



# 華潤水泥控股有限公司

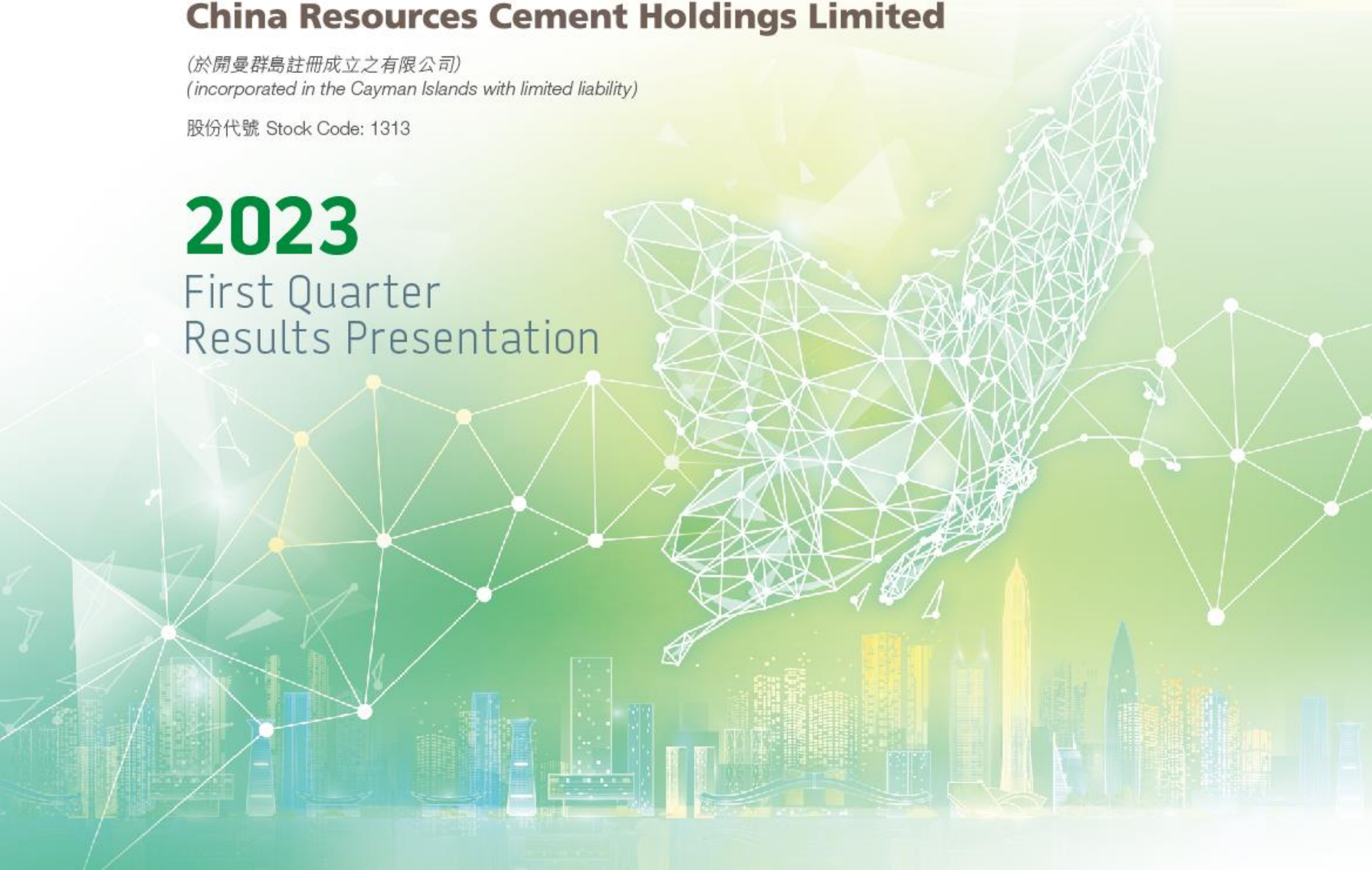
**China Resources Cement Holdings Limited**

(於開曼群島註冊成立之有限公司)  
(incorporated in the Cayman Islands with limited liability)

股份代號 Stock Code: 1313

## 2023

### First Quarter Results Presentation



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# Company Profile



華潤水泥控股有限公司

China Resources Cement Holdings Limited

## Subsidiary of CR Group

- One of 6 major industrial sectors of China Resources Group - Urban Construction and Operation
- CR Group is holding approx. 68.72% of the Company's issued shares

## Market Position

- One of the large-scale and competitive Cement, Clinker & Concrete producers in Southern China

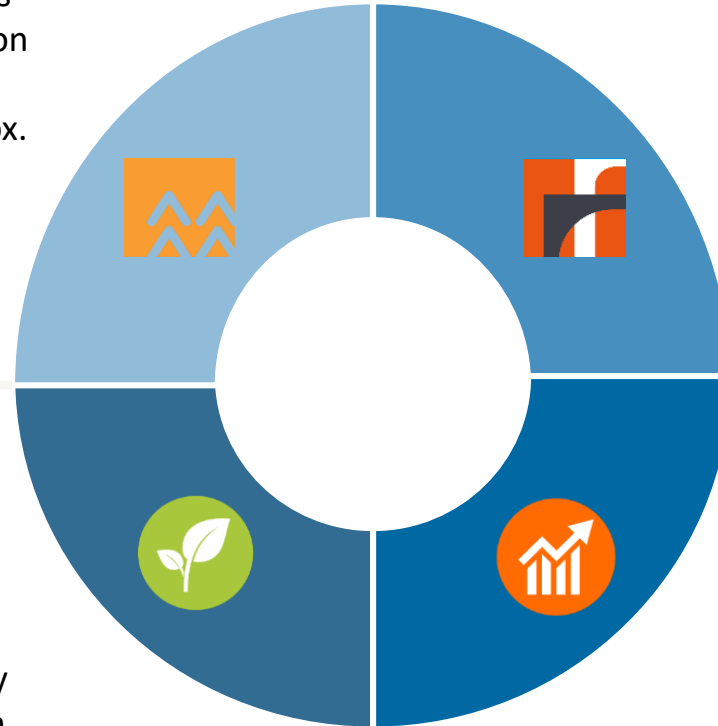


## Environment, Health & Safety

- 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

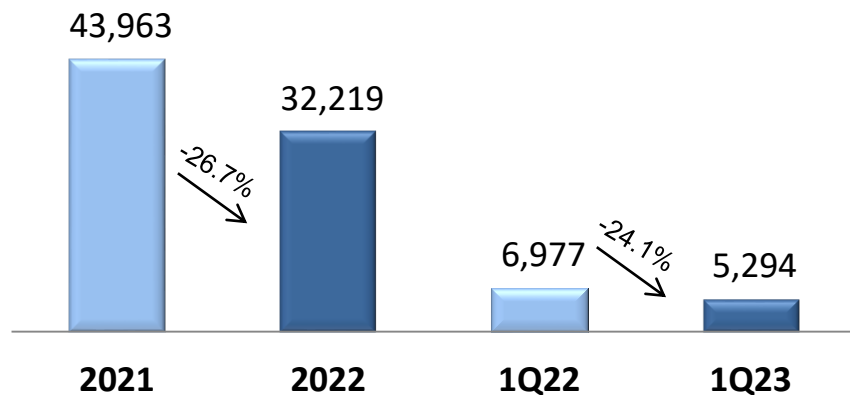
- Three Core Strengths: Leading position in regional market, Innovation-driven development, Lowest total cost
- New Businesses: Aggregates, Prefabricated Construction, Functional Building Materials, New Materials



# Financial Performance

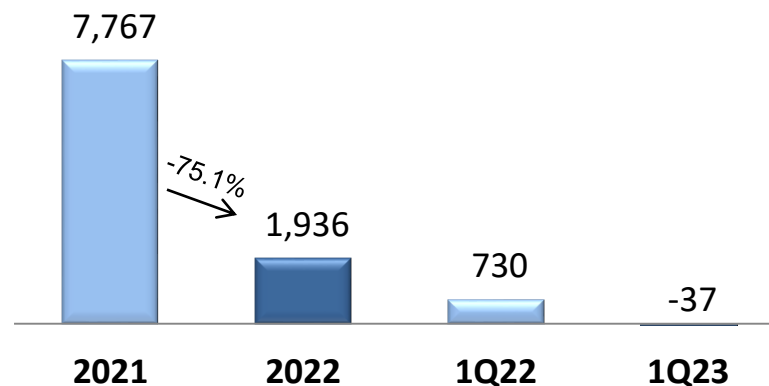
## Turnover

(HK\$ million)



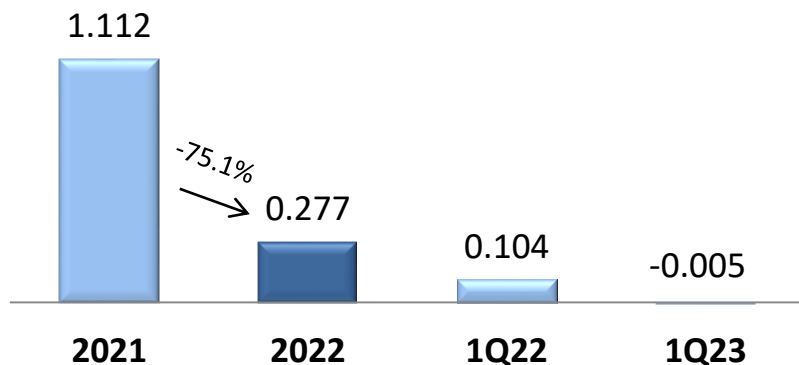
## Profit (loss) attributable to owners of the Company

(HK\$ million)



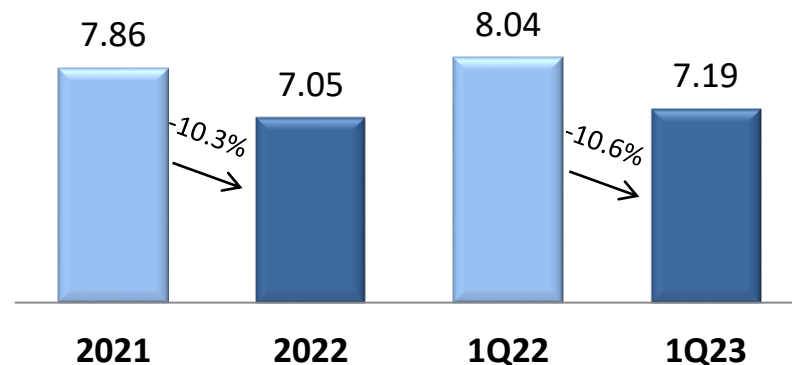
## Earnings (loss) per share

(HK\$)



## Net assets per share

(HK\$)





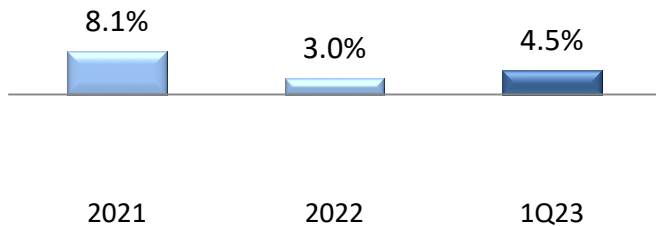
# Industry Overview



- In 1Q23, in the face of the complex and difficult international environment, development and stability, the Chinese government adhered to the general principle of seeking progress whilst maintaining stability and effectively responded to internal and external challenges. The Chinese economy stabilized and rebounded and the overall economic and social situation was harmonious and stable.
- National GDP was RMB28.5 trillion, +4.5% YoY. National FAI was RMB10.7 trillion, +5.1% YoY.

