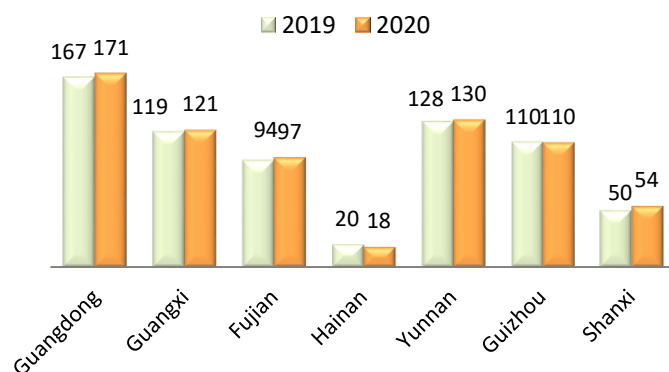


(YoY)

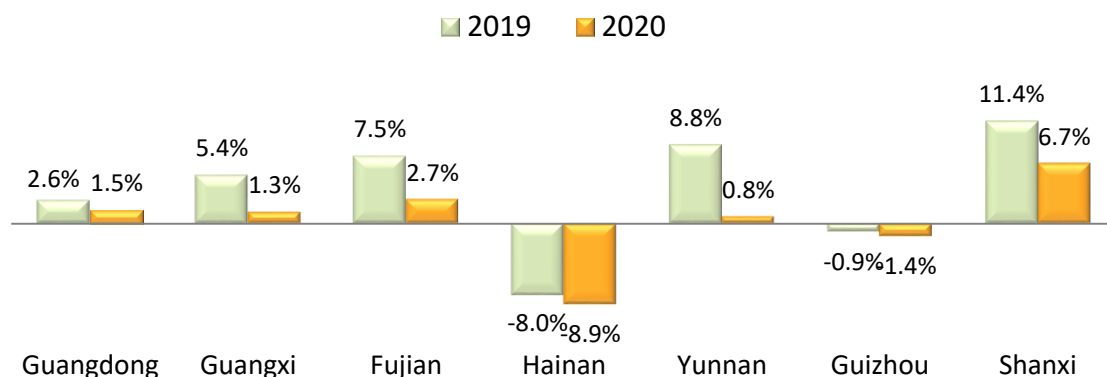


## CRC's Operating Region (2)

(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



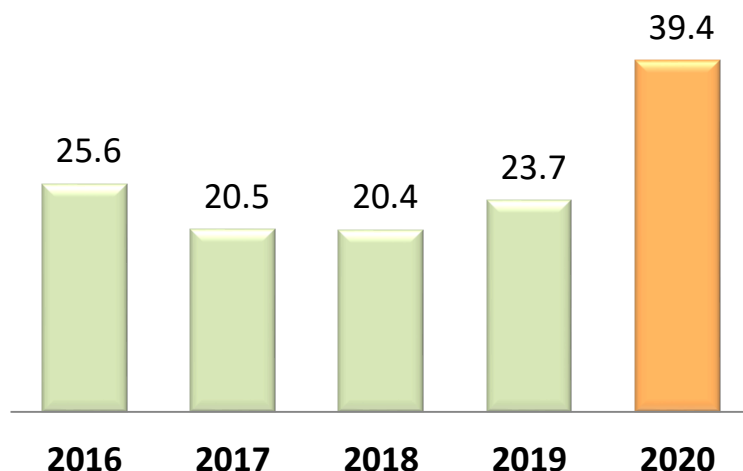
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- In 2020, **26** new clinker production lines with total annual capacity of **39.4** million tons commenced operation nationwide.
- In our major operating regions: Guangdong – 1 new clinker production line added, new annual clinker production capacity of approx. **3.1** million tons. Guangxi – 4 new clinker production lines added, new annual clinker production capacity of approx. **5.6** million tons.

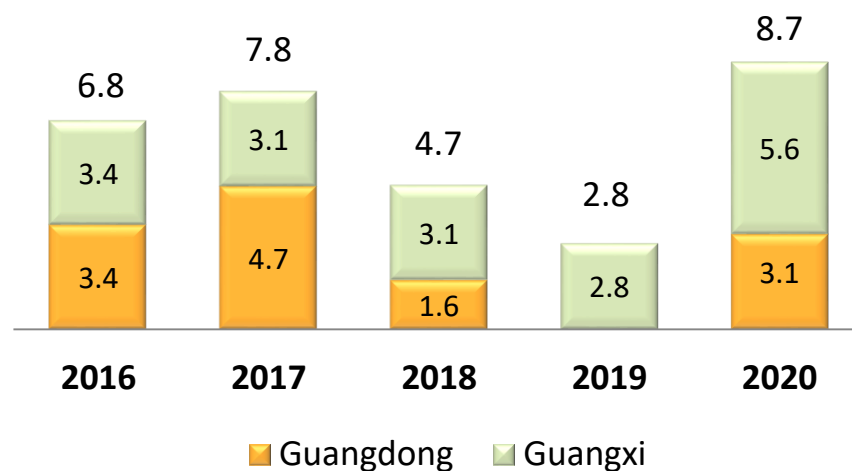
## New Clinker Capacity in China

(million tons)



## New Clinker Capacity in Guangdong & Guangxi

(million tons)



Source: Company information, China Cement Association

# Cement Industry Policies



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- 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.

## Capacity Control

- **Replacement Ratio<sup>1</sup>**: Capacity replacement ratios of cement and clinker construction projects located in key areas and non-key areas for air pollution prevention and control to be 2:1 and 1.5:1 respectively.
- **Off-peak Production<sup>2</sup>**: Regular national off-peak production in terms of location and duration –North from November to March; other regions during the Chinese New Year, hot summers, rainy seasons and major events upon local conditions.

## Production Safety

- **Production Safety<sup>3</sup>**: Launch special safety rectifications in nine industrial sectors of hazardous chemicals, coal mines, non-coal mines, firefighting, road transportation, transportation and fishing vessels, urban construction, functional regions such as industrial parks, and hazardous waste.

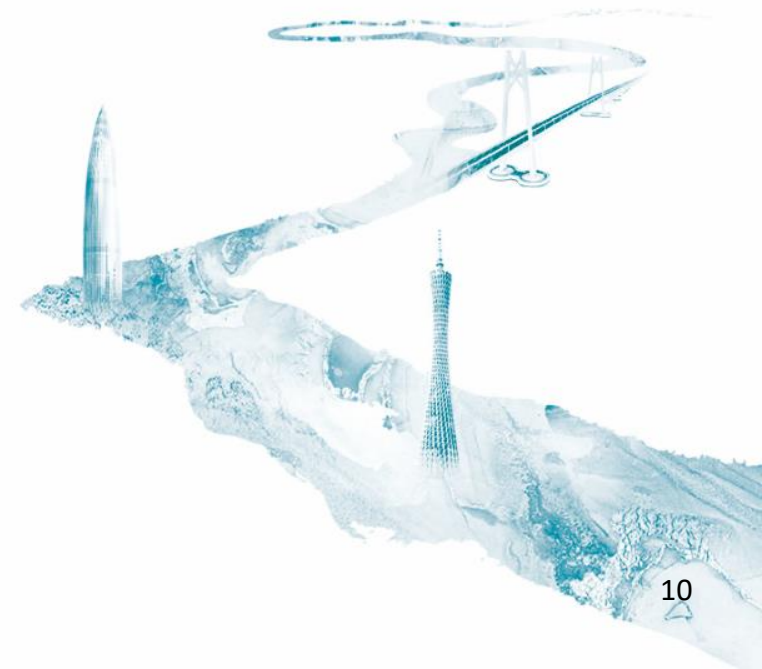
## Green Development

- **Energy Saving and Emission Reduction<sup>4</sup>**: Emission concentrations of particulate matters, sulphur dioxide and nitrogen oxides shall be no more than 10, 35 and 50 mg/m<sup>3</sup> respectively.
- **Low-carbon Production**: China pledges to achieve CO<sub>2</sub> emissions peak before 2030, carbon neutrality before 2060. In February 2021, the government specified key greenhouse gases emission units, allocation and settlement of carbon emissions quota<sup>5</sup>.

Sources: 1. "Measures for Implementing Capacity Replacement in the Cement and Glass Industries (Revised Draft)"; 2. "Notice on Further Implementation of Regular Off-Peak Cement Production"; 3. "Three-year Action Plan for Special Rectifications of National Work Safety"; 4. "Technical Guidelines for Emergency Emission Reduction in Key Industries in Heavy Pollution Weather (2020 Revised Edition)"; 5. "Measures for Administration of Carbon Emissions Trading (for Trial Implementation)"



# Financial Highlights



# 2020 Results Summary



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(HK\$ million)	2019	2020	YoY
Turnover	38,955.6	40,086.9	+2.9%
Gross profit	15,657.5	15,636.0	-0.1%
Gross margin (%)	40.2	39.0	-1.2 ppt
Exchange (loss)/gain	(36.5)	103.6	N/A
Finance costs	(453.6)	(273.9)	-39.6%
Profit attributable to owners of the Company	8,617.5	8,959.9	+4.0%
Net margin* (%)	22.3	22.5	+0.2 ppt
Basic earnings per share (HK\$)	1.234	1.283	+4.0%

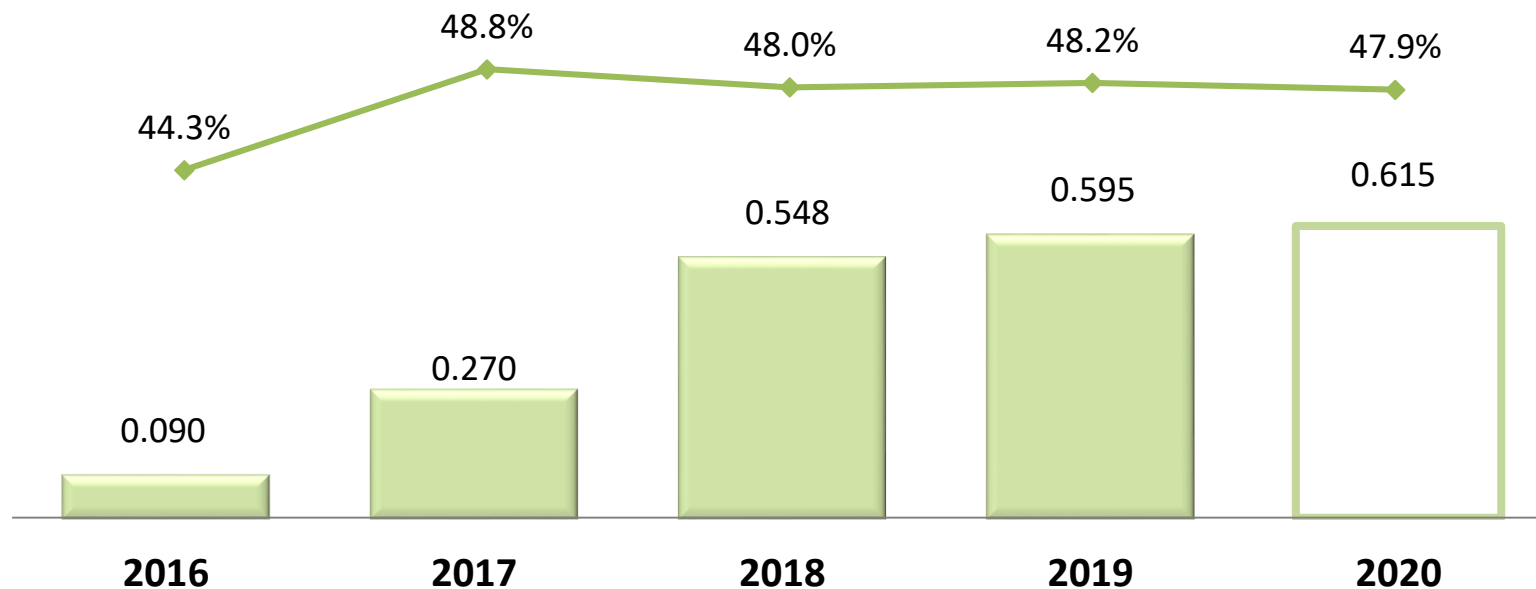
\*Notes: Net margin is calculated by dividing profit for the year by turnover.

