



**中國西部水泥有限公司**  
**WEST CHINA CEMENT LIMITED**

(Incorporated in Jersey with limited liability with registered number 94796)

Stock code: 2233

**2013 Interim Results**

**August 2013**

# 2013 Interims Highlights

## ▲ Operational

- Period-end installed capacity of 23.7mt (30 June 2012: 21.7mt)
- Cement sales volume of 8.1mt (30 June 2012: 6.4mt). Additionally, 0.2mt of clinker sales (30 June 2012: 0.3mt).
- Cement ASP's of RMB233/t (30 June 2012: RMB234/t)

## ▲ Financial

- Gross Profit increase to RMB347m (30 June 2012: RMB301.9m)
- EBITDA increase to RMB569.2m (30 June 2012: RMB479.8m)
- Net Gearing 70.1% (31 December 2012: 69.1%)
- Cash & cash equivalents of RMB554.8m (31 December 2012: RMB518.8m)
- Completed issuance of RMB800m MTN in March 2013. 3 year term at 6.1%. Proceeds used to refinance short-term onshore bank loans and for general working capital.

## ▲ Further Expansion Plans

- Xinjiang Yili Plant, a 1.5mt brown field plant located in the Ili Kazakh Autonomous Prefecture in Northern Xinjiang Province. Site acquired in 2012 and construction expected to be completed in 2014, taking the Group's capacity in Xinjiang to 4.1mt.



**Capacity 30 June 2013:**  
**Shaanxi – 21.1mt**  
**Xinjiang – 2.6mt**

# Financial Analysis and KPIs

RMB Million (unless otherwise specified)	Ended 30 June 2013	Ended 30 June 2012	%
<b>Cement Sales Volume</b>	8.1	6.4	26.6%
<b>Revenue</b>	1,967.4	1,590.1	23.7%
<b>Gross Profit</b>	347.0	301.9	14.9%
<b>EBITDA</b>	569.2	479.8	18.6%
<b>Profit Attributable to Shareholders</b>	168.2	148.5	13.3%
<b>Basic EPS (cents) <sup>(1)</sup></b>	3.7	3.5	5.7%
<b>Interim Dividend (cents)</b>	Nil	Nil	Nil
<b>Gross Profit Margin</b>	17.6%	19.0%	(1.4 p.pt)
<b>EBITDA Margin</b>	28.9%	30.2%	(1.3 p.pt)
<b>Net Profit Margin</b>	8.7%	9.5%	(0.8 p.pt)
	As at 30 June 2013	As at 31 Dec 2012	
<b>Total Assets</b>	10,411.2	10,298.9	1.1%
<b>Net Debt <sup>(2)</sup></b>	3,453.9	3,350.4	3.1%
<b>Net Gearing <sup>(3)</sup></b>	70.1%	69.1%	1.0 p.pt
<b>Net Debt / EBITDA</b>	3.0	3.2	(6.3%)
<b>EBITDA / Fixed Charge <sup>(4)</sup></b>	3.9	3.7	5.4%
<b>Net Assets Per Share(cents)</b>	108	107.0	0.9%

	Ended 30 June 2013	Ended 30 June 2012
<b>ASP/t (RMB)</b>	233	234
<b>GP/t (RMB)</b>	43	47
<b>NP/t (RMB)</b>	21	24
<b>Trade receivable Turnover Days <sup>(5)</sup></b>	24	19
<b>Inventory Turnover Days <sup>(6)</sup></b>	53	57
<b>Trade payable Turnover Days <sup>(7)</sup></b>	72	67

Notes :

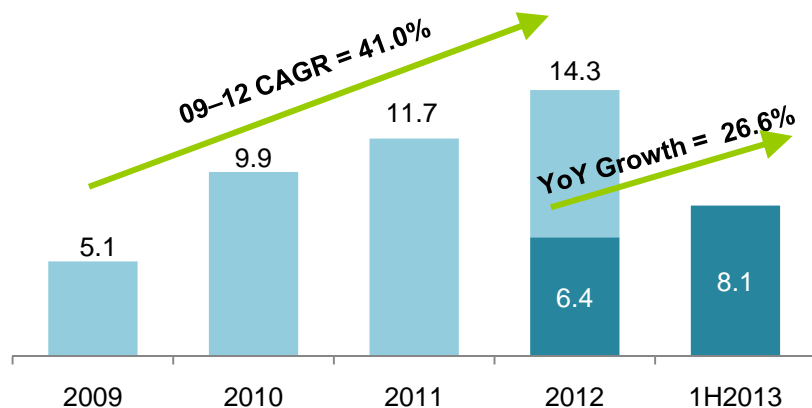
- (1) The percentage increase in profit attributable to owners of the Company due to the increase in the weighted average number of shares as compared with the corresponding period in 2012 following the issuance of new shares to the Italcementi Group as part of the purchase consideration for the Fuping Cement Plant in June 2012
- (2) Net debt equal to total borrowings, medium-term notes and senior notes, less bank balances and cash and restricted bank deposits
- (3) Net Gearing is measured as net debt to equity
- (4) Fixed charge means interest expenses
- (5) 365 day / (Turnover / Average trade receivable)
- (6) 365 day / (Production cost / Average inventory)
- (7) 365 day / (Production cost / Average trade payable)