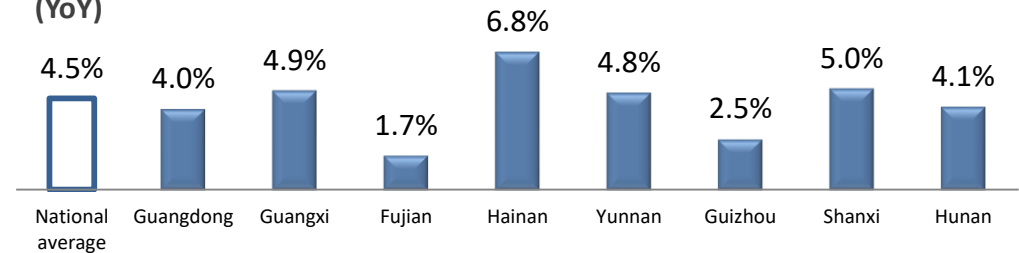
## National GDP

1Q23: RMB28.5 trillion



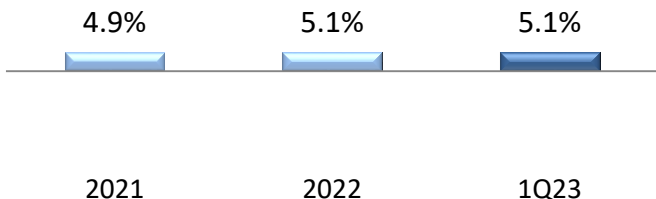
## GDP Growth (1Q23)

(YoY)



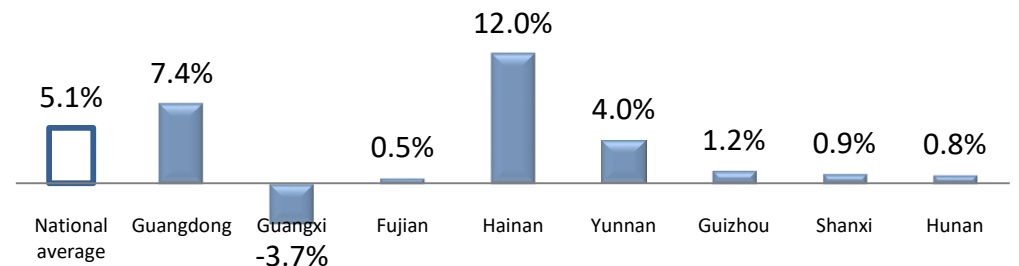
## National FAI (excluding rural households)

1Q23: RMB10.7 trillion



## FAI Growth (1Q23)

(YoY)



# Cement Demand Drivers



Infrastructure

- In 1Q23, national infrastructure investments (excluding the industries for production and supply of electricity, heat, gas and water) increased by 8.8% YoY.

(RMB)	1Q23	YoY
Railway	113.6 billion	+6.7%
Highways & waterways	588.9 billion	+15.0%



Real Estate Market

- In 1Q23, real estate investment decreased by 5.8% YoY to RMB2.6 trillion.

(Million m <sup>2</sup> )	1Q23	YoY
Floor space of commodity housing sold	300	-1.8%
Floor space of houses newly started construction	240	-19.2%
Floor space of houses completed	190	+14.7%
Floor space under construction by real estate developers	7,650	-5.2%



Rural Market

- Government systematically promoted urban construction and drove the high-quality development of urbanization
  - In 2022, 52,500 old communities and 8.76 million households nationwide newly started renovations (2022 target: 51,000)
  - Urbanization rate 65.22% as of the end of 2022 (+0.50 ppt YoY)

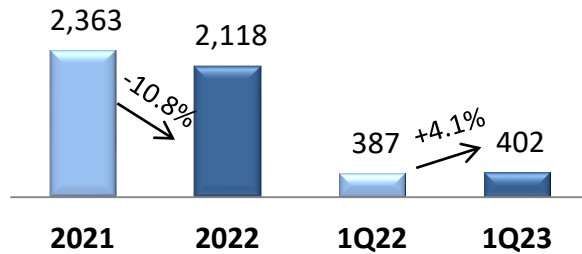
# Cement Production



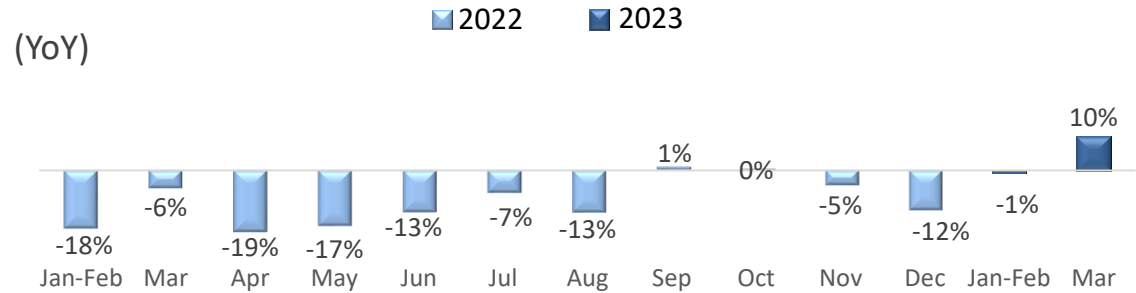
■ In 1Q23, China's cement production was approximately 402 million tons\*, +4.1% YoY.

## National Cement Production (1)

(million tons, YoY)

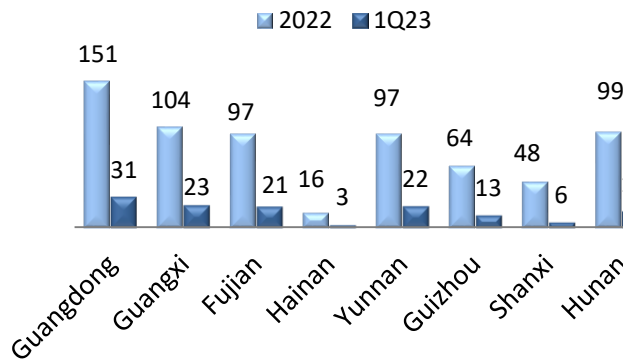


(YoY)

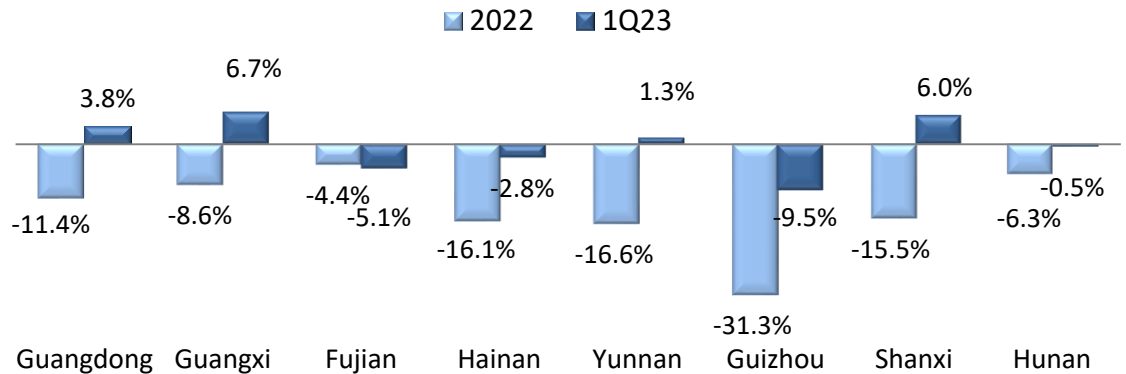


## CRC's operating region(2)

(million tons)



(YoY)



\* Note: Statistics only include enterprises with annual turnover above RMB20 million.  
Source: (1) National Bureau of Statistics of China, (2) China Cement Association



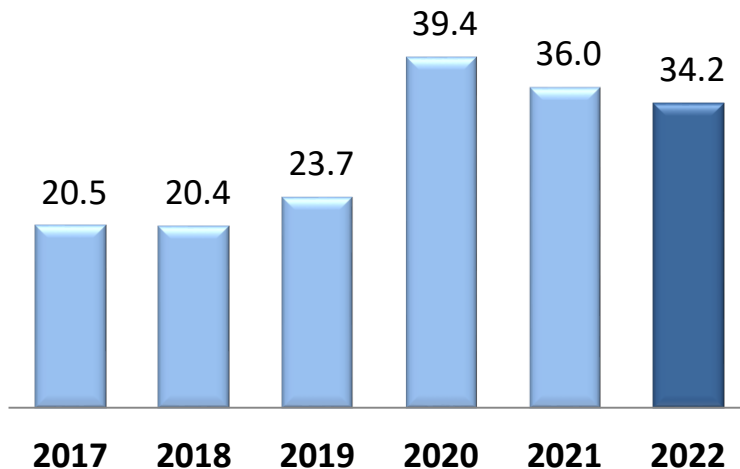
# Cement Supply



- In 2022, there were 19 new clinker production lines nationwide with new annual clinker production capacity of 34.2 million tons in total.
- There were 8 new clinker production lines in Guangxi with new annual clinker production capacity of approximately 13.4 million tons.

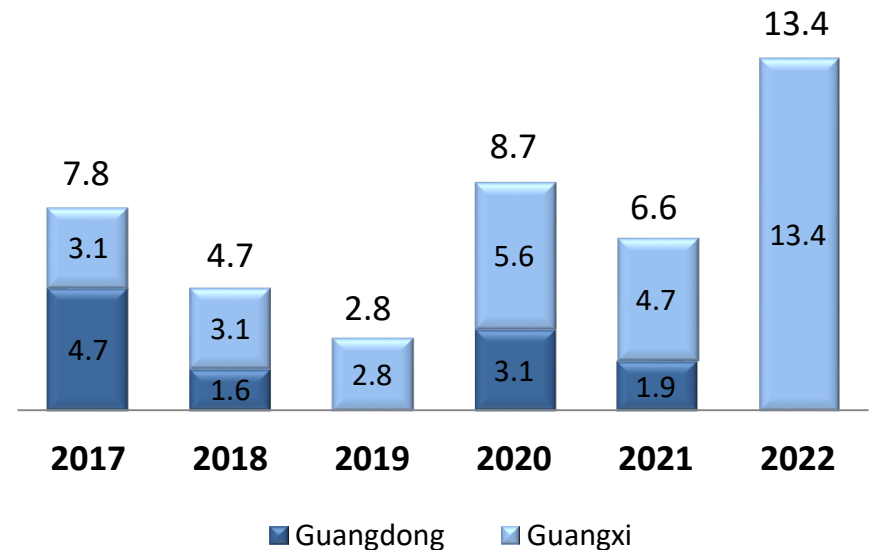
### New Clinker Capacity in China

(million tons)



### New Clinker Capacity in Guangdong & Guangxi

(million tons)



Source: Company information, China Cement Association

## Carbon Emissions

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

## Energy Consumption

### ■ Energy Consumption and Intensity Targets

- By 2025 to reduce compared to 2020:
  1. National energy consumption per unit of GDP by 13.5%
  2. Energy consumption per unit of clinker by 3.7%
- By 2025, proportion of capacity that reach energy efficiency benchmark >30% (100 kg standard coal/ton clinker)
- Comprehensive energy consumption level of cement and clinker per unit product should be reduced by over 3%

## Cement Supply

### ■ Capacity Replacement

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

## Green Production

### ■ Carbon Trading Market

- Promote construction and expand coverage of national carbon emission trading market. As of the end of 2022, the cumulative trading volume of emission quotas was 230 million tons and cumulative trading volume was RMB10.48 billion

