



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

2021







Annual Results Presentation



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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 **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

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, Innovation-driven development, Lowest total cost
- ◆ **New Businesses:** Aggregates, Prefabricated Construction, Functional Building Materials, New Materials



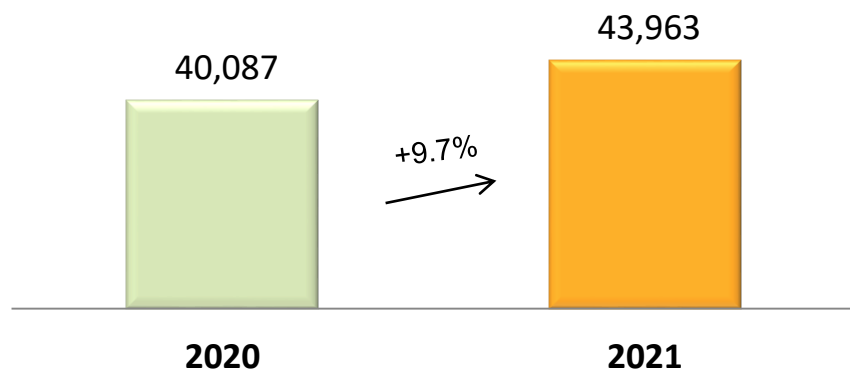
Financial Performance



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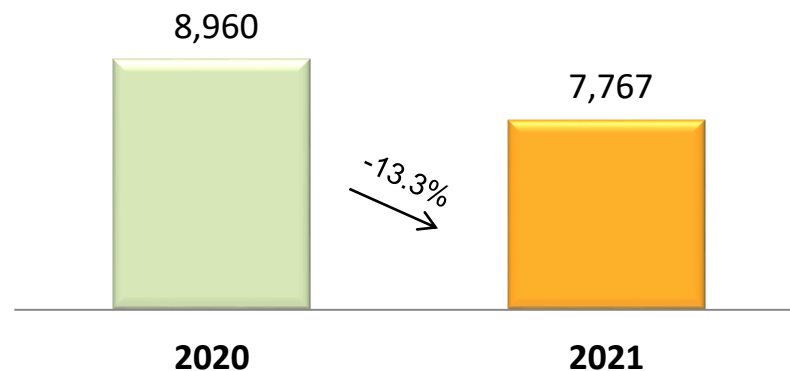
Turnover

(HK\$ million)



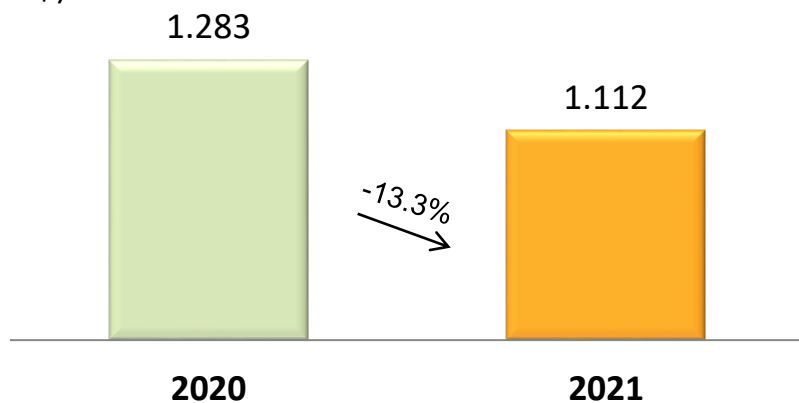
Profit attributable to owners of the Company

(HK\$ million)



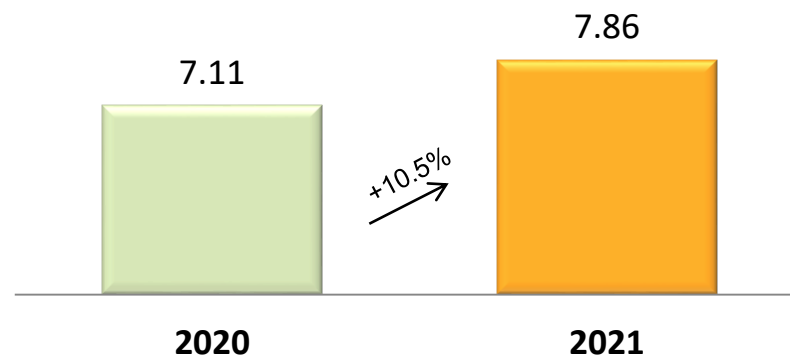
Earnings per share

(HK\$)



Net assets per share

(HK\$)





Industry Overview

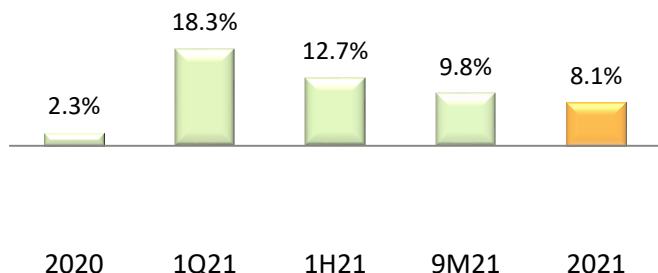


Economic Growth

- 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 “14th Five-Year”.
- In 2021, National GDP was **RMB 114.4 trillion, +8.1% YoY**. National FAI was **RMB 54.5 trillion, +4.9% YoY**.

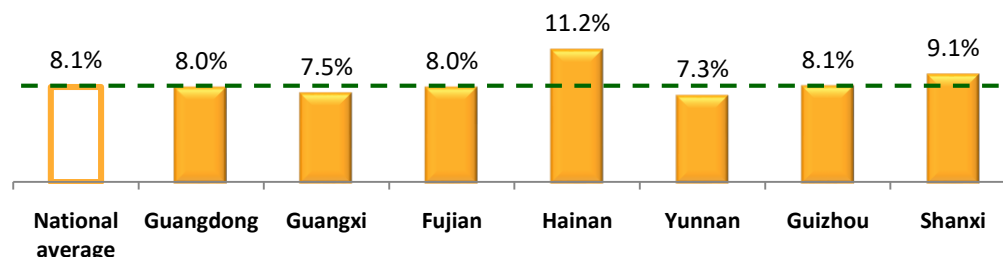
National GDP

2021: RMB 114.4 trillion



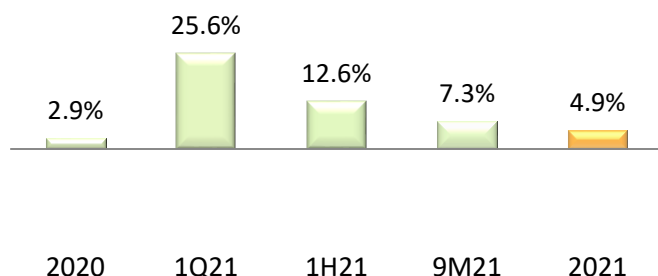
GDP Growth (2021)

(YoY)



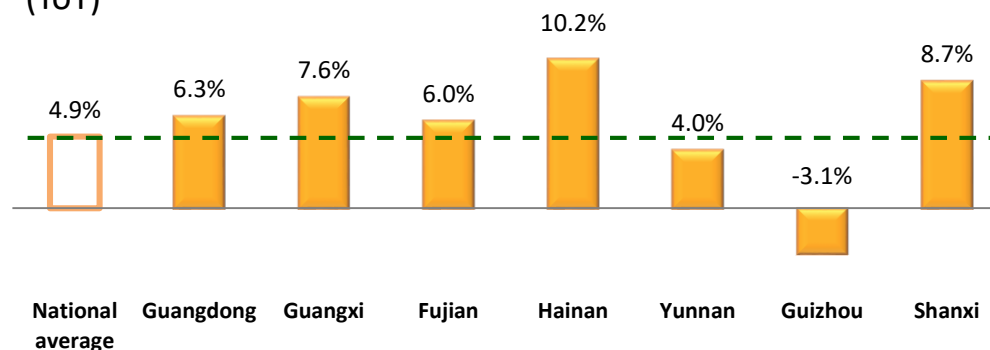
National FAI (excluding rural households)

2021: RMB 54.5 trillion



FAI Growth (2021)

(YoY)



Cement Demand Drivers

Infrastructure

- In 2021, national infrastructure investments* increased by 0.4% YoY.

(RMB)	2021	YoY
Railway	748.9 billion	-4.2%
Highways & waterways (11M21)	2.5 trillion	+5.7%

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

Real Estate Market

- In 2021, real estate investment increased by 4.4% YoY to RMB14.8 trillion.

(Million m ²)	2021	YoY
Floor space of commodity housing sold	1,790	+1.9%
Floor space of houses newly started construction	1,990	-11.4%
Floor space of houses completed	1,010	+11.2%
Floor space under construction by real estate developers	9,750	+5.2%

Rural Market

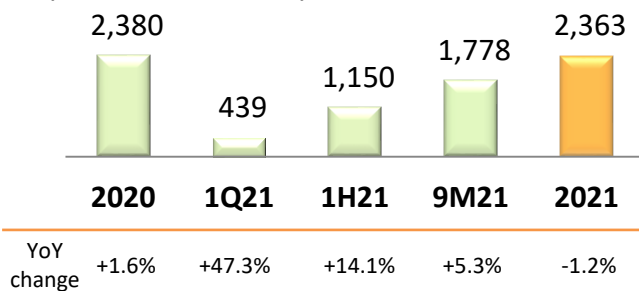
- Government promoted new-type urbanization and integrated urban-rural development, and actively advocated policies for rural revitalization
 - In 2021, 55,600 old communities newly started renovation (>2021 target: 53,000)
 - Urbanization rate 64.72% as of the end of 2021 (+0.83ppt YoY)

Cement Production

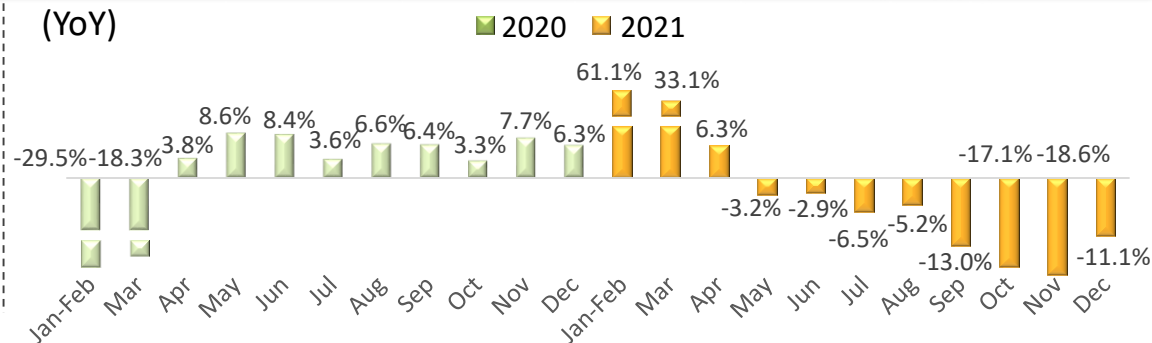
■ In 2021, China's cement production was approximately **2.36** billion tons*, **-1.2%** YoY.

