



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

2019 Interim Results Presentation

綠色 智造
Green Development & Intelligent Manufacturing

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Company Profile



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

- ◆ One of **5** major industrial sectors of China Resources Group (holding 68.72% of issued shares)

- ◆ A large-scale and competitive **cement, clinker & concrete producer** in Southern China



Subsidiary of CR Group

Market Position

Environment, Health & Safety

Development Strategy

- ◆ Environmental protection: Denitration, Desulphurization & Dust collection system
- ◆ Production safety & occupational health
- ◆ **Municipal solid waste, Urban sludge & Hazardous industrial waste** Co-processing projects

- ◆ Lowest total cost
- ◆ Leading position in regional market
- ◆ Innovation-driven development



Financial Performance

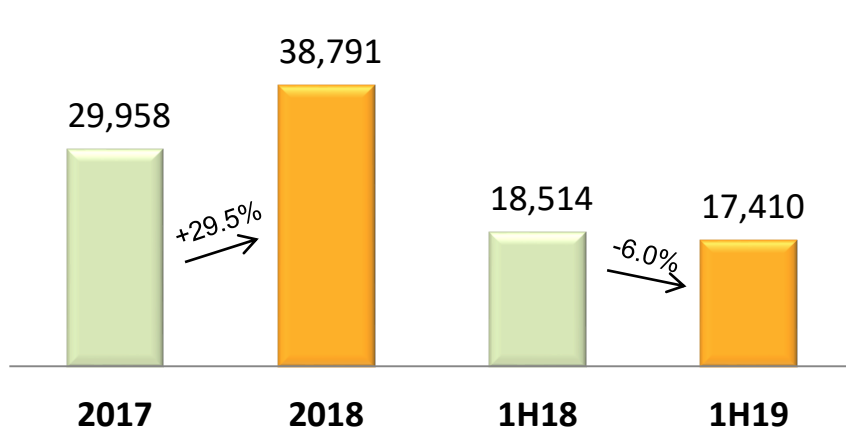


華潤水泥控股有限公司

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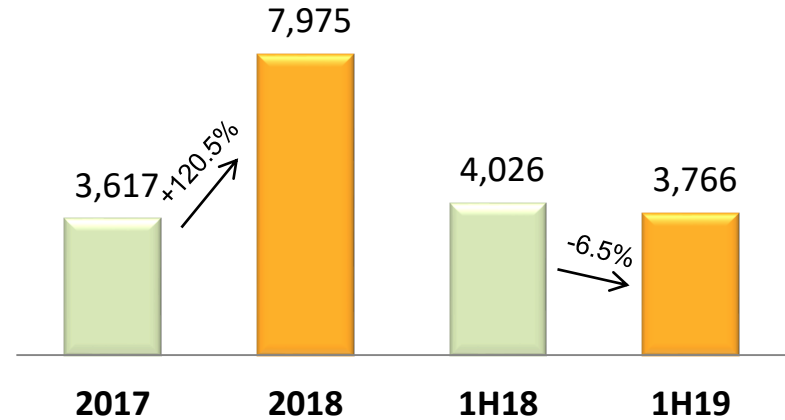
Turnover

(HK\$ million)



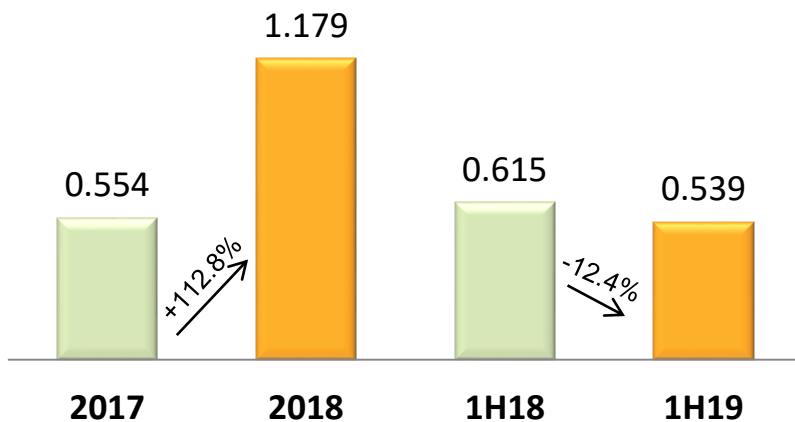
Profit attributable to owners of the Company

(HK\$ million)



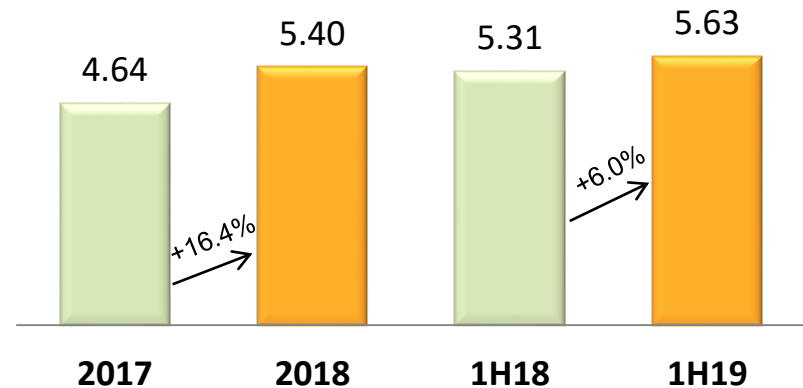
Earnings per share

(HK\$)



Net assets per share

(HK\$)



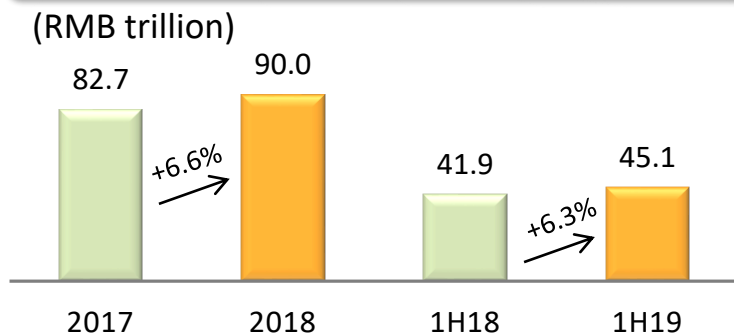


Industry Overview

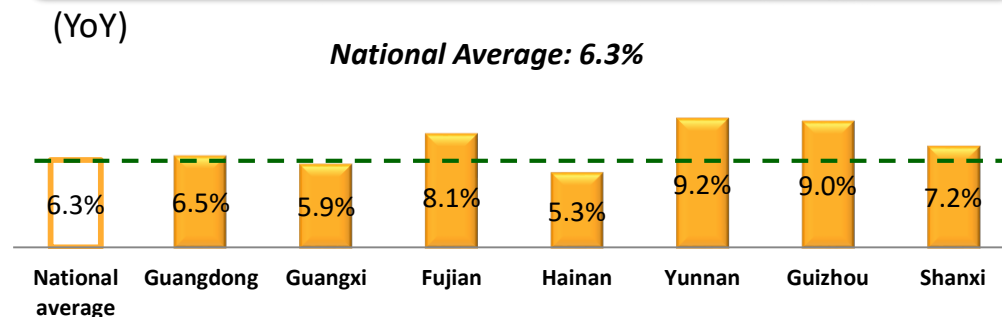
Economic Growth

- In 1H19, in the face of complex domestic and international circumstances, the Chinese government was committed to the general principle of pursuing progress while **ensuring stability** and **promoting high-quality development**.
- With supply-side structural reform as the main topic, the government deepened reform and opening up as well as implemented large-scale tax and fee reductions to maintain the operation of the economy within a reasonable range and continue overall stability and steady progress.

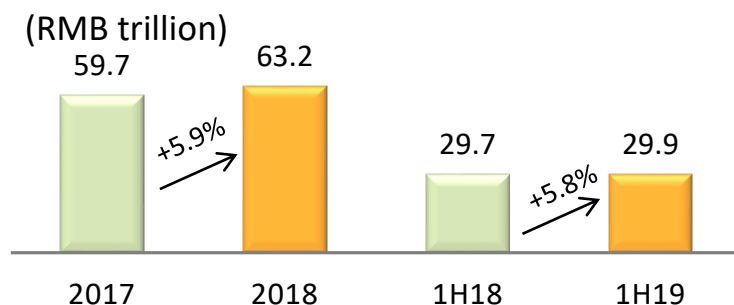
National GDP



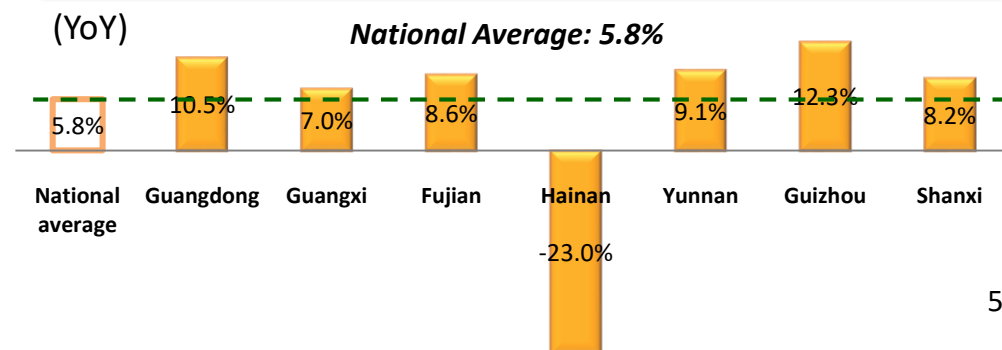
GDP Growth (1H19)



National FAI (excluding rural households)



FAI Growth (1H19)



Sources: National Bureaus of Statistics of China

Infrastructure



- In 1H19, national infrastructure investments* increased by +4.1% YoY
 - *Railway: ~RMB322 billion, +3.0% YoY*
 - *Highways & waterways: ~RMB1.0 trillion, +4.7%YoY*

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

- The housing market in China was stable at large and the growth in real estate investment remained steady.

- *Real estate investment: RMB6.2 trillion, +10.9% YoY*
- *Floor space of commodity housing sold: 760 million m², -1.8% YoY*

Real Estate Market



	1H19	YoY	2018 YoY
Floor space of houses newly started construction (m ²)	1,060 million	+10.1%	+17.2%
Floor space of houses completed (m ²)	320 million	-12.7%	-7.8%
Floor space under construction by real estate developers (m ²)	7,700 million	+8.8%	+5.2%
Land area purchased by real estate developers (m ²)	80 million	-27.5%	+14.2%

Rural Market



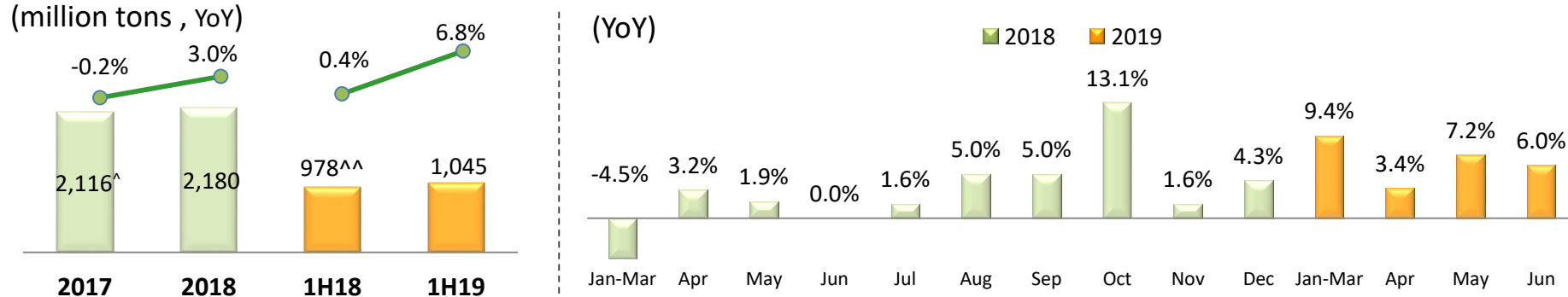
- Rural revitalization & poverty reduction through transportation infrastructure
 - *Total operational length of newly built and re-built rural roads reached 135,000 km in 1H19*
 - *The urbanization rate: 59.58% as at the end of 2018*

Cement Production



■ In 1H19, China's cement production was approximately **1,044.7** million tons*, +6.8% YoY

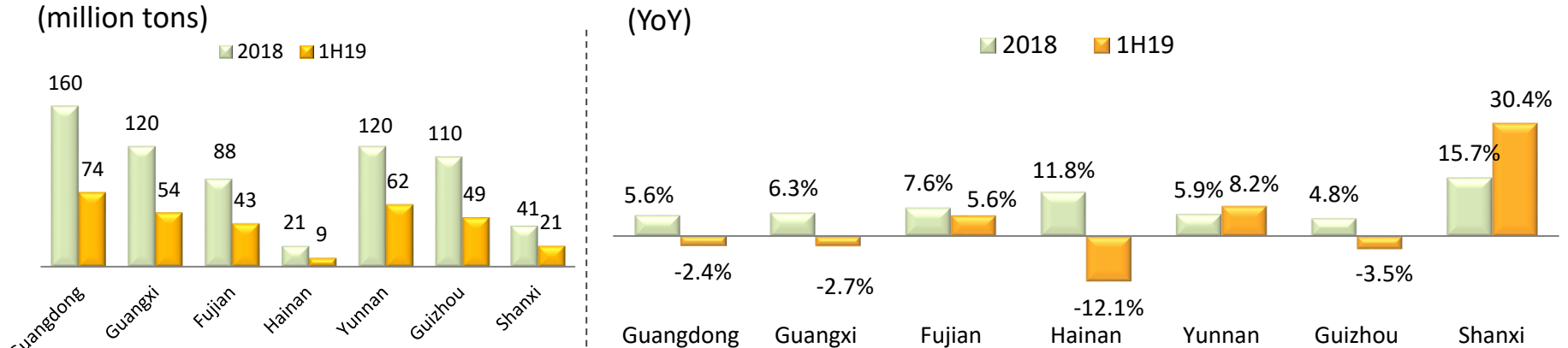
National Cement Production (1)



Note: [^] Originally 2,316 million tons but restated as 2,116 million tons in 2018 by the National Bureau of Statistics of China.