# Growth and Profitability

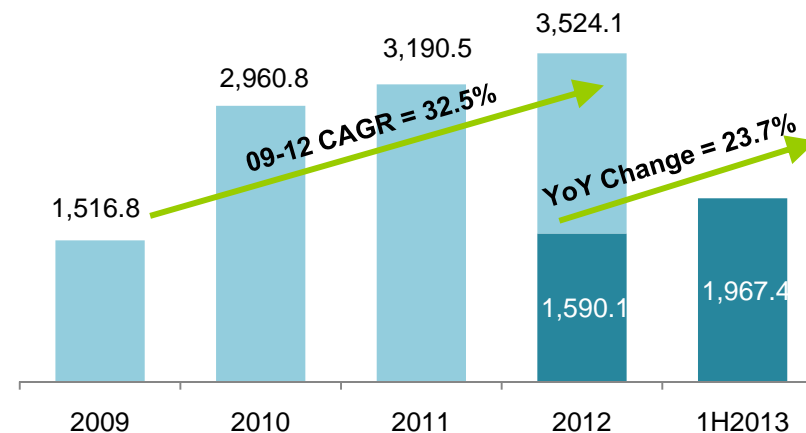
## Sales Volume for Cement

Tonnage (Millions)



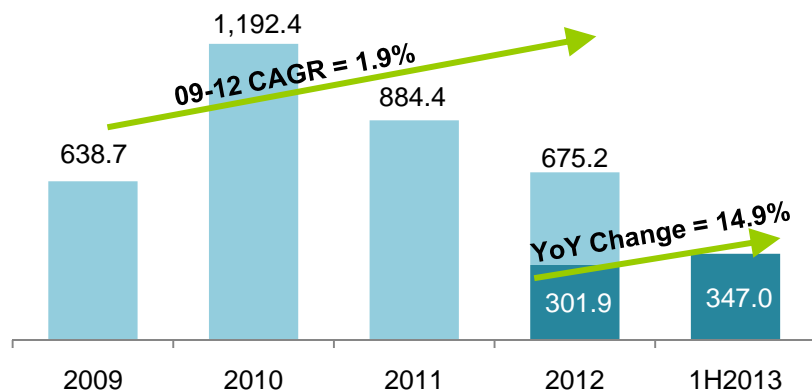
## Revenue

RMB Million



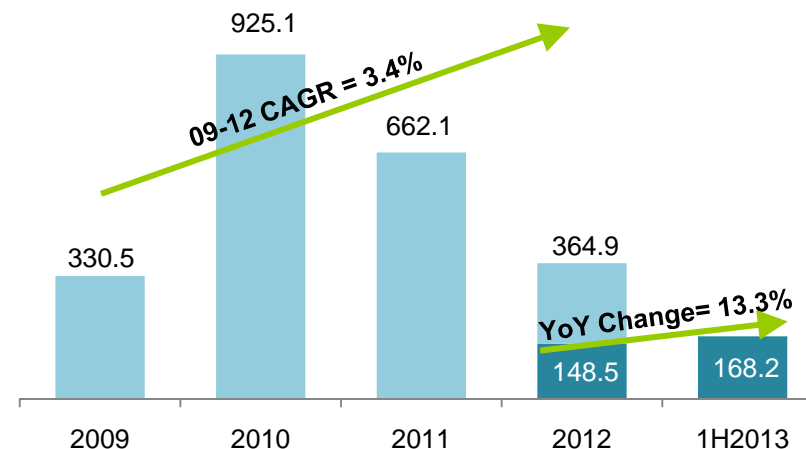
## Gross Profit

RMB Million



## Profit Attributable to Shareholders

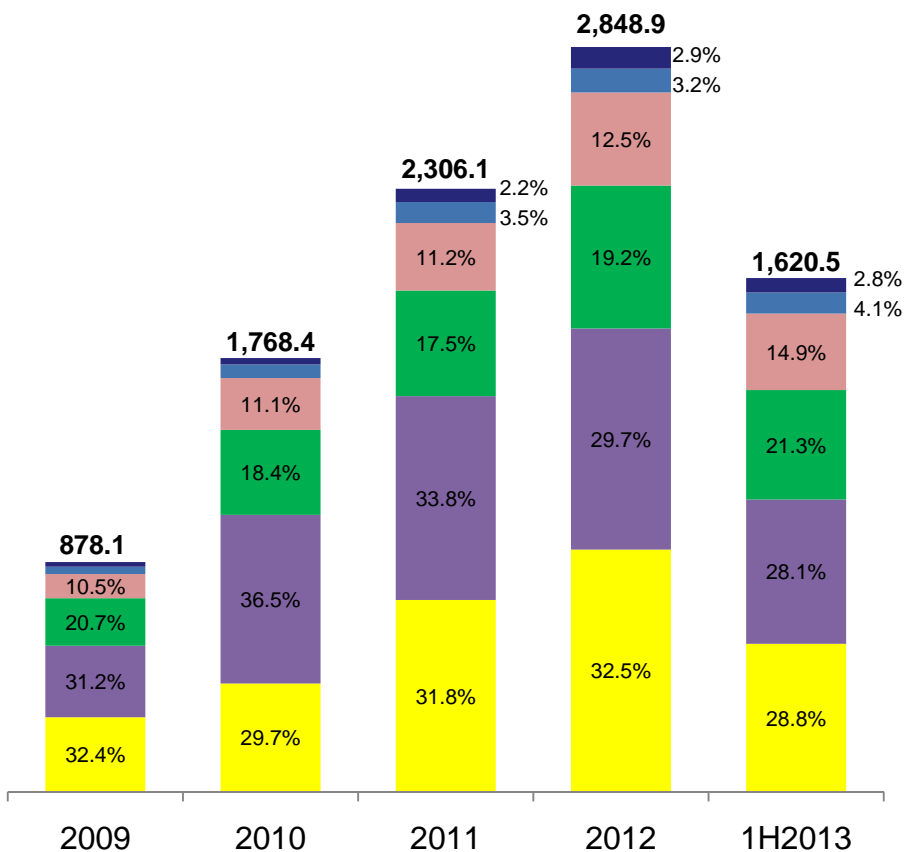
RMB Million



# Production Cost Analysis

## Production Cost

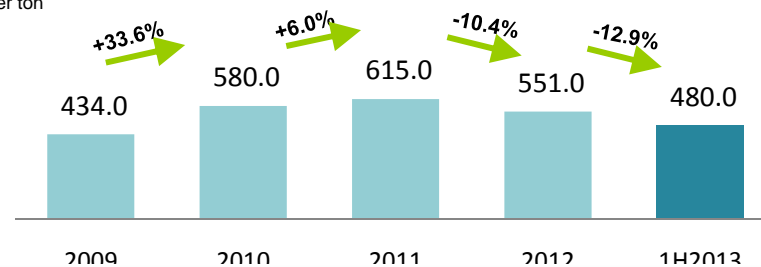
RMB Million