National Cement Production (1)

(million tons, YoY)

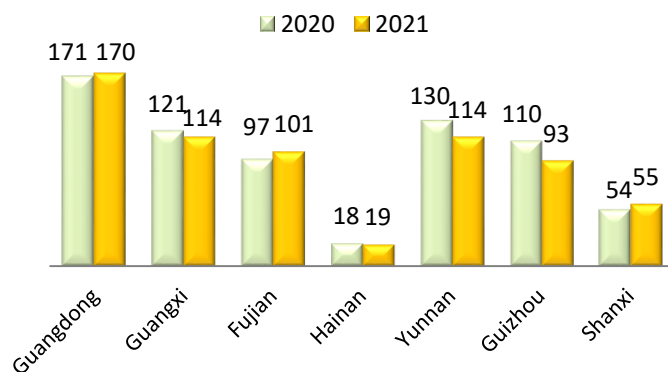


(YoY)

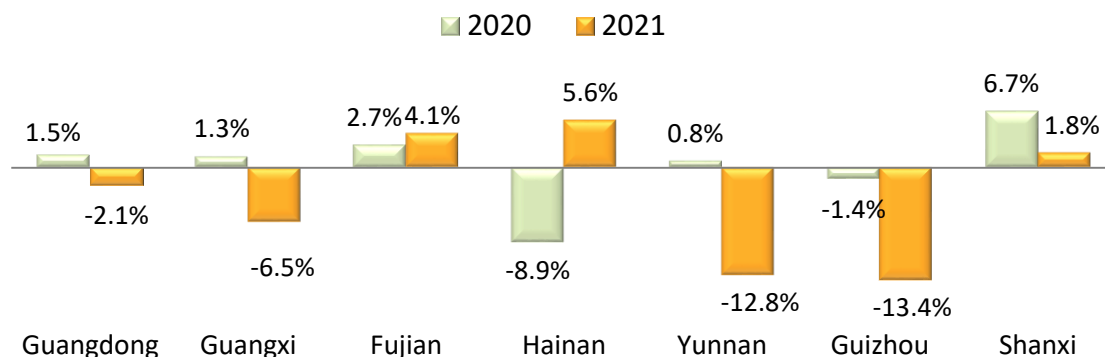


CRC's Operating Regions (2)

(million tons)



(YoY)



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

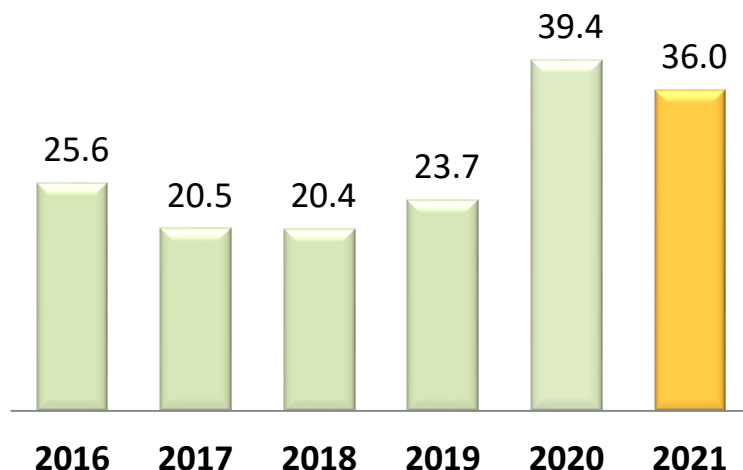
Source: (1) National Bureau of Statistics of China, (2) China Cement Association

Cement Supply

- In 2021, there were **24** new clinker production lines nationwide with new annual clinker production capacity of **36.0** million tons in total.
- One new clinker production line was added in Guangdong, with new annual clinker production capacity of approximately **1.9** million tons. Three new clinker production lines were added in Guangxi, with new annual clinker production capacity of approximately **4.7** million tons in total.

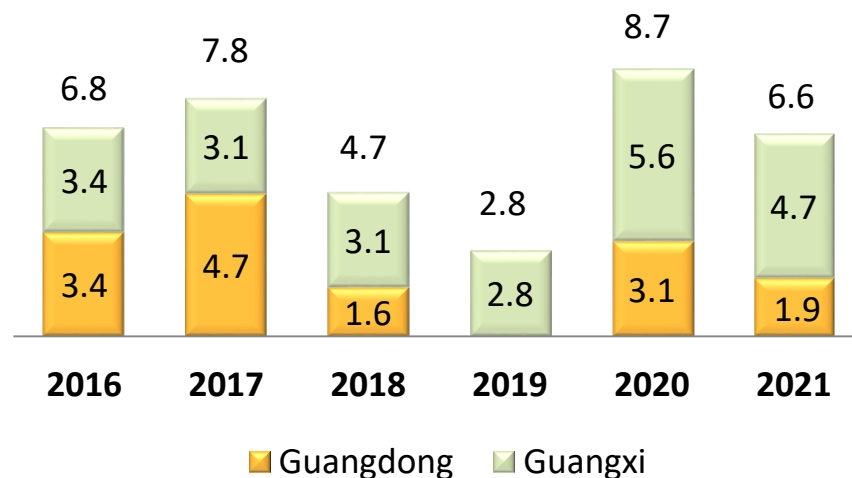
New Clinker Capacity in China

(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. On July 16, 2021, the national carbon emission trading scheme was officially launched in China.

Energy Consumption

❑ Dual Control System for Energy Consumption

- Energy intensity reduction as restricting indicators
- Enhance the flexibility of total energy consumption

❑ Energy Consumption and Intensity Targets

- By 2025 to reduce compared to 2020:
 - National energy consumption per unit of GDP by 13.5%
 - 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)

Cement Supply

❑ Off-peak Production

- Northern China: Nov to Mar
- Others: CNY, hot summers, rainy seasons and major events upon local conditions

❑ Capacity Replacement

- Replacement ratio tightened to 2:1 and 1.5:1 for cement and clinker projects located in key and non-key areas respectively

❑ “14th Five-Year” Target

- Production capacity will not increase
- Capacity utilization rate will remain at a reasonable level
- Industrial concentration will be further improved.

Green Production

❑ Prevention & Treatment of Pollution

- Key areas, the Pearl River Delta, and the Chengdu-Chongqing region
- Steadily implements ultra-low emission transformation
- Goal to reduce both the pollutant emissions per unit of output value and the total amount of pollutant emissions in key industries by 2025



Financial Highlights



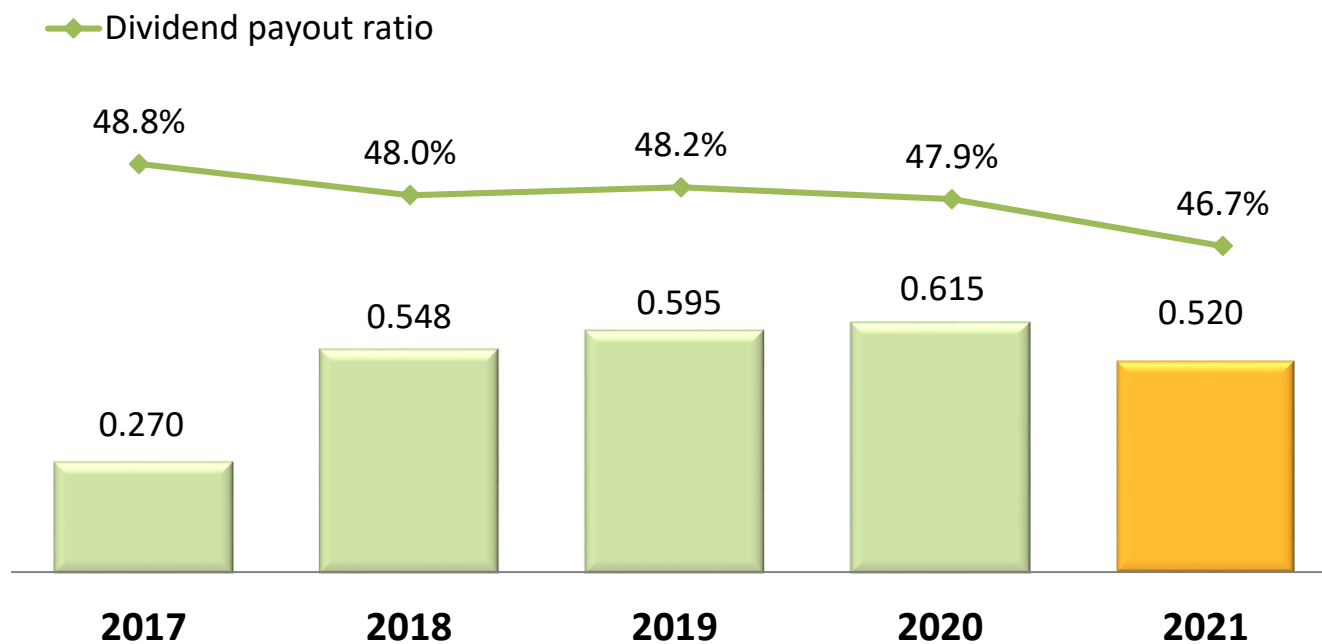
Results Summary

(HK\$ million)	2020	2021	YoY
Turnover	40,086.9	43,962.7	+9.7%
Gross profit	15,636.0	14,122.8	-9.7%
<i>Gross margin (%)</i>	<i>39.0%</i>	<i>32.1%</i>	<i>-6.9ppt</i>
Exchange gain	103.6	19.0	-81.7%
Finance costs	(273.9)	(231.7)	-15.4%
Profit attributable to owners of the Company	8,959.9	7,767.4	-13.3%
Basic earnings per share (HK\$)	1.283	1.112	-13.3%

Dividend Payout (HK\$)