# Dividend Payout (HK\$)



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◆ Dividend payout ratio



(HK\$)

	2016	2017	2018	2019	2020
Interim	0.015	0.115	0.275	0.260	0.275
Final	0.075	0.155	0.273	0.335	0.340

# Turnover

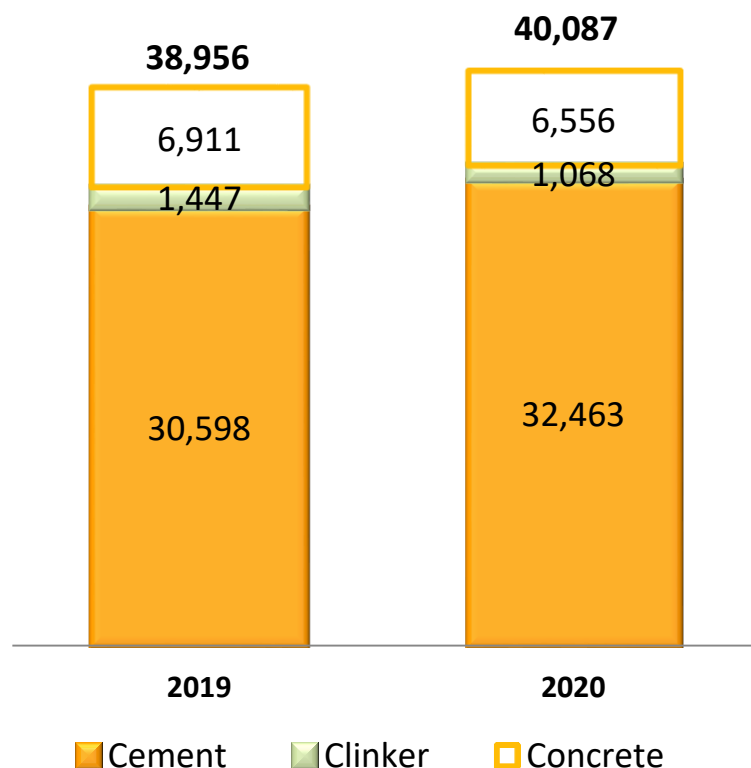


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## Turnover by Product

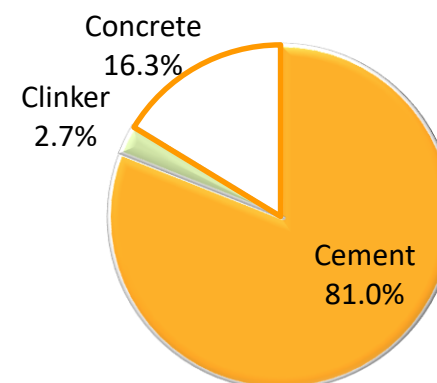
(HK\$ million)



### 2020 YoY

Cement	+6.1%
Clinker	-26.2%
Concrete	-5.1%
<b>Total</b>	<b>+2.9%</b>

### 2020



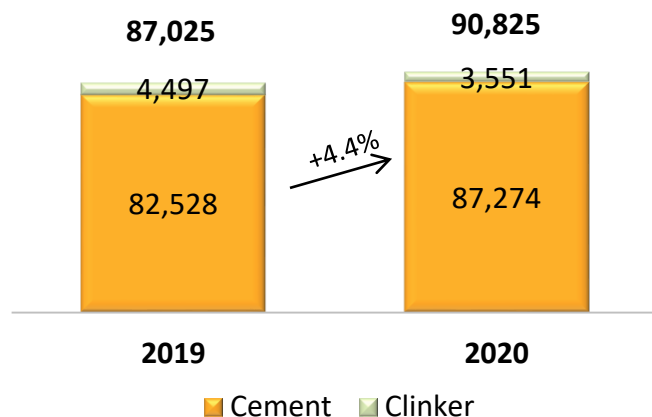
# Sales Volume



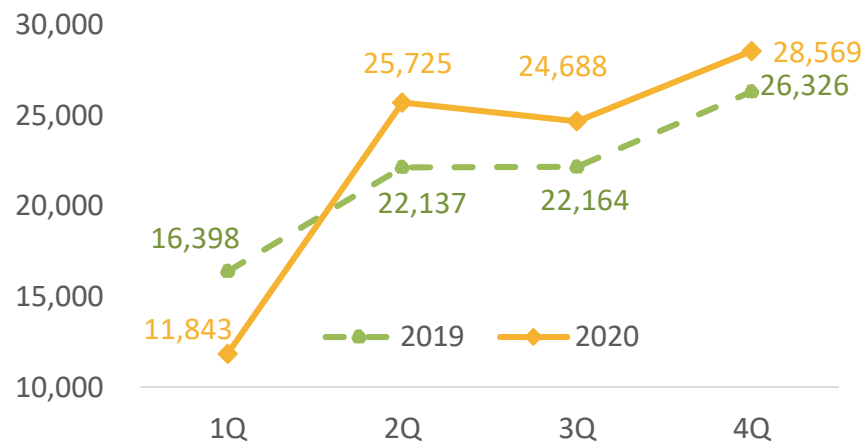
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## Cement & Clinker Sales Volume\*

('000 tons)

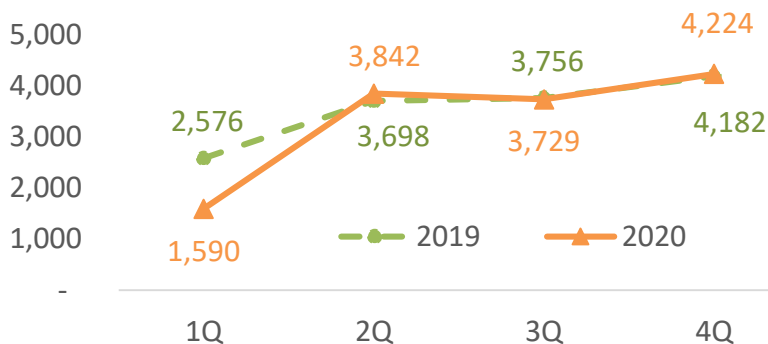
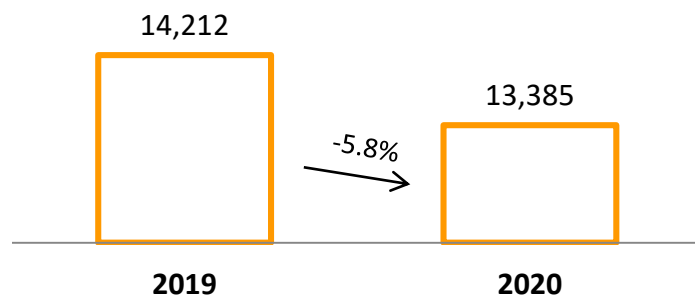


\*Note: Inclusive of sales volume of 4.3 million tons of cement from related parties (2019: Nil).



## Concrete Sales Volume

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

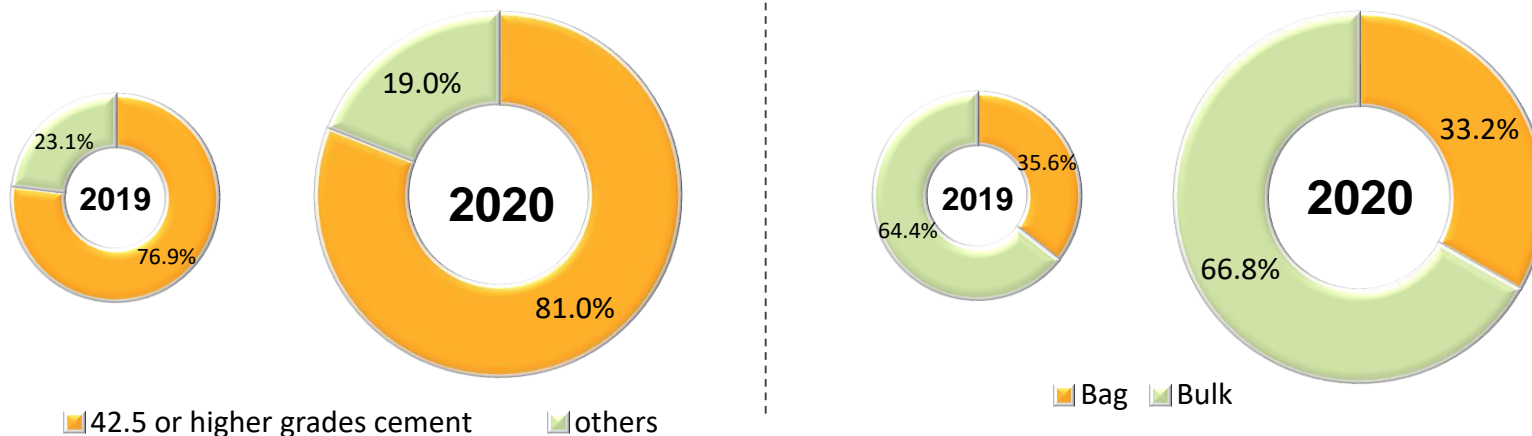


# Breakdown of Cement Sales Volume



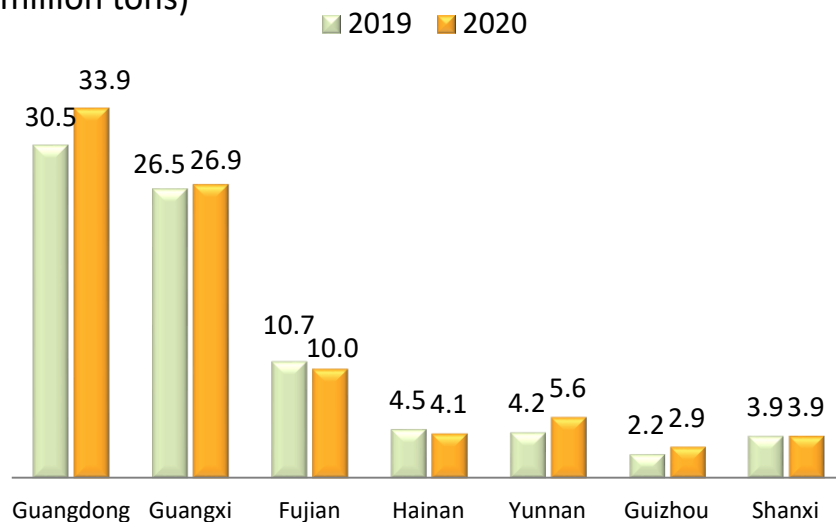
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## By Product Type