■ Raw material ■ Coal cost ■ Electricity cost ■ Depreciation ■ Labor cost ■ Others

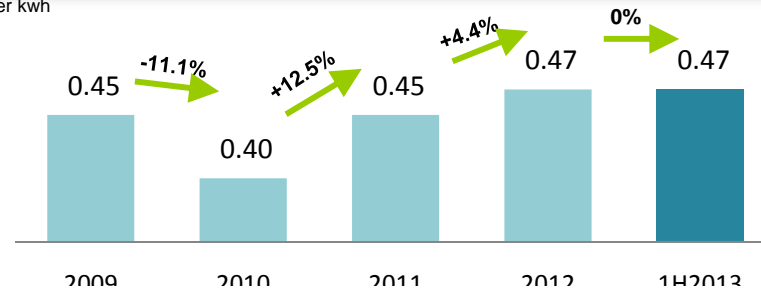
## Average Coal Cost

RMB per ton



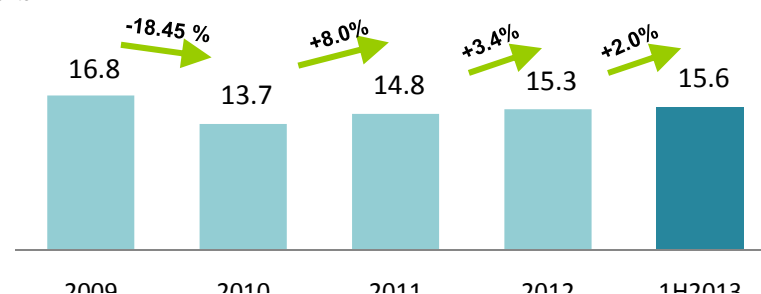
## Average Electricity Cost

RMB per kwh



## Average Limestone Cost

RMB per ton



# Market Review

## ▲ Shaanxi Demand

- Shaanxi 1H13 cement demand 38mt vs 35mt in 1H12.
- Infrastructure demand pick up led by railway construction. Xi'an market strengthening with property start ups. Rural markets stable.