### ■ Prevention & Treatment of Pollution

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

### ■ Production Safety

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



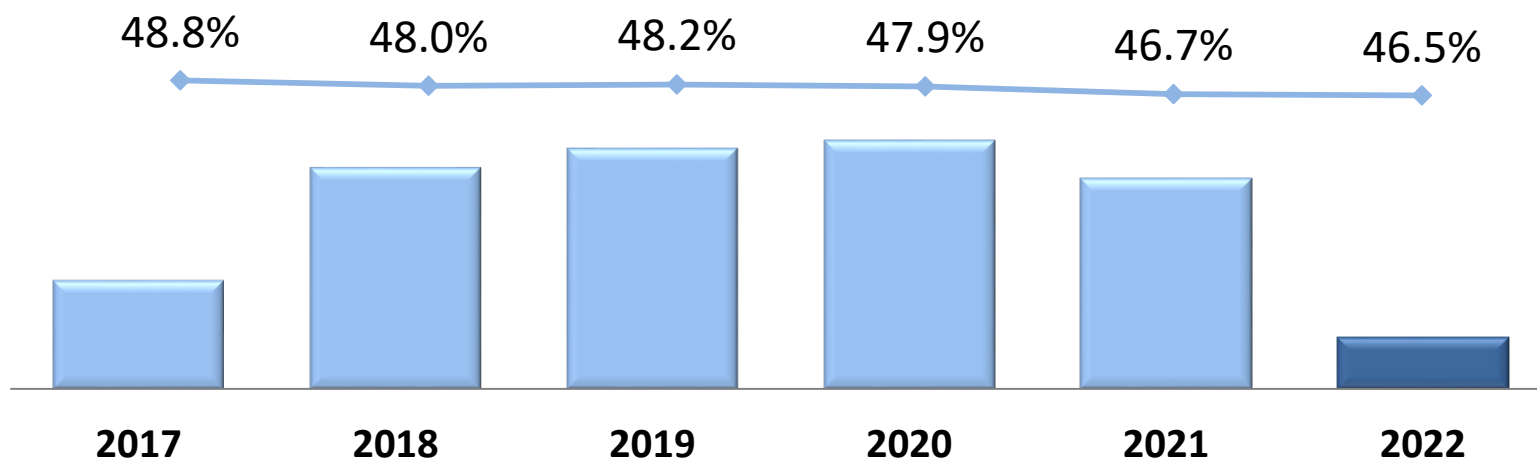
# Financial Highlights

# 1Q23 Results Summary

(HK\$ million)	1Q22	1Q23	YoY
Turnover	6,976.7	5,293.6	-24.1%
Gross profit	1,657.9	582.2	-64.9%
<i>Gross margin (%)</i>	23.8%	11.0%	-12.8 ppt
Exchange gain (loss)	14.3	(6.9)	N/A
Finance costs	(80.7)	(149.0)	+84.6%
Profit (loss) attributable to owners of the Company	729.5	(37.1)	N/A
Basic earnings (loss) per share (HK\$)	0.104	(0.005)	N/A

# Dividend Payout (HK\$)

◆ Dividend payout ratio

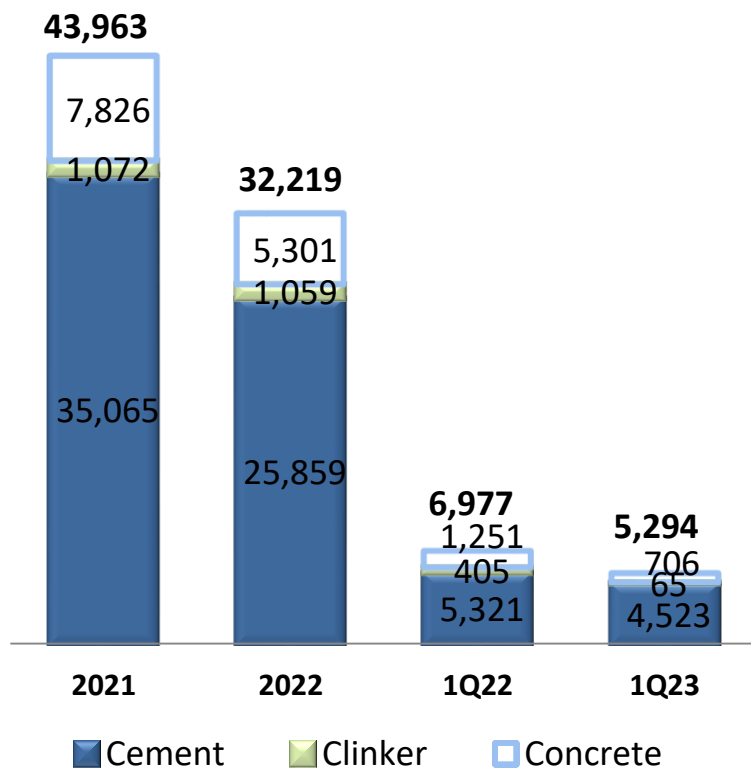


(HK\$)		2017	2018	2019	2020	2021	2022
Interim		0.115	0.275	0.260	0.275	0.240	0.120
Final		0.155	0.273	0.335	0.340	0.280	0.009

# Turnover

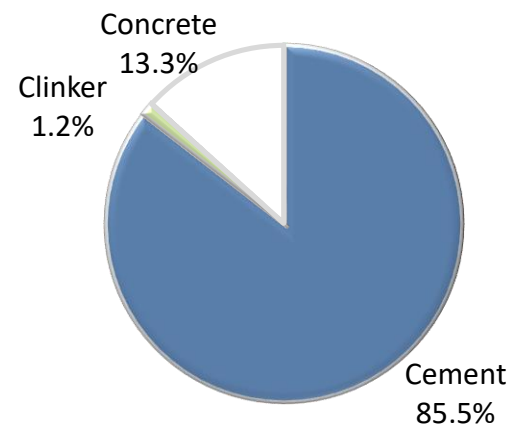
## Turnover by Product

(HK\$ million)



	2022 YoY	1Q23 YoY
Cement	-26.3%	-15.0%
Clinker	-1.2%	-83.9%
Concrete	-32.3%	-43.6%
<b>Total</b>	<b>-26.7%</b>	<b>-24.1%</b>

### 1Q23



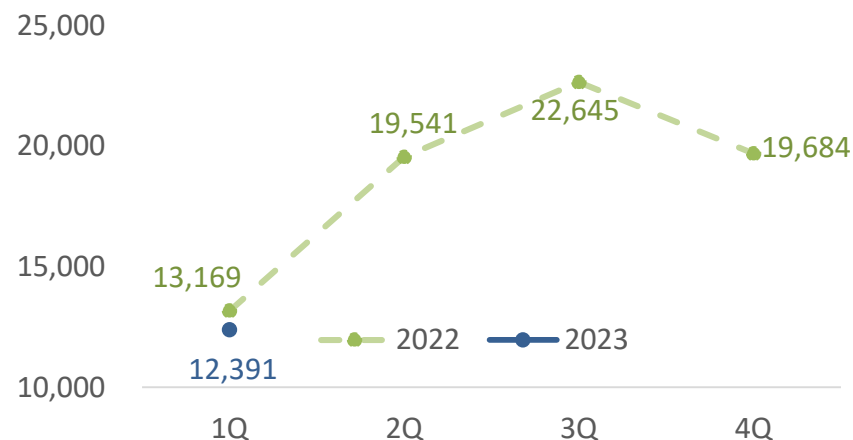
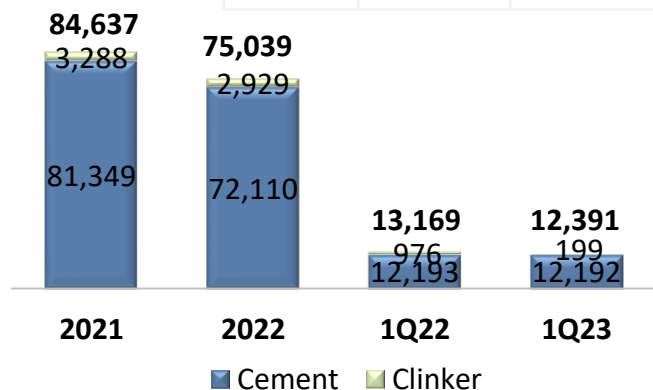
# Sales Volume



## Cement & Clinker Sales Volume\*

('000 tons)

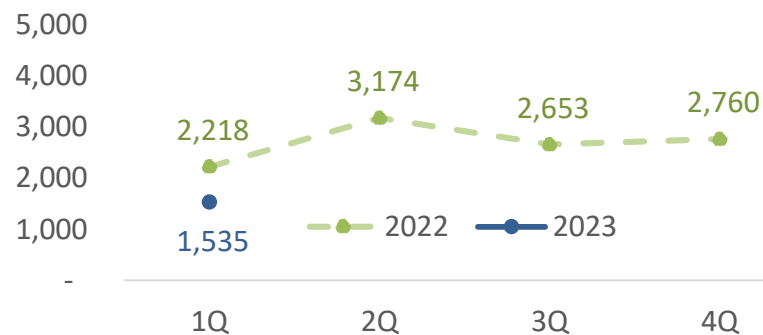
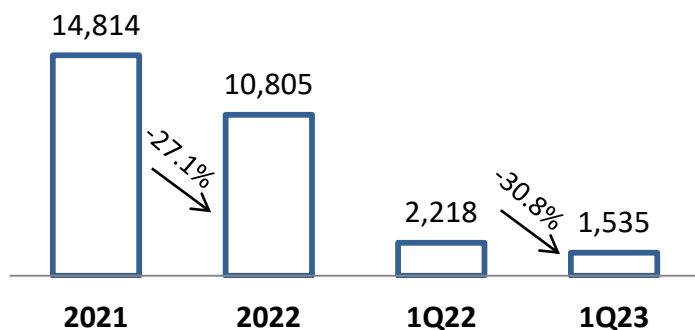
	2022 YoY	1Q23 YoY
Cement	-11.4%	+0.0%
Clinker	-10.9%	-79.6%
<b>Total</b>	<b>-11.3%</b>	<b>-5.9%</b>



\*Note: Inclusive of sales volume of 0.7 million tons of cement from related parties (1Q22: 0.9 million tons).

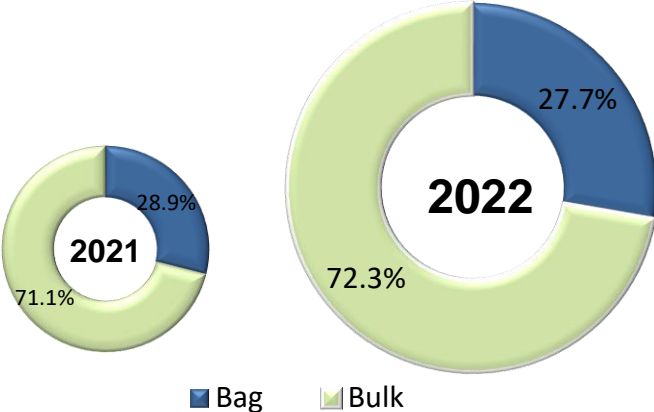
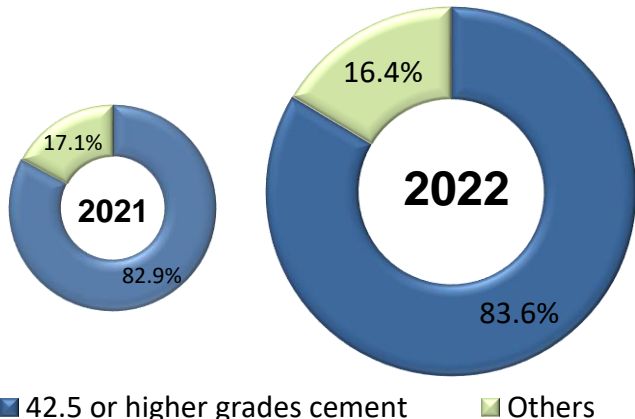
('000 m<sup>3</sup>)