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

Turnover

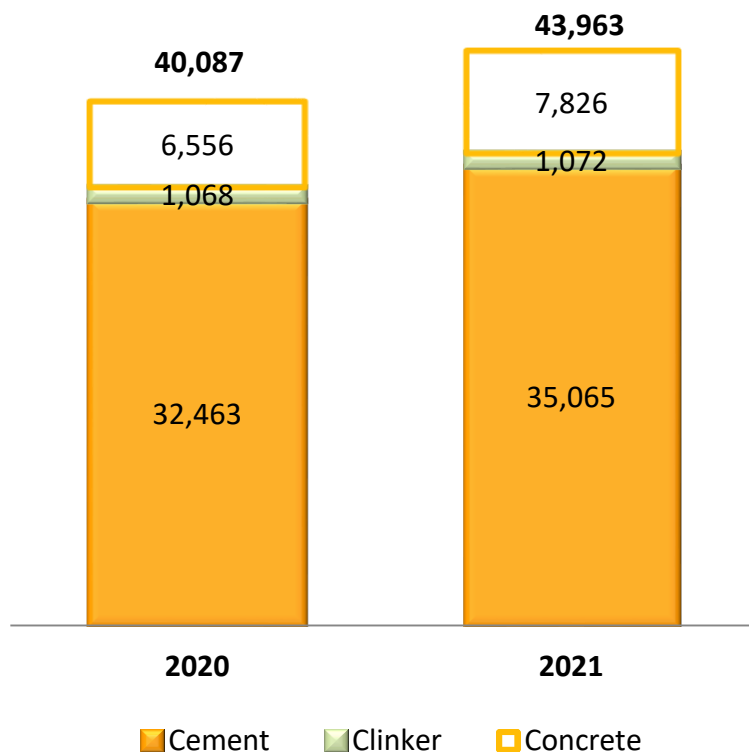


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Turnover by Product

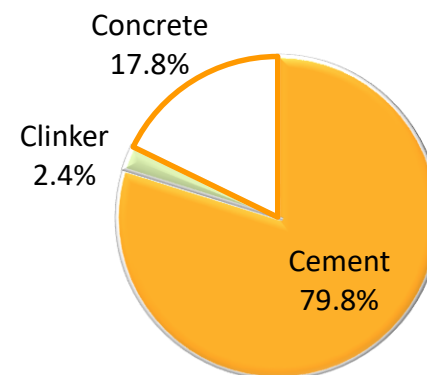
(HK\$ million)



2021 YoY

Cement	+8.0%
Clinker	+0.4%
Concrete	+19.4%
Total	+9.7%

2021



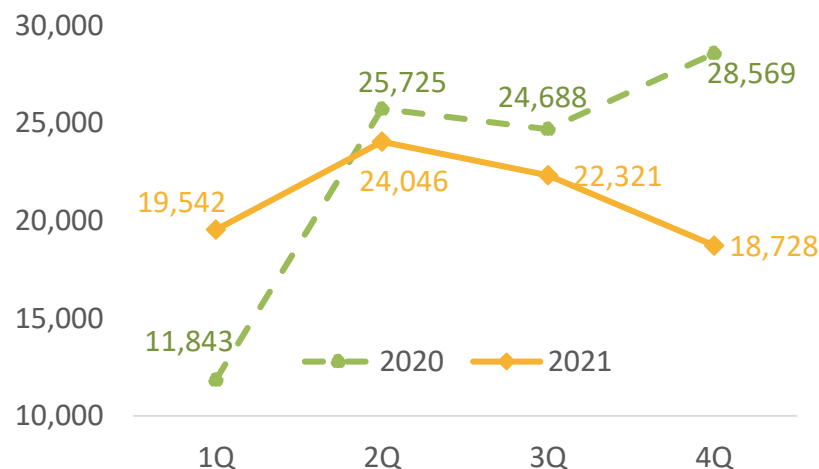
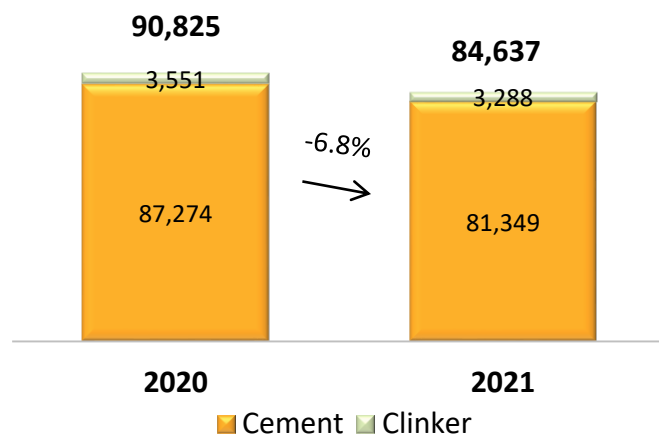
Sales Volume



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Cement & Clinker Sales Volume*

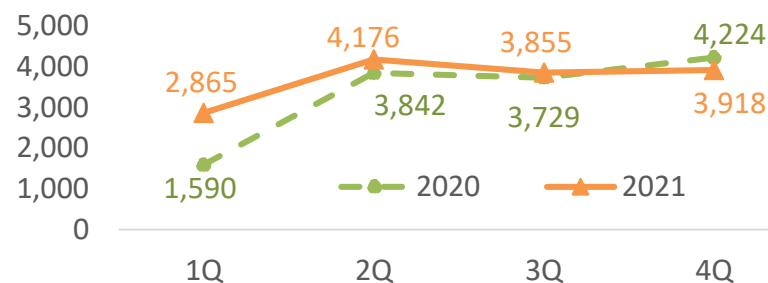
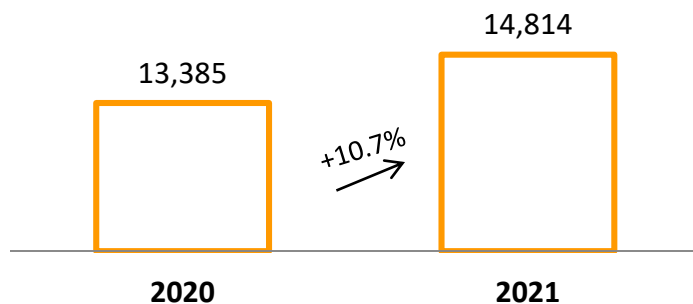
('000 tons)



*Note: Inclusive of sales volume of 4.6 million tons of cement from related parties (2020: 4.3 million tons).

Concrete Sales Volume

('000 m³)



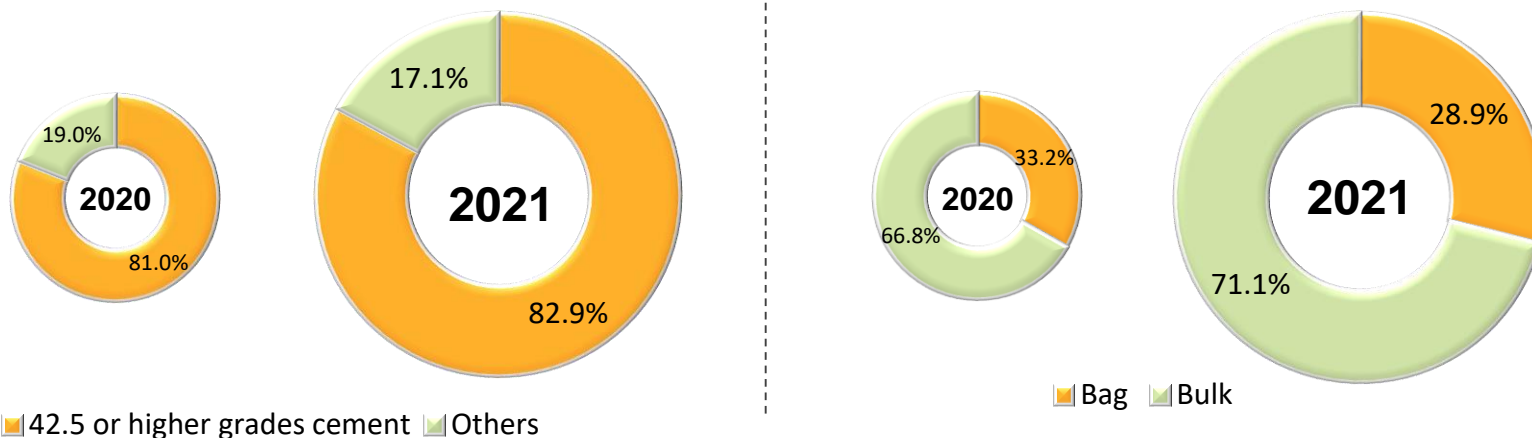
Breakdown of Cement Sales Volume



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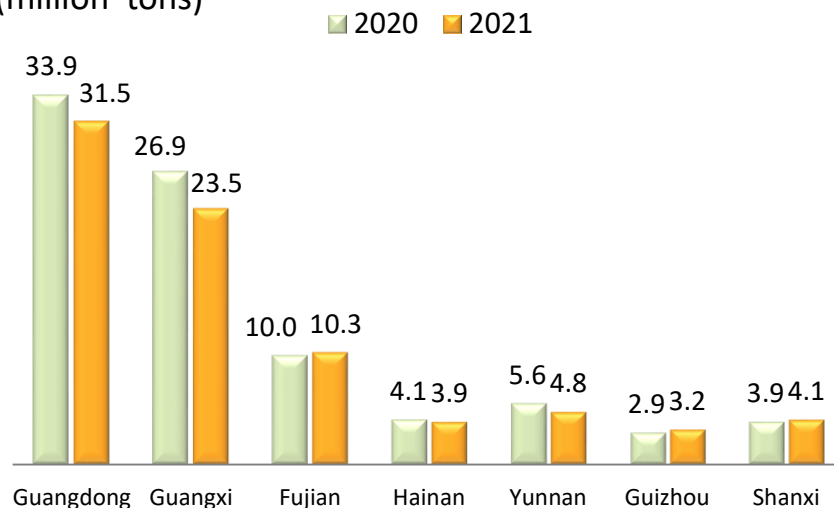
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By Product Type



By Region

(million tons)



% of total cement sales volume

	% of total cement sales volume
Guangdong	38.7%
Guangxi	28.8%
Fujian	12.8%
Hainan	4.8%
Yunnan	5.9%
Guizhou	4.0%
Shanxi	5.0%
Total	100%

Average Selling Price

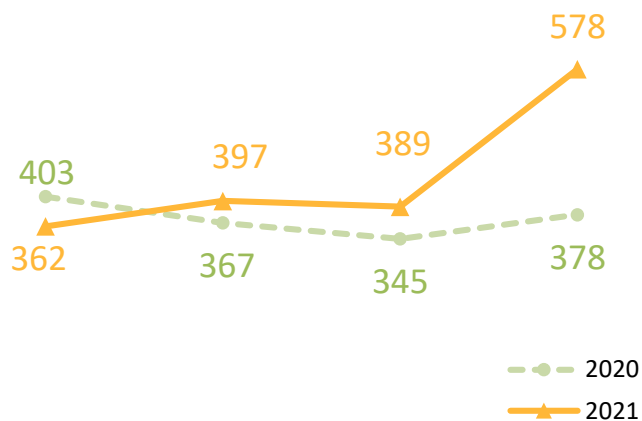


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Cement & Clinker

(HK\$ per ton)

