


**華潤水泥控股有限公司**
**China Resources Cement Holdings Limited**
*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 1313)

**CHINA RESOURCES CEMENT'S PROFIT UP 43.6% TO HK\$3.3 BILLION  
FINAL DIVIDEND OF HK\$0.07 PER SHARE  
CONSOLIDATED GROSS MARGIN GREW 4.4 PPT TO 28.5% IN 2013**

\* \* \*

**ENERGY CONSERVATION, EMISSION REDUCTION AND SUSTAINABLE GROWTH  
A NEW PAGE OF CEMENT INDUSTRY**

**Financial Highlights**

	For the year ended 31 December		
	2013	2012	Change
Turnover (HK\$ million)	29,340.6	25,345.3	+15.8%
Gross Margin	28.5%	24.1%	+4.4 ppt
Profit Attributable to Owners of the Company (HK\$ million)	3,338.4	2,324.4	+43.6%
Net Margin	11.2%	9.3%	+1.9 ppt
Basic Earnings per share (HK\$)	0.512	0.357	+43.4%
Final Dividend per share (HK\$)	0.07	0.07	The same

(Hong Kong, 10 March 2014) – China Resources Cement Holdings Limited (“China Resources Cement” or the “Company”, SEHK stock code: 1313, and together with its subsidiaries, the “Group”), one of the leading cement and concrete producers in Southern China, announced its annual results for the year ended 31 December 2013.

The Company’s consolidated turnover rose to HK\$29.3 billion for 2013, representing an increase of 15.8% over 2012. Profit attributable to owners of the Company achieved a growth of 43.6% year-on-year to HK\$3.3 billion. Consolidated gross margin grew 4.4 ppt year-on-year from 24.1% to 28.5% due to a decrease in the production costs of cement products. Basic earnings per share reached HK\$0.512. The Board has resolved to declare the payment of final dividend of HK\$0.07 per share for the year ended 31 December 2013 (2012: HK\$0.07 per share).

**Mr. Zhou Longshan, Chairman and Executive Director of China Resources Cement**, said, “In 2013, China maintained stable economic growth. FAI remained the key driver of economic growth. The stable development of railway, highway and waterway infrastructure, and real estate market continuously drove for the demand for cement products. Under the encouragement and promotion of the Chinese government, industry consolidation and restructuring will be accelerated. Energy conservation, emission reduction and sustainable growth will be the major tasks for future development.”

According to the National Bureau of Statistics, the total cement production increased by 9.6%, reaching 2,410 million tons during the period. New clinker production capacity decreased 36.2% year-on-year to 100.0 million tons. Among them, there were only 6 production lines released in Southern China, increasing clinker production capacity by 7.6 million tons and representing a decrease of 64.9% year-on-year. In addition, the Ministry of Industry and Information Technology of China issued three lists of companies with obsolete capacities, and explicitly required the production plants with 94.2 million tons of obsolete capacities in total set out in the lists to be demolished by the end of year. The State Council of China announced the "Guidance on resolving the conflict concerning severe overcapacity" in October 2013, which proposed measures including further elimination of a total of 100 million tons of cement capacity by the end of 2015, promotion of industry consolidation and restructuring, removal of grade 32.5 composite cement, and the development of top grade cement and special cement. The effective implementation of obsolete capacity elimination and strict approval on new capacity will control net capacity addition, improve supply and demand dynamics, which is conducive to the healthy long term development for the industry.

In 2013, our external sale volume of cement, clinker and concrete increased by 11.2 million tons, decreased by 1.0 million tons and increased by 1.8 million m<sup>3</sup>, representing increase of 20.1%, decrease of 11.0% and increase of 13.4% respectively over 2012. Turnover of cement, clinker and concrete reached HK\$21.6 billion, HK\$1.9 billion and HK\$5.8 billion respectively. The average selling prices of cement, clinker and concrete were HK\$321.3 per ton, HK\$247.7 per ton and HK\$384.3 per cubic meter, representing year-on-year decrease of 0.9%, decrease of 3.7% and increase of 3.6% respectively. Selling prices of cement products dropped as the Chinese New Year holiday began. However, since April, economic activities have become more active resulting in strong demand for cement products. As the cement market in Southern China entered into the traditional peak season from September, the robust demand drove up cement selling prices. The selling prices of concrete in 2013 were relatively stable until the fourth quarter when it increased by approximately 7.6%.

#### **Improved coal and electricity consumption to effectively lower production cost**

In 2013, the Company has adopted a short-cycle and multi-channel sourcing strategy to control procurement cost and risk management effectively. The average coal price procured by the Company in 2013 was around HK\$691 per ton, representing a decrease of 13.1% from the average price of HK\$795 per ton in 2012. Our standard coal consumption decreased to 107.8 kg per ton of clinker for the year from 109.3 kg in 2012. As the result of the lower coal price and improved coal consumption, the Company's average coal cost of production decreased by 17.6% from HK\$128.1 per ton of clinker produced in 2012 to HK\$105.6 for the year. The Company managed to improve the electricity consumption, together with the performance of the residual heat recovery generators, has enabled the average electricity cost decreased by 4.2% from HK\$42.9 per ton of cement in 2012 to HK\$41.1 for the year. At the end of 2013, the Company has secured 650,000 tons of shipping capacity on the Xijiang River, reaching an annual shipping capacity of 25 million tons. In respect of road transportation, the Company has introduced global positioning system for scheduling truck transportation distribution in the Pearl River Delta region from July 2013. The above logistics strategies have enhanced the competitiveness in terms of logistics and transportation through the "water freight and transshipment" model.