^{^^} Originally 997 million tons but restated as 978 million tons in 1H19 by the National Bureau of Statistics of China.

CRC's operating region (2)



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

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

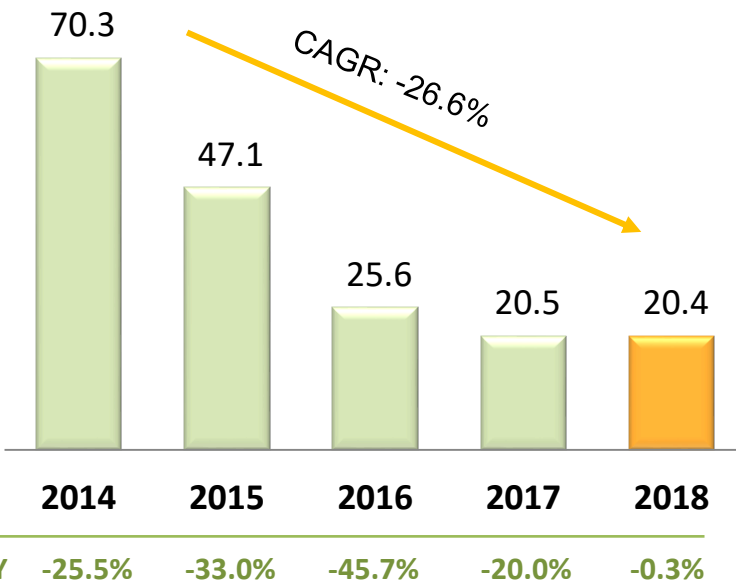
Cement Supply



- In 1H19, there were **10** new clinker production lines nationwide with new annual clinker production capacity of **15.5** million tons in total.
- In **Guangxi**, **1** new clinker production lines with new annual clinker production capacity of **1.60** million tons in total commenced operation.

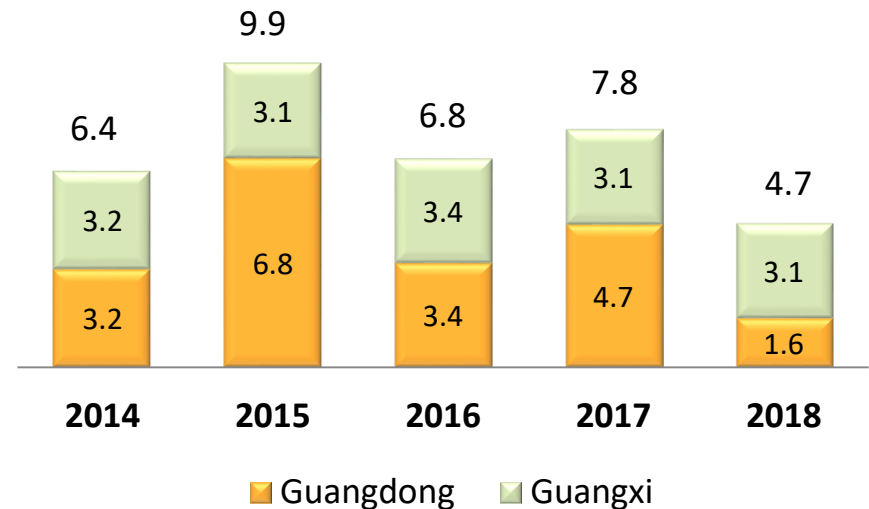
New Clinker Capacity in China

(million tons)



New Clinker Capacity in Guangdong & Guangxi

(million tons)



Source: Company information, China Cement Association



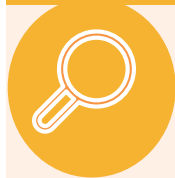
- The Chinese government promotes energy saving, emission reduction and production safety, reinforces environmental protection law enforcement and supervision, and encourages waste co-processing by use of cement kilns for promoting the green development of the cement industry.

Environmental Protection

- **Product upgrade:** Abolition of PC32.5R cement
- **Green Factory:** Indicator evaluation system and evaluation requirements
- **Green Mine:** Target to shut down >1,000 non-coal mines in 2019
- **Co-processing** - The proportion of co-processing production lines by use of cement kilns shall increase to 15% by 2020.



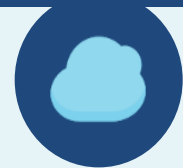
Government Inspections



- **Nationwide Central Environmental Protection Inspections & revisit**
- **Production Safety and Occupational Health**
 - ✓ Punishment on criminal behaviours regarding production safety in accordance with law
 - ✓ Treatment and control of occupational disease hazards

Blue Sky Defense Battle

- In June 2018, the State Council of China issued national policies including the “Three-Year Action Plan for Winning the Blue Sky Defense Battle”.
 - Capacity Control
 - Off-Peak Production
 - Emission Control
 - Prefabricated Construction





Financial Highlights

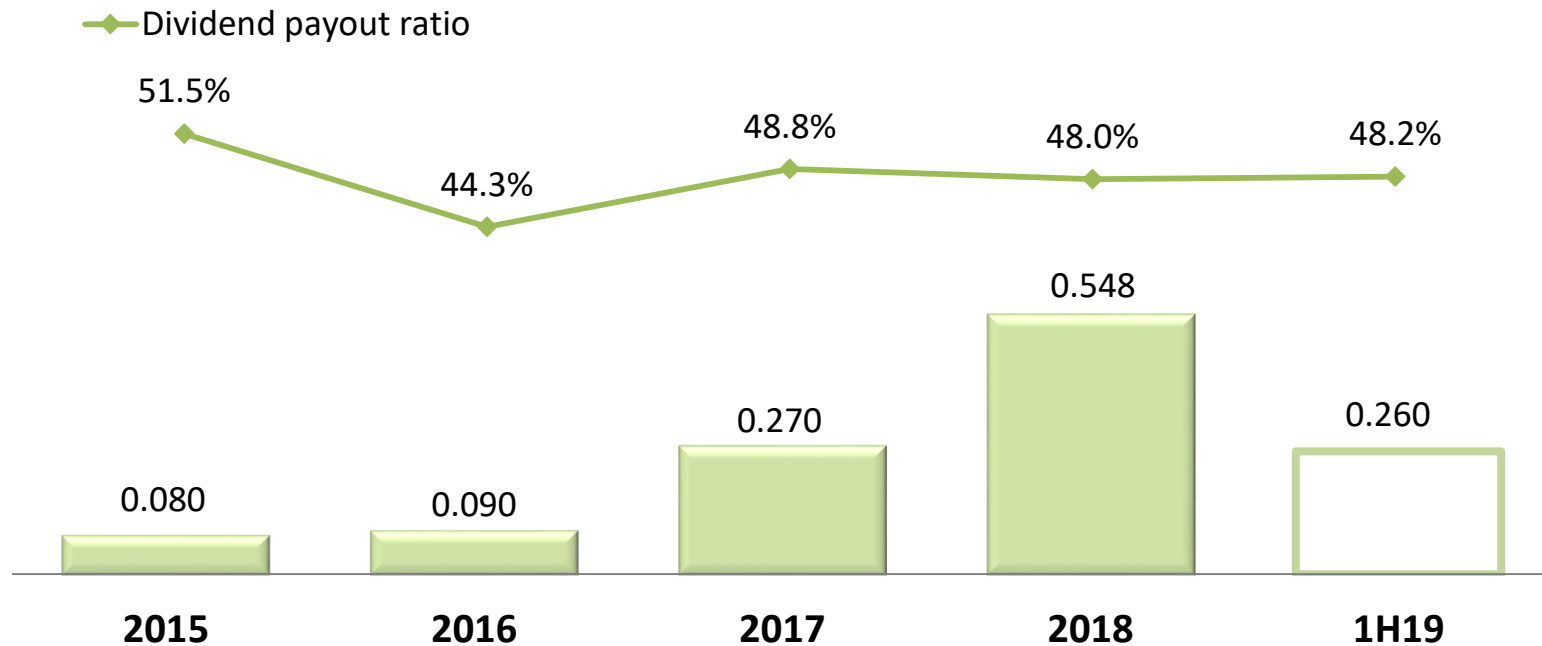
1H19 Results Summary

(HK\$ million)	1H18	1H19	YoY
Turnover	18,513.9	17,409.5	-6.0%
Gross profit	7,295.3	6,774.1	-7.1%
Gross margin (%)	39.4%	38.9%	-0.5ppt
Exchange gain	44.6	-2.8	-106.2%
Finance costs	(346.8)	(222.3)	-35.9%
Profit attributable to owners of the Company	4,026.0	3,766.0	-6.5%
Basic earnings per share (HK\$)	0.615	0.539	-12.4%

Dividend Payout (HK\$)



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China Resources Cement Holdings Limited



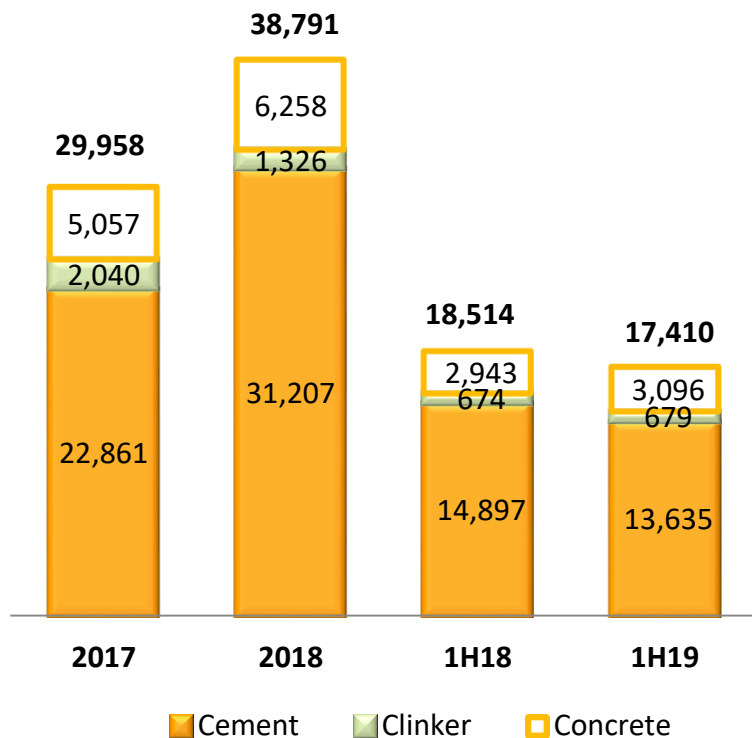
(HK\$)

Interim	0.06	0.015	0.115	0.275
Final	0.02	0.075	0.155	0.273

Turnover

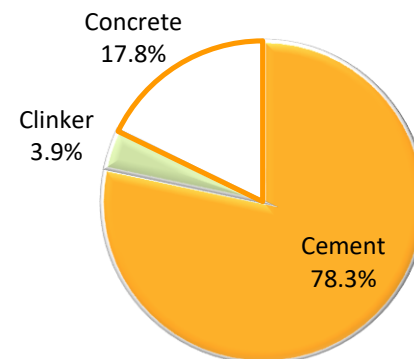
Turnover by Product

(HK\$ million)