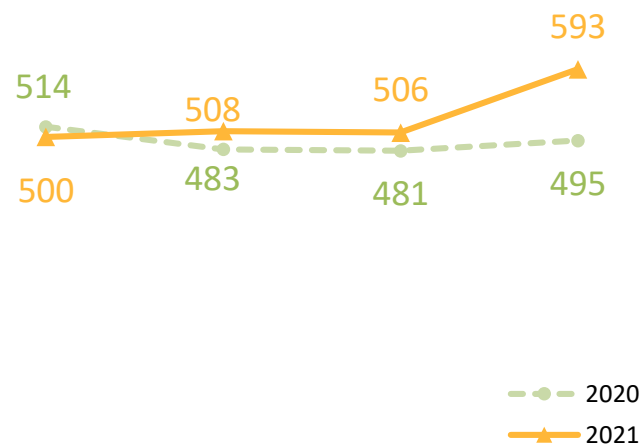
	2020	YoY	2021	YoY
Cement & Clinker	369	+0.3%	427	+15.7%



Concrete

(HK\$ per m³)

	2020	YoY	2021	YoY
Concrete	490	+0.7%	528	+7.9%



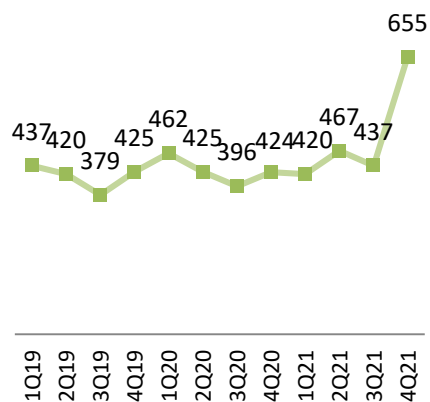
Cement Selling Price by Region

(HK\$ per ton)

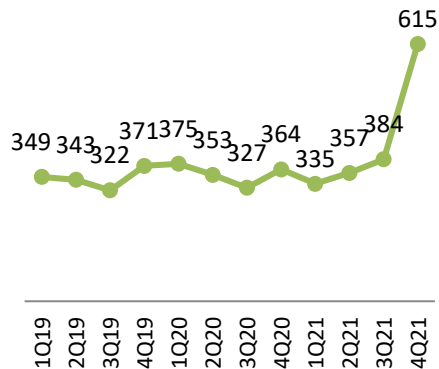


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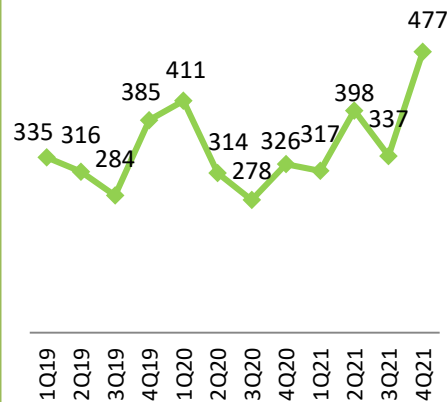
Guangdong



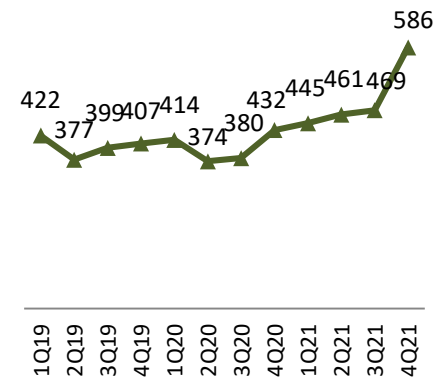
Guangxi



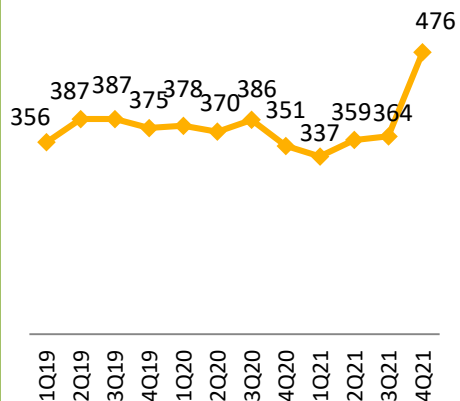
Fujian



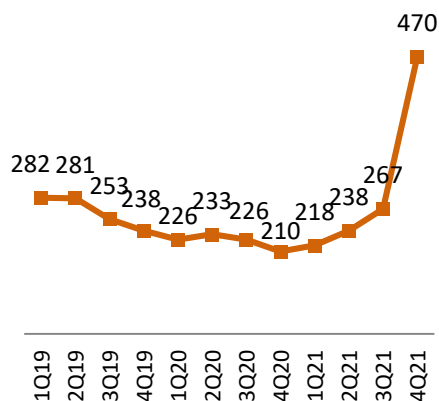
Hainan



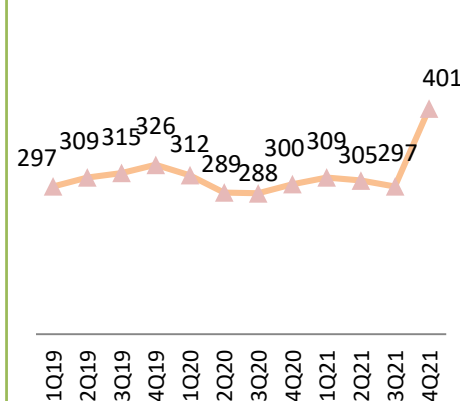
Yunnan



Guizhou



Shanxi



Cost Structure of Cement Products

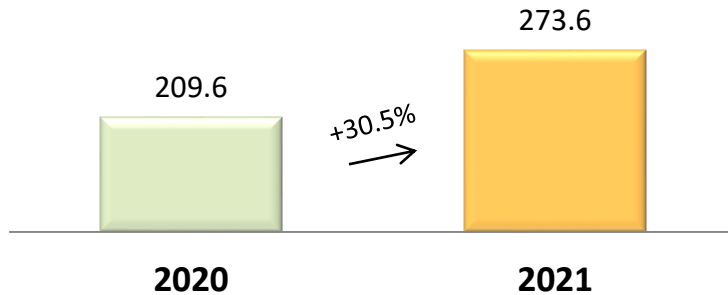
Cement products refer to cement & clinker



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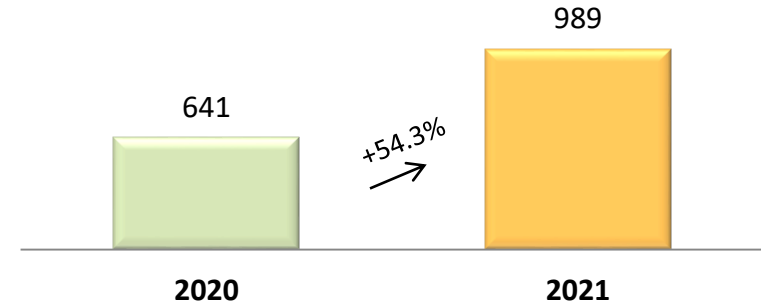
Unit Cost

(HK\$ per ton)

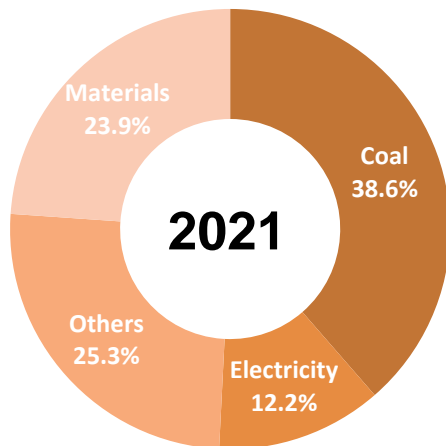


Average Coal Purchase Price

(HK\$ per ton)



Unit Cost Breakdown



(HK\$ per ton)	2020	2021	YoY
Coal	72.2	105.6	+46.3%
Electricity	29.3	33.3	+13.7%
Materials	51.9	65.3	+25.8%
Others	56.2	69.4	+23.5%
Total	209.6	273.6	+30.5%

Notes:

1. Exclusive of sales from related parties;
2. Others: Staff, depreciation, repairs and maintenance costs and other indirect costs accounting for 8.6%, 6.9%, 6.5% and 3.3% respectively of total unit cost.

Gross Profit & Margin

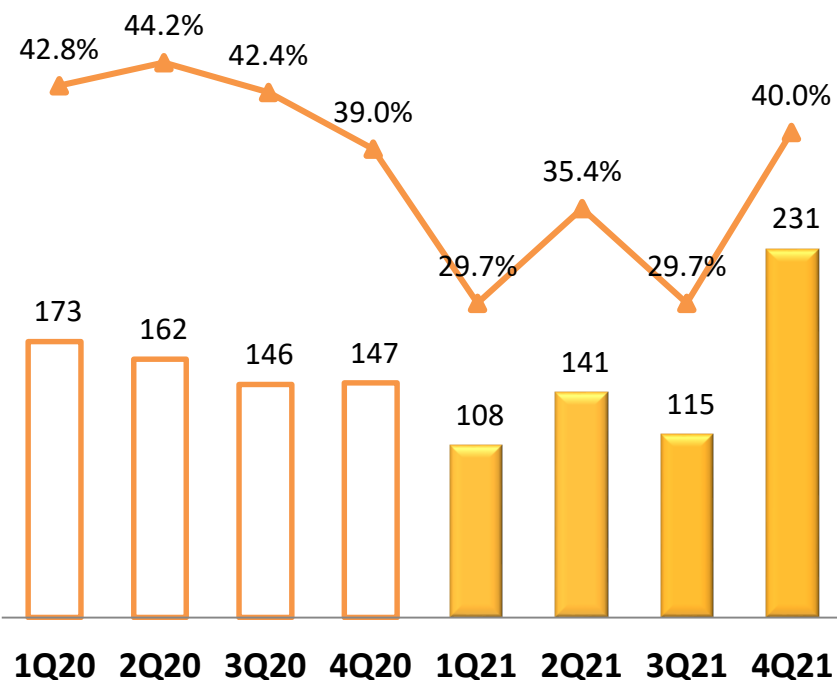


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Cement & Clinker

(HK\$ per ton)