## Concrete Sales Volume

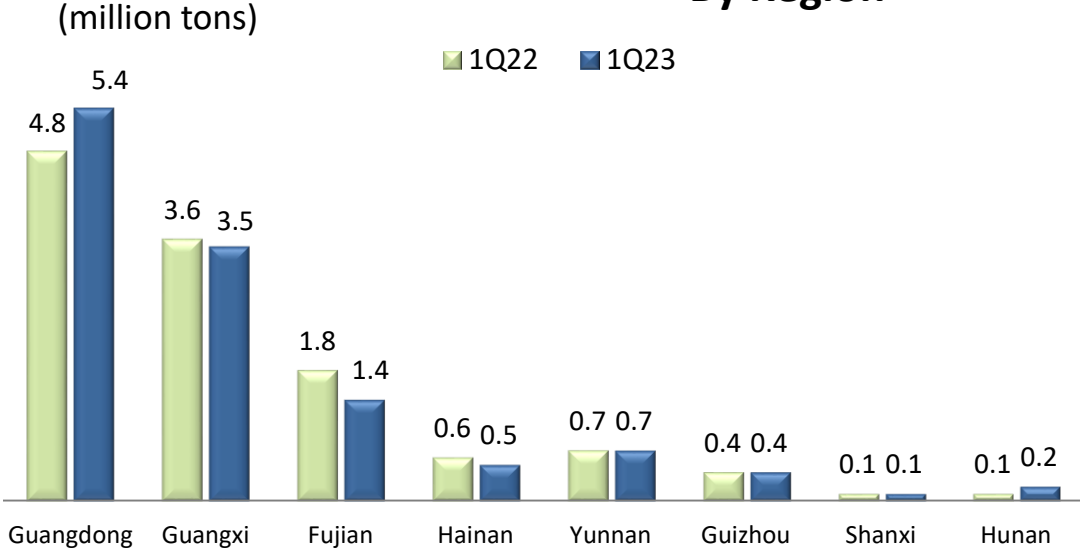


# Breakdown of Cement Sales Volume

## By Product Type



## By Region



	% of total cement sales volume
Guangdong	44.0%
Guangxi	28.4%
Fujian	11.7%
Hainan	4.2%
Yunnan	6.0%
Guizhou	3.5%
Shanxi	0.9%
Hunan	1.3%
<b>Total</b>	<b>100.0%</b>

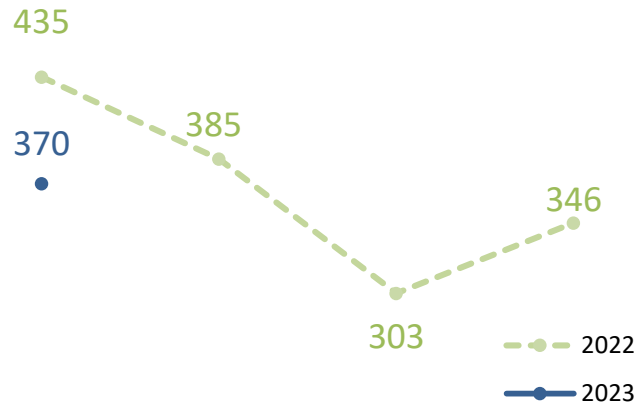


# Average Selling Price

## Cement & Clinker

(HK\$ per ton)

	2022	YoY	1Q23	YoY
Cement & Clinker	359	-16.0%	370	-14.9%

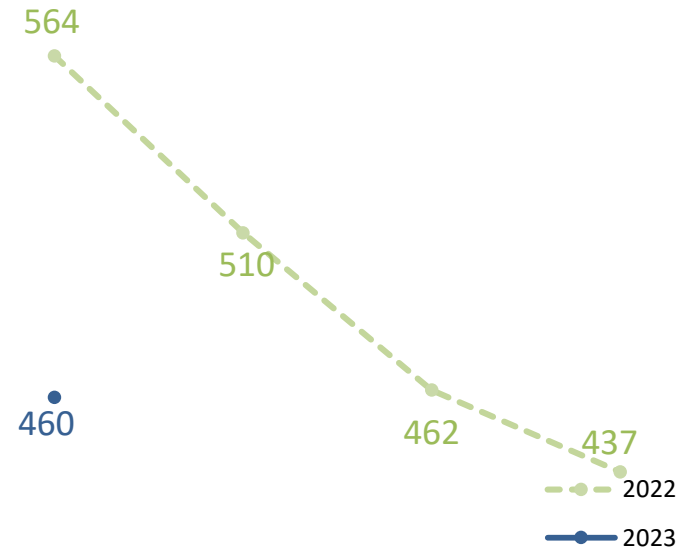


1Q 2Q 3Q 4Q

## Concrete

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

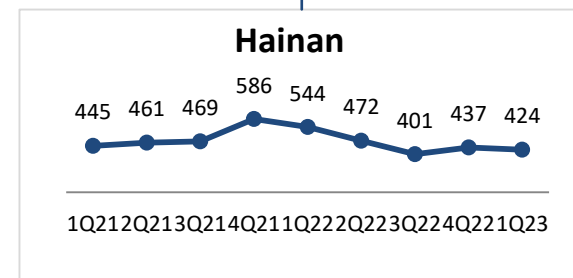
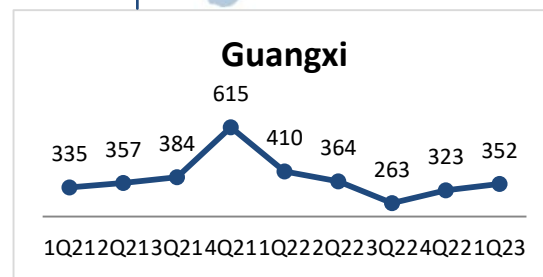
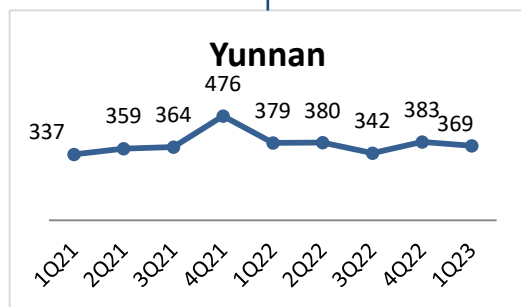
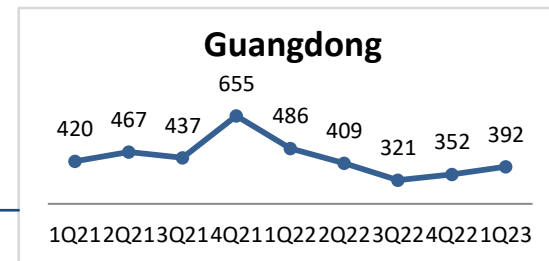
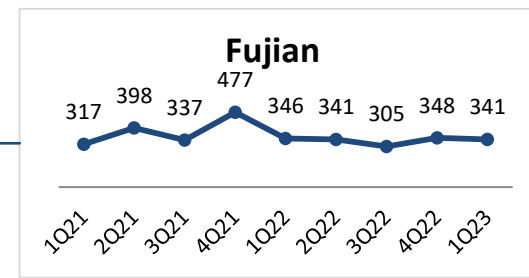
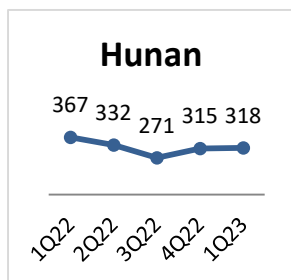
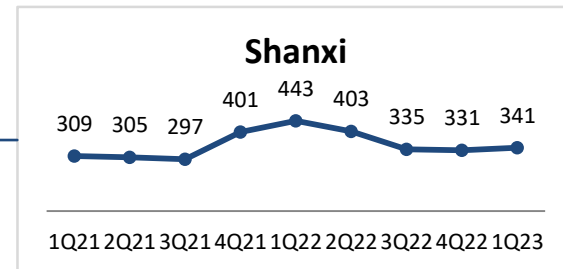
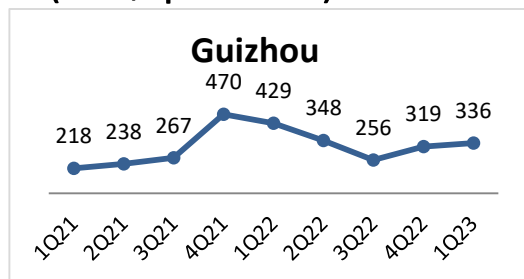
	2022	YoY	1Q23	YoY
Concrete	491	-7.1%	460	-18.5%



1Q 2Q 3Q 4Q

# Cement Selling Price by Region

(HK\$ per ton)



# Cost Structure of Cement Products



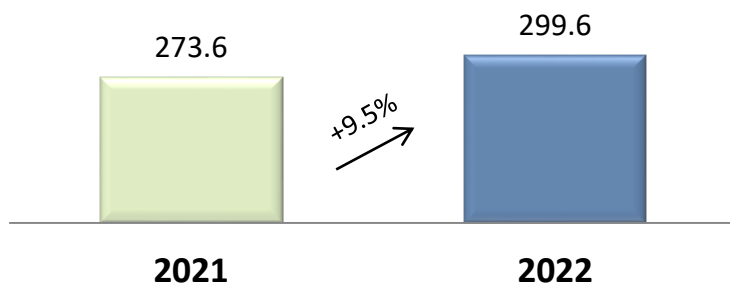
華潤水泥控股有限公司

China Resources Cement Holdings Limited

Cement products refer to cement & clinker

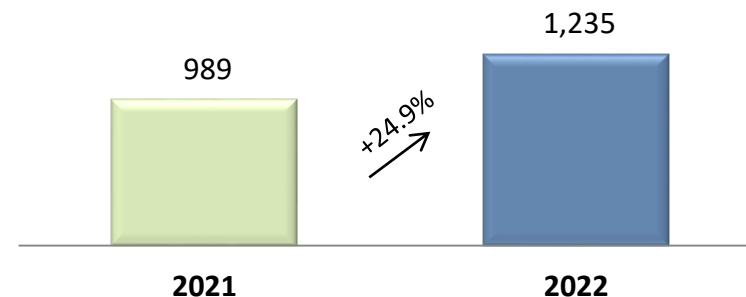
## Unit Cost

(HK\$ per ton)



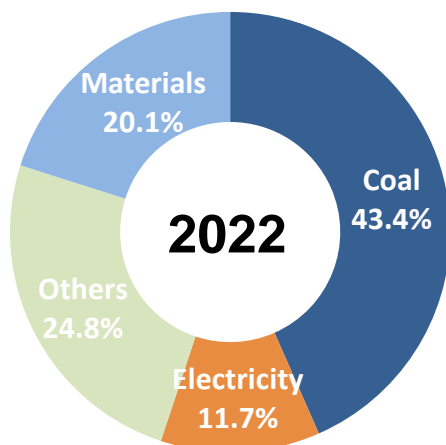
## Average Coal Purchase Price

(HK\$ per ton)



## Unit Cost Breakdown

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(HK\$ per ton)	2021	2022	YoY
Coal	105.6	130.2	+23.3%
Electricity	33.3	35.1	+5.4%
Materials	65.3	60.4	-7.5%
Others	69.4	73.9	+6.5%
<b>Total</b>	<b>273.6</b>	<b>299.6</b>	<b>+9.5%</b>

### Notes:

1. Exclusive of sales from related parties;
2. Others: Staff, transportation, depreciation, repairs and maintenance costs and other indirect costs accounting for 7.1%, 2.6%, 6.6%, 4.9% and 3.6% respectively of total unit cost.