## ▲ Shaanxi Supply

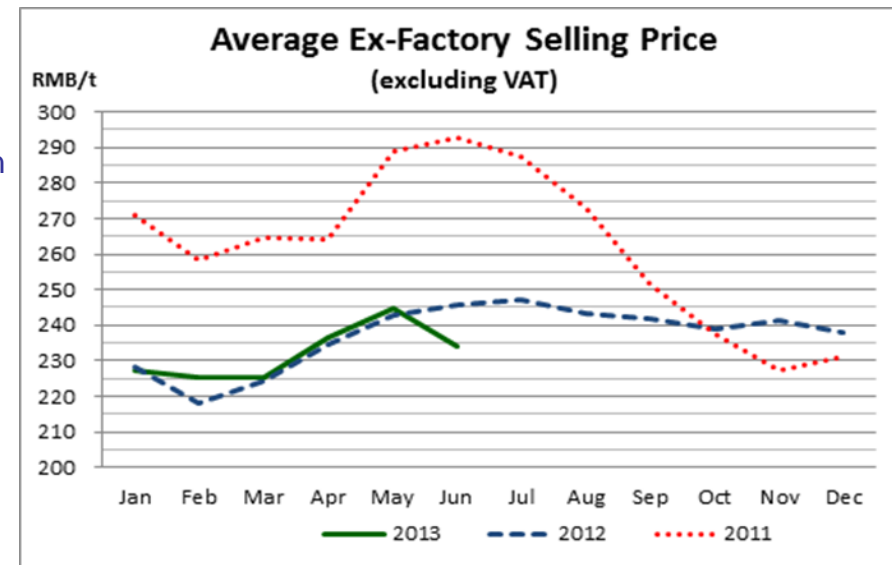
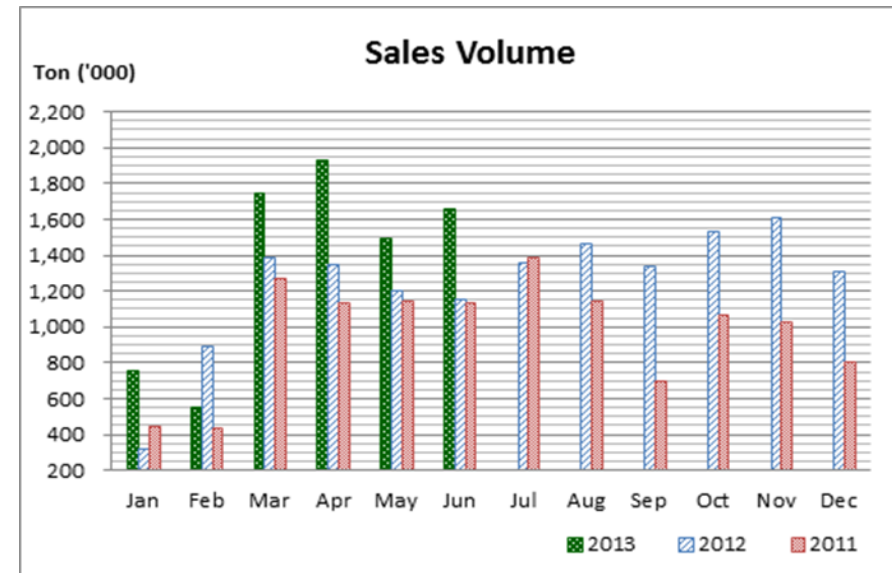
- Rate of cement capacity additions tailing off. 30mt added between 2010-1H2013; less than 5mt in 2H13 & 2014.
- Inefficient capacity continues closing down as Government increasingly prioritises overcapacity & environment issues.

## ▲ Xinjiang

- Volumes low due to lack of infrastructure demand and long winter season. ASPs reasonable and profitability maintained.

## ▲ WCC Volume & ASPs

- Volume growth 26% yoy to 8.1mt – Result of market share gains in Xi'an post acquisitions and some infrastructure pick up.
- ASP's broadly in line with 2012 – although June weak as 1H13 capacity additions are absorbed by the market.
- COS stable. Coal price favourable, partially offsets impact of lower ASP's.
- Xi'an to Chengdu High Speed Railway cement shipments up and running since May 2013.



# Shaanxi – Infrastructure Project Demand

## ▲ Southern Shaanxi Resettlement Project (陝南移民搬遷工程).

- Aims to resettle approximately 2.4 million people in Hanzhong, Ankang and Shangluo regions over the next 10 years, from 2011 to 2020. Total investment is over RMB110 billion and expected cement consumption of 12-14 million tons.
- WCC has supplied approx. 400,000 tons of cement to this project in 1H2013 and expects to supply up to 1million tons by year end.
- Relocation target for 2013 is 228,000 people.

## ▲ Hanjiang-To-Weihe River Water Transfer Project (引漢濟渭工程).

- Transfer water from the south of the Qinling Mountains to the Weihe River in the north to resolve water shortage and irrigation problems in central and northern Shaanxi Province by 2020. Includes Hydro-Junctions, Pump Stations, Dams and the 98km Qinling Tunnel.

## ▲ Xi'an to Hefei Double Track Railway

- Key national coal transportation route linking NW China to Anhui Province. Total distance of 957KM of which 250KM is in Shaanxi Province passing through Weinan and Shangluo Regions.
- Tendering completed in October 2012 – WCC won 6 out of 8 Shaanxi Province sections. Expected to supply 250,000 to 300,000 tons of cement per year for next 4 years, commencing 4Q12.