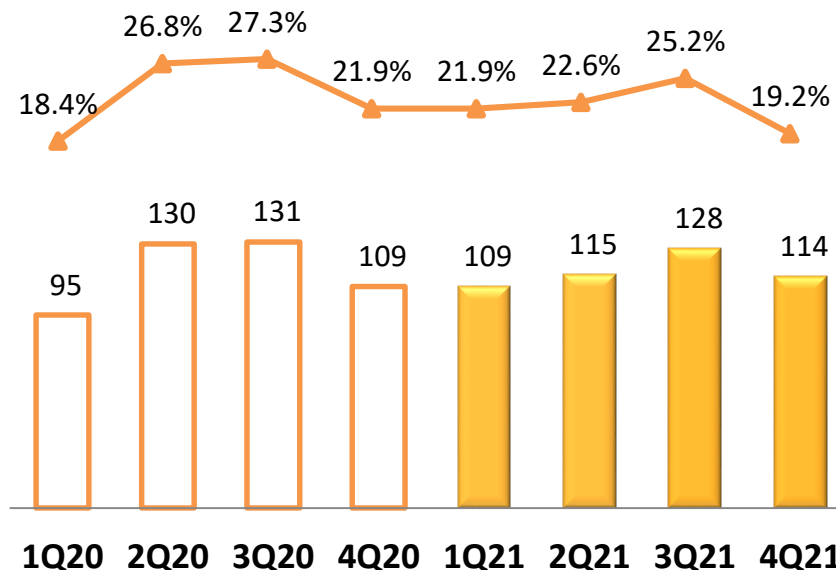
	2020	2021
Gross Profit	155	146
Gross Margin	41.9%	34.3%



Concrete

(HK\$ per m³)

	2020	2021
Gross Profit	119	117
Gross Margin	24.3%	22.1%



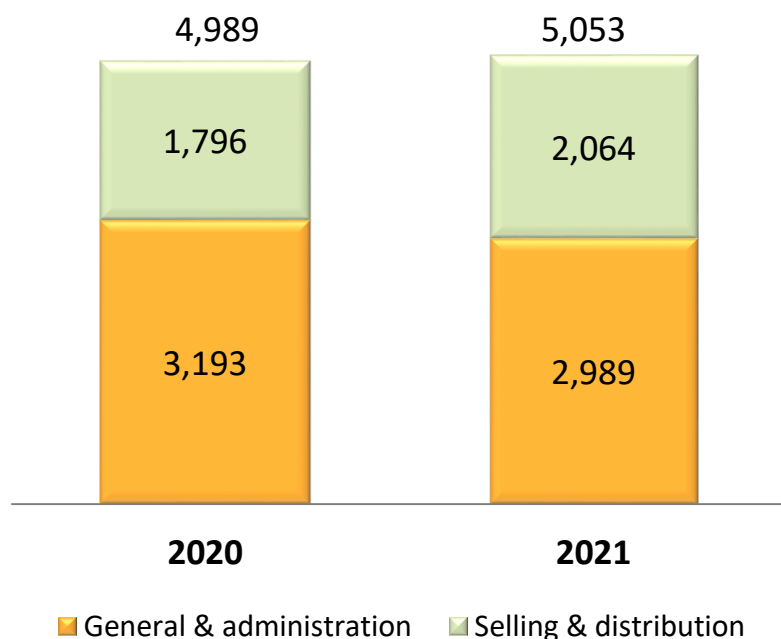
Selling, General & Administrative Expenses

(HK\$ million)

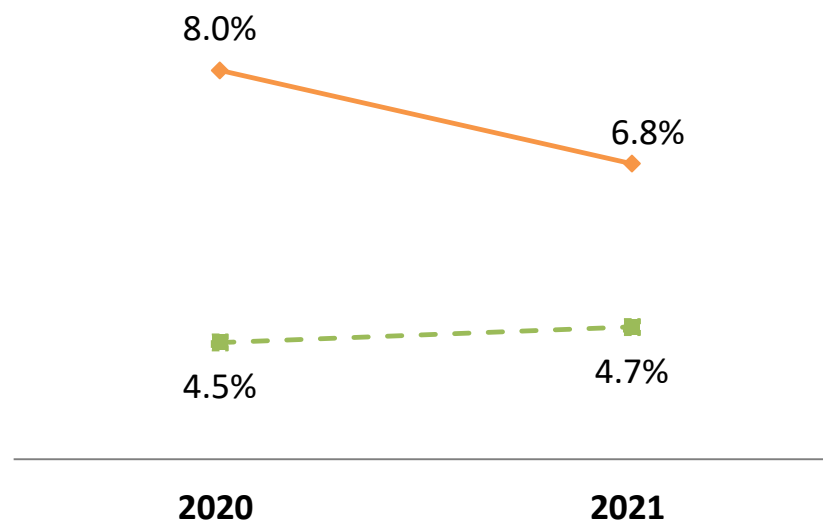


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2021 YoY	
General & administration	-6.4%
Selling & distribution	+14.9%
Total	+1.3%



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



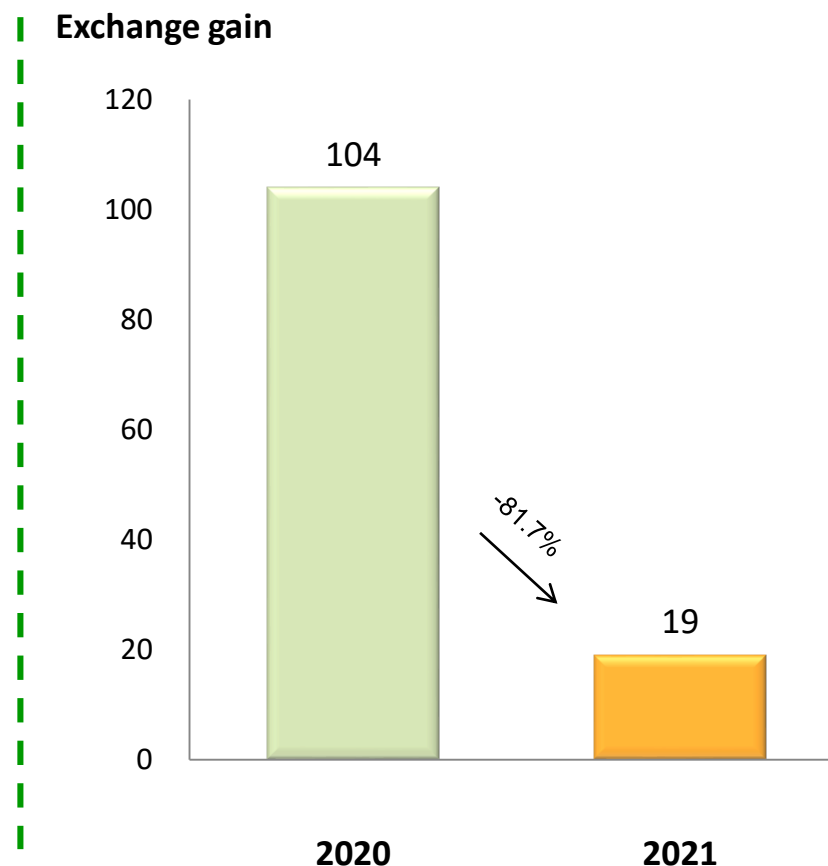
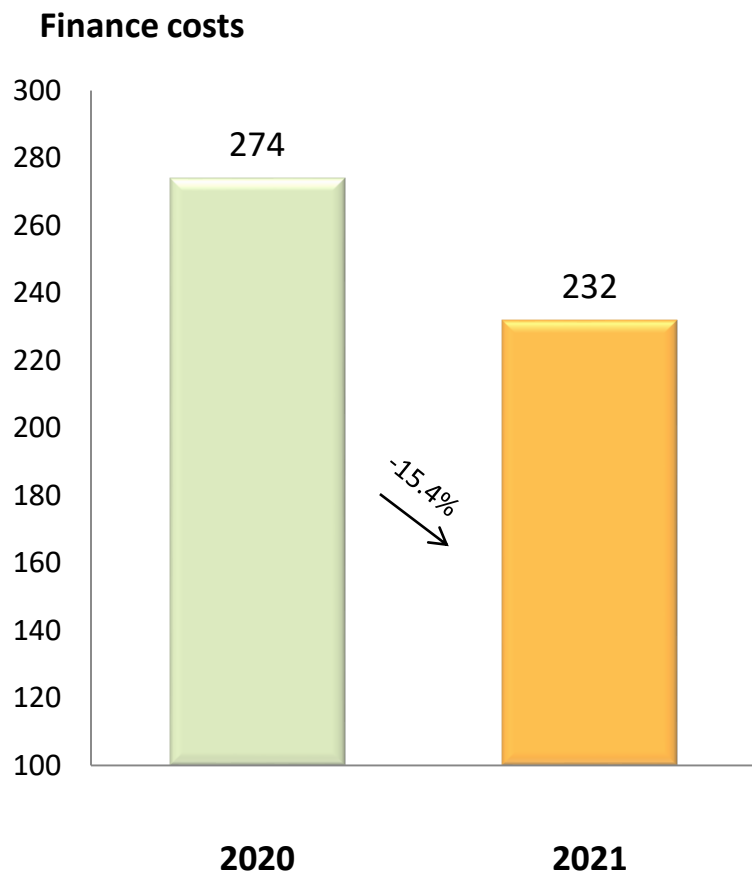
Finance Costs & Exchange Gain

(HK\$ million)



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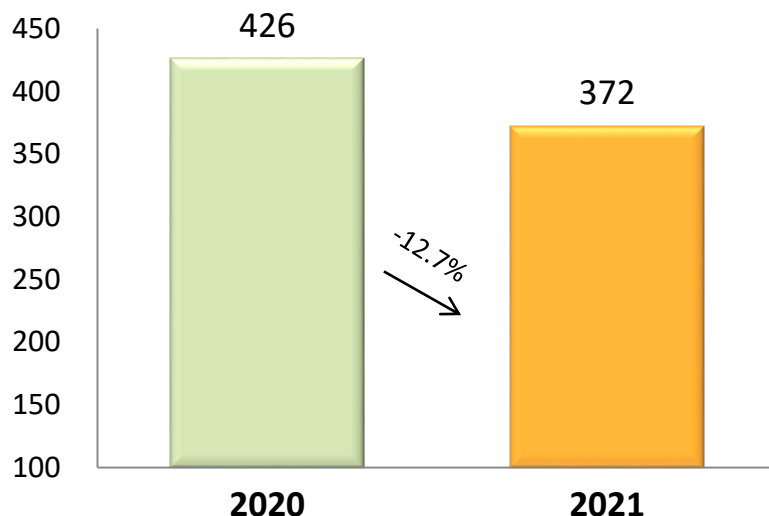
Share of Results of Associates & JVs



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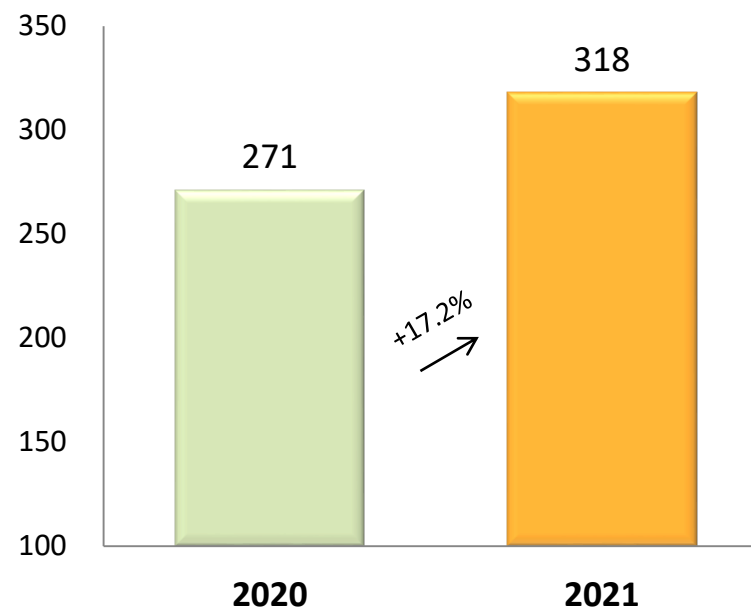
(HK\$ million)

Share of results of associates



HK\$ million	2020	2021
Fujian	58.4	91.6
Yunnan	336.6	165.4
Inner Mongolia	23.3	93.7

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.