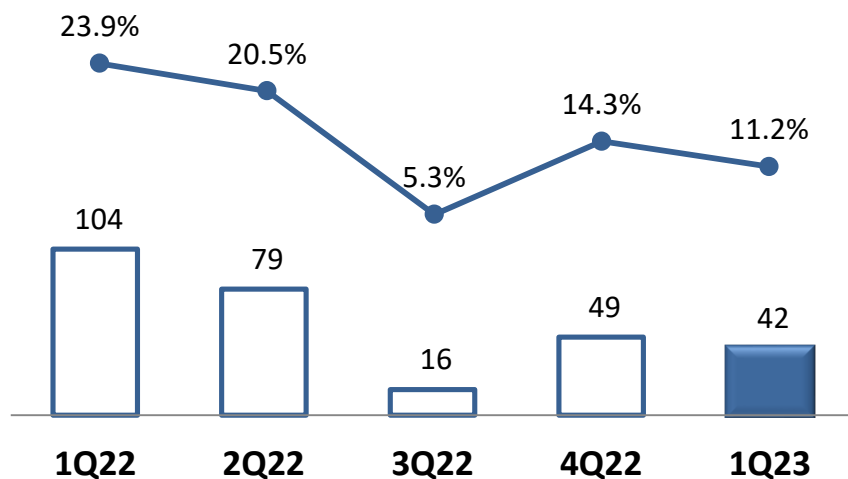
18

# Gross Profit & Margin

## Cement & Clinker\*

(HK\$ per ton)

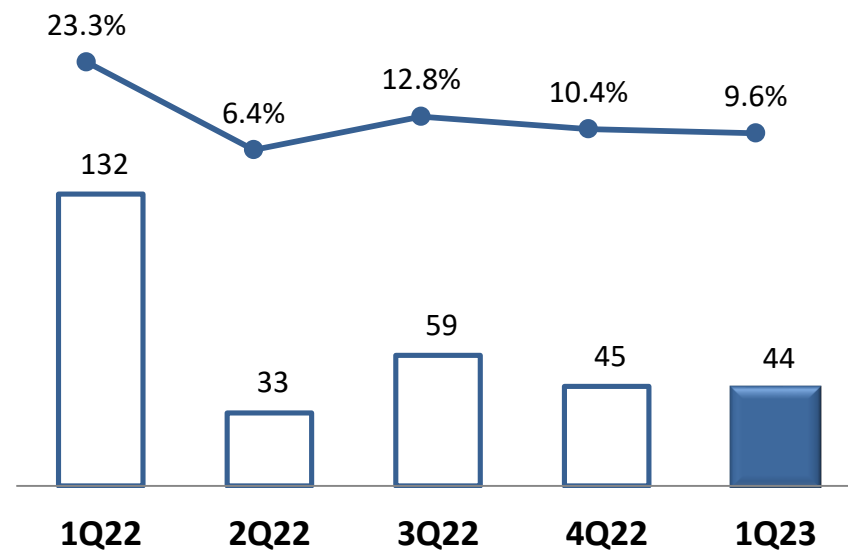
	2022	1Q23
Gross Profit	56	42
Gross Margin	15.8%	11.2%



## Concrete

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

	2022	1Q23
Gross Profit	63	44
Gross Margin	12.8%	9.6%



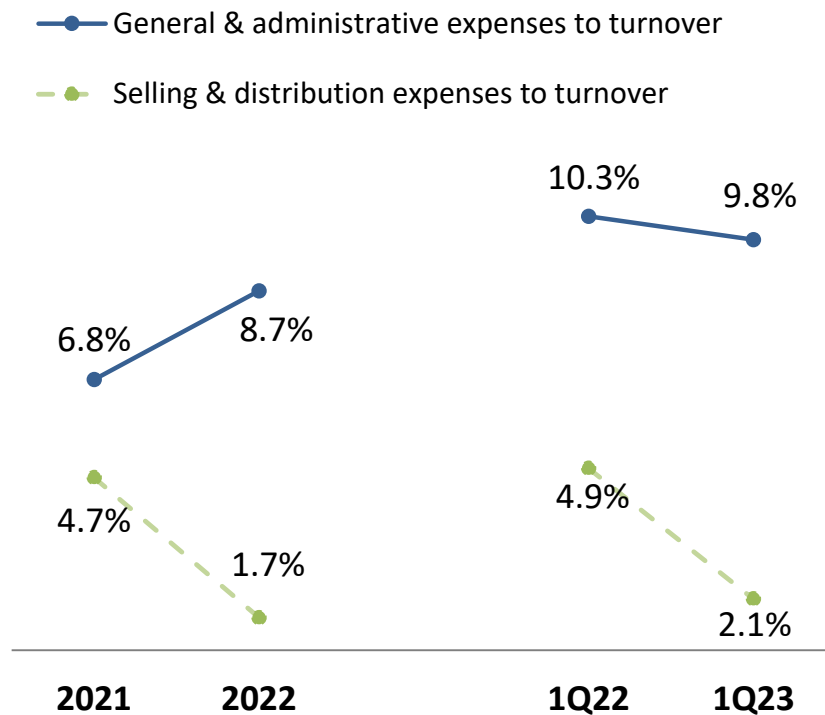
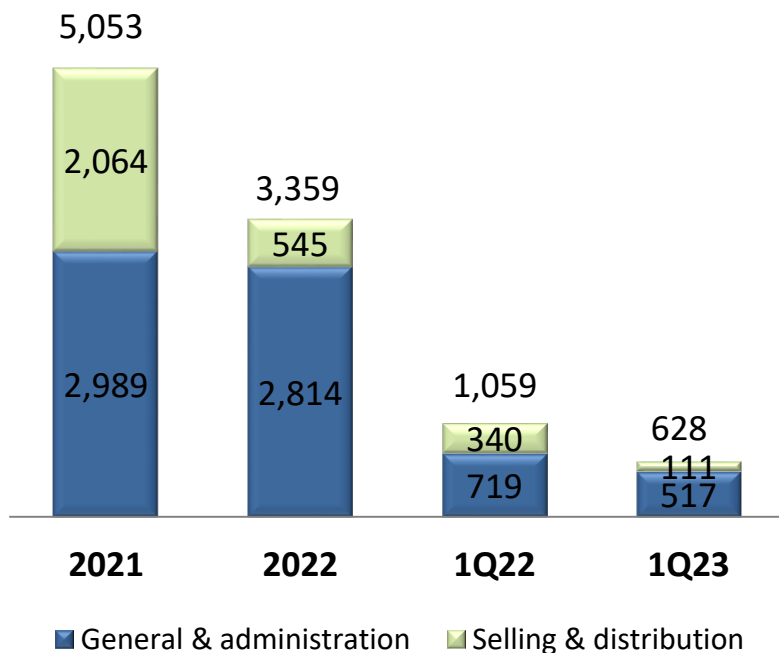
\*Note: Inclusive of sales volume of cement from related parties.

# Selling, General & Administrative Expenses

(HK\$ million)



	2022 YoY	1Q23 YoY
General & administration	-5.8%	-28.2%
Selling & distribution	-73.6%	-67.3%
<b>Total</b>	<b>-33.5%</b>	<b>-40.7%</b>



# Finance Costs & Exchange Gain/(Loss)

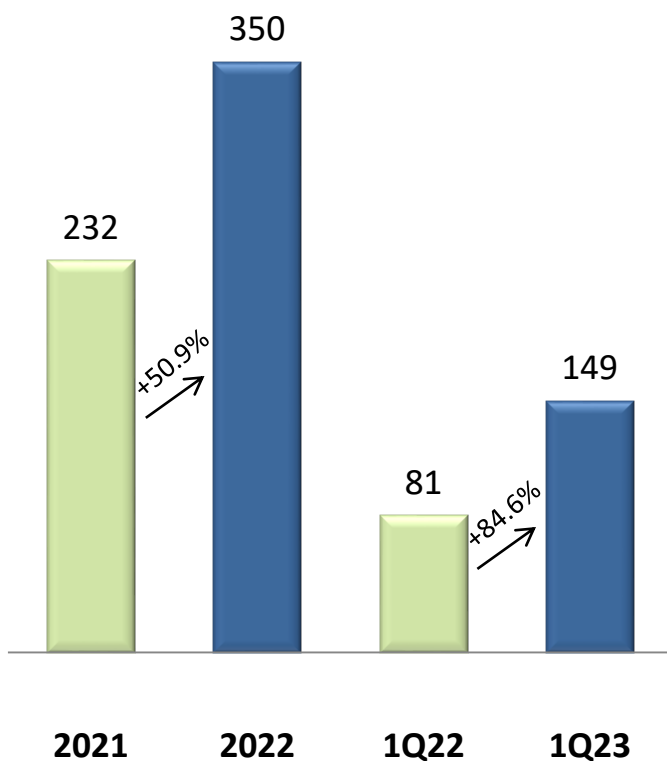


華潤水泥控股有限公司

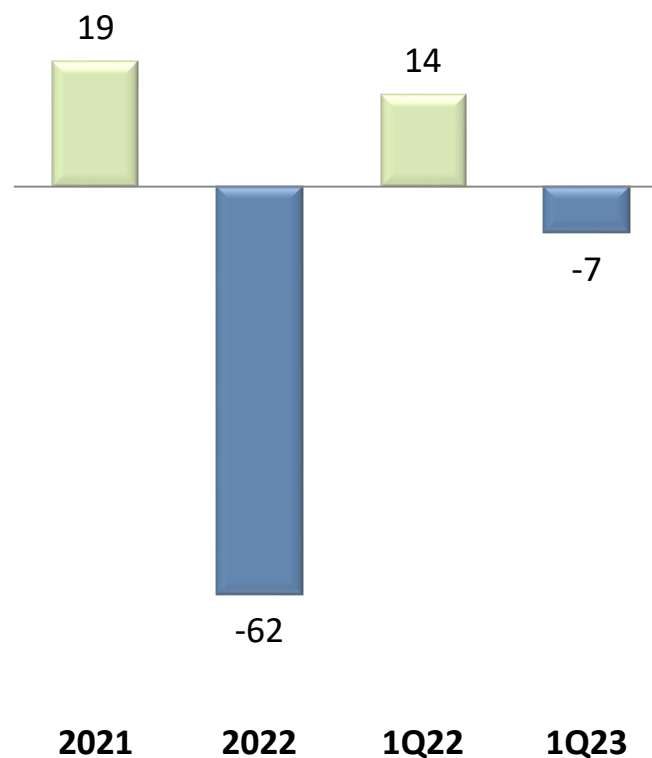
China Resources Cement Holdings Limited

(HK\$ million)

Finance costs



Exchange gain/(loss)

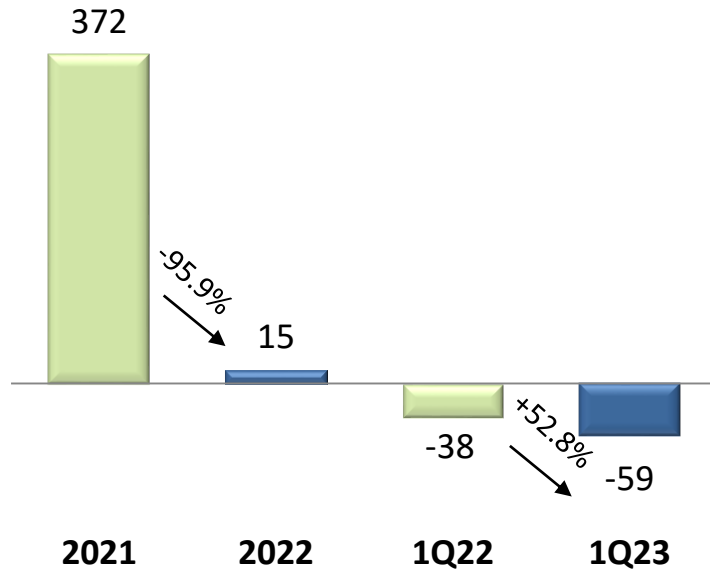


# Share of results of Associates & JVs



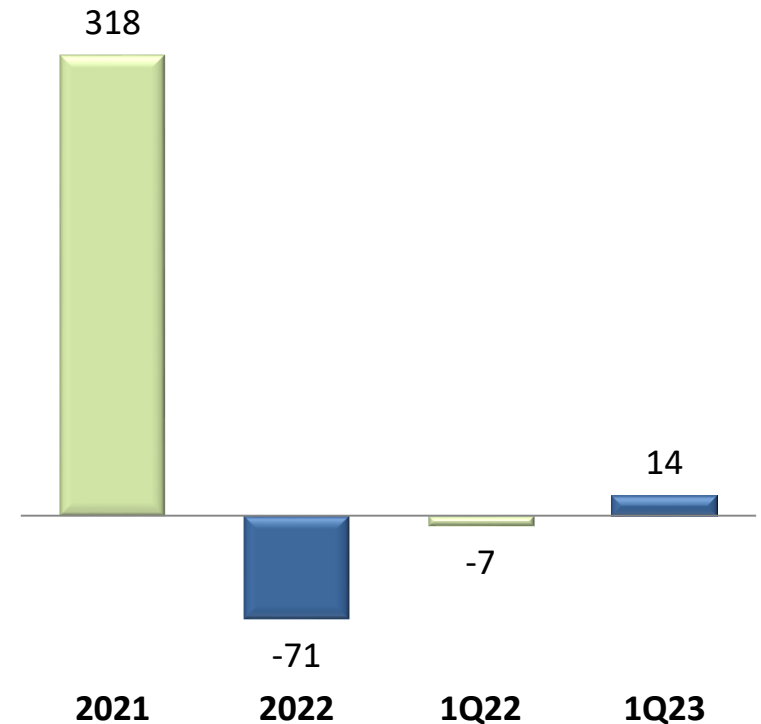
(HK\$ million)