## By Region

(million tons)



**% of total cement sales volume**

	% of total cement sales volume
Guangdong	38.9%
Guangxi	30.8%
Fujian	11.6%
Hainan	4.6%
Yunnan	6.4%
Guizhou	3.3%
Shanxi	4.4%
<b>Total</b>	<b>100.0%</b>

# Average Selling Price

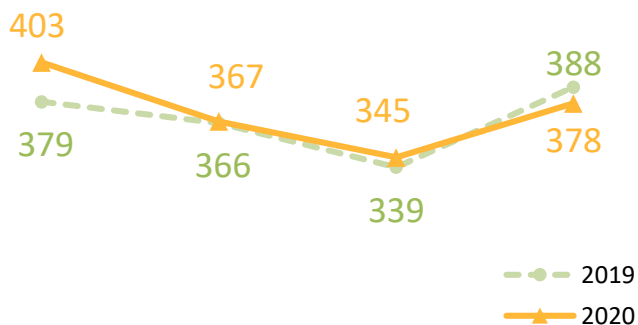


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## Cement & Clinker

(HK\$ per ton)

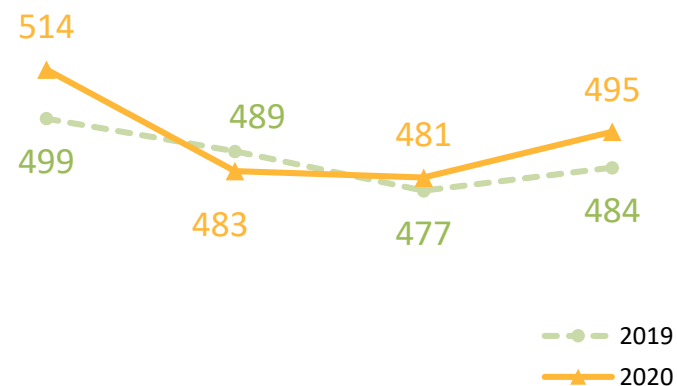
	2019	2020	YoY
Cement & Clinker	368	369	+0.3%



## Concrete

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

	2019	2020	YoY
Concrete	486	490	+0.7%



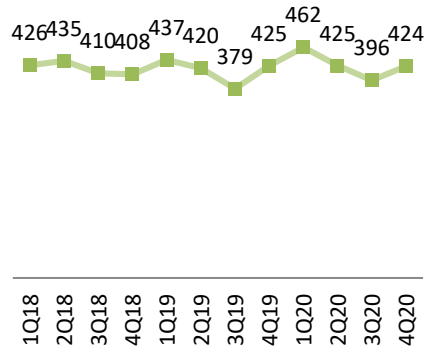
# Cement Selling Price by Region

(HK\$ per ton)

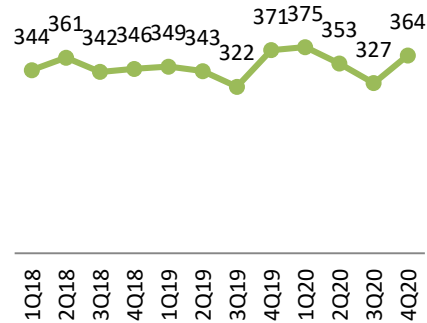


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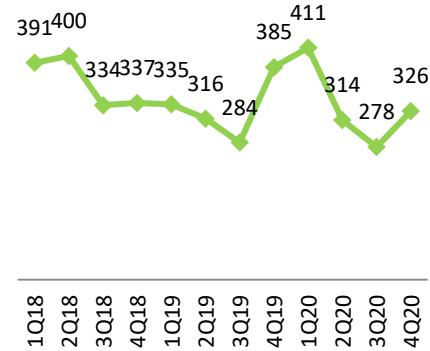
## Guangdong



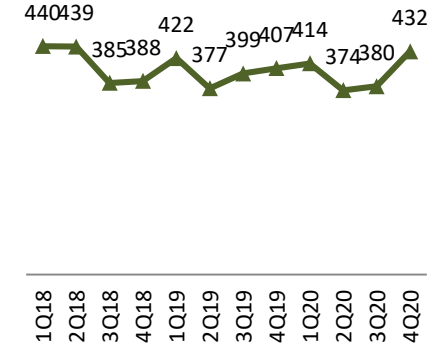
## Guangxi



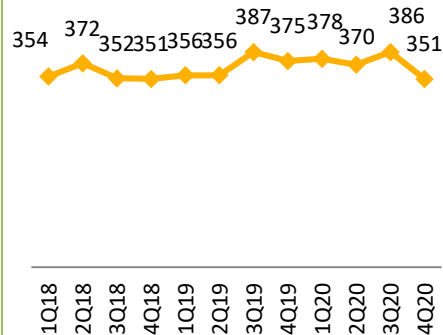
## Fujian



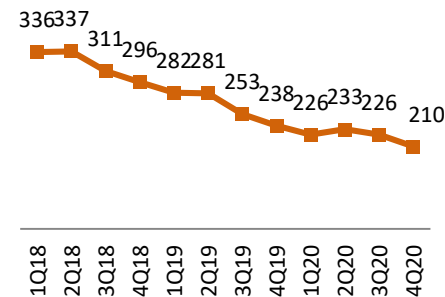
## Hainan



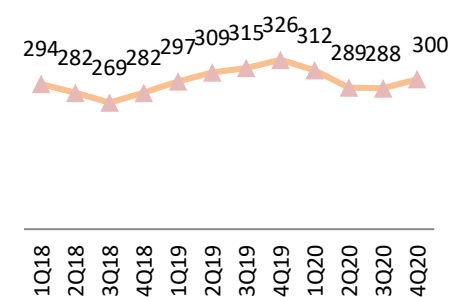
## Yunnan



## Guizhou



## Shanxi



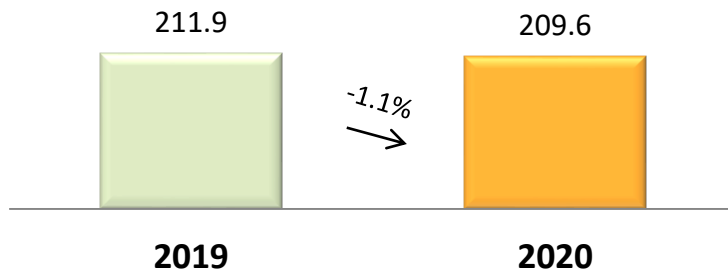
# Cost Structure of Cement Products



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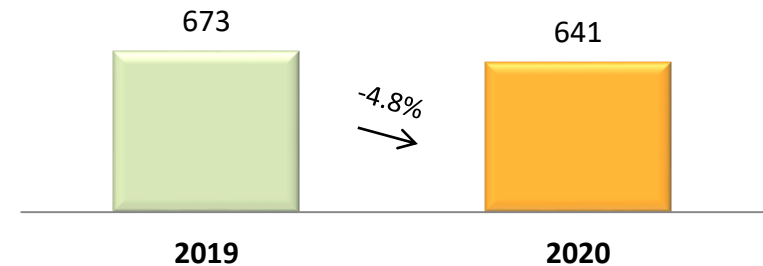
## Unit Cost

(HK\$ per ton)

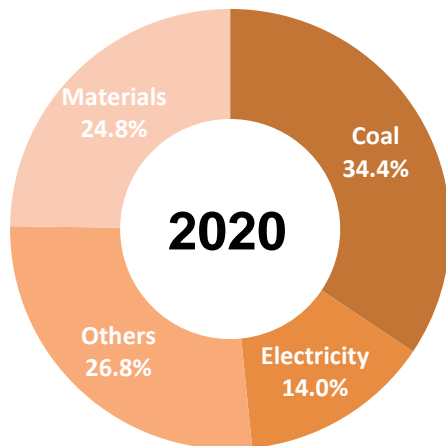


## Average Coal Purchase Price

(HK\$ per ton)



## Unit Cost Breakdown



(HK\$ per ton)	2019	2020	YoY
Coal	77.5	72.2	-6.8%
Electricity	29.9	29.3	-2.0%
Materials	49.4	51.9	+5.1%
Others	55.1	56.2	+2.0%
<b>Total</b>	<b>211.9</b>	<b>209.6</b>	<b>-1.1%</b>

### Notes:

1. Excluding sales volume of cement from related parties;
2. Others: Staff, depreciation, repairs and maintenance costs and other indirect costs accounting for 9.2%, 8.0%, 5.8% and 3.8% respectively of total unit cost.