	2018 YoY	1H19 YoY
Cement	+36.5%	-8.5%
Clinker	-35.0%	+0.7%
Concrete	+23.7%	+5.2%
Total	+29.5%	-6.0%

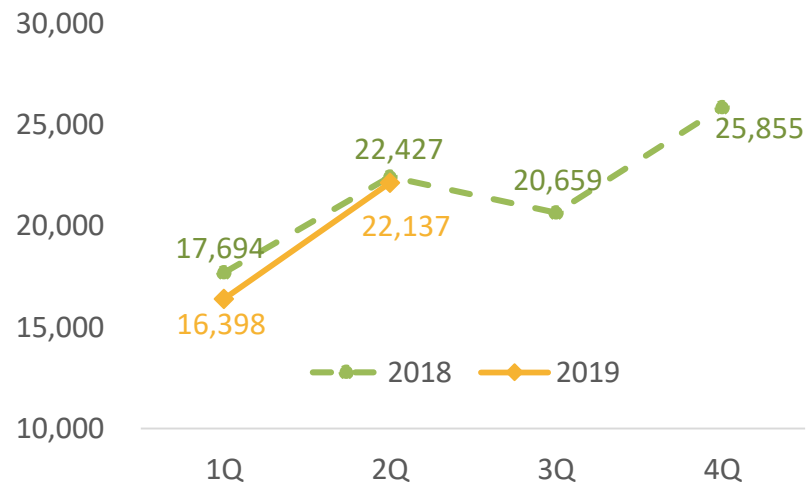
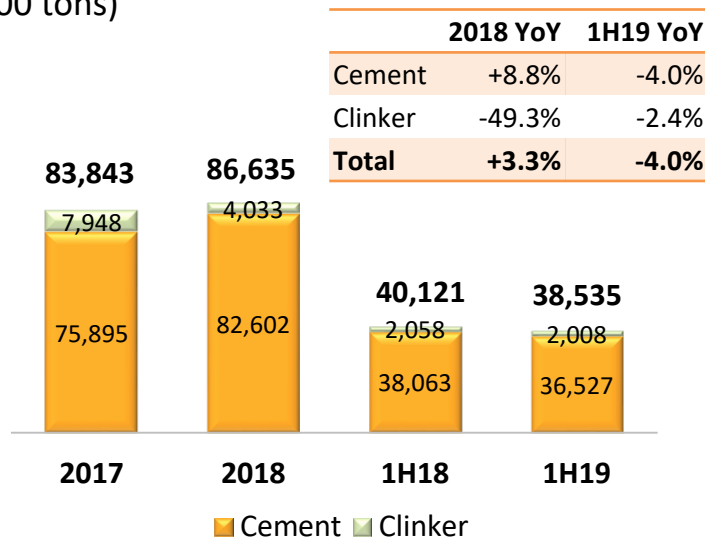
1H19



Sales Volume

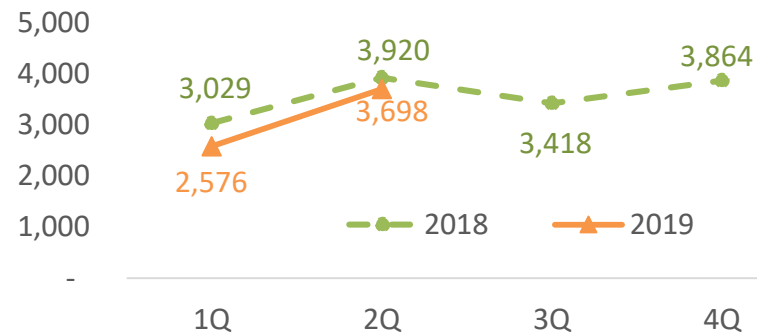
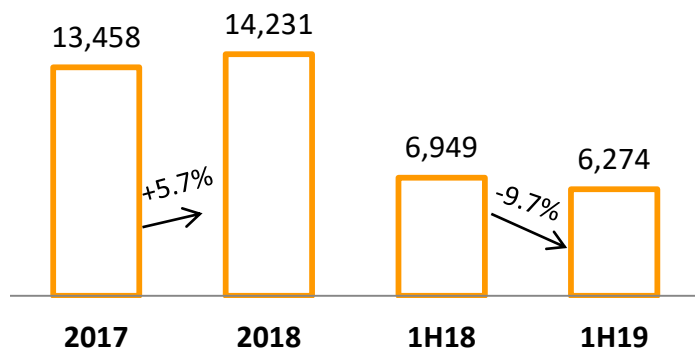
Cement & Clinker Sales Volume

('000 tons)



Concrete Sales Volume

('000 m³)

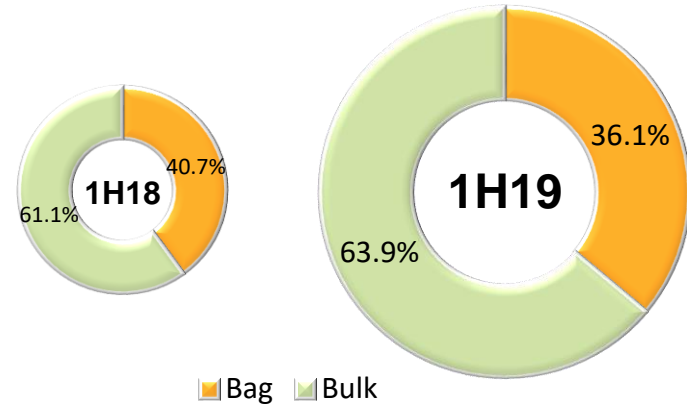
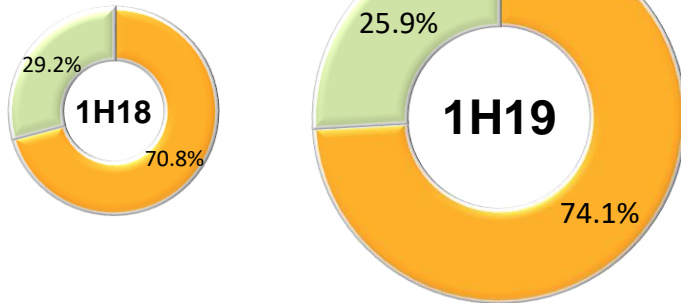


Breakdown of Cement Sales Volume



By Product Type

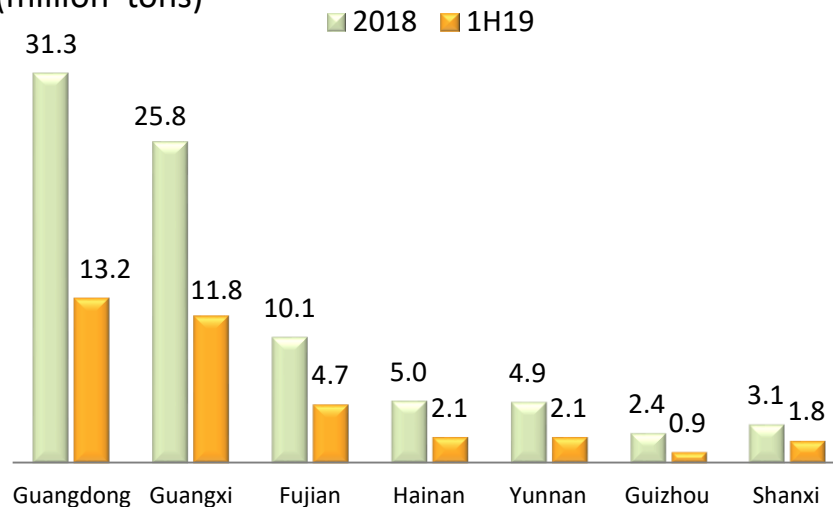
High grade Low grade



Note: High grade refers to 42.5 or higher grade cement.
Low grade refers to 32.5 grade cement.

By Region

(million tons)



	% of total cement sales volume
Guangdong	36.1%
Guangxi	32.2%
Fujian	13.0%
Hainan	5.6%
Yunnan	5.7%
Guizhou	2.5%
Shanxi	4.9%
Total	100%

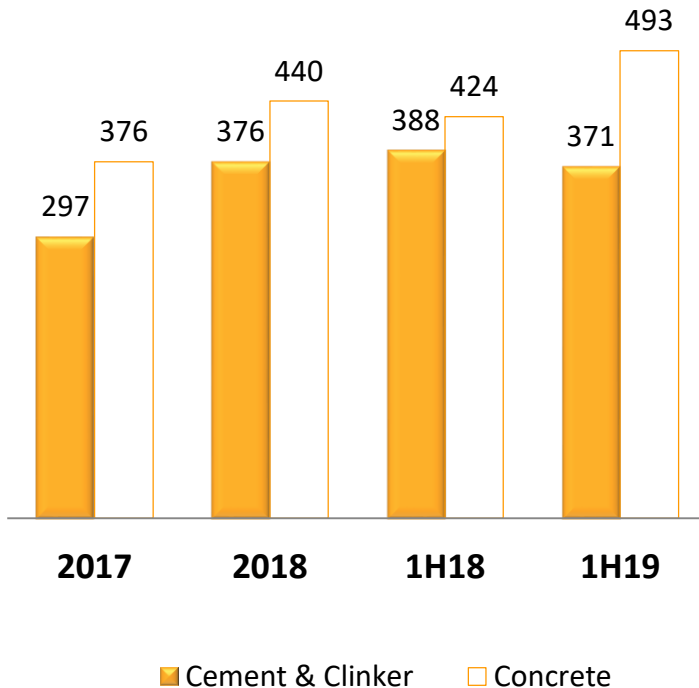
Average Selling Price



Average Selling Price

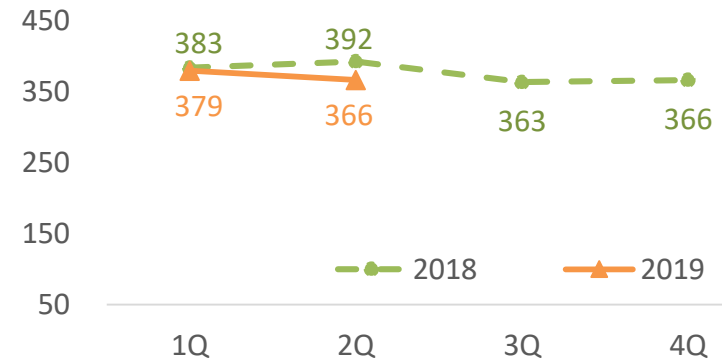
(HK\$ per ton/m³)

	2018 YoY	1H19 YoY
Cement & Clinker	+26.4%	-4.3%
Concrete	+17.0%	+16.5%



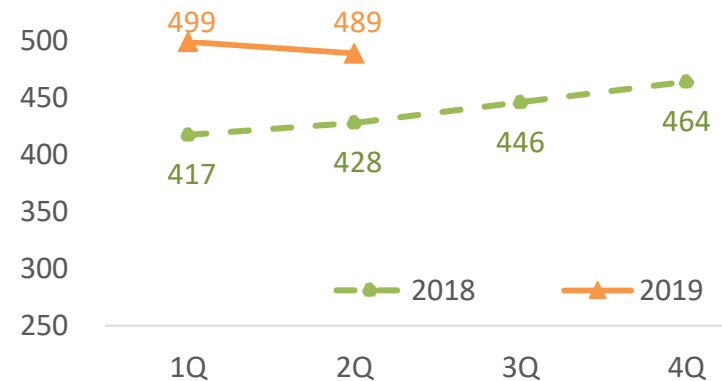
Cement & Clinker ASP by Quarter

(HK\$ per ton)