## Share of results of associates



HK\$ million	2021	2022
Fujian	91.6	-41.4
Yunnan	165.4	-92.4
Inner Mongolia	93.7	166.5

## 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.

	1Q22	1Q23	YoY
Taxation (HK\$ million)	211.6	17.8	-91.6%
Effective tax rate	19.4%	N/A	N/A

**Notes:**

- 1. The withholding tax calculated at 5% on dividends in the Chinese Mainland, and the deferred tax calculated at 5% on the intended distribution profits from subsidiaries in the Chinese Mainland to a holding company in Hong Kong.*
- 2. Effective tax rate excludes the effects of the results of associates and joint ventures, the exchange difference, as well as the withholding tax in the Chinese Mainland for dividends and the deferred tax on the intended distribution profits from subsidiaries in the Chinese Mainland to a holding company in Hong Kong.*



# Financial Position

(HK\$ million)	31 Dec 2022	31 Mar 2023	Change
Cash and bank balances	2,181.7	5,217.4	+139.1%
Total assets	80,613.8	86,869.2	+7.8%
Gearing ratio	33.4%	45.2%	+11.8 ppt
Net assets per share (HK\$)	7.05	7.19	+2.0%

**Notes:**

- 1. Gearing ratio is calculated by dividing the total bank borrowing and loans from related parties by equity attributable to owners of the Company.***
- 2. Net assets per share is calculated by dividing equity attributable to owners of the Company by the number of issued shares at the end of the year/the relevant reporting period.***

# Cash Flow

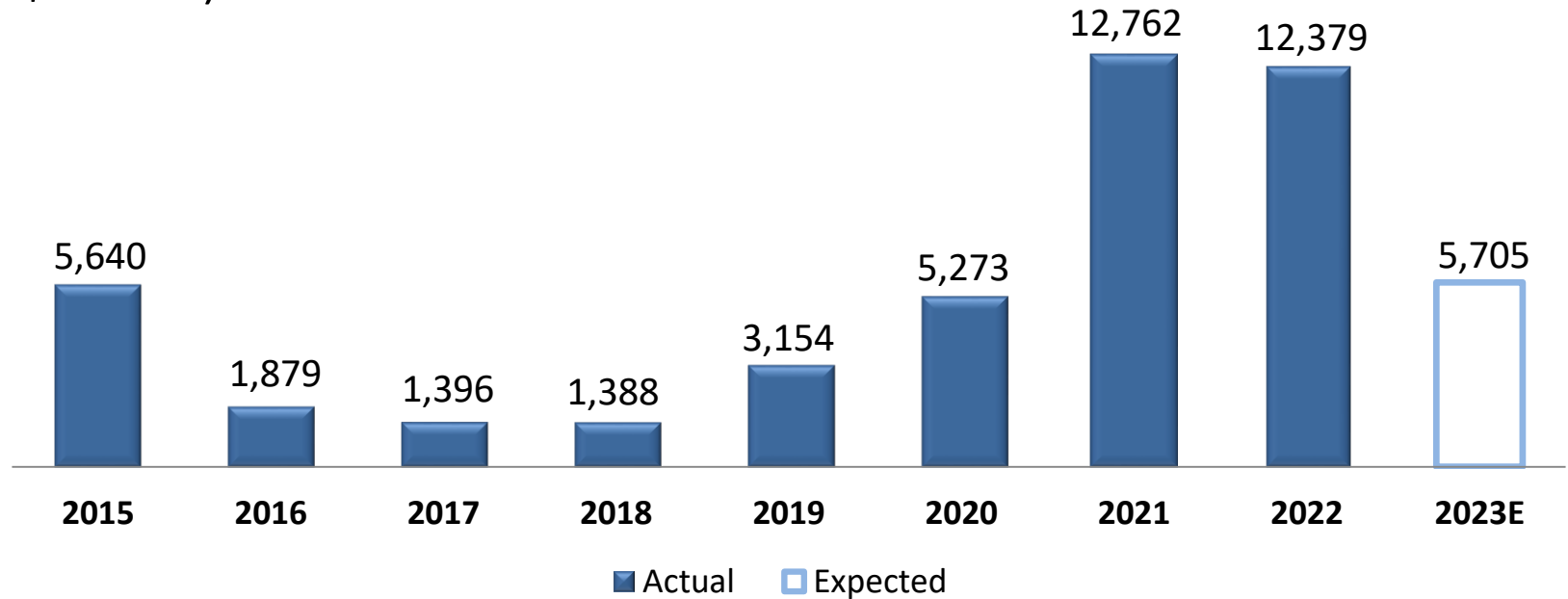
(HK\$ million)	2021	2022	Change
Net cash generated from operating activities	6,034.3	3,170.3	-47.5%
Net cash used in investing activities	(11,730.5)	(10,335.8)	-11.9%
Net cash (used in) generated from financing activities	(754.5)	2,695.6	N/A
Net decrease in cash and cash equivalents for the year	(6,450.7)	(4,469.9)	-30.7%
Cash and cash equivalent at end of the year	7,067.4	2,181.7	-69.1%

- Total payment for capital expenditure of the Group in 2022 was HK\$12,379 million.
- Expected capital expenditures are approximately HK\$5,705 million in 2023.



# Capital Expenditure

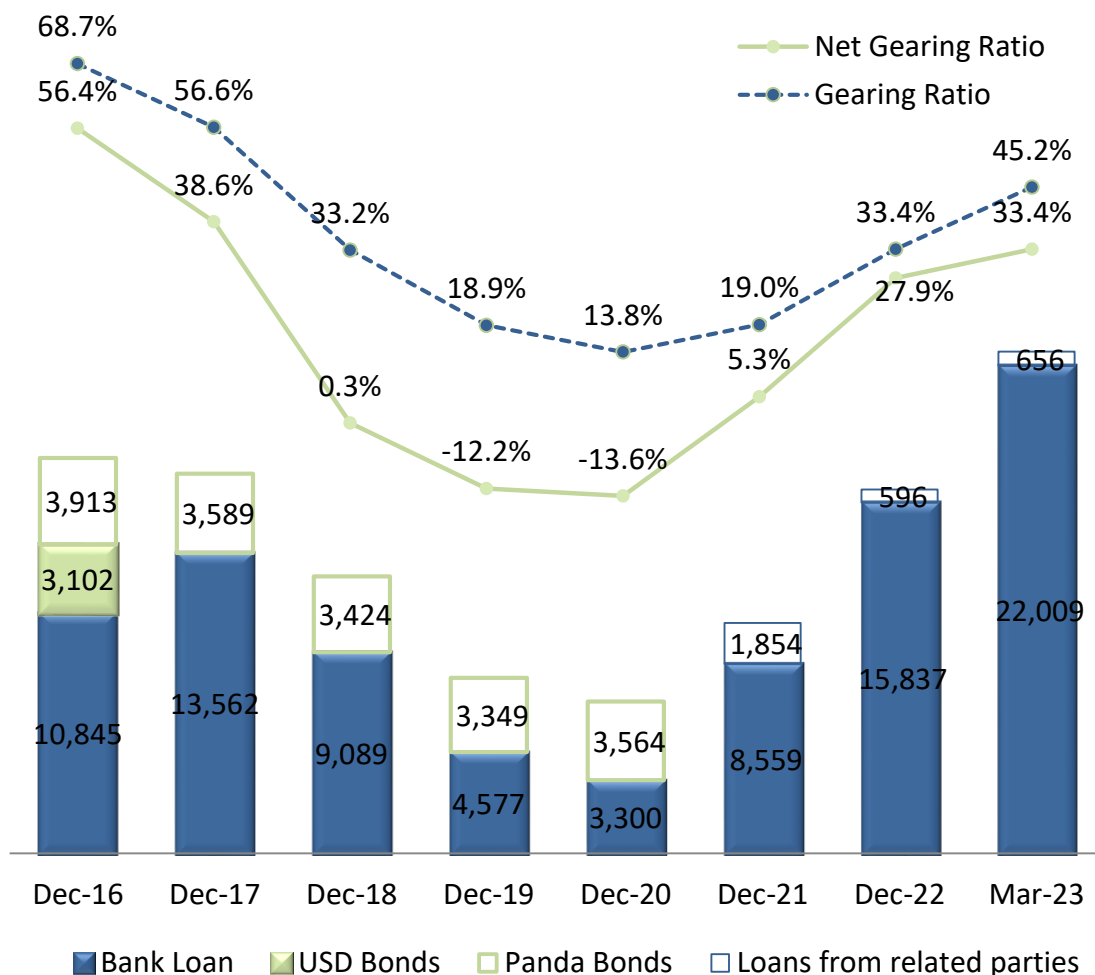
(HK\$ million)



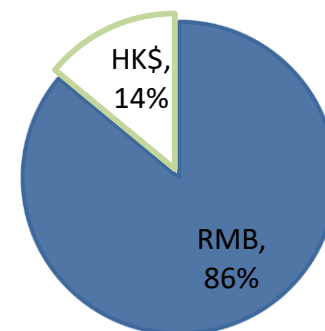
(HK\$ Million)	2019	2020	2021	2022	2023E
Aggregates	182	3,850	6,640	6,445	2,600
Prefabricated Construction	112	393	523	441	170
Functional Building Materials	907	-	751	1,671	220
<b>New Business Total</b>	<b>1,201</b>	<b>4,243</b>	<b>7,914</b>	<b>8,557</b>	<b>2,990</b>
<b>% of Total Capex</b>	<b>38%</b>	<b>80%</b>	<b>62%</b>	<b>69%</b>	<b>52%</b>

# Debt Structure

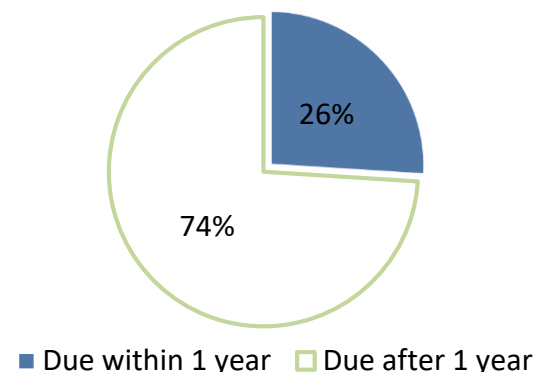
(HK\$ million)



## Currency (31 Dec 2022)



## Duration (31 Mar 2023)



### Notes:

1. Net gearing ratio is calculated by dividing net borrowings by equity attributable to owners of the Company.
2. Gearing ratio is calculated by dividing the total bank borrowings, unsecured bonds, unsecured commercial paper, loans from related parties and unsecured medium term notes by equity attributable to owners of the Company.
3. Panda bond encompasses commercial paper and medium term notes. The commercial paper was fully repaid in Sep 2017 and the unsecured medium term notes was fully repaid in Sep 2021.
4. The Company issued 450 million new Shares on 11 June 2018 at a price of HK\$9.30 per Share for net proceeds of approximately HK\$4.18 billion.



# Operational Review

# Business Development



- Jan: Acquired 51% of Liangtian Cement with ann. capacities of 1.6 mil tons clinker and 2.0 mil tons cement.
- Mar: Sold 72% of Fulong Cement to Tangshan Jidong Cement.
- Apr: Acquired 14% of Xiqian Cement with ann. capacity of 0.3 mil tons cement.
- Jul: Acquired 85% of Jingang Cement with ann. capacities of 0.8 mil tons clinker and 1.5 mil tons cement.
- Sep: Wuxuan Cement's project increased ann. capacity by 1.4 mil tons clinker and 2.0 mil tons cement.
- Nov: Fengkai Cement projects increased ann. capacity by 3.4 million tons cement.