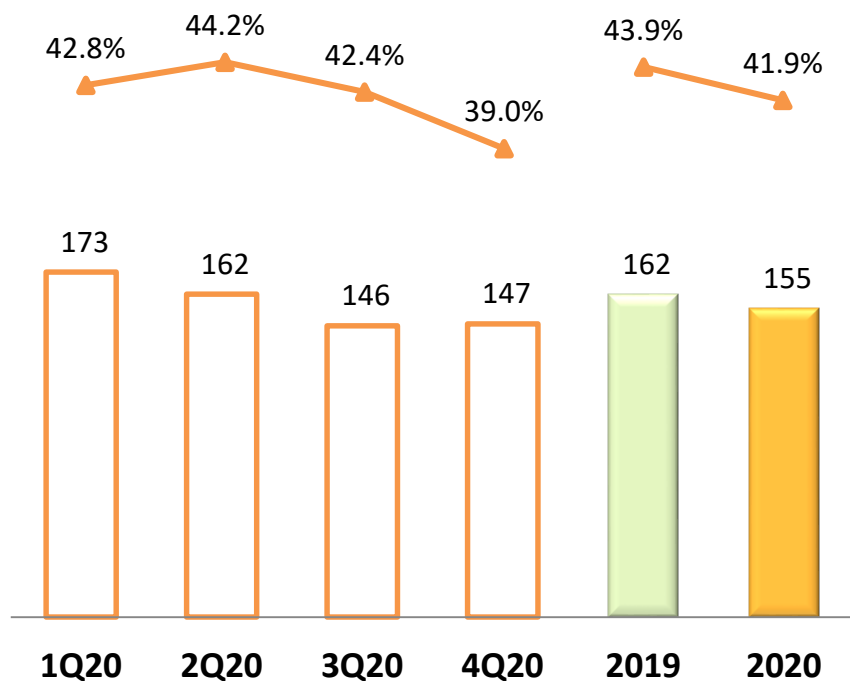
# Gross Profit & Margin



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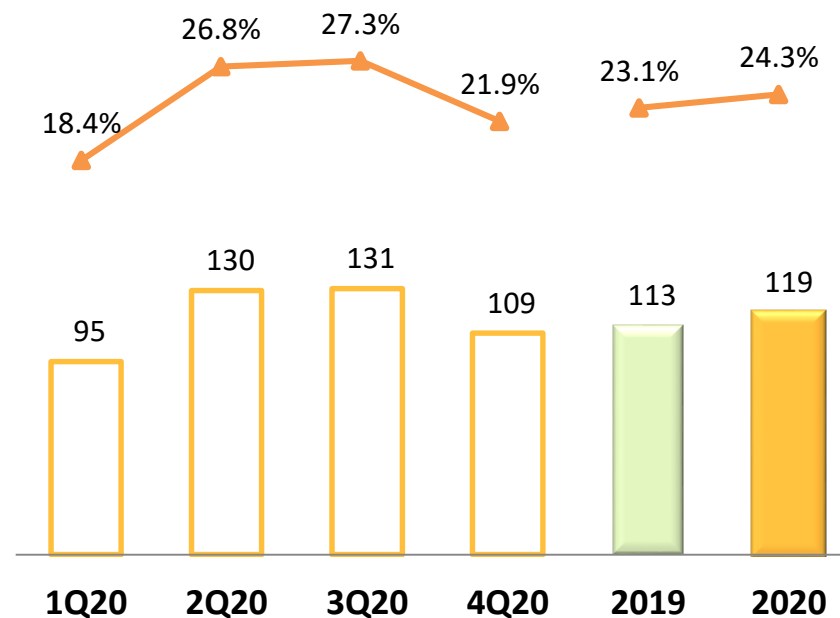
## Cement & Clinker\*

(HK\$ per ton)



## Concrete

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



\*Note: Inclusive of sales volume of cement from related parties since 2Q20.

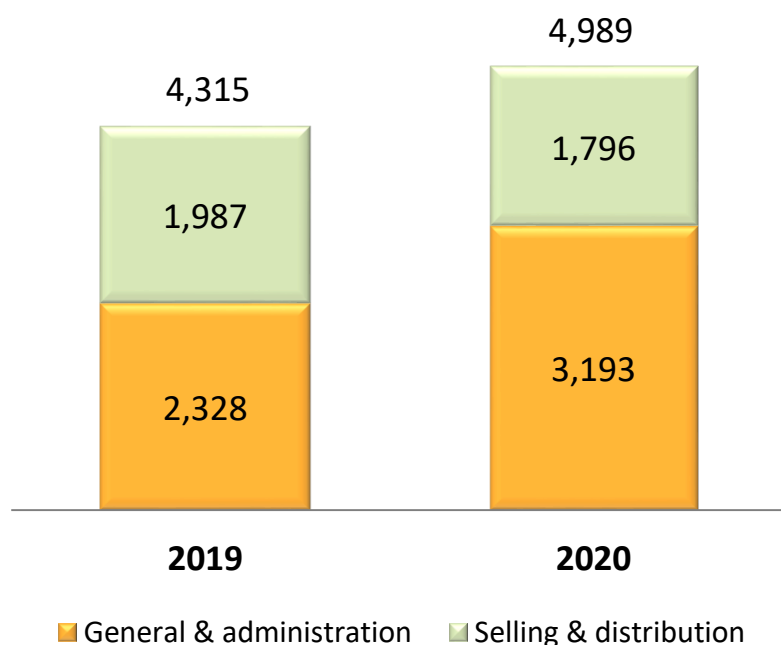
# Selling, General & Administrative Expenses

(HK\$ million)

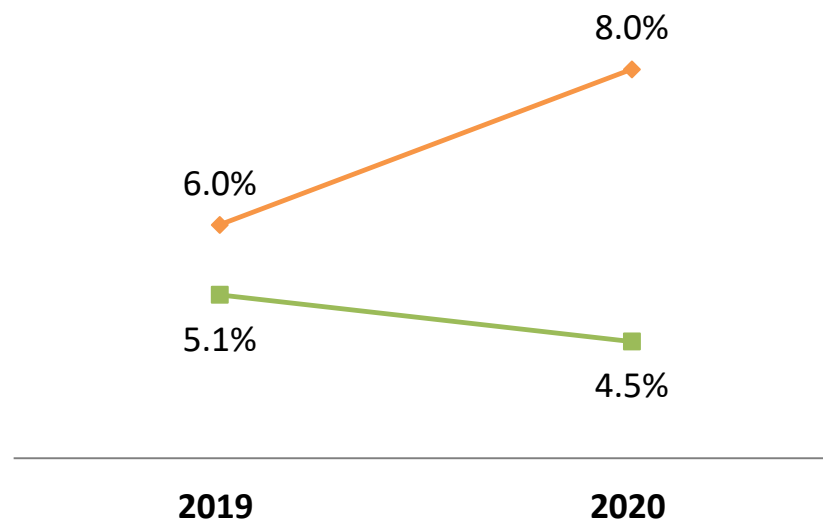


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	2020 YoY
General & administration	+37.1%
Selling & distribution	-9.6%
<b>Total</b>	<b>+15.6%</b>



—◆— General & administrative expenses to turnover  
—■— Selling & distribution expenses to turnover



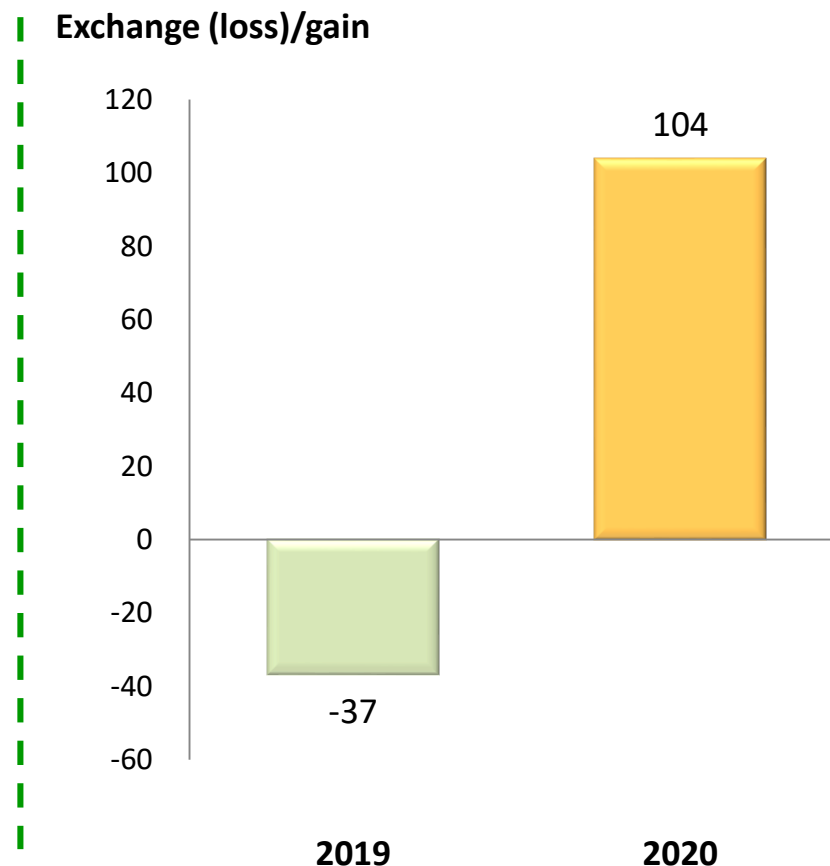
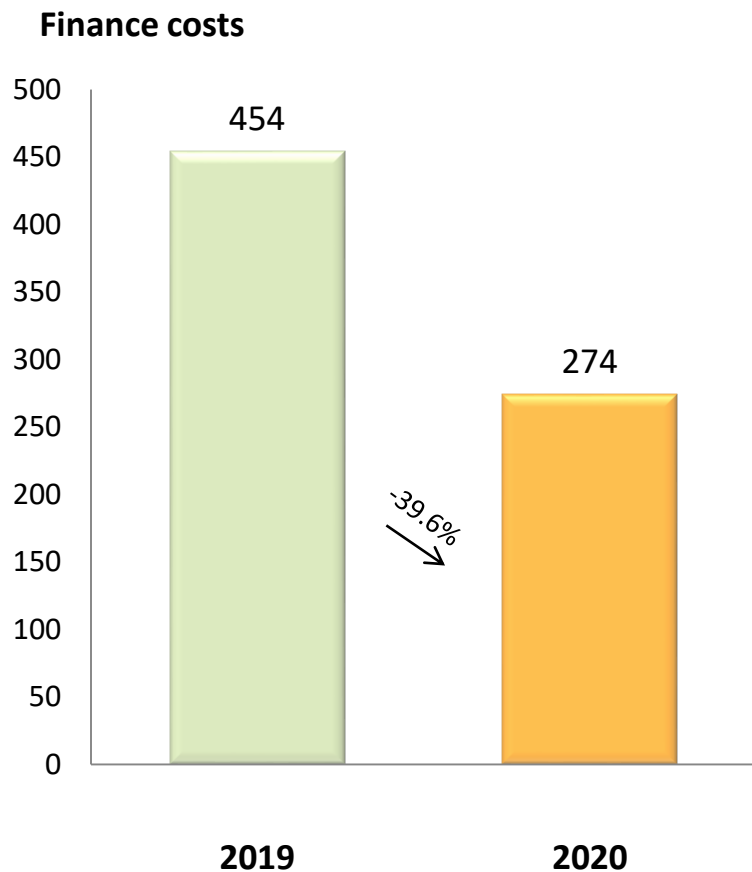
# Finance Costs & Exchange (Loss)/Gain



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(HK\$ million)