## ▲ Xi'an to Chengdu High Speed Railway Passenger Line

- Total distance of 343KM within Shaanxi Province, passing through Xi'an and Hanzhong Regions, with over 85% of total distance accounted for by bridges and tunnels. Shaanxi total consumption approx. 4.0 - 4.5 million tons.
- Shaanxi Province tendering completed. WCC has won over 70% of the tender sections, supplying approx. 3 million tons to the project.

## ▲ In addition to the above, WCC is currently supplying cement to the following projects:

- Datong-Xi'an High Speed Railway; Huang-Han-Hou Railway; Lanzhou-Chongqing Railway; Tongchuan – Huangling Highway; Ankang – Pingli Highway; Fo-Ping Leadway Project

# Prospects

## ▲ Shaanxi

- **Demand:** The infrastructure recovery is expected to continue and 2013 railway project restarts will move into peak cement consumption periods in 2014 and beyond. Urban demand is strengthening and rural demand to be driven by urbanization trends. Shaanxi demand growth is estimated at up to 10% into the remaining years of the current 12<sup>th</sup> Five Year Plan.
- **Supply:** Significant tailing off of new capacity additions after 2013. Government measures to restrict new capacity and close down inefficient capacity are becoming increasingly effective.
- These factors will lead to an eventual reversal of oversupply in 2014 and 2015 as demand catches up with capacity. However, 2013 pricing likely to remain volatile as this years capacity additions are absorbed by the market.
- WCC focus on maintaining its leadership position and protecting its core market in anticipation of upturns in 2014 and 2015. Volume growth trends established in 1H13 to continue into 2H13.

## ▲ Xinjiang

- Significant infrastructure growth yet to commence in Hotan District but capacity growth has been curtailed in 2013. Anticipating further development plans that will lead to demand growth and cyclical upturn.
- Hotan District plants likely to remain profitable in 2013 but at the expense of volumes. 2H volumes likely to be higher than 1H due to seasonality.
- **Further Expansion:** 1.5mt Yili Plant, adjacent to the Khorgas Special Economic Zone and bordering Kazakhstan, has commenced construction and is to be completed in 2014. Economic development supported by trade with Central Asia.

## ▲ Group Focus

- 27mt target by end-2015 allows WCC to pursue growth whilst maintaining reasonable gearing. Entry into the RMB Bond market with the MTN issuance in March 2013 provides lower cost financing, funding flexibility in the future and allows WCC to maintain its target of full repayment of the USD Senior notes in Jan 2016.