- Jan: Acquired 49% of Gaojian Building Materials with ann. capacity of 1.5 mil tons manufactured sand.
- May: Acquired 51% of Tianyang Jiang'an Stone with ann. capacities of 4.0 mil tons of construction stone.
- Jun: Won mining rights of a limestone and dolostone quarry for flux in Hubei with ann. capacity of 5.0 mil tons.
- Jun: Commenced projects at Guigang and Wuping which increased ann. capacity by 3.0 mil tons and 2.0 mil tons.
- Jul: Acquired 44% of Runsheng Quarry with ann. capacities of 0.8 mil tons clinker and 1.5 mil tons cement.
- Aug: Acquired 65% of Zhongsheng Mining and Zhongrun Desheng Building Materials.
- Aug: Commenced operation of project in Fuchuan which increased ann. capacity to 1.0 mil tons.
- Aug: Won mining rights in Gangnan, Qintang and Fuchuan with ann. capacity of 9.7 mil tons, 7.5 mil tons and 3.0 mil tons.
- Nov: Commenced operation of project with ann. capacity of 5.0 mil tons in Shangsi.
- Dec: Commenced operation of project with ann. capacity of 5.0 mil tons in Tianyang.
- Dec: Commenced operation of high-end aggregates project in Nanning with ann. capacity of 9.8 mil tons.



- May: Won 130,000 m<sup>2</sup> of land to build autoclaved aerated lightweight concrete blocks and panels with ann. capacity of 600,000 m<sup>3</sup> of panels and approx. 300,000 m<sup>3</sup> of blocks.



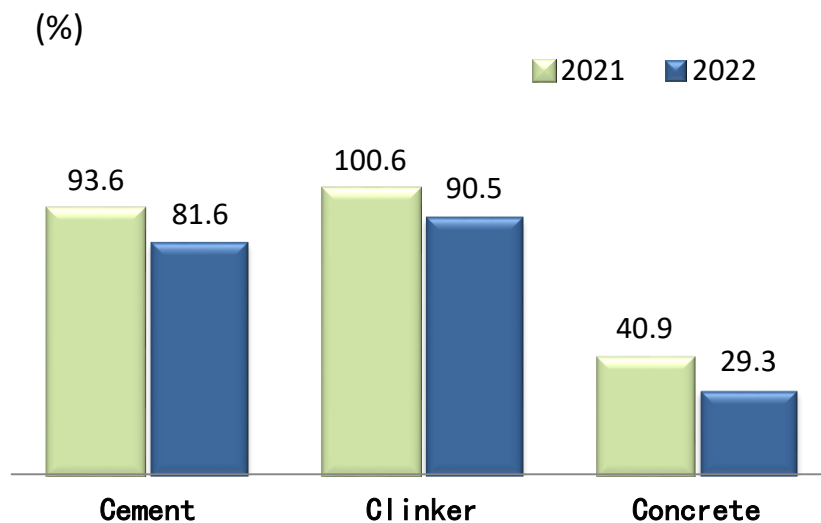
- Mar: Acquired 75% of Borrego New Material Technology with ann. capacity of 6.0 million m<sup>2</sup> engineered stone.
- Jul: Acquired 85% of Xubao Mining Investments with ann. capacity of 1.14 million m<sup>3</sup> marble for facing.
- Jul: Acquired 67% of Runhe New Materials with ann. capacity of 15.0 million m<sup>2</sup> engineered stone.

# Production Capacity

- As of the end of December 2022, the Group had 101 cement grinding lines, 49 clinker production lines and 63 concrete batching plants with annual production capacity of 90.1 million tons, 63.6 million tons and 38.5 million m<sup>3</sup> respectively.
- Annual production capacities attributable to the Company (equity interests in associates and joint ventures) were 22.3 million tons of cement, 12.1 million tons of clinker and 4.4 million m<sup>3</sup> of concrete.



## Utilization Rate



# Operational Review

## Production and Operation

### Operation Management

- In 2022, centred operational management on “steady growth” and “cost reduction”, continued to improve the management system for energy saving and carbon reduction and benchmarked against world-class enterprises and industry benchmarks to improve the level of operational management.

### Digitalization and Intelligentization

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

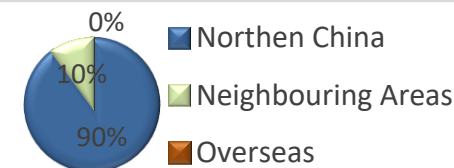
### R&D and Innovation

- As of the end of December 2022, had 329 technology talents, 76 specialized in R&D and 68 specialized in intelligentization and digitalization.
- Constructed platform for new materials R&D with Southeast University, China Academy of Space Technology, CR Chemical Materials and CR Land.

## Procurement Management

### Coal Procurement:

- 8.6 million tons of coal at the end of December 2022
- Proportion of direct procurement: 80%



## Logistics Management

### Shipping and Silo Capacity:

- Annual shipping capacity along Xijiang River: 39.1 million tons
- 36 silo terminals with annual capacity of approximately 35.3 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”
  - Products: “Wang Pai Gong Jiang” renovation cement, cement for nuclear power stations i.e. Hainan, Portland cement for roads
  - “Runpin” Unified Brand for functional building materials
  - Smart marketing





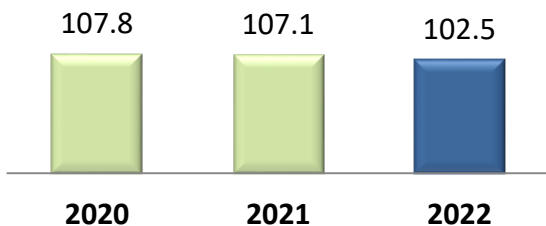
# Energy Saving & Emission Reduction

## ■ Electrical Structure:

- Residual Heat Recovery — 1,617.3 million kwh of electricity generated (30.9% of total electricity consumption)
- Direct Power Supply — 3,309.4 million kwh of electricity consumed (63.1% of total electricity consumption)

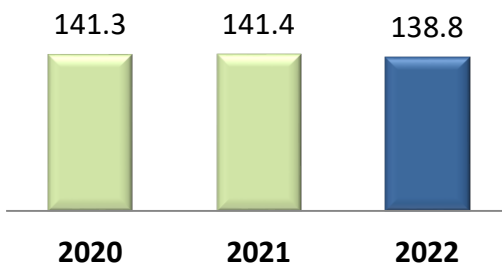
### Standard Coal Consumption

(kg per ton of clinker)



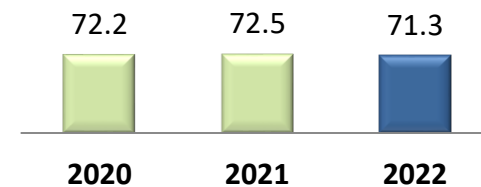
### Unit Coal Consumption

(kg per ton of clinker)



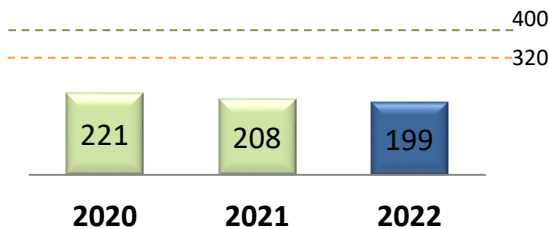
### Electricity Consumption

(kwh per ton of cement)



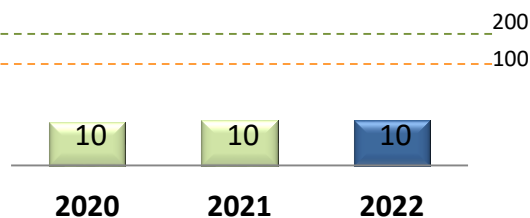
### Emission concentration of Nitrogen Oxides

mg/m<sup>3</sup>



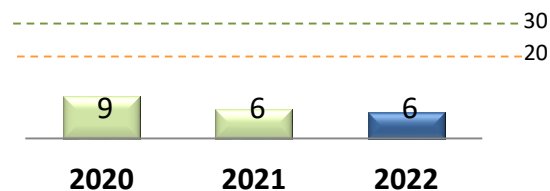
### Emission Concentration of Sulphur Dioxide

mg/m<sup>3</sup>



### Emission Concentrations of Particulate Matters

mg/m<sup>3</sup>



Ordinary Emission Limits -----

Special Emission Limits -----

# Green Development

- The Company proactively fulfils its social responsibilities as a corporate citizen and continuously launch management on pollutant, waste, carbon emissions, energy and resources management.

## Energy Consumption

- By 2025 compared to 2015:
- Standard coal consumption per ton of clinker down by 5%
- Electricity consumption per ton of clinker down by 10%
- Electricity consumption per ton of PO42.5 cement down by 16%

## Pollutant Emissions

- By 2025, emission concentrations of nitrogen oxide, sulphur dioxide and particulate matters will strive to fall below 100 mg/m<sup>3</sup>, below 50 mg/m<sup>3</sup> and below 10 mg/m<sup>3</sup> respectively

## Carbon Emissions

- Targets for peaking total carbon dioxide emissions by 2025 and reducing CO<sub>2</sub> emissions per ton of clinker by 2% compared to 2020, and strives to achieve carbon neutrality by 2060.

### Green Factories

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

### Clean Energy

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



# Outlook & Prospects



- 2023 economic work to prioritize stability while pursuing progress, implement proactive fiscal and prudent monetary policy, increase macro-econ policy adjustments, reinforce policy coordination and cooperation for joint promotion of high-quality development.
- Regional Development: Construction of GBA and other regions will drive regional demand for building materials in medium to long term.

## Infrastructure



- World leader in transport: By 2025, raise utilization rate of main skeleton and network mileage to reach 260,000 km. By 2030, basically complete main skeleton and network mileage to reach 280,000 km. By 2035, full complete main skeleton.

## Real Estate



- “Residential properties are not for speculation”: comprehensively implement long-term mechanism for real estate and execute city-specific policies to support demand for basic housing needs and housing to improve living conditions, maintain real estate financing and protect rights and interests of consumers.

## Rural Market



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

# Strategies and Prospects

## ■ 3 Core Strengths

- Leading market position in the region
- Innovation-driven development
- Lowest total costs

## ■ 4 Business Segments

- Strengthen, optimize and expand the basic building materials and functional building materials businesses
- Steadily develop the structural building materials business
- Incubate and cultivate the new materials business

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## ■ Strategies

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

## Opportunities

The Group will proactively seize the regional development opportunities in China including the Greater Bay Area, accelerate the pace of transformation and innovation, and fulfill corporate social responsibility to advance the green and sustainable development of the cement industry in China.





# Appendix

# CR Cement's Production Capacity

## Controlled by the Group

(As at 31 Dec 2022)

Province/AR/SAR	Cement		Clinker		Concrete	
	No. of lines	million tons	No. of lines	million tons	No. of plants	million m <sup>3</sup>
Guangdong	32	27.7	12	15.4	22	14.3
Guangxi	35	34.8	19	28.0	28	17.6
Fujian	14	10.1	6	7.0	-	-
Hainan	5	4.4	3	3.3	5	2.7
Yunnan	7	5.1	4	3.9	1	0.6
Guizhou	4	4.0	2	3.0	-	-
Shanxi	2	2.0	1	1.5	1	0.6
Hunan	2	2.0	2	1.5	-	-
Zhejiang	-	-	-	-	2	1.1
Hong Kong	-	-	-	-	4	1.6
<b>Total</b>	<b>101</b>	<b>90.1</b>	<b>49</b>	<b>63.6</b>	<b>63</b>	<b>38.5</b>

## 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 <sup>3</sup>
Guangdong	6	7.3	2	3.7	-	-
Fujian	16	16.2	7	9.6	8	4.8
Yunnan	31	23.9	16	16.7	3	1.2
Inner Mongolia	21	17.3	5	7.0	4	1.5
Hong Kong	-	-	-	-	4	1.9
<b>Total</b>	<b>74</b>	<b>64.7</b>	<b>30</b>	<b>37.0</b>	<b>19</b>	<b>9.4</b>
<b>Attributable</b>	<b>-</b>	<b>22.3</b>	<b>-</b>	<b>12.1</b>	<b>-</b>	<b>4.4</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.