# Share of results of Associates & JVs

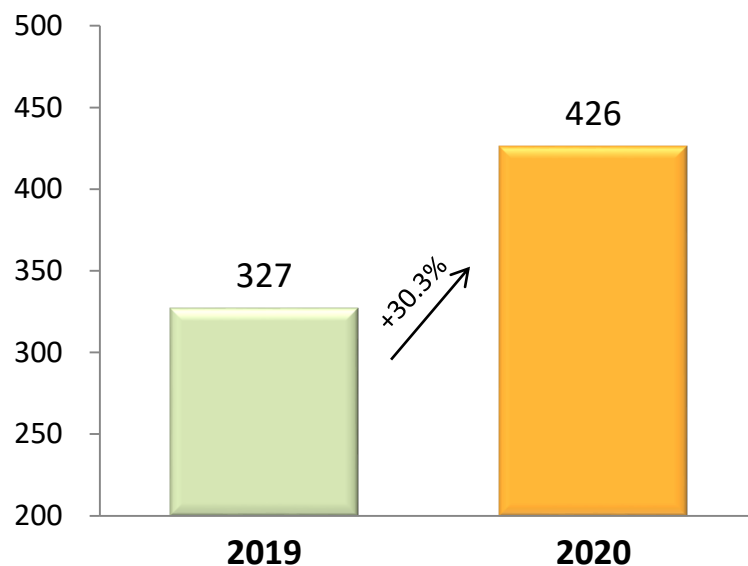


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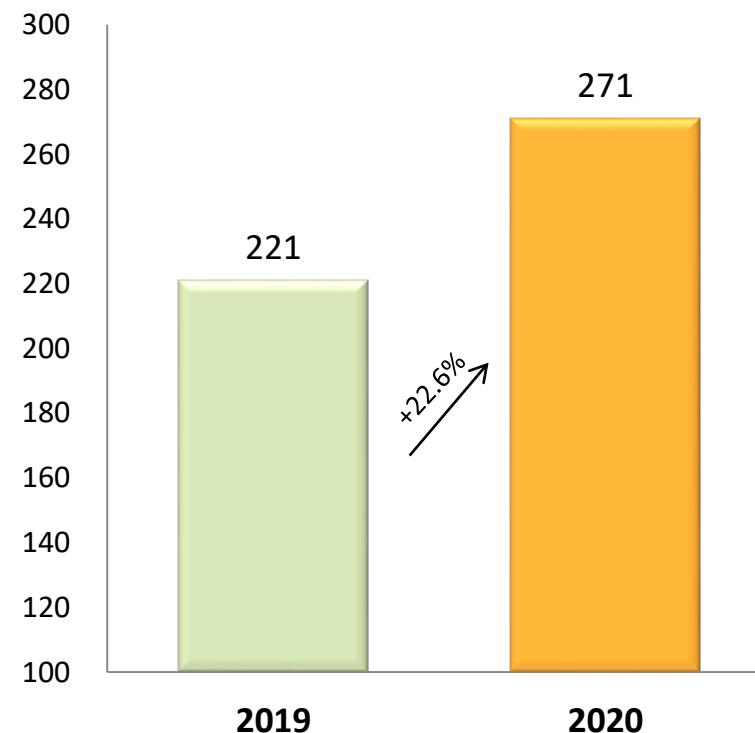
(HK\$ million)

Share of results of associates



HK\$ million	2019	2020
Fujian	100.3	58.4
Yunnan	289.5	336.6
Inner Mongolia	-89.9	23.3

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.



	2019	2020	YoY
Taxation (HK\$ million)	3,313.9	2,863.7	-13.6%
Effective tax rate	25.2%	27.3%	+2.1 ppt

**Note:**

- 1. The withholding tax calculated at 5% (year ended 31 December 2019: 10%) on dividends in the Chinese Mainland, and the deferred tax calculated at 5% (year ended 31 December 2019: 10%) on the intended distribution profits from subsidiaries in the Chinese Mainland to a holding company in Hong Kong. Such changes in tax rates contributed to a decrease of approximately HK\$474.2 million in taxation during the year.*
- 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



**華潤水泥控股有限公司**  
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(HK\$ million)	31 Dec 2019	31 Dec 2020	Change
Cash and bank balances	12,847.8	13,226.9	+3.0%
Total assets	61,170.9	68,532.5	+12.0%
Gearing ratio	18.9%	13.8%	-5.1 ppt
Net assets per share (HK\$)	6.01	7.11	+18.3%

**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 year.*

# Cash Flow



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(HK\$ million)	31 Dec 2019	31 Dec 2020	Change
Net cash generated from operating activities	11,284.9	10,268.4	-9.0%
Net cash used in investing activities	(2,617.6)	(5,004.3)	+91.2%
Net cash used in financing activities	(7,837.4)	(5,687.7)	-27.4%
Net increase/(decrease) in cash and cash equivalents for the year	829.9	(423.6)	N/A
Cash and cash equivalent at end of the year	12,847.8	13,226.9	+3.0%

- Total payment for capital expenditure of the Group in 2020 was HK\$5,273 million.
- Expected capital expenditures are approximately HK\$5,709 million and HK\$2,891 million in 2021 and 2022 respectively.

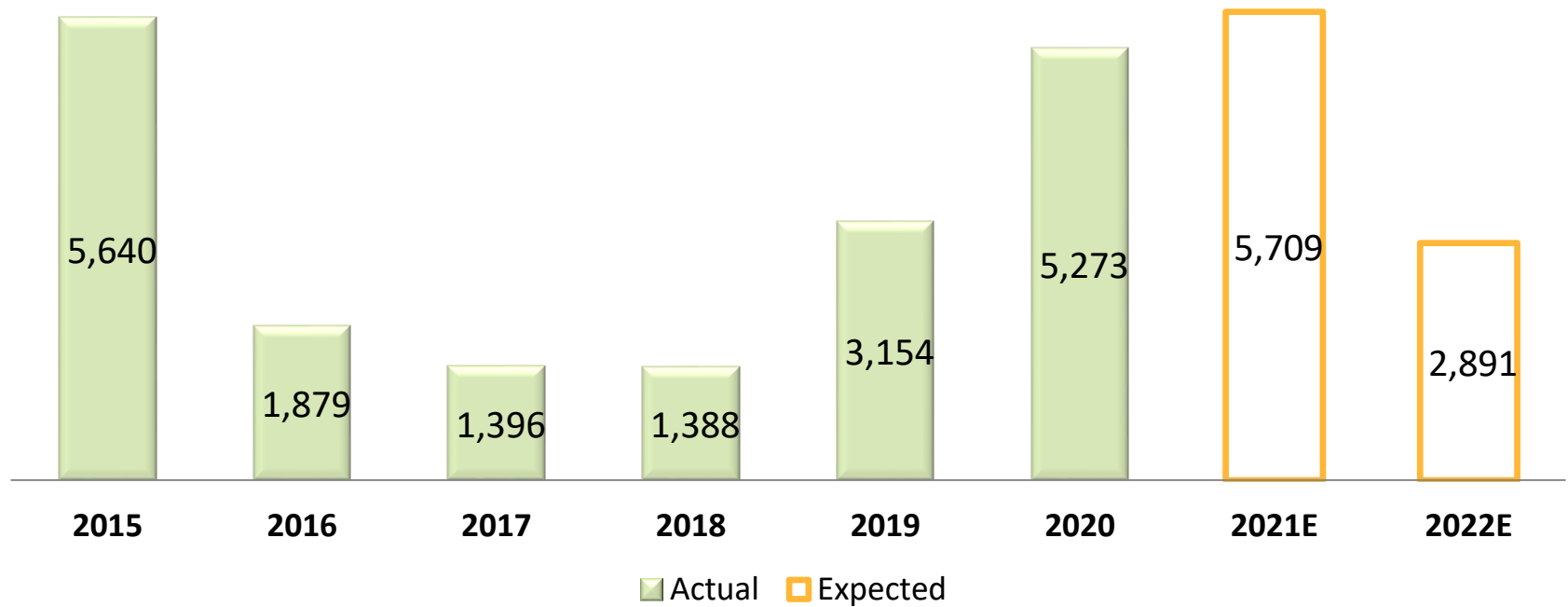


# Capital Expenditure

(HK\$ million)

## New Business Segment

(HK\$ Million)	2019	2020	2021E	2022E
Aggregates	182	3,850	4,341	2,310
New Materials	907	-	307	-
Prefabricated Construction	112	393	578	284

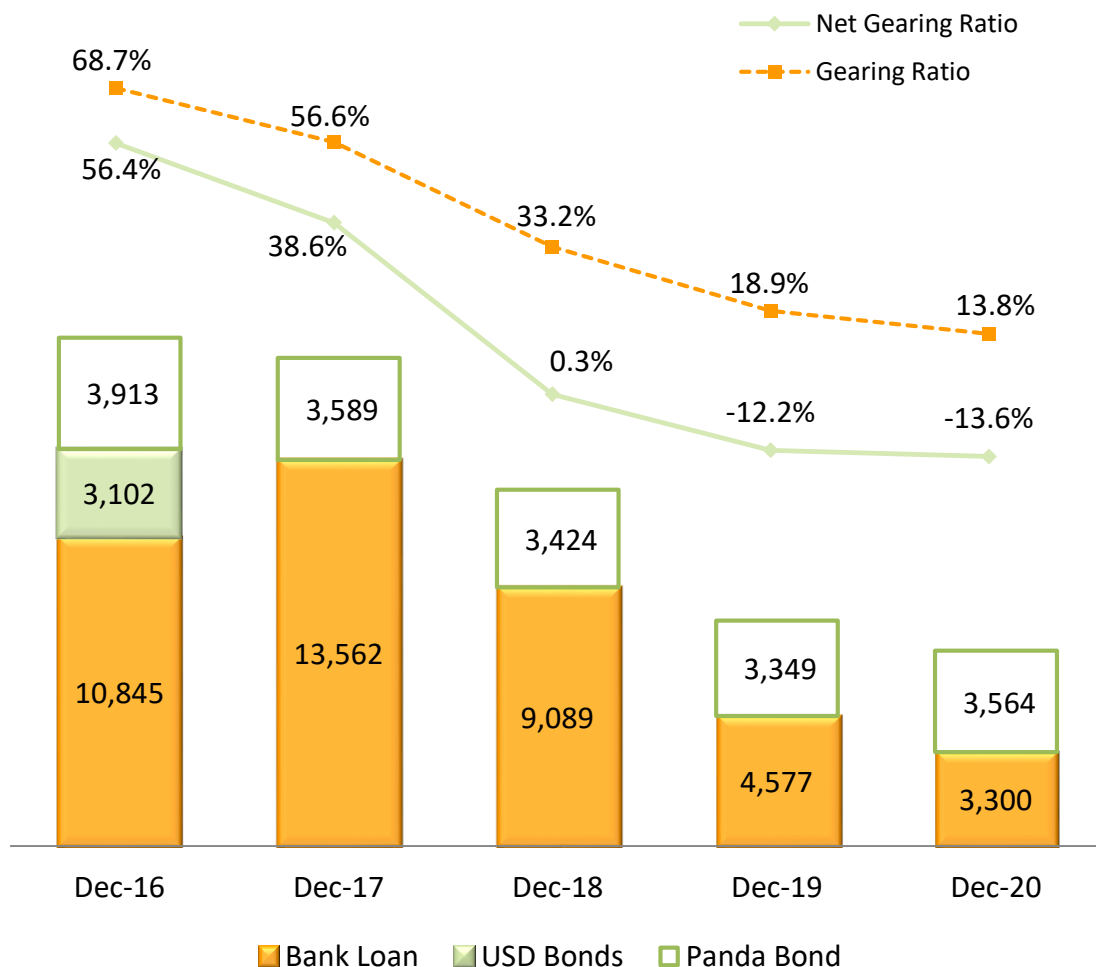


# Debt Structure

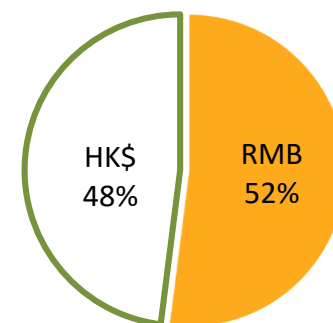
(HK\$ million)