Concrete ASP by Quarter

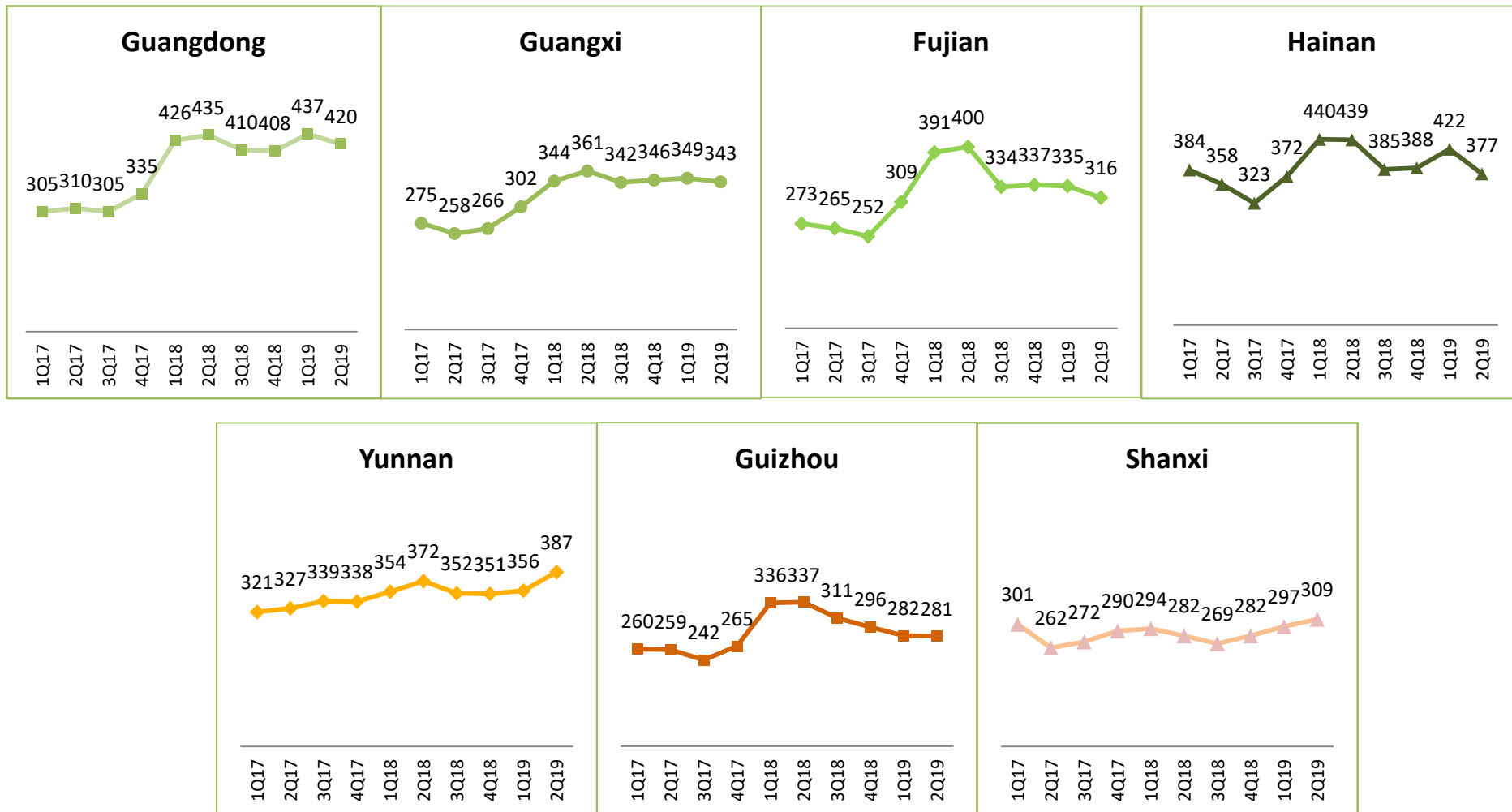
(HK\$ per m³)



Cement Selling Price by Region



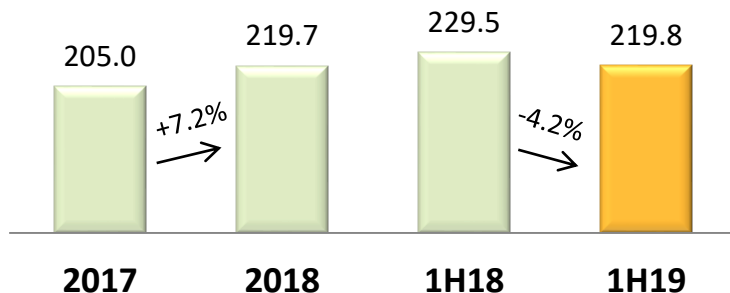
(HK\$ per ton)



Cost Structure of Cement Products

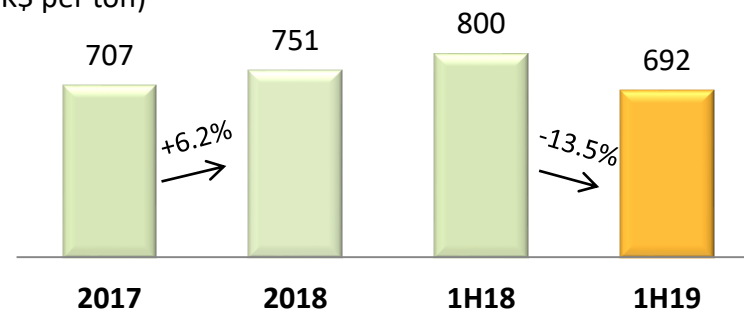
Unit Cost

(HK\$ per ton)

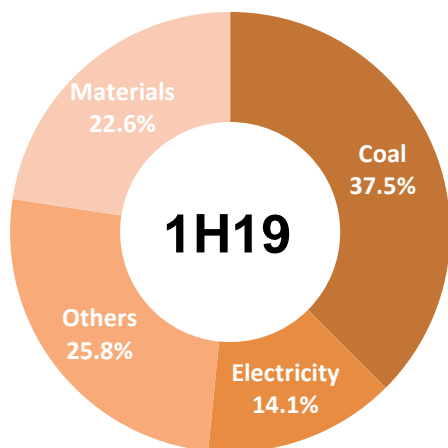


Average Coal Purchase Price

(HK\$ per ton)



Unit Cost Breakdown



(HK\$ per ton)	1H18	1H19	YoY
Coal	93.9	82.4	-12.2%
Electricity	33.2	31.0	-6.6%
Materials	49.0	49.7	+1.4%
Others	53.4	56.7	+6.2%
Total	229.5	219.8	-4.2%

Notes:

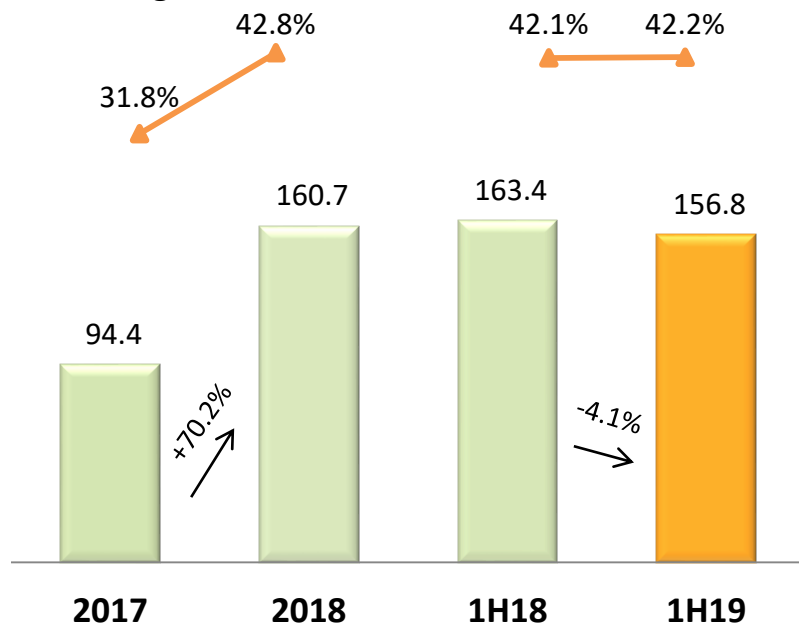
1. Cement products refer to cement & clinker;
2. Others: Staff, depreciation, repairs and maintenance costs and other indirect costs accounting for 7.3%, 8.2%, 6.8% and 3.5% respectively of total unit cost.

Gross Profit & Margin

Cement & Clinker

(HK\$ per ton)

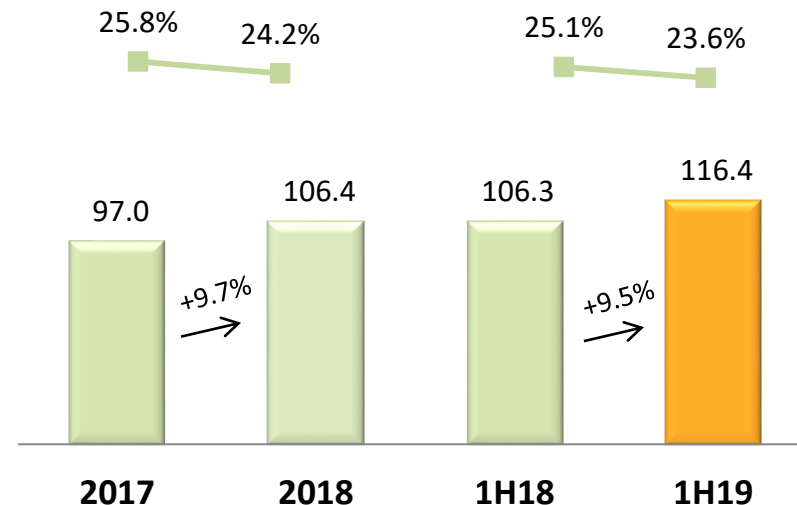
Gross Margin



Concrete

(HK\$ per m³)

Gross Margin

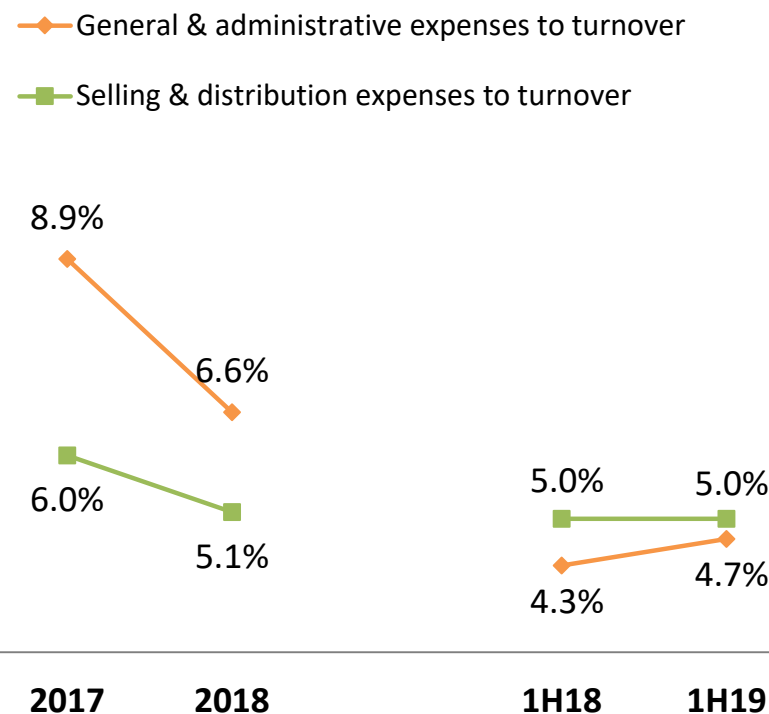
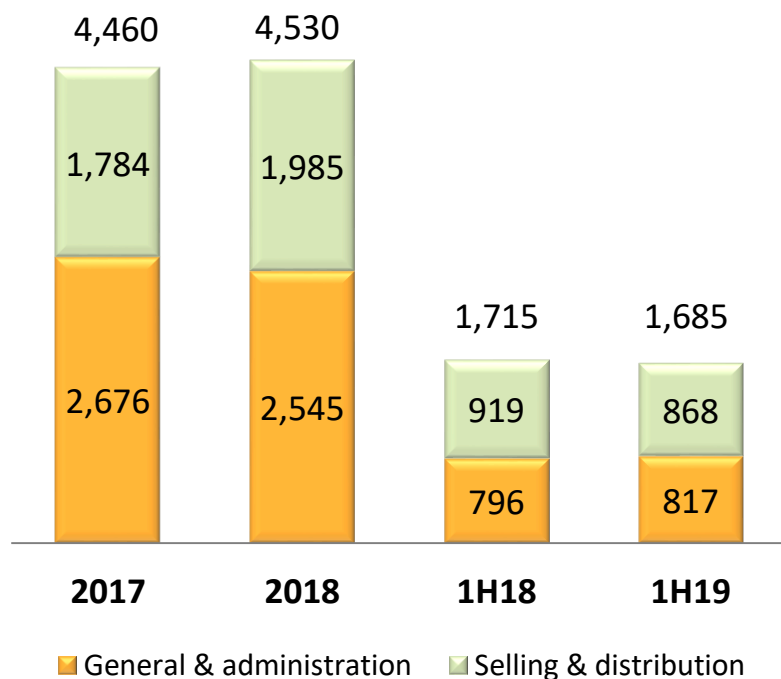