# 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:** Currently, the Group's annual aggregates production capacity through subsidiaries was approx. **48.4** million tons, and the attributable capacity through associate in Yunnan was approx. **3.1** million tons. In addition to the newly obtained aggregate projects, the annual aggregates production capacity through subsidiaries is expected to reach approx. **137.1** million tons, and the attributable capacity controlled by associates & JVs will reach approx. **13.6** million tons.

## Aggregate Quarry



Aggregate Mine in Fengkai,  
Guangdong

## Aggregate Production Line



Aggregate Production Line in Nanning,  
Guangxi

## Aggregate Products



Manufactured Gravel



Coarse Aggregate



# Aggregates

## Controlled by the Group

Project Location	Annual production capacity (mil tons)	Resource reserve (mil tons)	Completion expectation	Project Location	Annual production capacity (mil tons)	Resource reserve (mil tons)	Completion expectation
<b>Guangdong</b>				<b>Fujian</b>			
Fengkai	30.0	425.0	2023	Wuping	2.0	56.0	Trial production
Deqing	6.5	169.0	2023	Yongding (Phase I)	0.5	Cement mines	2023
Luoding	1.5	102.2	2023	<b>Hainan</b>			
<b>Guangxi</b>				Ding'an	3.0	63.0	2023
Guigang Expansion	3.0	31.9	Trial production	<b>Yunnan</b>			
Fuchuan Expansion	1.0	Cement mines	Trial production	Weishan	3.0	100.0	2023
Shangsi	5.0	65.0	Trial production	Midu	1.0	15.6	2023
Tianyang	5.0	61.0	Trial production	<b>Chongqing</b>			
Tianyang Napo	4.0	114.0	2023	Wushan	2.6	150.0	In operation
Wuxuan	6.5	208.0	Trial production	<b>Hubei</b>			
Nanning	9.8	153.8	Trial production	Chongyang	5.0	84.0	2024
Shangsi Pingguang	2.0	42.0	2024	<b>Shaanxi</b>			
Guigang Gangnan	9.7	296.0	2024	Luonan	3.0	122.0	2023
Guigang Qintang	7.5	141.5	2025	Tongchuan	5.0	147.0	2023
Hezhou Fuchuan	3.0	93.0	2023	<b>Total</b>	<b>128.6</b>	<b>2,736.0</b>	
Nanning Binyang	5.0	76.0	2023				
Nanning Longyin Mountain	4.0	20.0	2023				

# Aggregates (Cont'd)

## Controlled by associates and joint ventures

Project Location	Equity Interests	Annual production capacity (mil tons)	Attributable annual production capacity (mil tons)	Resource reserve (mil tons)	Completion expectation
<b>Guangxi</b>					
Hengzhou	50%	10.0	5.0	180.0	2023
<b>Fujian</b>					
Nanping	49%	1.5	0.7	13.3	In operation
<b>Hainan</b>					
Tunchang	34%	6.0	2.0	120.0	2024
<b>Chongqing</b>					
Qijiang Anwen	50%	3.0	1.5	70.3	2024
Qijiang Shihao	50%	3.0	1.5	20.7	2024
<b>Yunnan</b>					
Zhaotong	50%	1.5	0.8	Cement mines	2023
Yimen	50%	2.0	1.0	Cement mines	In operation
<b>Total</b>		<b>27.0</b>	<b>12.5</b>	<b>404.3</b>	

# Prefabricated Construction

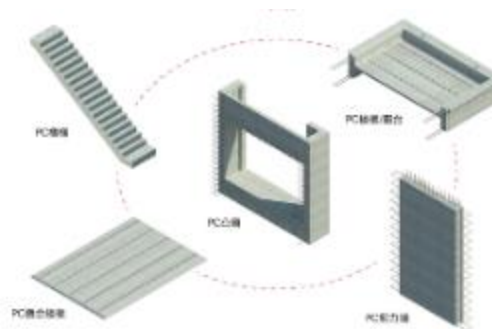
- **Prefabricated construction** components are produced in factories for prefabricated buildings, and transported to the construction site and assembled onsite. The products generally are floor slabs, walls, stairs and balconies etc.
- **Advantages** include: Improve project quality and construction efficiency, reduce resource usage, energy consumption and construction waste, shorten construction time and improve labor productivity, reduce construction site accident and construction delay due to poor weather.
- \*Target for proportion of floor space of prefabricated buildings to newly constructed buildings in China:
  - National – 2025: **30%**;
  - Shenzhen/Guangzhou – 2025: **50%**; Nanning/Liuzhou – 2025: **30%**; Hainan – 2025: **100%**
- In July 2022, the government issued the “Notice on Issuing the Implementation Plan for Carbon Peaking in Urban and Rural Construction”, which proposed to vigorously develop prefabricated construction such that by 2030 prefabricated construction for the year would account for 40% of new buildings in cities and towns.

## Precast Concrete Production Plant



Precast Concrete Production Plant in Guigang, Guangxi

## Precast Concrete Product



Precast Concrete Components

## Product Application



China Resources Wanyue Mansion at Pingshan, Shenzhen, Guangdong

\*Sources:

*Policies issued by the Ministry of Housing and Urban Rural Development of China, the Ministry of Industry and Information Technology of China, the Guangdong Municipal Housing and Urban Rural Construction Bureau, Shenzhen, Guangzhou, Nanning, Guangxi and Hainan government*

# Prefabricated Construction (Cont'd)



- As of the end of December 2022, the Group had a total of 6 precast concrete component projects and the design annual production capacity is expected to reach approximately 1.4 million m<sup>3</sup> after completion.

Project	Design annual production capacity (m <sup>3</sup> )	Status	Remarks
<b>Guangdong</b>			
Dongguan Runyang*	40,000	In operation	➢ Mainly supplies to Shenzhen, Zhuhai, Guangzhou
Intelligent Building Zhanjiang	400,000	In operation	➢ Commenced operation: Precast concrete - Phase I (annual capacity: 200,000 m <sup>3</sup> ) – Sep 2021
Intelligent Building Jiangmen	50,000	Trial production	➢ Concrete batching plant under construction ➢ Trial production: Precast concrete - (annual capacity: 900,000 m <sup>3</sup> ) – Nov 2022
<b>Guangxi</b>			
Intelligent Building Nanning	400,000	Trial production	➢ Concrete batching plant commenced operation in Dec 2019 ➢ Trial production: Precast concrete - Phase I (annual capacity: 200,000 m <sup>3</sup> ) – Sep 2021
Intelligent Building Guigang	200,000	In operation	➢ Concrete batching plant commenced operation in Nov 2019 ➢ Commenced operation: Precast concrete – Dec 2020
<b>Hainan</b>			
Intelligent Building Ding'an	300,000	In operation	➢ Commenced operation: Apr 2021

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

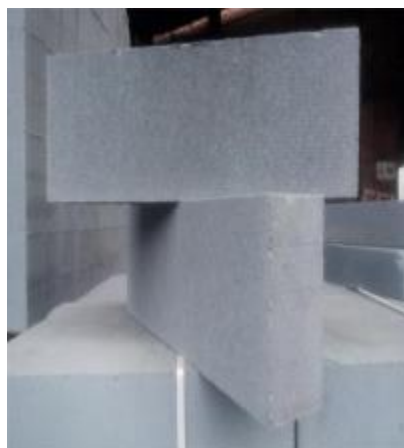
# ALC Products

- **Autoclaved aerated lightweight concrete (ALC) blocks** are a type of porous concrete product mainly composed of raw materials such as high silicon, lime, cement and gypsum, with an appropriate amount of foaming agents, admixtures and bubble stabilizers, and with mixing, pouring, curing, cutting and high-pressure steaming of ingredients during the technological process. **ALC panels** have steel bars added during the production process and are mainly used for non-load-bearing structures such as interior and exterior wall panels.
- **Advantages:** Favorable characteristics include green & environmental-friendliness, fire resistance & heat insulation, lightweight & high-strength, as well as sound insulation, earthquake resistance, frost resistance, durability and impermeability, which can save on building materials, reduce labor costs, improve construction efficiency and reduce construction waste.
- **Policies:** ALC panels belong to the category of "Component-based Building Material Products Suitable for Prefabricated Buildings" encouraged by the "Industrial Structure Adjustment Guidance Catalog". ALC panels and blocks can enjoy a preferential policy of 50% refund in value-added tax.

## Product Types



ALC Panel



ALC Block

## Product Applications



Interior Wall Panel



Floor Panel

# Functional Materials



## ■ Engineered Stone

- Universal Classical owns capacity of engineered stones of **600,000 m<sup>2</sup>** and expanding another **1.5 million m<sup>2</sup>** in Dongguan, Guangdong.
- CR Cement building two lines of engineered stones with capacity of **3 million m<sup>2</sup>** in Laibin, Guangxi.
- In Mar 2022, acquired 75% of Borrego New Material, with capacity of **6.0 million m<sup>2</sup>** of engineered stones in Lianzhou, Guangdong.
- In Jul 2022, acquired 67% of each of Runhe New Material, Runhe (Lanling) New Material and Runhe (Feixian) New Material with capacity of **15.0 million m<sup>2</sup>** in Linyi City, Shandong.
- In Jul 2022, acquired 85% of Hezhou Xubao Mining Investments with capacity of **1.14 million m<sup>3</sup>**, expected to commence operation in 2024.



Engineered Stone Production Line in Dongguan, Guangdong

## ■ Tile Adhesive

- In Oct 2021, the tile adhesive production line, located in Fengkai, Guangdong, with annual production capacity of **0.4 million tons** commenced operations.



Tile Adhesive Production Line in Fengkai, Guangdong

## ■ White Cement

- In Oct 2021, the Group invested in 70% equity interests of Deqing Yingqi Building Materials Co., Ltd. which owns one production line for white cement in operation with annual production capacity of approx. **400,000 tons** in Deqing, Guangdong.
- Usage: Raw materials of inorganic engineered stone, tile adhesive etc.

# Engineered Stone

- **Engineered Stone** refers to material synthesized from raw materials such as natural marble through a manufacturing process. The process inserts a bonding agent, curing aid and pigments before stirring, vacuuming, vibration and pressure, molding and curing to form the final product.
- **Advantages** include being environmentally-friendly, ability to create large slabs, possess great variety in design, usability for exterior walls as well as being flame retardant and abrasion resistant.
- **Recognition:** In 2021, the Group's inorganic engineered stone products obtained the "China Green Building Materials Product Certification (Three-Star)" issued by the China Building Material Test & Certification Group Co., Ltd. , and the independently developed "Key Technology for Production of High-performance Inorganic Engineered Stone" won the Shenzhen Construction Engineering New Technology Certification.

## Runfeng New Materials



RUN Stone-lab

## Universal Classical



Reception of Universal Classical

## Product Application



The Exterior of Guiyang Shopping Center

# Financial Summary

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

(HK\$ million)	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net cash generated from operating activities	3,170	6,034	10,268	11,285	11,331	6,613	4,112	4,834	6,859
Net cash used in investing activities	(10,336)	(11,730)	(5,004)	(2,618)	(1,075)	(1,888)	(1,671)	(4,642)	(4,557)
Net cash generated from (used in) in financing activities	2,696	(755)	(5,688)	(7,837)	(2,803)	(2,792)	(1,035)	(2,245)	(972)
Cash and cash equivalent at end of the year	2,182	7,067	13,227	12,848	12,302	5,384	3,159	1,938	4,148

**Note:** Net assets per share is calculated by dividing equity attributable to owners of the Company by the number of issued shares at the end of the year.



## Investor Relations Contact

Tel: (852) 3118 6800

E-mail: [crcement@crc.com.hk](mailto:crcement@crc.com.hk)

Website: [www.crcement.com](http://www.crcement.com)

Address: Room 3001-05, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong

## Important Shareholders' Dates

Events	Dates
2023 First Quarter Results Announcement	April 2023*
Annual General Meeting	May 2023*
Ex-dividend Date for 2022 Final Dividend	June 2023*
Payment for 2022 Final Dividend	July 2023*
2023 Interim Results Announcement	August 2023*

\*Tentative dates



# Disclaimer

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