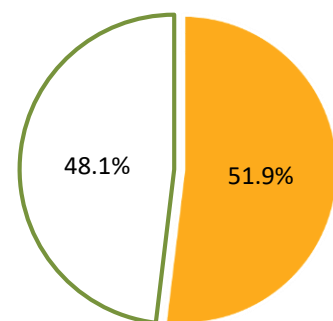
華潤水泥控股有限公司  
China Resources Cement Holdings Limited



## Currency (31 Dec 2020)



## Duration (31 Dec 2020)

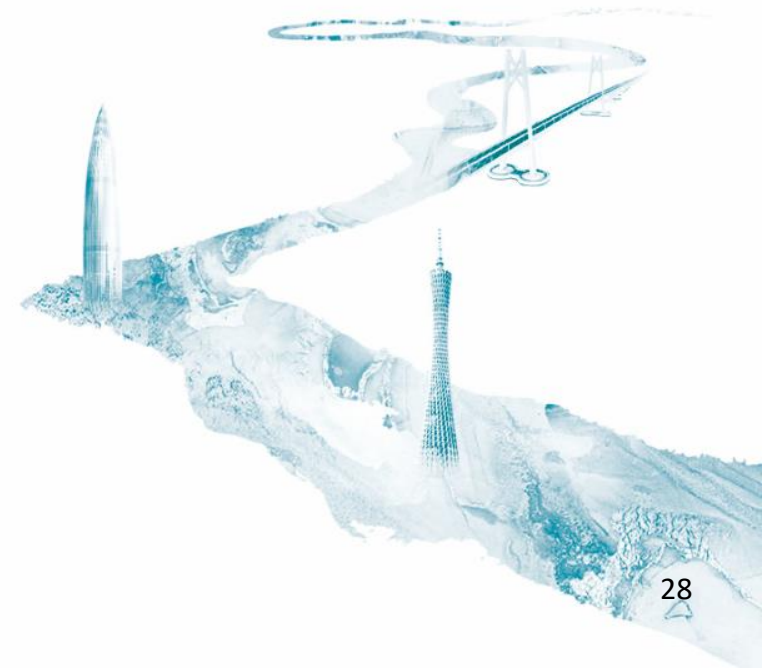


### Notes:

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 will expire 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



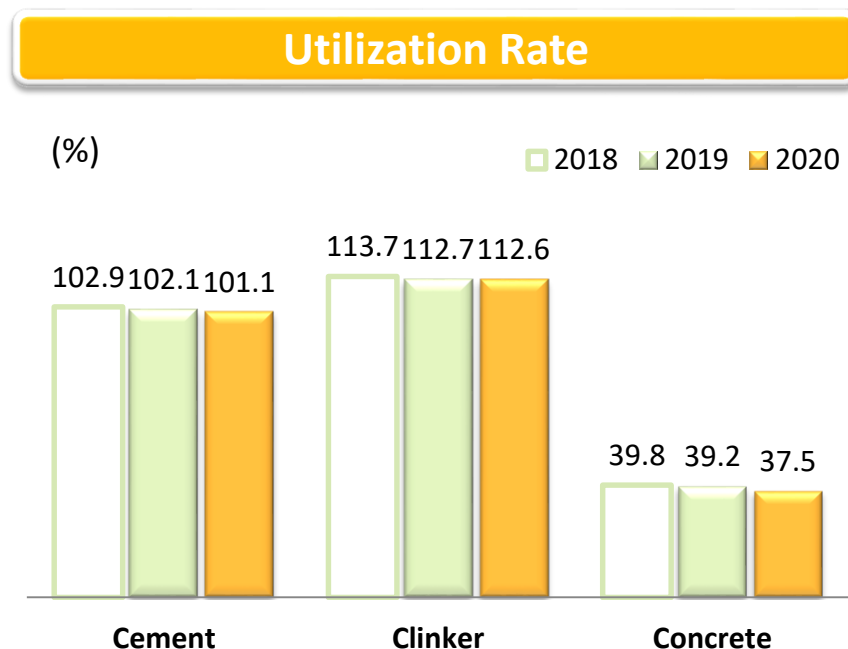
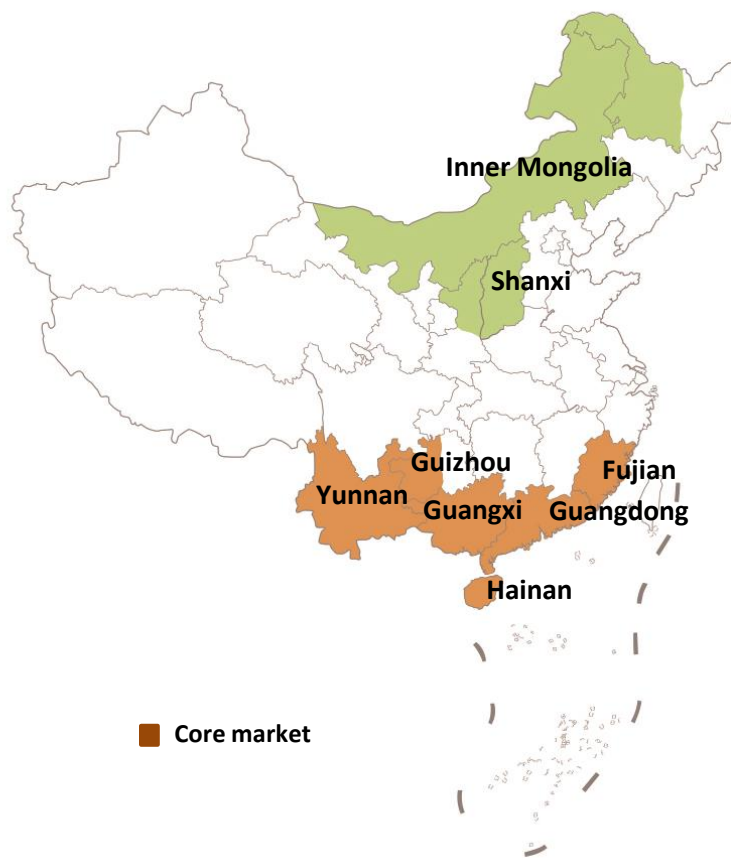
# Production Capacity



華潤水泥控股有限公司

China Resources Cement Holdings Limited

- In Feb 2020, completed construction of 1 clinker production line and 2 cement grinding lines with annual production capacity of approx. 1.4 million tons and approx. 2.0 million tons respectively in Anshun City, Guizhou.
- As at 31 Dec 2020, 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 **20.4** million tons of cement, **11.2** million tons of clinker and **4.1** million m<sup>3</sup> of concrete.



## Production and Operation

**Launch Lean Management** – improve **operational indicators – coal and energy consumption**, promote the application of new technologies, new equipment, new materials and innovation achievements

### R&D and Innovation

- The laboratory of China Resources Cement Technology Research and Development Limited became a laboratory accredited by the China National Accreditation Service for Conformity Assessment
- The Group's Technology R&D 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. New products with optimized performance were actively developed.

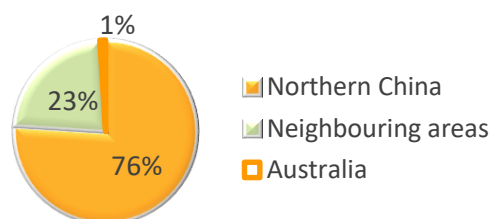
### Digitalization and Intelligentization

- In July 2020, Phase 1 of the intelligent manufacturing pilot project at the production plant in Tianyang in cooperation with Siemens Ltd., China, officially commenced operation
- Plans to commence the construction of intelligent manufacturing and create a “lighthouse factory” surrounding the aspects of EHS, operation, production, equipment, quality, mines and logistics at the cement production plant in Fengkai, Guangdong.

## Procurement Management

### Coal Procurement:

- **10.2 million tons** of coal in 2020
- Proportion of direct procurement: **79%**



## Logistics Management

### Shipping and Silo Capacity:

- Annual shipping capacity along Xijiang River: **36.3 million tons**
- **35** silo terminals with annual capacity of approximately **34.3 million tons** which are mainly located in the Pearl River Delta Region



## Sales and Marketing

**Runfeng Cement:** Brand value evaluated to be **RMB52.0 billion** by World Brand Lab in 2020

- “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



華潤水泥控股有限公司

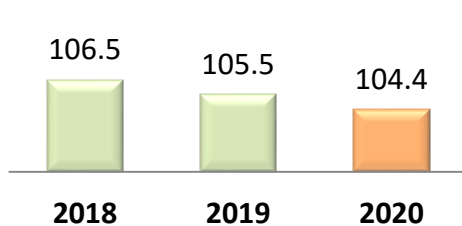
China Resources Cement Holdings Limited

## ➤ Electrical Structure:

- **Residual Heat Power Generation** — approx. **2,090.4 million** kwh of electricity generate (approx. **32.2%** of total electricity consumption)
- **Direct Power Supply** — enjoyed the benefits of lower electricity tariff for a total of **4,032.7 million** kwh of electricity consumed (**62.0%** of the total electricity consumption)

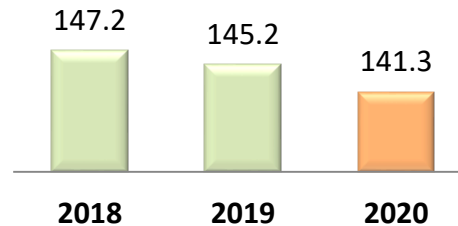
### Standard Coal Consumption

(kg per ton)