Selling, General & Administrative Expenses

(HK\$ million)



	2018 YoY	1H19 YoY
General & administration	-4.9%	+2.7%
Selling & distribution	+11.3%	-5.6%
Total	+1.6%	-1.7%



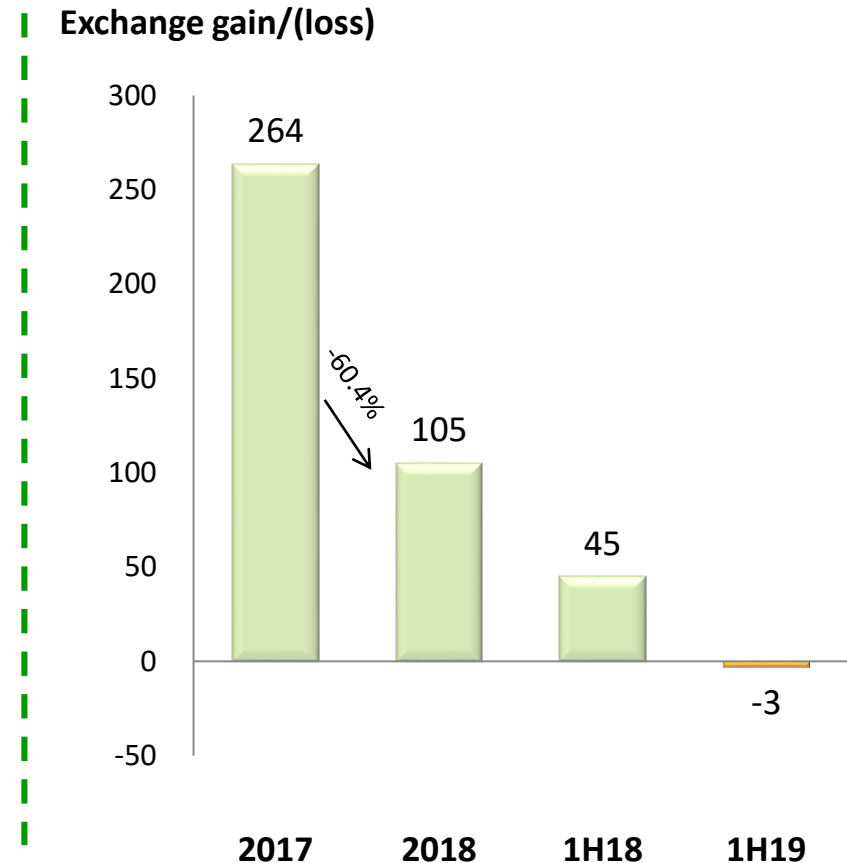
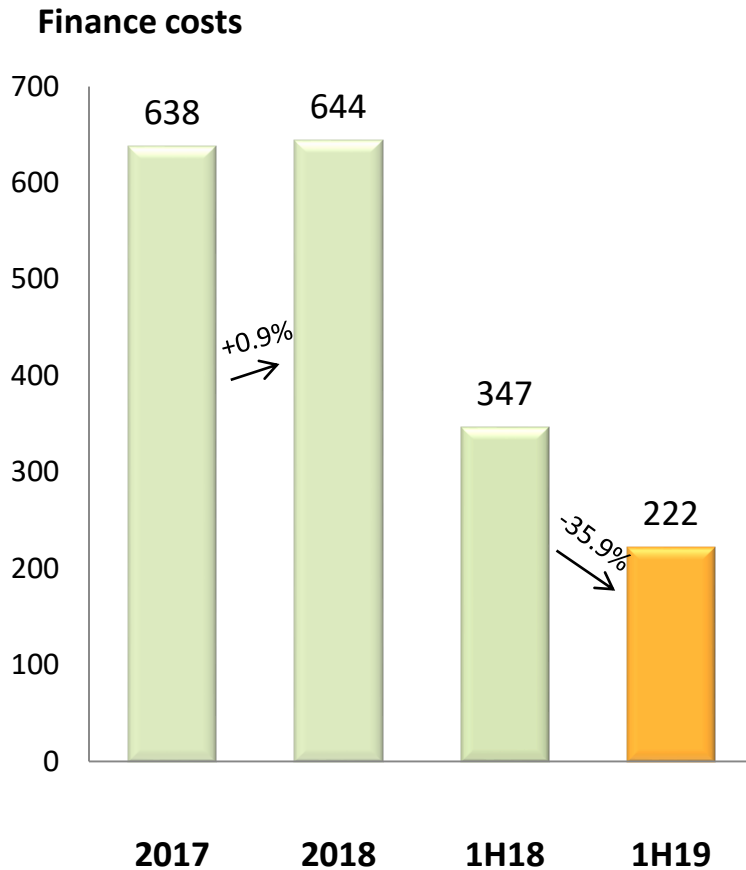
Finance Costs & Exchange Gain

(HK\$ million)



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China Resources Cement Holdings Limited



Share of results of Associates & JVs

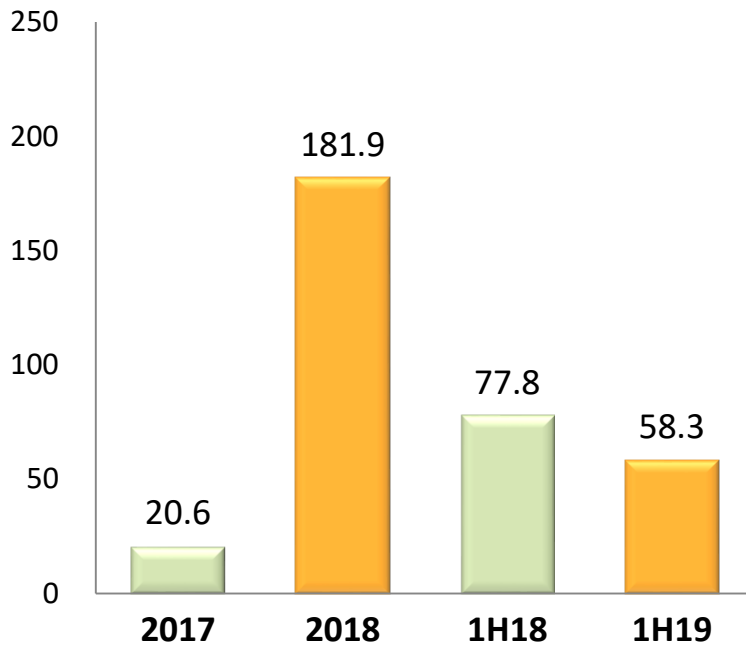


華潤水泥控股有限公司

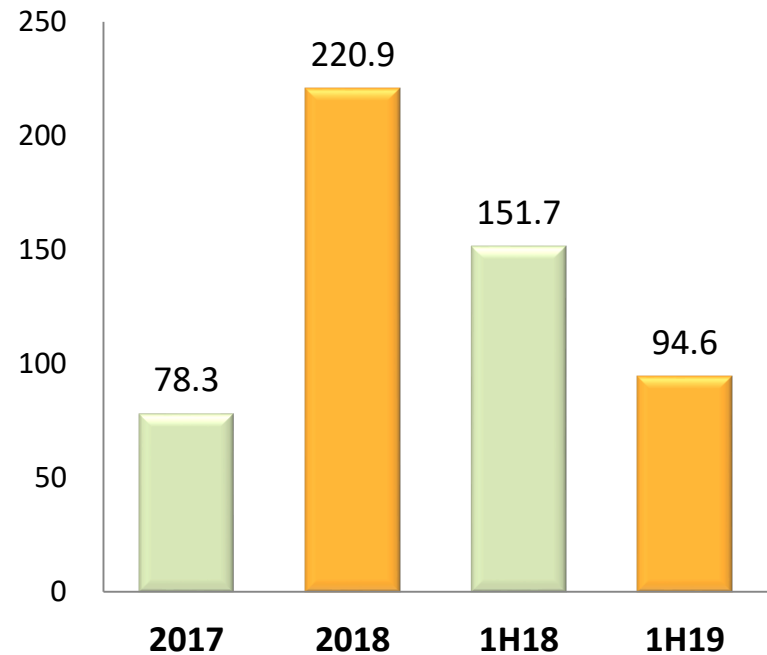
China Resources Cement Holdings Limited

(HK\$ million)

Share of results of associates



Share of results of joint ventures



Note:

Our Equity Stakes in Associates:

- 49.0% in Fujian Building Material (Holdings) Co., Ltd.
- 40.6% in Inner Mongolia Mengxi Cement Co., Ltd.
- 50.0% in Yunnan Cement & Building Materials Group Co., Ltd.
- 49.0% in DongGuan RunYang United Intelligent Manufacturing Co., Ltd. in Dongguan, Guangdong
- 40.0% in Universal Marble & Granite (DongGuan) Co., Ltd.

Note:

Our Joint Ventures are principally operating in Guangzhou.

	1H18	1H19	YoY
Taxation (HK\$ million)	1,795.5	1,498.7	-16.5%
Effective tax rate	25.8%	25.5%	-0.3 ppt

Note: 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 2018	30 Jun 2019	Change
Cash and bank balances	12,301.5	8,797.0	-28.5%
Total assets	60,506.4	60,074.4	-0.7%
Net borrowings	130.9	2,412.5	+1,742.9%
Net assets per share (HK\$)	5.40	5.63	+4.3%

Notes:

- 1. Net borrowings equal to total bank borrowings and unsecured medium term notes less cash and bank balances and pledged bank deposits.*
- 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 period.*

Cash Flow

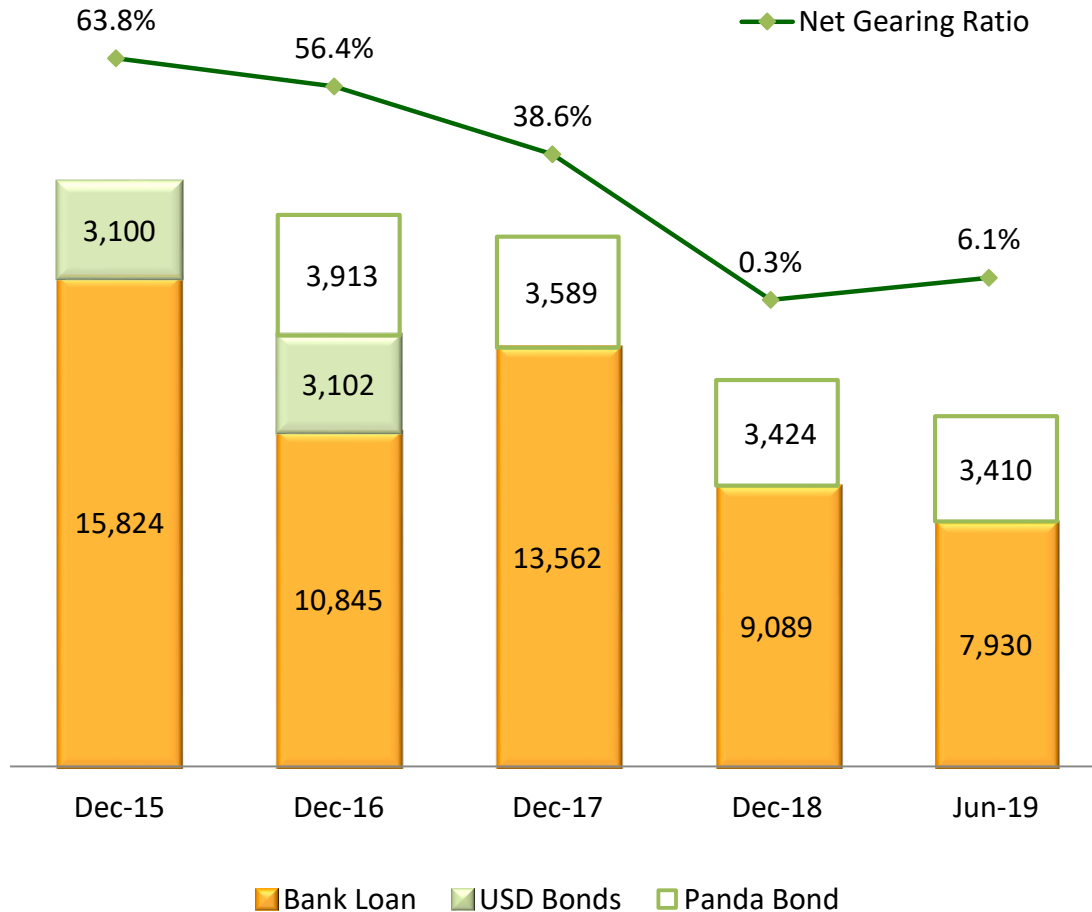


(HK\$ million)	30 June 2018	30 June 2019	Change
Net cash generated from operating activities	2,771.7	1,030.6	-62.8%
Net cash generated from (used in) investing activities	74.4	(1,477.0)	-2,085.2%
Net cash generated from (used in) financing activities	1,685.5	(3,070.6)	-282.2%
Net increase (decrease) in cash and cash equivalents for the period	4,531.6	(3,516.9)	-177.6%
Cash and cash equivalent at end of the period	9,704.7	8,797.0	-9.4%

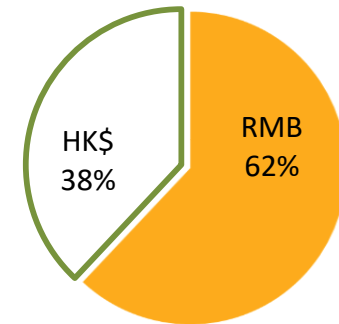
- Total payment for capital expenditure of the Group in 1H19 was HK\$1,625.2 million.
- Expected capital expenditures are approximately HK\$731.1 million and HK\$1196.9 million in 2H19 and 2020 respectively.