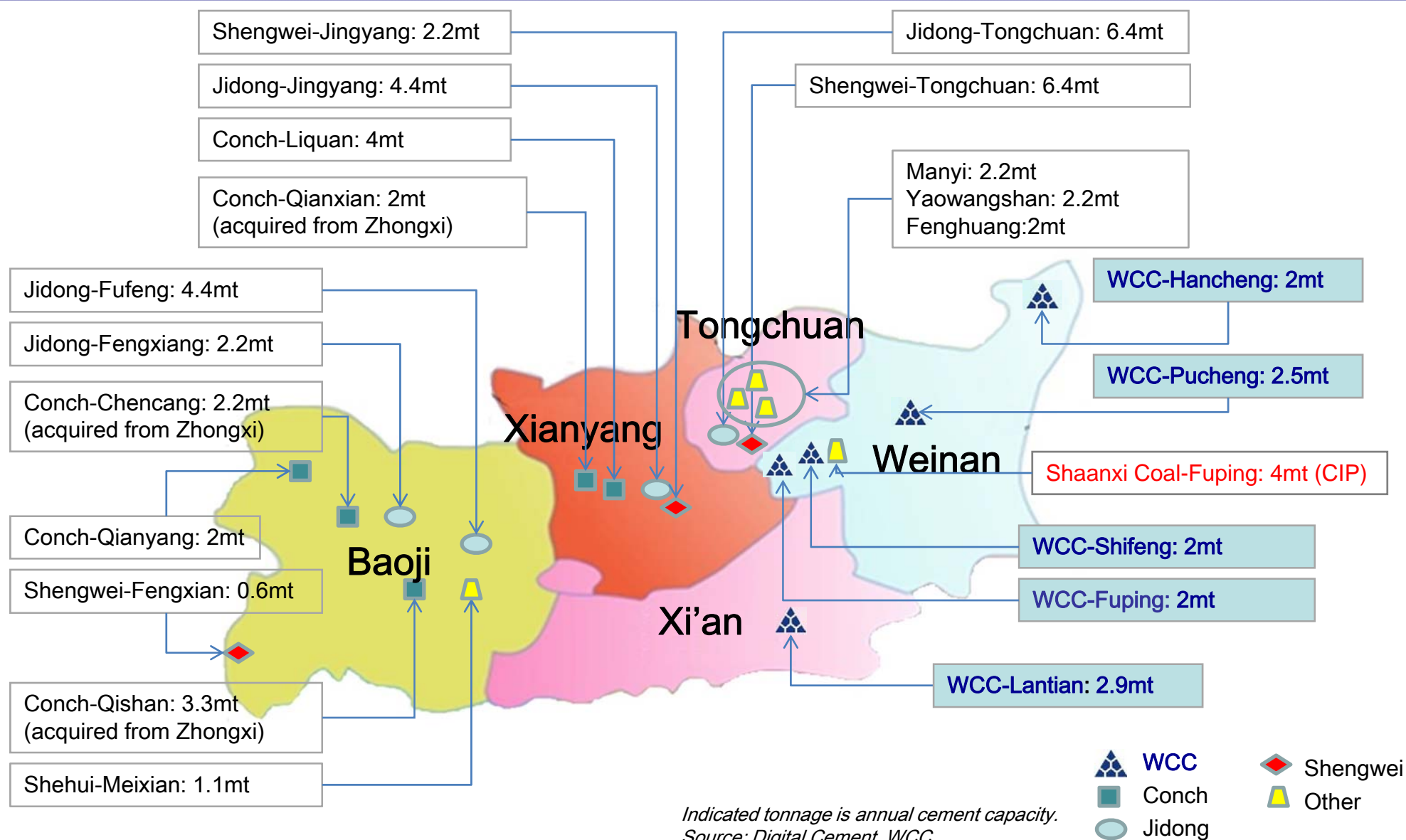


## Shaanxi – Market and Demand

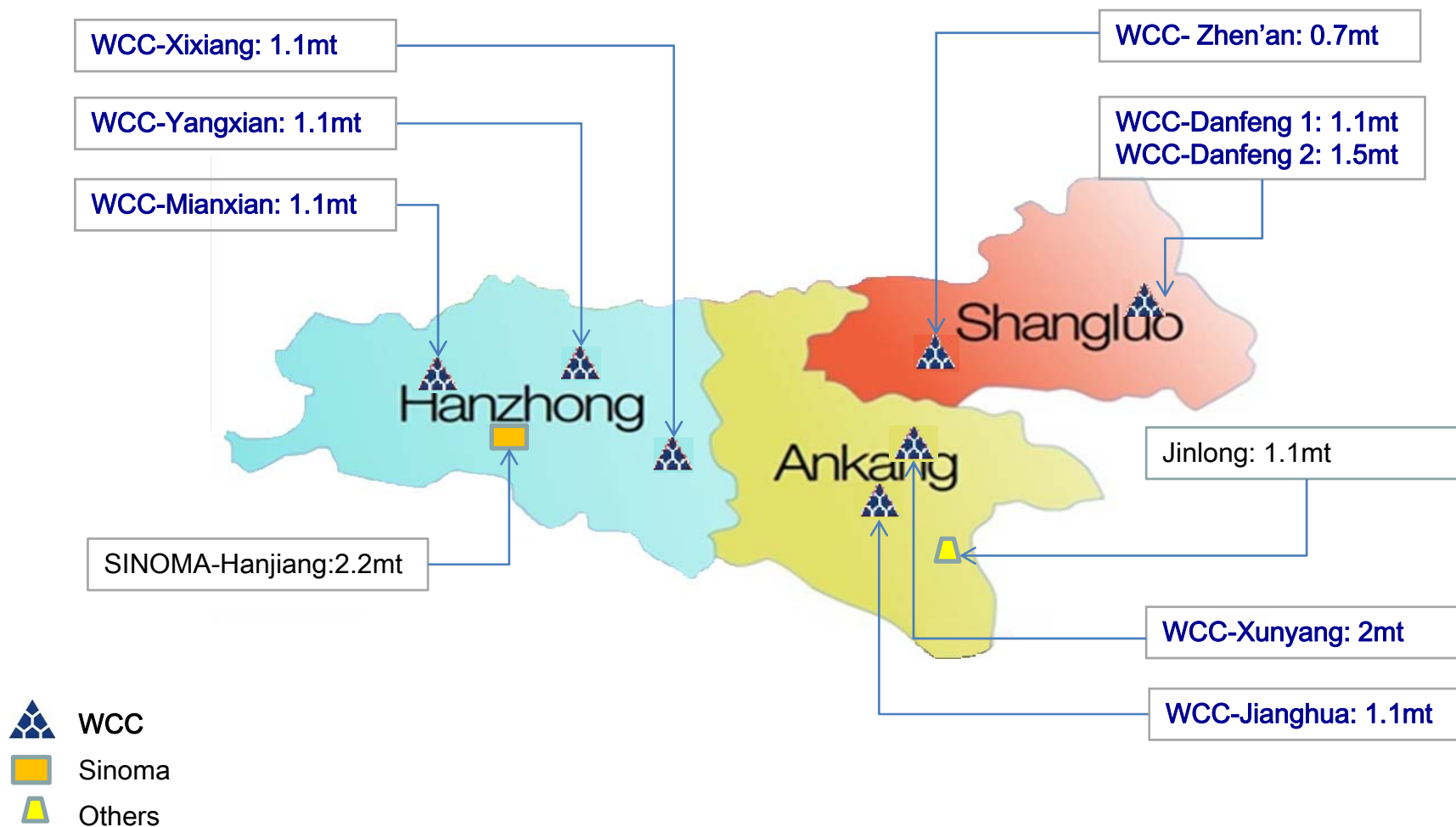
The Three Central Government  
Objectives in the Cement Industry