	2020	2021	YoY
Taxation (HK\$ million)	2,863.7	2,566.5	-10.4%
Effective tax rate	27.3%	23.7%	-3.6ppt

Note:

- 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



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(HK\$ million)	31 Dec 2020	31 Dec 2021	Change
Cash and bank balances	13,226.9	7,067.4	-46.6%
Total assets	68,532.5	79,149.2	+15.5%
Gearing ratio	13.8%	19.0%	+5.2ppt
Net assets per share (HK\$)	7.11	7.86	+10.5%

Notes:

1. *Gearing ratio is calculated by dividing the total bank borrowing, loans from related parties 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

(HK\$ million)	31 Dec 2020	31 Dec 2021	Change
Net cash generated from operating activities	10,268.4	6,034.3	-41.2%
Net cash used in investing activities	(5,004.3)	(11,730.5)	+134.4%
Net cash used in financing activities	(5,687.7)	(754.5)	-86.7%
Net decrease in cash and cash equivalents for the year	(423.6)	(6,450.7)	+1,422.8%
Cash and cash equivalent at end of the year	13,226.9	7,067.4	-46.6%

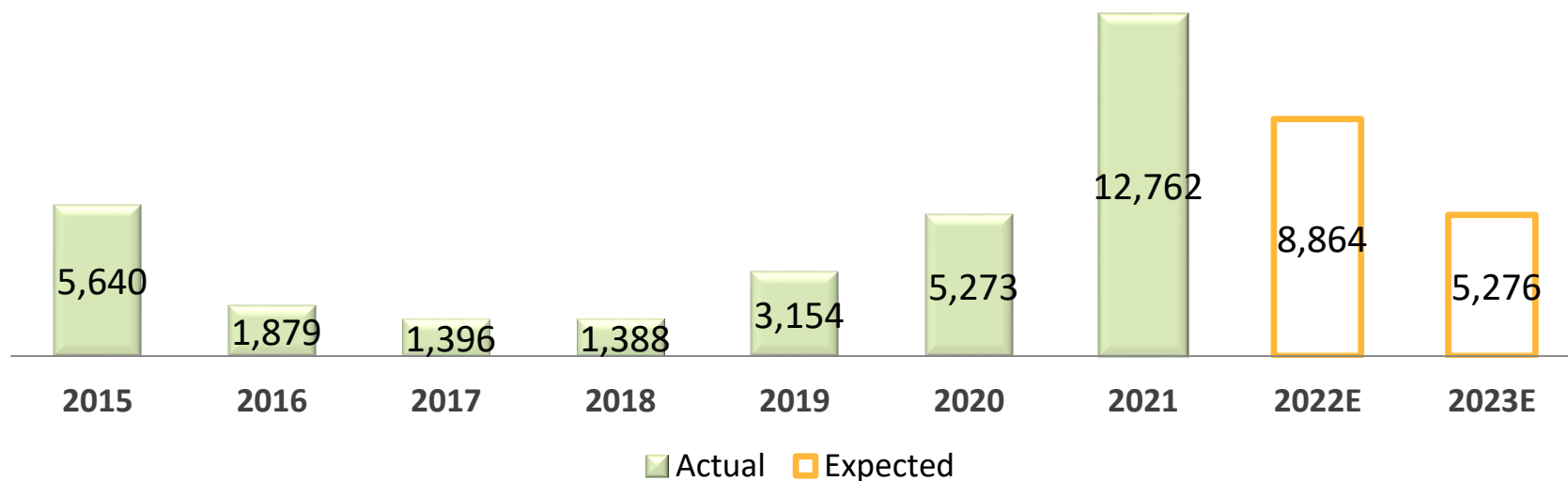
- Total payment for capital expenditure of the Group in 2021 was HK\$12,762 million.
- Expected capital expenditures are approximately HK\$8,864 million and HK\$5,276 million in 2022 and 2023 respectively.



Capital Expenditure

(HK\$ million)

(HK\$ Million)	2019	2020	2021	2022E	2023E
Aggregates	182	3,850	6,640	5,543	3,321
Prefabricated Construction	112	393	523	790	619
Functional Building Materials	907	-	751	632	144

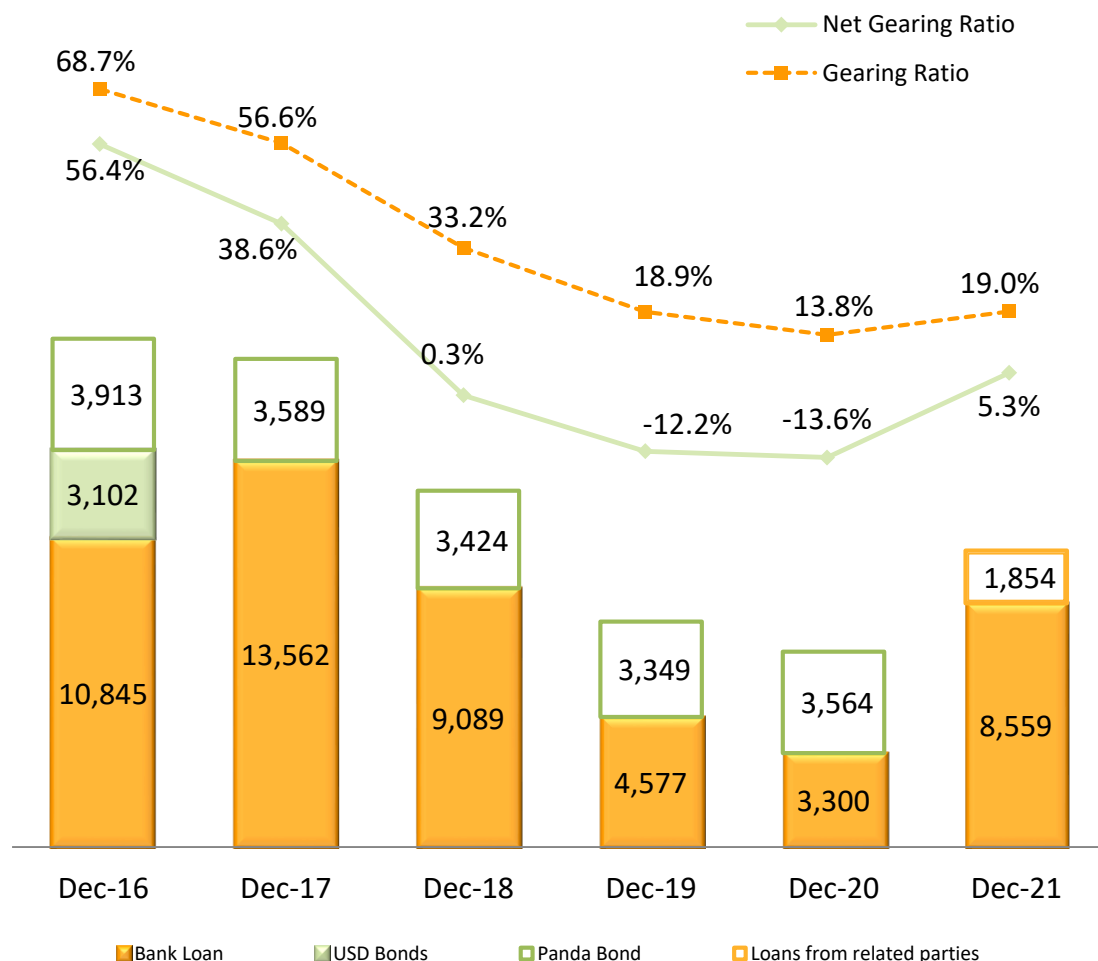


Debt Structure

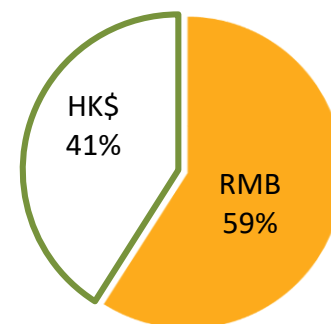
(HK\$ million)



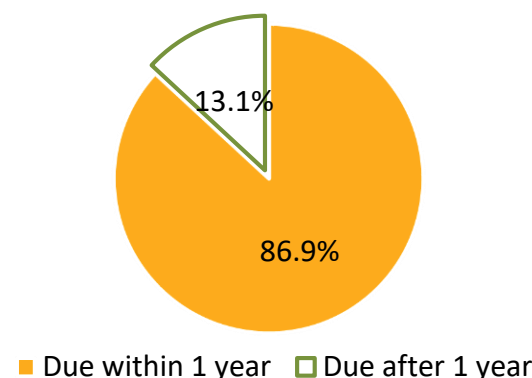
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Currency (31 Dec 2021)



Duration (31 Dec 2021)



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



Business Development

- In response to the Group's "14th Five-Year" strategic development plan, the Group reorganized the business into **4 business segments**:

Basic Building Materials

Cement

Aggregates

Structural Building Materials

Functional Building Materials

New Materials

Concrete

Prefabricated
Construction

Engineered Stone

Tile Adhesive

White Cement

Calcium-based

Silicon-based

Basalt

- In order to enhance management efficiency and effectively utilize resources, the Group consolidated its operating regions and divided them into **4 regions**:

South China

Guangdong, Hainan

Southwest China

Guangxi, Guizhou

Southeast China

Fujian

West China

Yunnan

Business Development (Cont'd)

Cement

- Jan 2022: Acquired **51% equity interests** of Hunan Liangtian Cement with annual capacities of **1.6 mil tons** clinker and **2.0 mil tons** cement in Chenzhou, Hunan.
- Mar 2022: Sold **72% equity interests** and loans of Fulong Cement to Tangshan Jidong Cement.
- 2021: Construction of 2nd cement & clinker production line at Wuxuan, Guangxi, with annual capacities of **2.4 mil tons** cement and **1.4 mil tons** clinker.