Debt Structure

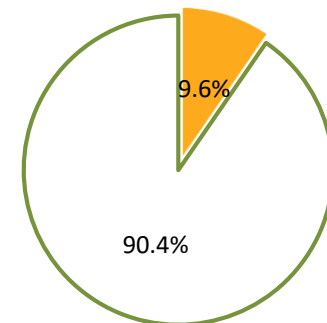
(HK\$ million)



Currency (30 June 2019)



Duration (30 June 2019)



Legend: Due within 1 year (orange), Due after 1 year (green)

Notes:

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

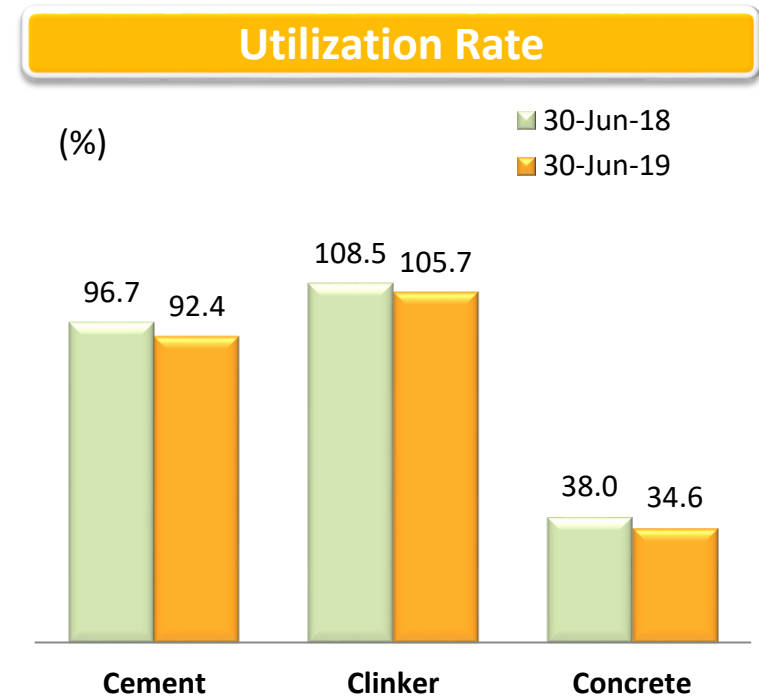
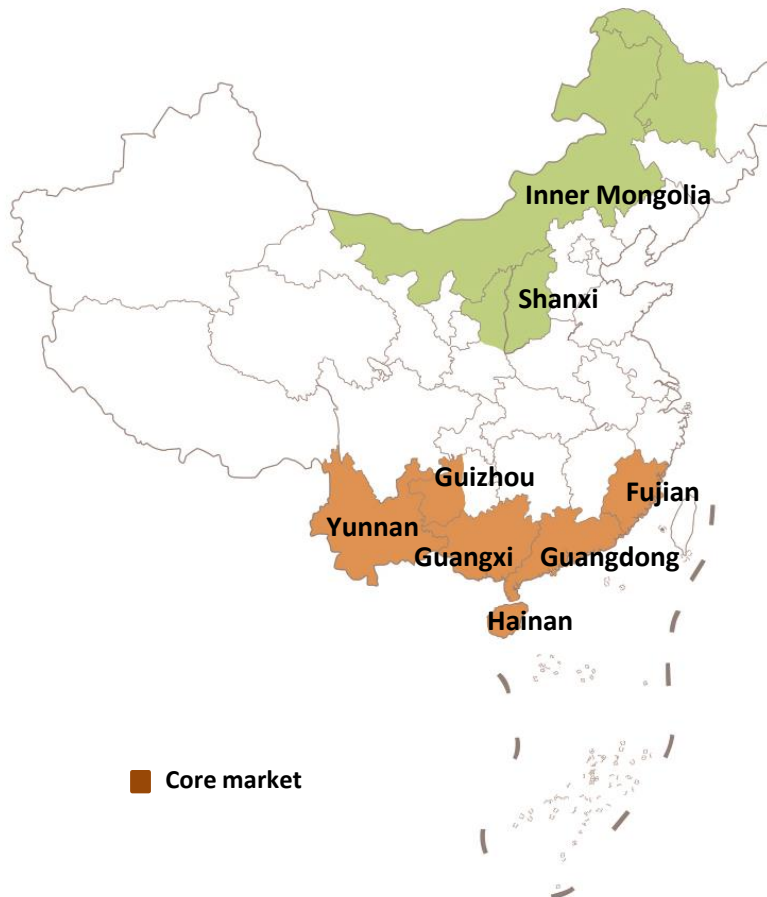


Operational Review

Production Capacity



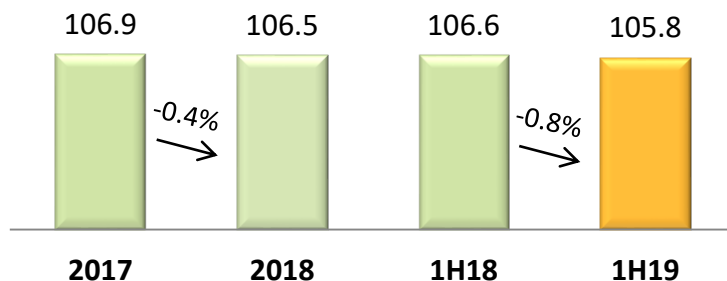
- As at 30 Jun 2019, the Group had 95 cement grinding lines and 45 clinker production lines in operation, with annual production capacity of **83.3** million tons of cement and **61.3** million tons of clinker respectively. It also owned 60 concrete batching plants with annual production capacity of **36.3** million m³ of concrete.
- The respective annual production capacities attributable to the Company according to equity interests in associates and joint ventures were **20.5** million tons of cement, **11.4** million tons of clinker and **4.4** million m³ of concrete.



Energy Consumption

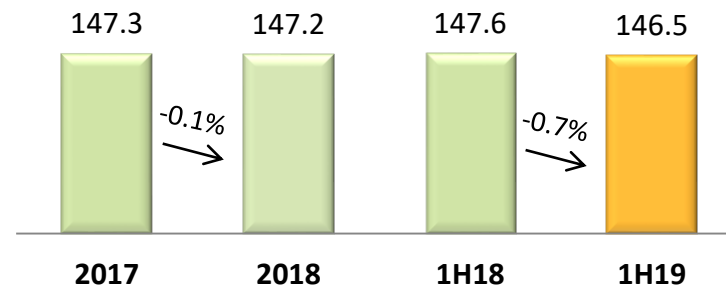
Standard Coal Consumption

(kg per ton of clinker)



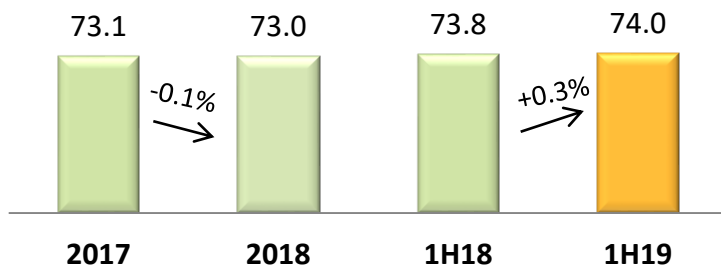
Unit Coal Consumption

(kg per ton of clinker)

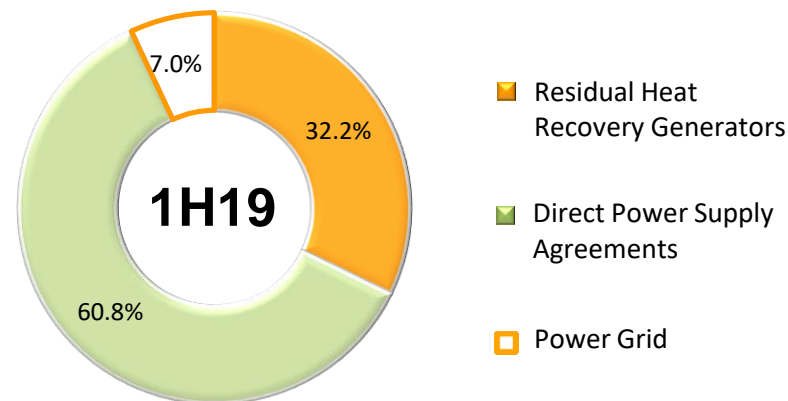


Electricity Consumption

(kwh per ton of cement)



Electricity Consumption Mix



➤ Electricity cost:

- Residual heat recovery generators – approximately **970 million kwh**, cost saving of approx. **HK\$481.1million**
- Direct power supply agreements and price bidding arrangements – cost saving of approx. **HK\$77.3 million**



Operational Management



Internal benchmark management

- Indicators for the entire processes from excavation to production

Lean management

- Control water inrush into the mine in **Pingnan**
- Domestic cement packaging machines with imported automated bagging technology

Digitalization & intelligentization

- **Tianyang**: Intelligent manufacturing pilot work entered the phase of system design
- **Nanning**: Equipment and quality management systems

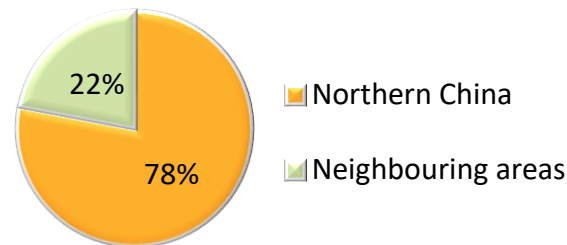
Procurement Management



Coal Procurement

- The Group purchased **4.54 million tons** of coal
- The proportion of direct procurement from coal producers: **81%**
- Secure a stable supply of high-quality coal: Cooperation with large-scale domestic coal suppliers

1H19



Supply Chain Management

- SRM system & “Sunshine Procurement”

Logistics Management



Shipping and silo capacity

- Annual shipping capacity along Xijiang River: **31.4 million tons**
- **39** silo terminals with annual capacity of approximately **27.0 million tons**

Enhance operational efficiency

- Strengthen tenders for logistics transportation
- Optimize delivery points of silo terminals & transportation routes
- Introduce sea-river vessels & self-unloading ships
- Promoted the pilot operation of the “Smart Card” system



Environmental Protection



Emission reduction

- Emission levels of **NOx, SO₂** and **particulate matters** - lower than national standard limits
- **Bag filters for ultra-low emissions**: applied in Hepu, Guangxi; will promote to Guigang, Yangchun & Fengkai
- **Carbon emission**: Guangdong & Fujian

Green mines construction

- Policies, systems & security measures for mine excavation and restoration
- Utilization of resources on stone residue from excavation
- **Green mines**: 8 in Guangxi, 3 in Guangdong

Social recognition

- Guangzhou Zhujiang Cement was awarded the Bronze Award for the Manufacturing Sector of “BOCHK Corporate Environmental Leadership Award 2018” by the Federation of Hong Kong Industry.