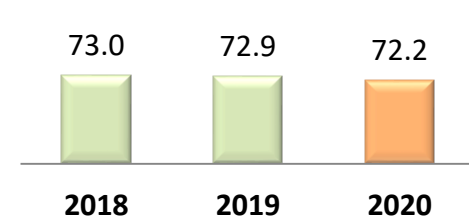
### Unit Coal Consumption

(kg per ton)



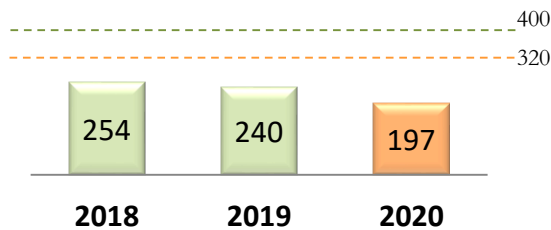
### Electricity Consumption

(kwh per ton)



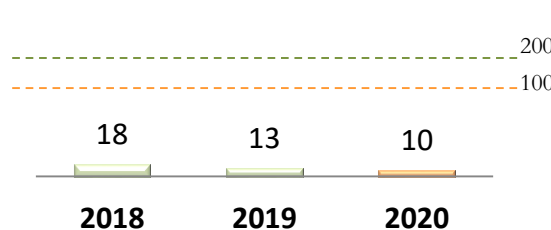
### Emission concentration of Nitrogen Oxides

mg/m<sup>3</sup>



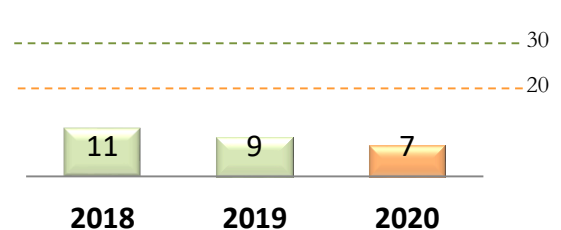
### Emission Concentration of Sulphur Dioxide

mg/m<sup>3</sup>



### Emission Concentrations of Particulate Matters

mg/m<sup>3</sup>



Ordinary Emission Limits -----

Special Emission Limits -----

# Corporate Social Responsibility



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China Resources Cement Holdings Limited

- The Chinese government attaches great importance to production safety and occupational health. In the face of novel coronavirus epidemic, the Group set up a leading group and a working group on epidemic prevention and control in January to achieve the two corrects of prevention and control as well as resumption of operations.

## Occupational Health & Production Safety

- 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.
- The Group's **health and safety targets are zero fatality, zero serious personal injury and zero confirmed case of occupational disease.**
- The coverage rates of the OHSAS 18000 Occupational Health & Safety Management System and staff body checks are both 100%.



Temperature Testing and Registration of Personnel at Dongguan Cement



Plant Disinfection at Hongshuihe Cement



Emergency Rescue Drill for Blasting Accident in Nanning Cement Mine

# Corporate Social Responsibility (cont.)



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- The Company proactively fulfils its social responsibilities as a corporate citizen and continuously launch management on pollutant, waste, carbon emissions, energy and resources management. We implement green production and support transformation of environmental protection through waste co-processing and green mine construction, thereby achieving sustainable corporate development.

## Green Development

### Energy Saving and Emission Reduction

- Decrease by 2025 compared to 2015: **Standard coal consumption per ton of clinker** by **5%** from 107.6kg; **Electricity consumption per ton of clinker** by **10%** from 55.1 kwh; **Electricity consumption per ton of PO42.5 cement** by **16%** from 31.2 kwh;
- Decrease by 2025 compared to 2015: Emission concentrations of **NO<sub>x</sub>**, **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 the “Fourteenth Five-Year” period, actively reduce carbon emissions through reduction of energy consumption, pilot trial of new technologies and new techniques, and development of low-carbon products; applied research of new technologies and new techniques for alternative clinker (such as calcined clay) and alternative fuel (such as biomass fuel and industrial waste).

### Co-processing

- As of the end of 2020, the Group had 10 co-processing projects in total, with annual processing capacity of 1.45 million tons.



Guigang Cement included in the Fifth Batch of Green Manufacturing List by the MIIT



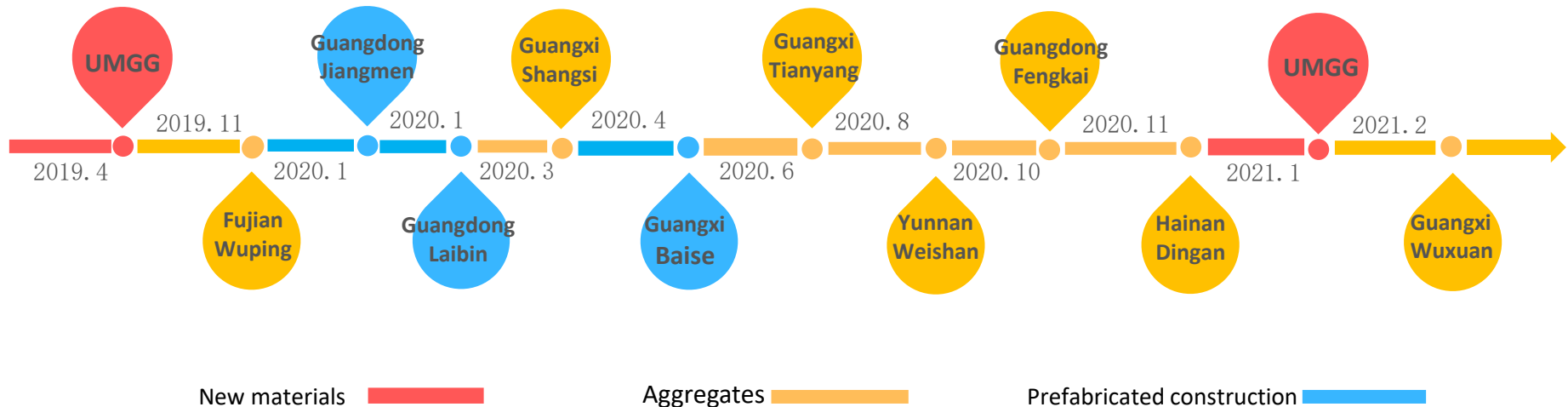
Guigang Cement Mine Passed the National Green Mine Selection

# Extension of Industry Chain



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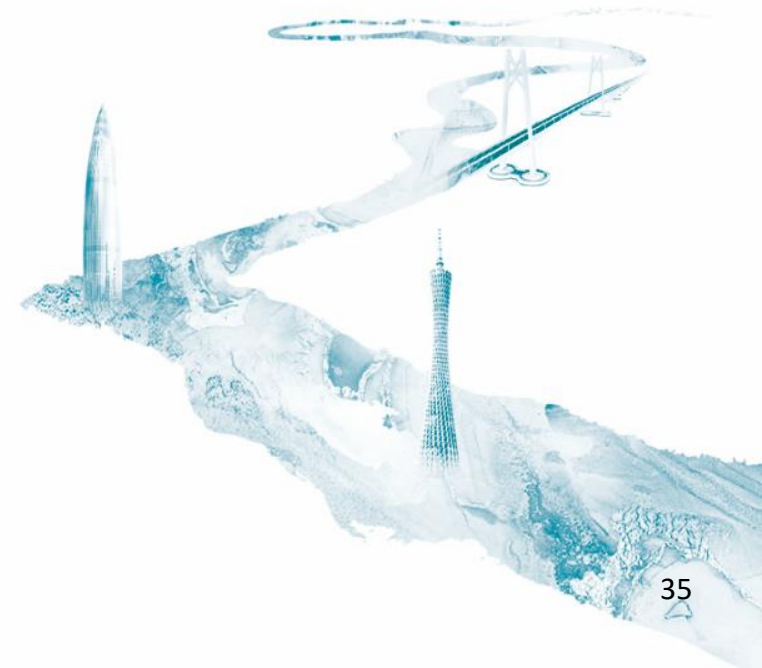
- The Group proactively promotes the development strategy for extension of industry chain and seizes development opportunities of new businesses. We fully leverage on the synergetic advantages of cement, concrete, aggregates, new materials and prefabricated construction businesses, and further consolidate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



- **Aggregates:** The Group's annual aggregates production capacity based on its own existing cement mines and newly acquired aggregates mines is expected to exceed 63.0 million tons.
- **Prefabricated construction:** 7 prefabricated construction projects with design annual production capacity of approximately 1.5 million m<sup>3</sup> after completion.
- **New materials:** The Group will become the controlling shareholder of Universal Classic and jointly develop the engineered stone business in the future.



# Outlook & Prospects





- The Chinese government will persistently seek progress amidst stability as its general keynote. With the theme of promoting high-quality development and with the main focus on deepening supply-side structural reforms, it accelerates the construction of a new development paradigm with domestic circulation as the mainstay and domestic and international circulations reinforcing each other, consolidates and expands the results of epidemic prevention and control as well as economic and social development, and strives to maintain the operation of the economy within a reasonable range.
- Regional Development: The gradual advancement of the development and construction of Greater Bay Area, as well as the free trade port in Hainan, will drive the regional demand for building materials such as cement and concrete in the medium to long term.

## Infrastructure



- ✓ Build modernized infrastructure system, systematically plan the layout of new-type infrastructure, accelerate the construction of a world leader in transport, and accelerate the networking of city clusters and metropolitan areas with rail transport.

## Real Estate



- ✓ “Residential properties are not for speculation” – encourage both renting and purchasing, and develops city-specific policies to foster the stable and healthy development of the property market.
- ✓ Improve the strategies for new-type urbanization, implement initiatives for urban revitalization, and strengthen the renovation of old communities in cities and towns and community construction.

## Rural Market



- ✓ Comprehensively promote rural revitalization, further improve rural infrastructure such as water, electricity, roads, gas, communications, broadcast television and logistics, and enhance the quality of rural housing construction.

# Strategies and Prospects



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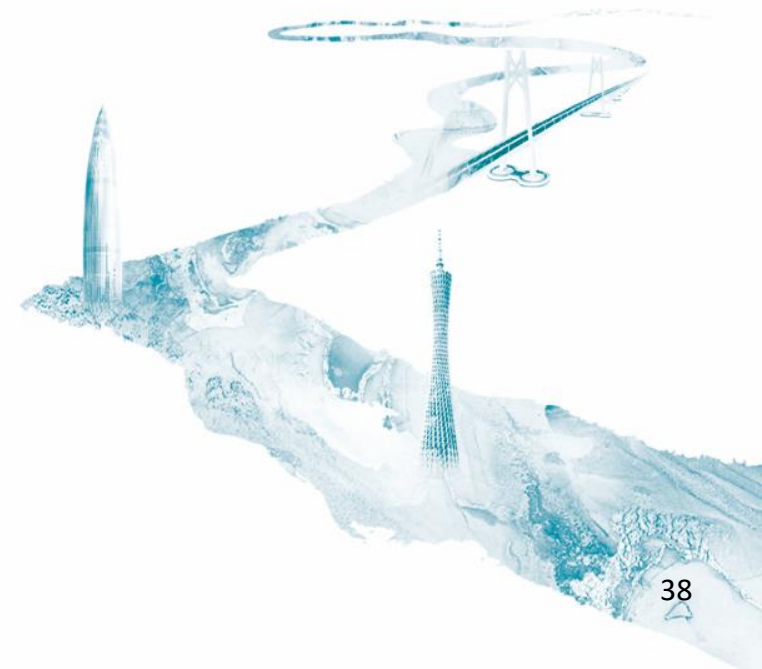
- ▲ **Three Core Strengths** - Leading position in regional market, Lowest total cost, Innovation-driven development
- ▲ The Group is dedicated to enhancing **efficiency and quality of operation** and further improving the management standards of **environmental protection, safety and health**; deepen **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 grasp the opportunities in the development of the **Greater Bay Area**, accelerate the pace of **transformation and innovation**, and promote the strategic development of extension along the industry chain.