- **Capacity control**
- **Elimination of old capacity**
- **Industry consolidation**

# Central Shaanxi – Competitive Landscape



# Southern Shaanxi – Competitive Landscape



Indicated tonnage is annual cement capacity.  
Source: Digital Cement, WCC

# Shaanxi – 2013-2014 NSP Capacity

Producer	Xi'an	Baoji	Xianyang	Tongchuan	Weinan	Shangluo	Ankang	Hanzhong	Yulin & Yan'an	Total	Market share
<b>WCC</b>	<b>2.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.5</b>	<b>3.3</b>	<b>3.1</b>	<b>3.3</b>	<b>-</b>	<b>21.1</b>	<b>26%</b>
Jidong	-	6.6	4.4	6.4	-	-	-	-	2.1	<b>19.5</b>	24%
Conch	-	7.5	6	-	-	-	-	-	-	<b>13.5</b>	17%
Shengwei	-	0.6	2.2	6.4	-	-	-	-	-	<b>9.2</b>	11%
Others	-	1.1	-	6.4	4	-	1.1	2.2	2.6	<b>17.4</b>	22%
<b>Total</b>	<b>2.9</b>	<b>15.8</b>	<b>12.6</b>	<b>19.2</b>	<b>12.5</b>	<b>3.3</b>	<b>4.2</b>	<b>5.5</b>	<b>4.7</b>	<b>80.7</b>	<b>100%</b>
% Total Supply	3%	20%	16%	24%	15%	4%	5%	7%	6%	100%	

Source: Digital Cement, WCC. Data includes all construction in progress.

- Xi'an is the largest cement market in the province, accounting for 30-40% of total demand.
- Baoji, Tongchuan, Weinan and Xianyang are the major areas of supply, accounting for 75% of provincial output.
- WCC Core Markets are Weinan, Shangluo, Ankang and Hanzhong – areas where we command market shares of 60% to 100% of NSP capacity.
- WCC's acquisitions in Weinan increase the Group's market share in the Xi'an metropolitan area.