Production Safety



Production safety standardization

- First-Class Enterprise in National Production Safety Standardization: **28** cement production plants
- Second-Class Enterprise in Safety Standardization: limestone mines of **17** cement production plants

Safety management

- **Intelligent safety alarm system** for vehicles in materials storage yards: pilot projects in Pingnan, Nanning, Luoding
- Inspections, supervision, assistance & guidance at cement production plants & concrete batching plants

Safety training

- Staff and counterparties
- Emergency drills, EHS Knowledge Competition, video learning

Innovation



R&D Capability

- The laboratory of R&D Centre
 - Diagnosis on workmanship & quality
 - Optimization projects for production plants
- **148 patent licenses**: 23 inventions & 125 utility models

New Product & New Technology

- Promote “Wang Pai Gong Jiang” renovation cement, masonry cement & pervious concrete
- Cement was sold to nuclear power stations in Guangdong and Fujian

Co-Processing Projects

- The Group proactively promotes co-processing projects of **municipal solid waste, urban sludge** and **hazardous industrial waste** in order to fulfil its corporate social responsibility whilst supporting environmental transformation and achieving sustainable corporate development.
- As of the end of June 2019, the Group had **7** co-processing projects in total. The total municipal waste, urban sludge and hazardous waste co-processed by the Group were approximately **200,000 tons** in 2018.



The municipal waste co-processing project in Tianyang, Guangxi

Project Location	Type	Daily Processing Capacity	
Binyang, Guangxi	Municipal waste	300 tons	In operation
Tianyang, Guangxi	Municipal waste	500 tons	In operation
Nanning, Guangxi	Urban sludge	300 tons	In operation
Guangzhou, Guangdong*	Urban sludge	300 tons	In operation
Changjiang, Hainan	Hazardous waste	Annual: 30,000 tons	Trial operation
Midu, Yunnan	Municipal waste	300 tons	Trial operation
Fengqing, Yunnan*	Municipal waste	300 tons	Trial operation

***Note: These projects are located in the cement production plants of our associates and joint ventures.**



□ Prefabricated Construction

- In operation - Dongguan, Guangdong (Associate)
- New projects started construction in 1H19: Zhanjiang in Guangdong, Nanning and Guigang in Guangxi



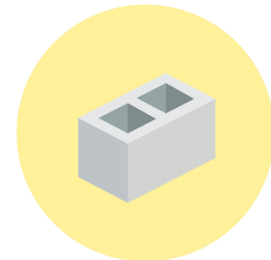
□ Aggregate

- As of 30 Jun 2019, our annual production capacity was approximately 13.0 million tons



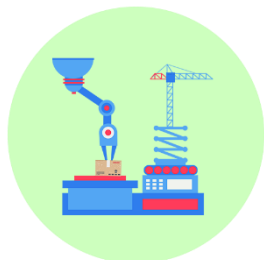
□ New Materials

- Shenzhen City Runfeng New Materials Technology Company Limited
 - ✓ Operation and promotion of new products
 - ✓ 40% equity interests of Universal Marble: a systematic solution provider of decorative stones, specializes on the manufacture and application of stones



□ Intelligent Manufacturing

- **Strategic cooperation agreement** with Siemens Ltd., China to jointly build a pilot intelligent cement production line in **Tianyang**, Guangxi.





Outlook & Prospects



Macro Economy



- Global economic growth has slowed down, there have been more external factors of instability and uncertainty, and the economy is facing **new downward pressure**.

Government Keynote




- Persistently **seeks progress amidst stability**, adheres to **supply-side structural reform**, deepens **reform and opening up**, optimizes business environment, promotes independent innovation in key scopes and fully mobilizes initiatives from all aspects
- To **stabilize employment, financial markets, foreign trade, foreign investments, domestic investments and expectations** for promoting the steady and healthy development of the economy.

Cement Demand Drivers




Infrastructure

Transportation Investment

- 
- **2019:** Railway - RMB800.0 billion; Highways & waterways - RMB1.8 trillion
 - **13th Five-Year:** RMB15 trillion, +20% vs. 12th Five-Year Plan
 - Railways - RMB3.5 trillion; Highways - RMB7.8 trillion; Waterways - RMB0.5 trillion


Real Estate

Long-term Stable & Healthy Development

- 
- Implement city-specific policies & conduct guidance based on property type, local market condition, etc.
 - Consolidate city governments' responsibility to stabilize local property market
 - Improve the housing market system & the housing protection system

Rural Market

Rural Revitalization Strategy

- 
- To Improve infrastructure i.e. water supply, power & information
 - By 2020, impoverished regions will be basically connected to main national highways & county will be connected to roads of Grade II or above

Greater Bay

The government is supportive of the construction of the Greater Bay Area:

- **By 2020:** To lay a sound foundation for the Guangdong-Hong Kong-Macao Greater Bay Area
- **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

Strategies and Prospects

- **Three Core Strengths** - “Lowest total costs, Leading market position in the region, Innovation-driven development”
- **Green Development** - Promote waste co-processing projects by use of cement kilns
- **Opportunities** - Development of **Greater Bay Area** and **Prefabricated Construction Industry**, accelerate the pace of transformation and innovation, explore the opportunities of upstream and downstream expansion along the industry chain



Photo source: Hong Kong-Zhuhai-Macao Bridge Hong Kong Section Website
(<https://www.hzmb.gov.hk/tc/index.html>)



Appendix



Our vision

To become a respected world-class cement company





Lowest Total Cost

Be the lowest total cost operator via cost management throughout the whole industry chain
i.e. control, conversion and distribution of resources, to maintain our sustainable competitiveness in regional market



Leading in Regional Market

Target for a minimum 25% market share with strong pricing power in regional cement market



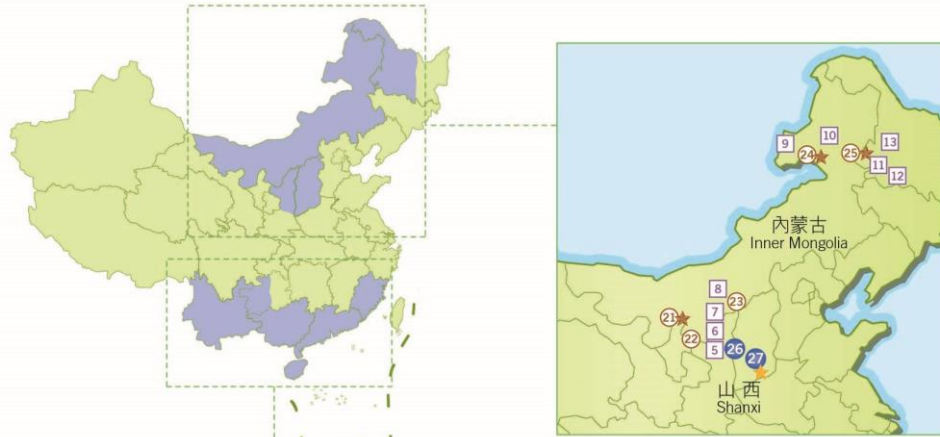
Innovation Driven Development

Boost innovative development in products, materials and technology

Production Capacity Map



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



- 水泥·熟料生產基地
The cement and clinker production plants
- | | | | |
|--------------|-----------------|------------------------|-----------------|
| 1 鶴慶 Heqing | 11 合浦 Hepu | 18 羅定 Luoding | 24 龍岩 Longyan |
| 3 金沙 Jinsha | 12 陸川 Luchuan | 19 陽春 Yangchun | 25 漳平 Zhangping |
| 4 安順* Anshun | 13 平南 Pingnan | 20 惠州 Huizhou | 26 福龍 Fulong |
| 6 上思 Shangsi | 14 富川 Fuchuan | 21 龍岩巖石 Longyan Yanshi | 27 長治 Changzhi |
| 9 貴港 Guigang | 16 廉江 Lianjiang | 22 龍岩曹溪 Longyan Caoxi | |
| 10 武宣 Wuxuan | 17 封開 Fengkai | 23 永定 Yongding | |

*在建设中 Under construction

- 設有協同處置項目的水泥·熟料生產基地
The cement and clinker production plants with co-processing projects
- | | | |
|---------------|------------------|------------------|
| 2 彌渡 Midu | 7 南寧 Nanning | 15 昌江 Changjiang |
| 5 田陽 Tianyang | 8 紅水河 hongshuihe | |

- 水泥粉磨線
The cement grinding lines
- | | | | |
|---------------------|----------------|---------------|----------------|
| 1 防城港 Fangchenggang | 3 金江 Jinjiang | 5 東莞 Dongguan | 7 泉州 Quanzhou |
| 2 五指山 Wuzhishan | 4 湛江 Zhanjiang | 6 汕頭 Shantou | 8 連江 Lianjiang |

- ★ 混凝土攪拌站
The concrete batching plants

- 聯營及合營公司擁有的水泥·熟料生產基地
The cement and clinker production plants owned by associates and joint ventures
- | | | | |
|-------------------|----------------|------------------------|-------------------|
| 1 香格里拉 Shangri-la | 8 普洱 Puer | 15 越堡 Yuebao | 21 烏海 Wuhai |
| 2 怒江 Nujiang | 9 峨山 Eshan | 16 安砂建橋 Ansha Jianfu | 22 棋盤井 Qipanjiang |
| 3 保山 Baoshan | 10 安寧 Kunming | 17 永安建橋 Yong'an Jianfu | 23 清水河 Qingshuihe |
| 4 瀘江 Luyang | 11 昭通 Anning | 18 金銀湖 Jingyinhu | 24 海拉爾 Hailar |
| 5 鎮康 Zhenkang | 12 曲靖 Qujing | 19 煉石 Lianshi | 25 阿榮旗 Arongqi |
| 6 滄源 Cangyuan | 13 建水 Jianshui | 20 海峽 Haixia | |

- 聯營及合營公司擁有的設有協同處置項目的水泥·熟料生產基地
The cement and clinker production plants with co-processing projects owned by associates and joint ventures

- 7 鳳慶 Fengqing
- 14 珠水 Zhushui

- 聯營及合營公司擁有的水泥粉磨線
The cement grinding lines owned by associates and joint ventures

- | | | | |
|-----------------------|--------------------------|-----------------|--------------|
| 1 巍山 Weishan | 5 榆林 Yulin | 9 滿洲里 Manzhouli | 13 克東 Kedong |
| 2 楚雄 Chuxiong | 6 東勝 Dongsheng | 10 牙克石 Yakeshi | |
| 3 福州煉石 Fuzhou Lianshi | 7 伊金霍洛旗 Ejin Horo Banner | 11 齊齊哈爾 Qiqihar | |
| 4 寧德建橋 Ningde Jianfu | 8 包頭 Baotou | 12 大慶 Daqing | |

- ★ 聯營及合營公司擁有的混凝土攪拌站
The concrete batching plants owned by associates and joint ventures



Note: Please refer to 2019 interim report for details.

CR Cement's Production Capacity



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

Controlled by the Group

(As at 30 Jun 2019)

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	23	14.3
Guangxi	37	33.2	18	26.5	25	15.2
Fujian	14	10.1	6	7.0	-	-
Hainan	5	4.4	3	3.3	5	3.0
Yunnan	7	5.1	4	3.9	1	0.6
Guizhou	2	2.0	1	1.6	-	-
Shanxi	6	6.0	3	4.6	1	0.6
Zhejiang	-	-	-	-	2	1.1
Hong Kong	-	-	-	-	3	1.5
Total	95	83.3	45	61.3	60	36.3