# Appendix





# *Our vision*

*To become a respected world-class cement company*



# CR Cement's Footprint



華潤水泥控股有限公司

China Resources Cement Holdings Limited



● 自營水泥·熟料生產廠

- |                |               |                       |                |
|----------------|---------------|-----------------------|----------------|
| 1 廉江 Lianjiang | 6 黃港 Guigang  | 11 富川 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 海平 Zhangping       | 20 長治 Changzhi |

設有協同處理項目的水泥·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 龍岩燕石 Longyan Yanshi | 9 越堡 Yuebao  |                |

■ 自營水泥粉磨線 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 Aggregate projects

- |               |              |              |              |
|---------------|--------------|--------------|--------------|
| 1 封開 Fengkai  | 3 上思 Shangsi | 5 武平 Wuping  | 7 巍山 Weishan |
| 2 田陽 Tianyang | 4 武宣 Wuxuan  | 6 定安 Ding'an |              |

△ 規劃中 Under planning

装配式建築項目 Prefabricated construction projects

- |                |               |              |             |
|----------------|---------------|--------------|-------------|
| 1 湛江 Zhanjiang | 3 東莞 Dongguan | 5 南寧 Nanning | 7 來賓 Laibin |
| 2 江門 Jiangmen  | 4 百色 Baise    | 6 黃港 Guigang |             |

△ 規劃中 Under planning ○ 聯營公司 Associates

Note: Please refer to the 2020 Annual Report for details.

# CR Cement's Production Capacity



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China Resources Cement Holdings Limited

## Controlled by the Group

(As at 31 Dec 2020)

	Cement		Clinker		Concrete	
Province/AR/SAR	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

	Cement		Clinker		Concrete	
Province/AR/SAR	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	6	8.1	8	4.8
Yunnan	32	23.1	15	15.5	1	0.3
Inner Mongolia	21	17.3	5	6.9	5	1.5
Hong Kong	-	-	-	-	5	2.3
<b>Total</b>	<b>75</b>	<b>60.3</b>	<b>28</b>	<b>34.2</b>	<b>19</b>	<b>8.9</b>
<b>Attributable</b>	<b>-</b>	<b>20.4</b>	<b>-</b>	<b>11.2</b>	<b>-</b>	<b>4.1</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



華潤水泥控股有限公司

China Resources Cement Holdings Limited

## □ 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**

□ **2019: Population:** 72.7 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



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China Resources Cement Holdings Limited

- As of the end of 2020, 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.
- In April 2020, the Group obtained a franchise license for the resourceful utilization of construction waste in Changjiang, Hainan to build a construction waste disposal plant project with design annual processing capacity of approximately 250,000 tons of construction waste.

## 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	Construction
	Urban sludge	20,000	Construction
Midu, Yunnan	Municipal waste	110,000	Trial operation

*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.*



The Municipal Waste Co-processing Project in Tianyang, Guangxi

# Aggregates



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China Resources Cement Holdings Limited

- **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.
- As of the end of Dec 2020, the Group's annual production capacity of aggregate was approximately **10.6 million tons**, excluding the newly acquired quarries in 2019 and 2020 shown below:

Project	Planned annual production capacity (tons)	Resource reserve (tons)	Total CAPEX (HK\$ mil)	Expended capital (HK\$ mil)	Mining rights acquisition	Completion
Wuping, Fujian	2,000,000	56,000,000	467.3	224.1	Nov 2019	End of 2021
Shangsi, Guangxi	5,000,000	65,000,000	473.7	89.7	Mar 2020	End of 2022
Tianyang, Guangxi	5,000,000	61,000,000	470.5	102.8	Jun 2020	End of 2022
Weishan, Yunnan	3,000,000	100,000,000	432.1	126.1	Aug 2020	End of 2022
Fengkai, Guangdong	30,000,000	425,000,000	6,329.1	2,743.7	Oct 2020	End of 2022
Dingan, Hainan	3,000,000	63,00,000	2,019.9	737.3	Nov 2020	End of 2022
Wuxuan, Guangxi	5,000,000	208,00,000	894.2	0	Feb 2021	1H2023
<b>Total</b>	<b>53,000,000</b>	<b>978,000,000</b>	<b>11,086.8</b>	<b>4,023.7</b>		



Aggregate Quarry in Fengkai, Guangdong



Aggregate Production Line in Guigang, Guangxi



Coarse Aggregate



Manufactured Gravel

# Prefabricated Construction



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China Resources Cement Holdings Limited

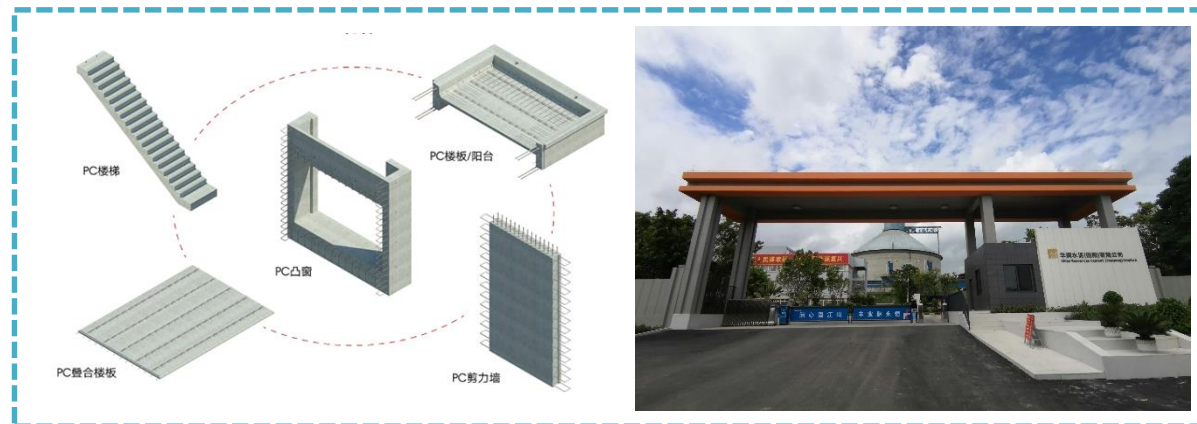
- **Prefabricated construction** components are produced in factories for prefabricated buildings, and transported to the construction site and assembled onsite. The products generally are floor slabs, walls, stairs and balconies etc.
- **Advantages** include: Improve project quality and construction 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%**; Guangxi – Nanning, Liuzhou – 2025: **30%**

## Precast Concrete Production Plant



Precast Concrete Production Plant  
in Guigang, Guangxi

## 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 and Guangxi government

# Prefabricated Construction (cont'd)



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China Resources Cement Holdings Limited

- As of the end of 2020, the Group had planned for a total of 7 prefabricated construction projects and the design annual production capacity is expected to reach approximately 1.5 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	520.4	170.6	Under construction	➤ Completion: Phase I (annual capacity: 200,000 m <sup>3</sup> ) – first half of 2021
Jiangmen Runfeng	50,000	300.6	74.9	Under construction	➤ Completion: Precast concrete production lines & concrete batching plant – second half of 2022
<b>Guangxi</b>					
Nanning Wuhe	400,000	573.1	136.9	Under construction	➤ Concrete batching plant commenced operation in Dec 2019; ➤ Completion: Precast concrete production lines - Phase I (annual capacity: 200,000 m <sup>3</sup> ) – end of 2021
Guigang Runhe	200,000	238.9	181.4	Trial production	➤ Concrete batching plant commenced operation in Nov 2019; ➤ Trial production: Precast concrete production lines - Phase I (annual capacity: 100,000 m <sup>3</sup> ) – June 2020
Laibin Runhe	200,000	228.8	25.6	Planning	➤ Jan 2020: Successfully bid for land
Baise Runhe	200,000	254.3	33.3	Planning	➤ April 2020: Successfully bid for land
<b>Total</b>	<b>1,469,600</b>	<b>2,116.1</b>	<b>622.7</b>		

# Engineered Stone



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

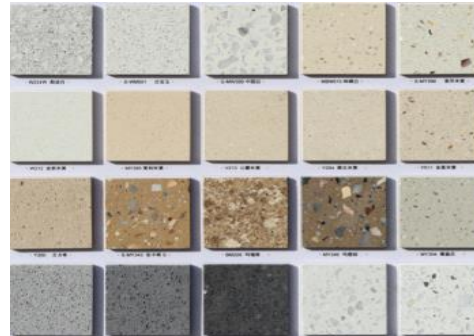
- **Runfeng New Materials**, a wholly-owned subsidiary of the Group, is mainly responsible for the operation and promotion of new products and new materials.
- Following the Group's acquisition of **40%** equity interests of Universal Marble through Runfeng New Materials in 2019, the Group entered into an equity transfer agreement in Jan 2021 with Universal Marble and its subsidiaries to acquire approx. 58.8% equity interests of Universal Classical for RMB256,070,700 (equivalent to approx. HK\$306,811,000). This will increase our shareholding in Universal Classical to approx. **75.3%**.

## Runfeng New Materials



RUN Stone-lab

## Engineered Stone



Engineered Stone Samples

## Product Application



The Exterior of Guiyang Shopping Center

- **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 May 2020, Runfeng New Materials officially stationed in “RUN Stone-lab”, During the year, Runfeng New Materials actively promoted inorganic engineered stones, and expanded the market through launching strategic cooperation with real estate developers.

# Financial Summary



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

(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	10,377	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) generated from 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 First Quarter Results Announcement	23 April 2021
Annual General Meeting	14 May 2021
Ex-dividend Date for 2020 Final Dividend	20 May 2021
Payment for 2020 Final Dividend	7 June 2021*
2021 Interim Results Announcement	13 August 2021*

\*Tentative dates

# Disclaimer



華潤水泥控股有限公司

China Resources Cement Holdings Limited

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