Aggregates

- 2021: 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.

Prefabricated Construction

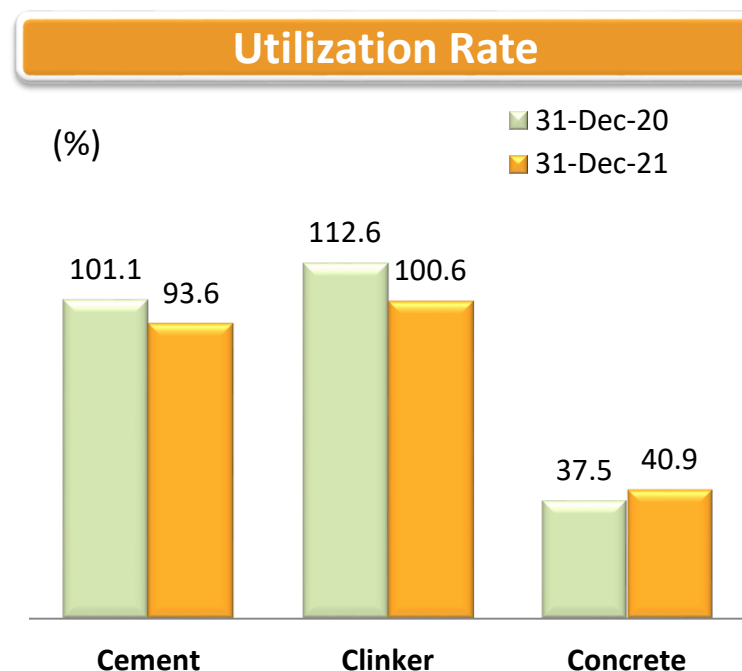
- Aug 2021: Acquired Ding'an Runfeng Intelligent Building, which owns a prefabricated construction project in Ding'an, Hainan.
- Sep 2021: **Zhanjiang** Runyang phase 1 commenced operation and **Nanning** Wuhe phase 1 commenced trial production.

Functional Building Materials

- Jan 2021: Shareholding of Universal Classical increased to **75.3%**.
- Oct 2021: Commenced operation of **2** tile adhesive production lines in Fengkai, Guangdong.
- Oct 2021: Acquired **white cement** manufacturer in Deqing, **Guangdong**.
- 2021: Construction of **engineered stone** production lines in Dongguang, **Guangdong** & Laibin, **Guangxi**, with total capacity of **4.5 mil m²**, expected to commence operation in mid-2022.
- Mar 2022: Acquired **75%** equity interests of Guangdong Borrego which has 4 engineered stone production lines with annual capacity of **6.0 mil m²** in operation.

Production Capacity

- As at 31 Dec 2021, the Group had 97 cement grinding lines, 46 clinker production lines and 62 concrete batching plants with annual production capacity of **85.3** million tons, **62.7** million tons and **37.3** million m³ respectively.
- Annual production capacities attributable to the Company (equity interests in associates and joint ventures) were **22.4** million tons of cement, **12.1** million tons of clinker and **4.5** million m³ of concrete.



Production and Operation

Production Safety

- As of the end of 2021, cement production plants located in Nanning, Tianyang, Guangxi 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.

Digitalization and Intelligentization

- The Group incorporated Shenzhen Runfeng Intelligent Technology Co., Ltd. to assist in achieving the goal of digital transformation and enhancing the industry influence.
- The “lighthouse factory” project under construction in Fengkai was officially rolled out in mid-July 2021, and has now entered the full implementation phase.

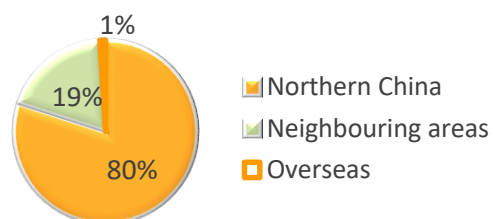
R&D and Innovation

- R&D Centre provided 1,358 tests for cement production plants and provided optimization proposals, which has facilitated the advancement of energy saving, consumption reduction and ultra-low emissions, and provided support to the development of new businesses..

Procurement Management

Coal Procurement:

- **9.5 million tons** of coal in 2021
- Proportion of direct procurement: **82%**



Logistics Management

Shipping and Silo Capacity:

- Annual shipping capacity along Xijiang River: **36.9 million tons**
- **35** silo terminals with annual capacity of approximately **28.3 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”
- Product Promotion: “Wang Pai Gong Jiang” renovation cement, cement for nuclear power stations, Portland cement for roads
- “**Runpin**” Unified Brand for functional building materials
- **Smart marketing**



Energy Saving & Emission Reduction



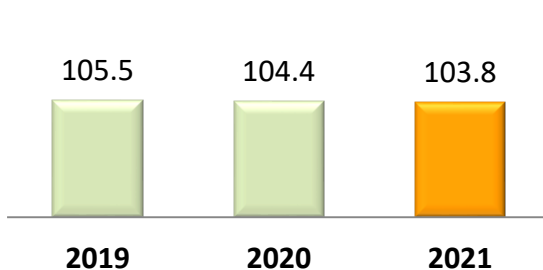
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China Resources Cement Holdings Limited

➤ Electrical Structure:

- **Residual Heat Power Generation** — 1,883.8 million kwh of electricity generate (31.4% of total electricity consumption)
- **Direct Power Supply** — 3,854.5 million kwh of electricity consumed (64.3% of total electricity consumption)

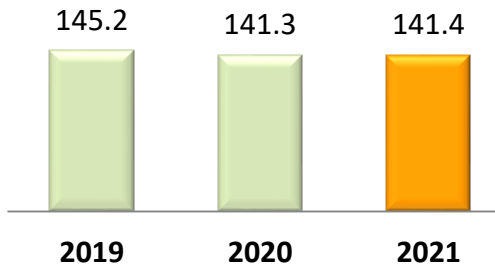
Standard Coal Consumption

(kg per ton of clinker)



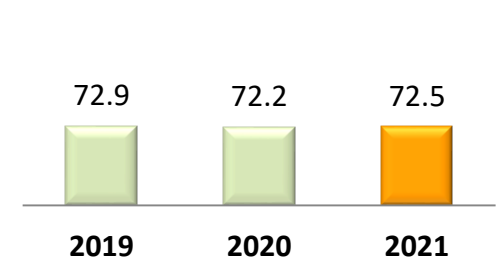
Unit Coal Consumption

(kg per ton of clinker)



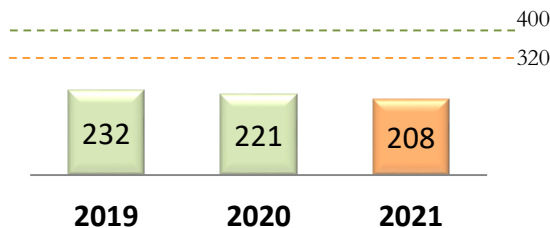
Electricity Consumption

(kwh per ton of cement)



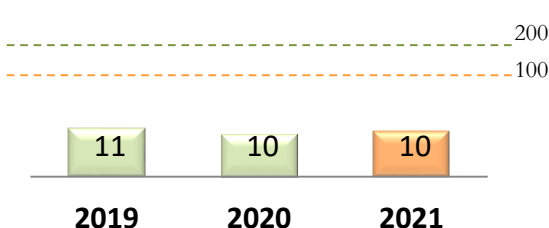
Emission concentration of Nitrogen Oxides

mg/m³



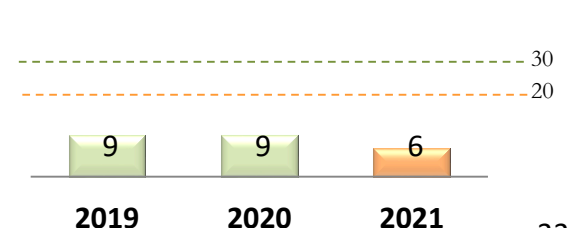
Emission Concentration of Sulphur Dioxide

mg/m³



Emission Concentrations of Particulate Matters

mg/m³



Ordinary Emission Limits

Special Emission Limits

Green Development



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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.

Energy Consumption

- By 2025 compared to 2015:
- **Standard coal consumption per ton of clinker** decreased by **5%**
- **Electricity consumption per ton of clinker** decreased by **10%**
- **Electricity consumption per ton of PO42.5 cement** decreased 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

- 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.

Co-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.

Green Factories

- As of the end of 2021, 10 cement production plants had been included as green factories in the register of national-level Green Manufacturing.

Green Mines

- As of the end of 2021, 10 mines had passed the selection of national-level green mines.



Outlook & Prospects



2022 Macro Outlook



- The Chinese government proposed that economic work in 2022 should **prioritize stability while pursuing progress**.
- **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: Operational length of national railways, highways, urban rail transit to reach 165,000 km, 5.5 million km, and 10,000 km, among which, high-speed rail and expressways will reach 50,000 km and 190,000 km

Real Estate



- ✓ “Residential properties are not for speculation”: support the commercial housing market to better meet the reasonable housing needs, implement city-specific policies to promote a virtuous circle and healthy development of the real estate industry

Rural Market



- ✓ Rural revitalization & new-type urbanization: 85% access of third-level and above highways to towns and renovate old communities built prior to the end of 2000 by 2025.

Strategies and Prospects



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China Resources Cement Holdings Limited

^ 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

- ✓ Optimize industrial chain layout and expand strategic regions
- ✓ Benchmark against international first-class standards, accelerate digital and intelligent transformation, increase investment in innovation and R&D
- ✓ Improve operational efficiency and quality, enhance management levels of environmental protection, safety and health, promote carbon emissions peaking and carbon neutrality
- ✓ Deepen brand marketing and the construction of sales channels.

^ **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 fulfil corporate social responsibility to advance the green and sustainable development of the cement industry in China.