Controlled by associates and joint ventures

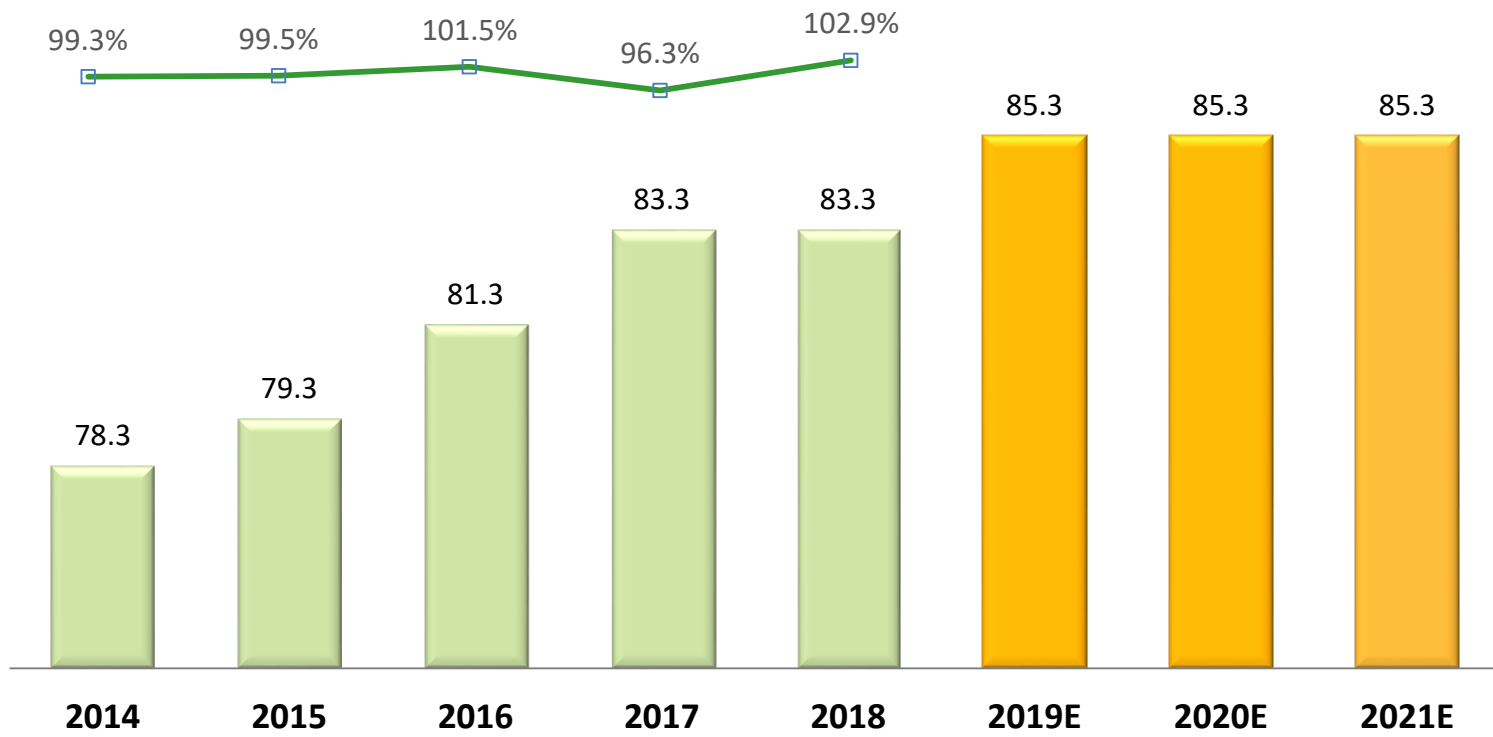
Province/AR/SAR	Cement		Clinker		Concrete	
	No. of lines	million tons	No. of lines	million tons	No. of plants	million m ³
Guangdong	8	7.3	2	3.7	-	-
Fujian	13	10.8	5	6.6	9	5.4
Yunnan	36	24.4	15	15.5	1	0.3
Inner Mongolia	21	17.3	6	8.5	5	1.5
Hong Kong	-	-	-	-	5	2.3
Total	78	59.8	28	34.3	20	9.5
Attributable	-	20.5	-	11.4	-	4.4



Cement Capacity

(million tons)

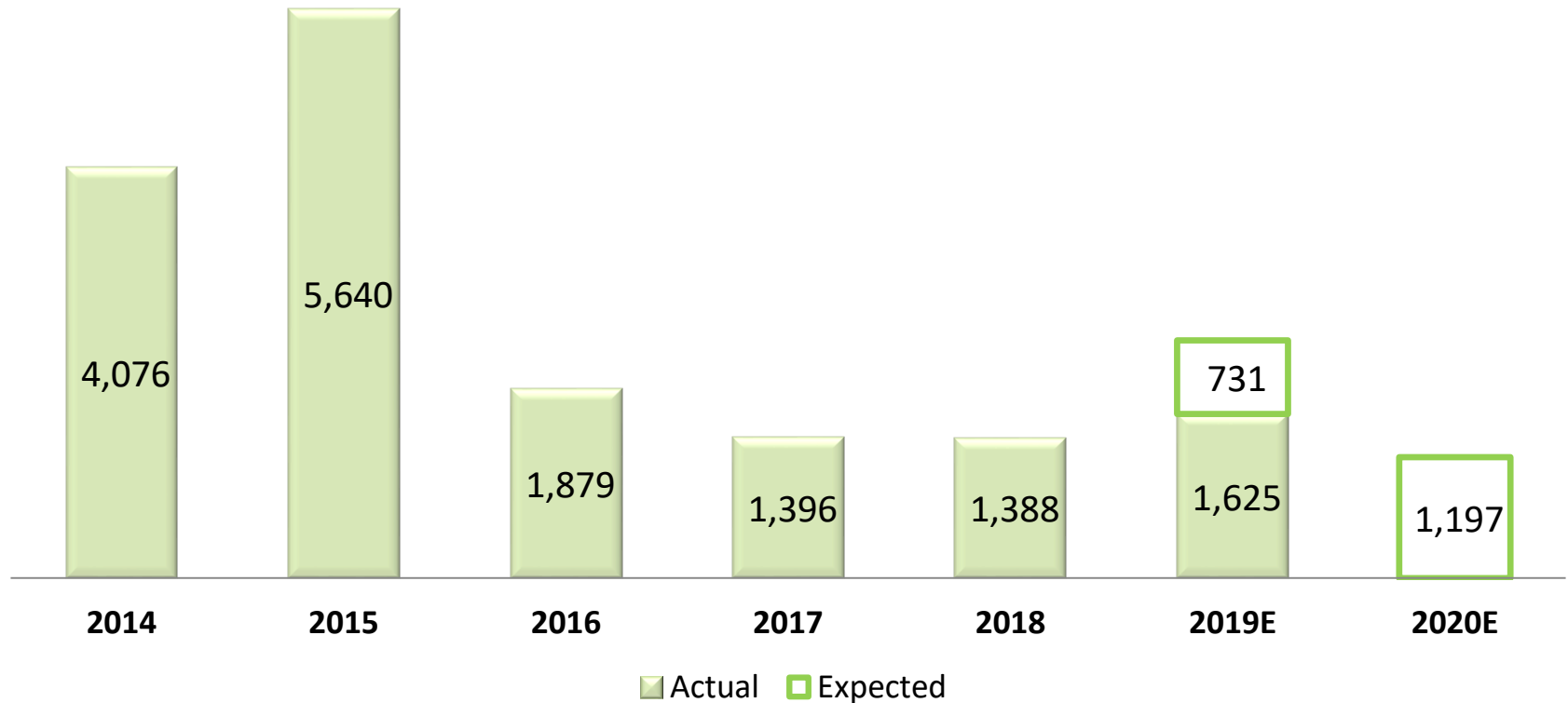
Utilization rate





Capital Expenditure

(HK\$ million)



Prefabricated construction business:

- Total payment for capital expenditure in 1H19 was HK\$21 million.

Prefabricated Construction



華潤水泥控股有限公司

China Resources Cement Holdings Limited



Government Policy*

- **Blue Sky Defense:** To strengthen dust control & steadily develop prefabricated construction with adaptations to local environment
- In China, the proportion of floor space of prefabricated buildings to newly constructed buildings is aim to achieve **+15% by 2020**, with key development areas:
 - ✓ Pearl River Delta, Yangtze River Delta, Beijing-Tianjin-Hebei – 20%
 - ✓ Greater Bay Area – 20%; Shenzhen/Guangzhou: 30%
 - ✓ Guangxi - Nanning: 20%, together with Liuzhou, Hezhou and Yulin are classified as pilot cities
- **Preferential policies** in Guangdong and Guangxi:
 - ✓ Award of additional floor space for construction
 - ✓ Extension on implementation scope of pre-sale



Prefabricated Building in Shenzhen:
Shenzhen Vanke Yuncheng

Prefabricated Construction

- Components are prefabricated at factories and then assembled at the work site
- Advantage compared to traditional construction:
 - ✓ Reduce construction waste, energy consumption, noise and dust pollution

*Source:

- “13th Five-Year Action Plan for Prefabricated Construction” issued by the Ministry of Housing and Urban-Rural Development of China
- “Guidelines for Prefabricated Building Special Planning in Guangdong Province (Trial)” released by the Guangdong Municipal Housing and Urban-Rural Construction Bureau
- Plan for Prefabricated Construction Development issued by Shenzhen, Guangzhou, Nanning and Guangxi government

Prefabricated Construction

- On the back of the government's encouragement on the development of prefabricated construction, and in combination with the development strategy for extension of industry chain, prefabricated construction business is one of the key new businesses for the Company's future development.

Project location	Planned total land area (m ²)	Area of land acquired (m ²)	Design annual production capacity (m ³)	Status
Dongguan, Guangdong*	26,900	26,900	40,000	<ul style="list-style-type: none"> ➤ In operation since May 2018; ➤ Products are mainly supplied to public & commodity housing projects in Shenzhen and Zhuhai
Zhanjiang, Guangdong	210,000	180,000	400,000	<ul style="list-style-type: none"> ➤ Completion: Phase I (annual capacity: 200,000m³) in mid-2020
Nanning, Guangxi	200,000	167,000	400,000	<ul style="list-style-type: none"> ➤ Completion: Concrete batching plant - by late 2019; Precast concrete production lines - by late 2021
Guigang, Guangxi	130,000	130,000	200,000	<ul style="list-style-type: none"> ➤ Completion: Concrete batching plant - by late 2019; Precast concrete production lines - mid-2020

*Note: 49% in DongGuan RunYang United Intelligent Manufacturing Company Limited in Dongguan, Guangdong.

Precast Concrete Production Plant



Precast Concrete Production Plant in Dongguan, Guangdong

Precast Concrete Product



Prefabricated Construction Module



Precast Concrete Components

New Materials – Universal Marble



華潤水泥控股有限公司

China Resources Cement Holdings Limited

- As of 16 April 2019, the Group has acquired **40% equity interests** in Universal Marble & Granite (Dongguan) Co., Ltd for approximately **RMB776 million**.

Product Applications



China - Beijing Yintai Centre



Overseas - Sheikh Zayed Grand Mosque

Natural Stone Product



Natural Stone Products in Dongguan, Guangdong

Engineered Stone Production Plant






Engineered Stone Production Plant in Dongguan, Guangdong

- Universal Marble operates mines, **design, R&D, manufacture** and **processing of engineering stones** and **natural stones**, as well as installation of curtain walls. The company specializes in the manufacture and application of stones and is one of the most renowned brands in the stone industry in China.
- The acquisitions will foster the Company's strategic transformation, create business synergy values and achieve the development strategy for **extension of industry chain**. In the future, the Company will proactively seize the development opportunities in **Guangdong-Hong Kong-Macao Greater Bay Area** and further enhance the advantages of resources positioning in the Southern China.



Greater Bay Area

- February 2019, Chinese government promulgated the **Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area (“GBA”)**
- July 2019, Guangdong published the Implementation Opinions regarding the Thorough Launch of the Outline Development Plan for the GBA and Three-Year Action Plan for Promoting the Construction of the GBA by Guangdong Province (2018-2020)
- Total Area:** 56,000 km², including **Hong Kong, Macau** and 9 cities in **Guangdong**
- 2018: Population:** 71 million, **GDP:** RMB11 trillion



-  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

Financial Summary



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

(HK\$ million)	2018	2017	2016	2015	2014	2013	2012	2011
Turnover	38,791	29,958	25,648	26,779	32,669	29,341	25,345	23,240
EBITDA	13,730	7,433	4,882	3,838	8,285	6,698	5,236	6,634
Profit attributable to owners of the Company	7,975	3,617	1,326	1,015	4,206	3,338	2,324	4,179
Basic earnings per share (HK\$)	1.179	0.554	0.203	0.155	0.644	0.512	0.357	0.641
Total Assets	60,506	56,527	52,157	54,217	57,537	54,180	52,159	50,580
Equity attributable to owners of the Company	37,691	30,309	26,007	26,557	28,180	24,821	21,376	19,299
Net borrowings	131	11,707	14,668	16,945	16,113	17,618	18,642	17,626
Net assets per share (HK\$)	5.40	4.64	3.98	4.07	4.31	3.80	3.28	2.96

(HK\$ million)	2018	2017	2016	2015	2014	2013	2012	2011
Net cash generated from operating activities	11,331	6,613	4,112	4,834	6,859	5,121	4,305	5,151
Net cash used in investing activities	(1,075)	(1,888)	(1,671)	(4,642)	(4,557)	(3,317)	(4,500)	(13,290)
Net cash (used in) generated from financing activities	(2,803)	(2,792)	(1,035)	(2,245)	(972)	(2,643)	20	7,571
Cash and cash equivalent at end of the year	12,302	5,384	3,159	1,938	4,148	2,822	3,562	3,738

Notes:

1. *Net borrowings equal to total bank borrowings, unsecured bonds, unsecured commercial paper and unsecured medium term notes less cash and bank balances and pledged bank deposits.*
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.*



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Important Shareholders' Dates

Events	Dates
Publication of 2019 Interim Report	21 August 2019
Ex-dividend Date for 2019 Interim Dividend	29 August 2019
2019 Interim Dividend Distribution	27 September 2019
2019 First Three Quarters Results Announcement	25 October 2019*

*Tentative dates



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