#### **Further enhanced utilization rate**

As at 31 December 2013, the Company had 85 cement grinding lines, 39 clinker production lines and 61 concrete batching plants in operation, with annual production capacity of 75.5 million tons of cement, 51.0 million tons of clinker and 36.1 million cubic meters of concrete respectively. The Company maintained a high level of production with the utilization rates of its cement, clinker and concrete production lines at 94.0%, 118.9% and 43.2% respectively as compared with 83.9%, 110.9% and 41.8% for 2012.

**Committed to the environmental protection & sustainable development**

The Group is committed to the protection of the environment and sustainable development of the cement industry, striving to minimize the waste produced during the cement manufacturing process, as well as assisting in the treatment of residential and industrial wastes in the city. The Group is in a leading position in China's cement industry in various aspects including energy saving, emission reduction and circular economy. We will gradually complete the technological upgrade of our clinker production lines for denitrogenation and dust collection system, as a contribution to energy saving and environmental protection in China. In addition, the Company always values the interaction with international cement peers on energy saving, emission reduction and social responsibility. In May 2013, we hosted a meeting in Guigang, Guangxi for the Safety Work Group of China, which is under the Cement Sustainability Initiative, for experience sharing. In July and November of 2013, the Group participated in the CEO conference held by the Cement Sustainability Initiative in Heidelberg of Germany and Istanbul of Turkey, where we discussed with other cement companies worldwide regarding the future development of the organization and to pursue the sustainable development of the cement industry.

**Mr. Zhou** concluded, "Looking into 2014, the Chinese government will continue its reforms to improve the quality and efficiency of economic growth support a healthy, stable and sustainable economic development and improve the supply and demand dynamics of the cement industry. Moreover, the government will proactively promote energy conservation and production standard to improve the environment for the development of the cement industry. In the future, we will continue to adhere to the "3+2" development strategy, through control, conversion and distribution of resources, making us the lowest total cost producer with leading market position in the region. We will continue to perform market consolidation, promote energy conservation and emission reduction, develop circular economy and contribute to a sustainable and healthy development of the cement industry in China"



(From left to right) Executive Director and Chief Financial Officer Mr. LAU Chung Kwok Robert; Chairman and Executive Director Mr. ZHOU Longshan; Executive Director and Chief Executive Officer Mr. PAN Yonghong; Deputy General Manager, Investor Relations Department Ms. Elaine LAM

Appendix: Overview of Annual Production Capacity of the Company's Facilities in Operation

Province/SAR	Cement		Clinker		Concrete	
	No. of lines	million tons	No. of lines	million tons	No. of lines	million m <sup>3</sup>
Guangdong	20	18.9	7	9.4	23	14.1
Guangxi	35	31.1	17	25.0	17	10.1
Fujian	14	10.9	6	6.8	10	5.7
Hainan	5	4.6	3	3.3	4	2.4
Shanxi	6	6.0	3	4.2	1	0.6
Yunnan	5	4.0	3	2.3	1	0.6
Zhejiang	-	-	-	-	2	1.1
Hong Kong	-	-	-	-	3	1.5
<b>Total</b>	<b>85</b>	<b>75.5</b>	<b>39</b>	<b>51.0</b>	<b>61</b>	<b>36.1</b>

Overview of the Company's Expected Annual Production Capacity assuming no acquisition

Year	Cement million tons	Clinker million tons	Concrete million m <sup>3</sup>
End of 2014	79.5	53.8	43.9
End of 2015	86.5	60.2	51.1
End of 2016	94.5	67.8	58.3
End of 2017	100.5	72.4	65.5

**About China Resources Cement Holdings Limited**

China Resources Cement Holdings Limited is one of the leading cement and concrete producers in Southern China. The Company is the largest NSP clinker and cement producer by production capacity and the largest concrete producer by sales volume in Southern China. As at 31 December 2013, it had 85 cement grinding lines and 39 clinker production lines in operation, with an annual production capacity of 75.5 million tons of cement and 51.0 million tons of clinker respectively. It also operated 61 concrete batching plants with an annual production capacity of 36.1 million cubic metres of concrete. The Company has been listed on The Stock Exchange of Hong Kong Limited since October 2009 (SEHK stock code: 1313).

For more information, please visit [www.crcement.com](http://www.crcement.com).

\*This press release is distributed by Wonderful Sky Financial Group Limited on behalf of **China Resources Cement Holdings Limited**.

For further information, please contact:  
**Wonderful Sky Financial Group Limited**

Mr. James Lo / Ms. Queenie Hung  
 Contact Number: (852) 3970 2133 / (852) 3970 2135  
 Fax: (852) 2598 1588  
 Email: jameslo@wsfg.hk / queeniehung@wsfg.hk