Appendix





Our vision

*To become a respected world-class
building materials company*



CR Cement's Footprint



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● 自營水泥、熟料生產基地 Cement and clinker production plants operated by the Group

- | | | | |
|----------------|---------------|------------------------|----------------|
| 1 廉江 Lianjiang | 6 貴港 Guigang | 11 富川 Fuchuan | 16 鶴慶 Heqing |
| 2 封開 Fengkai | 7 武宣 Wuxuan | 12 龍南龍溪 Longnan Longxi | 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 龍南 Longnan | 19 福祿 Fulu |
| 5 惠州 Huizhou | 10 平南 Pingnan | 15 漳平 Zhangping | 20 長治 Changzhi |

■ 設有協同處置項目的水泥、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 Tanyang | 4 紅水河 Hongshuihe | 7 漢波 Midu | 12 禹慶 Fengqing |
| 2 上思 Shangsi | 5 昌江 Changjiang | 8 珠水 Zhushui | |
| 3 南寧 Nanning | 6 龍南礬石 Longnan Yanshi | 9 越堡 Yuebao | |

■ 自營水泥粉磨線 Cement grinding lines operated by the Group

- | | | | |
|-----------------|---------------------|-----------------|----------------|
| 1 遂江 Zhuanjiang | 3 汕頭 Shantou | 5 五洲山 Wuzhishan | 7 泉州 Quanzhou |
| 2 東莞 Dongguan | 4 防城港 Fangchenggang | 6 金江 Jinhong | 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 |
| □ 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 Aggregates projects

- | | | | |
|----------------------------|---|------------------------|----------------|
| ▲ 自營 Operated by the Group | ▲ 聯營及合營公司 Associates and joint ventures | | |
| ▲ 封開 Fengkai | ▲ 南寧 Nanning | ▲ 屯昌 Tunchang | ▲ 銅川 Tongchuan |
| ▲ 德慶 Deqing | ▲ 梧州 Wuzhou | ▲ 定安 Dingan | ▲ 洛南 Luonan |
| ▲ 田陽 Tanyang | ▲ 武宣 Wuxuan | ▲ 魏山 Weishan | |
| ▲ 上思 Shangsi | ▲ 武平 Wuping | ▲ 龍江石壩 Longjiang Shiba | |
| ▲ 上思平廣 Shangsi Pingguang | ▲ 南平 Nanping | ▲ 龍江安福 Longjiang Anfu | |

◆ 預製式建築項目 Prefabricated construction projects

- | | | | |
|-------------------|---------------|--------------|--------------|
| ◆ 遂江 Zhuanjiang | ◆ 江門 Jiangmen | ◆ 百色 Baise | ◆ 貴港 Guigang |
| ◆ 封開 Fengkai | ◆ 東莞 Dongguan | ◆ 南寧 Nanning | ◆ 定安 Dingan |
| * 聯營公司 Associates | | | |

Note: Please refer to the 2021 Annual Report for details.

CR Cement's Production Capacity

Controlled by the Group

(As at 31 Dec 2021)

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

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	8	7.3	2	3.7	-	-
Fujian	16	16.2	7	9.6	8	4.8
Yunnan	34	25.6	16	16.7	3	1.2
Inner Mongolia	21	17.3	5	7.0	4	1.2
Hong Kong	-	-	-	-	5	2.3
Total	79	66.4	30	37.0	20	9.5
Attributable	-	22.4	-	12.1	-	4.5

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

□ 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 km², including **Hong Kong, Macau** and 9 cities in **Guangdong**

□ **2020: Population:** 86.0 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

- 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.
- 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.

Co-Processing

Project	Type	Annual processing capacity (tons)	Status
Binyang, Guangxi	Municipal waste	110,000	In operation
Tianyang, Guangxi	Municipal waste	180,000	In operation
Fengqing, Yunnan [#]	Municipal waste	110,000	In operation
Midu, Yunnan	Municipal waste	110,000	In trial operation
Nanning, Guangxi	Urban sludge [*]	110,000	In operation
Zhushui, Guangzhou [#]	Urban sludge [*]	300,000	In operation
Yuebao, Guangzhou [#]	Urban sludge [*]	560,000	In trial operation
Changjiang, Hainan	Hazardous waste	30,000	In operation
Shangsi, Guangxi [^]	Hazardous waste	100,000	In trial operation
Yanshi, Fujian [^]	Hazardous waste	80,000	In trial operation
	Urban sludge	20,000	Under construction



The Municipal Waste Co-processing Project
in Tianyang, Guangxi

Note:

[#]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 and Yuebao projects co-processed dry sludge of below 40% moisture content. The annual processing capacity of each urban sludge co-processing project is calculated as the annual processing capacity of wet sludge.

[^]Co-processing projects jointly developed by the Group and environmental protection companies.

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 the end of 2021, the Group's annual aggregates production capacity through subsidiaries was approx. **10.6** million tons, and the attributable capacity through associate in Yunnan was approx. **1.95** million tons. In addition to the newly obtained aggregate projects, the annual aggregates production capacity through subsidiaries is expected to reach approx. **84.9** million tons, and the attributable capacity controlled by associates & JVs will reach approx. **16.4** million tons.

Aggregate Quarry



Aggregate Mine in Fengkai,
Guangdong

Aggregate Production Line



Aggregate Production Line in Nanning,
Guangxi

Aggregate Products



Manufactured Gravel



Coarse Aggregate

Aggregates (Cont'd)

Controlled by the Group

Project Location	Annual production capacity (mil tons)	Resource reserve (mil tons)	Completion expectation
Guangdong			
Fengkai	30.0	425.0	2022
Guangxi			
Shangsi	5.0	65.0	2022
Tianyang	5.0	61.0	2022
Wuxuan	6.5	208.0	2023
Nanning	9.8	153.8	2023
Shangsi Pingguang	2.0	42.0	2023
Fujian			
Wuping	2.0	56.0	2022
Hainan			
Dingan	3.0	63.0	2022
Yunnan			
Weishan	3.0	100.0	2023
Shaanxi			
Luonan	3.0	122.0	2023
Tongchuan	5.0	147.0	2023

Controlled by associates and joint ventures (As at 31 Dec 2021)

Project Location	Equity Interests	Annual production capacity (mil tons)	Attributable annual production capacity (mil tons)	Resource reserve (mil tons)	Completion expectation
Guangdong					
Deqing	56%	6.5	3.6	169.0	2023
Guangxi					
Hengzhou	50%	10.0	5.0	180.0	2023
Fujian					
Nanping	49%	1.5	0.7	13.3	2022
Hainan					
Tunchang	34%	6.0	2.0	120.0	2024
Chongqing					
Qijiang Anwen	50%	3.0	1.5	70.3	2023
Qijiang Shihao	50%	3.0	1.5	20.7	2023

Prefabricated Construction

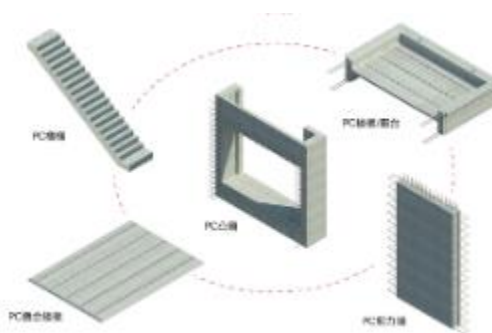
- **Prefabricated construction** components are produced in factories for prefabricated buildings, and transported to the construction site and assembled onsite. The products generally are floor slabs, walls, stairs and balconies etc.
- **Advantages** include: Improve project quality and construction 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 Jan 2022, the government issued the “**14th Five-Year Development Plan for Construction Industry**”, targeting by 2025, emission of construction waste per 10,000 m² of new buildings shall not exceed 300 tons, of which prefabricated buildings shall not exceed 200 tons.

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

Prefabricated Construction (Cont'd)



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- As of the end of 2021, the Group had a total of 7 precast concrete component projects and the design annual production capacity is expected to reach approximately 1.6 million m³ after completion.

Project	Design annual production capacity (m ³)	Status	Remarks
Guangdong			
Dongguan Runyang*	40,000	In operation	➤ Mainly supplies to Shenzhen, Zhuhai, Guangzhou
Zhanjiang Runyang	400,000	In operation	➤ Commenced operation: Precast concrete - Phase I (annual capacity: 200,000 m ³) – Sep 2021
Jiangmen Runfeng	50,000	Under construction	➤ Completion: Precast concrete – 2H22
Guangxi			
Nanning Wuhe	400,000	Trial production	➤ Concrete batching plant commenced operation in Dec 2019; ➤ Trial production: Precast concrete - Phase I (annual capacity: 200,000 m ³) – Sep 2021
Guigang Runhe	200,000	Trial production	➤ Concrete batching plant commenced operation in Nov 2019; ➤ Trial production: Precast concrete – June 2020
Baise Runhe	200,000	Under construction	➤ Completion: Dry-mixed mortar – end of 2022 ➤ Precast concrete - according to market conditions
Hainan			
Ding'an Runfeng	300,000	Trial production	➤ April 2021: Commenced trial production

*Notes: The Group holds 49% equity interests of the associate DongGuan RunYang United Intelligent Manufacturing Company Limited.

ALC Products



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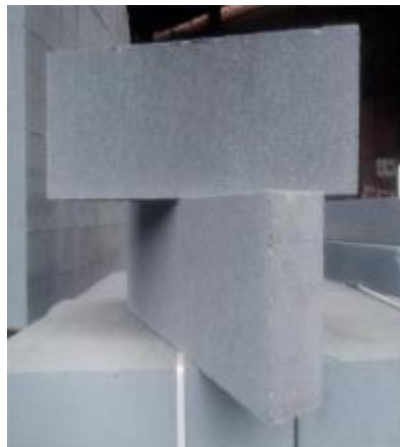
China Resources Cement Holdings Limited

- **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 belongs 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



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China Resources Cement Holdings Limited

■ Engineered Stone

- Universal Classical owned one production line of inorganic engineered stones with planned annual production capacity of approx. **600,000 m²** and is expanding another approx. **1.5 million m²** in Dongguan, Guangdong.
- The Group is building two production lines of inorganic engineered stones with total planned annual production capacity of approx. **3 million m²** in Laibin, Guangxi. The projects are expected to commence production in mid-2022.
- In March 2022, the Group acquired 75% equity interests of Borrego New Material, which has total planned annual production capacity of approx. **6.0 million m²** of engineered stones in operation in Lianzhou, Guangdong.



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



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- **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



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

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

(HK\$ million)	2021	2020	2019	2018	2017	2016	2015	2014
Net cash generated from operating activities	6,034	10,268	11,285	11,331	6,613	4,112	4,834	6,859
Net cash used in investing activities	(11,730)	(5,004)	(2,618)	(1,075)	(1,888)	(1,671)	(4,642)	(4,557)
Net cash used in financing activities	(755)	(5,688)	(7,837)	(2,803)	(2,792)	(1,035)	(2,245)	(972)
Cash and cash equivalent at end of the year	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
2022 First Quarter Results Announcement	29 April 2022*
Annual General Meeting	27 May 2022*
Ex-dividend Date for 2021 Final Dividend	9 June 2022*
Payment for 2021 Final Dividend	26 July 2022*
2022 Interim Results Announcement	12 August 2022*

*Tentative dates



Disclaimer



華潤水泥控股有限公司

China Resources Cement Holdings Limited

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