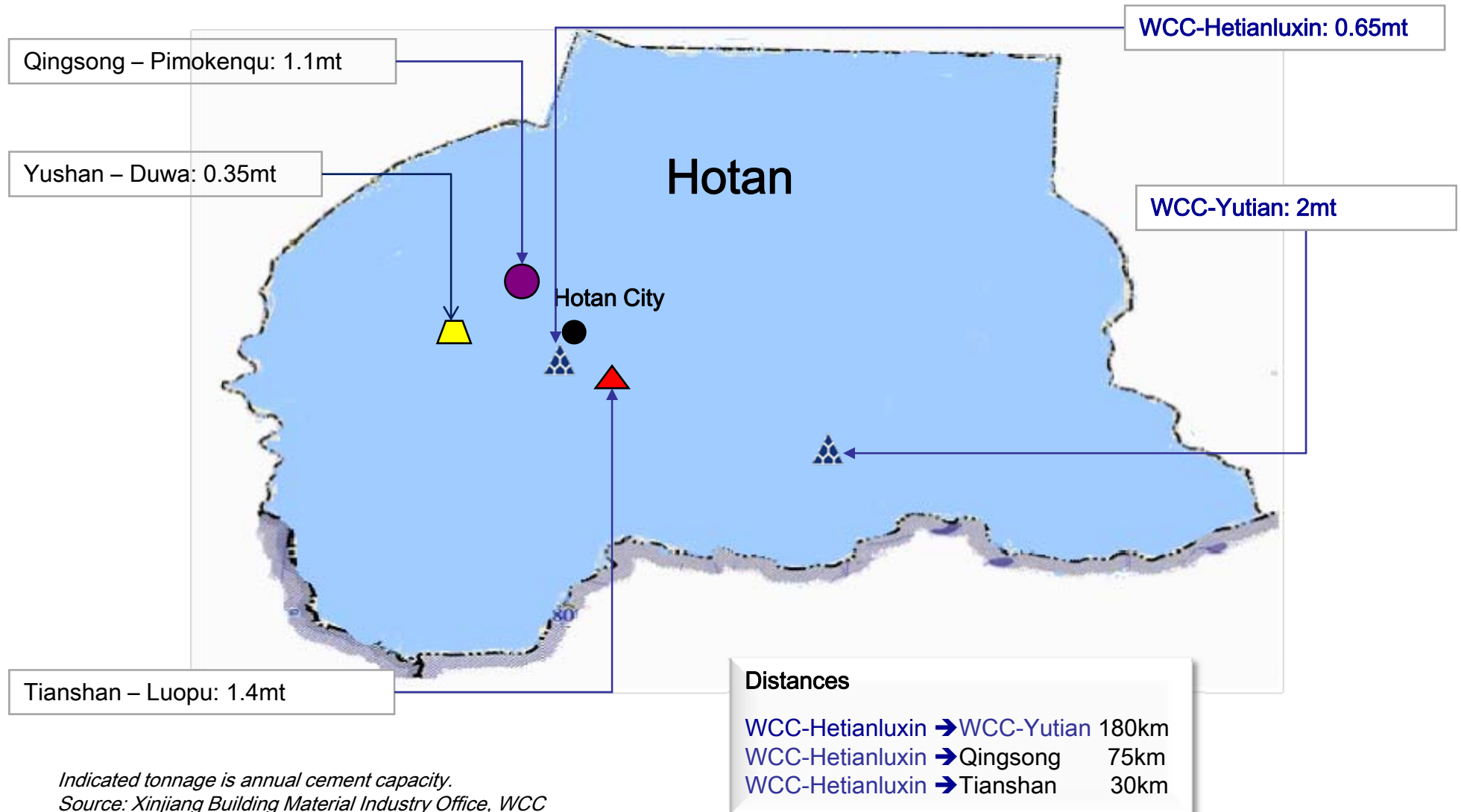
# Shaanxi – Demand

Project Name	Planned Construction Period	Project Name	Planned Construction Period
<b>Expressway</b>			
Weizhuang – Luofu Expressway (Weinan Region)	2011-2014	Baoji– Hanzhong Expressway (Hanzhong Region)	2010-2014
Ankang – Pingli Expressway (Ankang Region)	2013-2015	Tongchuan-Huangling Expressway (Weinan Region)	2013-2015
Hejin– Jixian Expressway (Weinan Region)	2011-2014	Sanmenxia-Xichuan Expressway (Shangluo Region)	2012-2014
Huangling—Yan'an Expressway (Weinan Region)	2013-2015	Weinan – Yushan Expressway (Weinan Region)	2013-2015
<b>Railway</b>			
Huangling – Hancheng– Houma (Weinan Region)	2010-2014	Xi'an – Lintong Intercity Railroad (Xi'an Region)	2013-2014
Lanzhou – Chongqing (Hanzhong Region)	2009-2016	Xi'an Metro Line 3 (Xi'an Region)	2010-2015
Datong– Xi'an Passenger Line (Weinan Region)	2008-2013	Xi'an Metro Line 4 (Xi'an Region)	2012-2016
Xi'an– Hefei Railway (Xi'an & Shangluo Region)	2012-2016	Xi'an-Chengdu Passenger Line (Xi'an & Hanzhong)	2013-2017
<b>Hydropower Station</b>			
Xunhe Cascade Hydropower Station (Ankang Region)	2011-2013	Juting Hydropower Station (Hanzhong Region)	2010-2013
Hanjiang Xunyang Hydroelectric Station (Ankang Region)	2011-2016	Hanjiang-Weihe River Water Transfer Project (Hanzhong Region)	2009-2017
Baihe Jiahe Hydropower Station (Ankang Region)	2010-2014	Dongzhuang Hydro Junction (Xi'an Region)	2013-2020
Mengzhushan Hydropower Station (Shangluo Region)	2013-2015		
<b>Projects Scheduled to Commence Construction</b>			
Shangzhou-Danfeng Highway Reconstruction (Shangluo)	2012-2014	Hanzhong – Shaanxi and Sichuan border Expressway (Hanzhong Region)	2011-2014
Inner Mongolia – Jiangxi Coal Transportation Railway (Shaanxi section) (Weinan Region)	2013-2018	Yangpingguan– Ankang Double Tracking Railway (Hanzhong & Ankang Region)	2013-2018
Pucheng- Huanglong Expressway (Weinan Region)	2013-2015	Yan'an-Yanchuan Expressway (Weinan Region)	2012-2014
Xi'an- Weinan Expressway (Xi'an & Weinan Region)	2012-2015	Hancheng- Baishui Expressway (Weinan Region)	2012-2015
Heyang-Fengxiang Expressway (Xi'an & Weinan Region)	2013-2015	Zhashui– Shanyang Expressway (Shangluo Region)	2011-2014



## Xinjiang – Market and Demand

# Xinjiang Hotan – Competitive Landscape



# Hotan – Demand

Location	Projects	Construction Period	Total Investment (RMB million)
<b>Transport Infrastructure</b>			
Hotan Region 和田地区	Hetian—Ruoqiang Railway (961km) 和田--若羌铁路	2011-2015	13,500
Minfeng (Niya) County 民丰县	315 National Rd - 219 National Rd (280km) 315国道——219国道 红土达坂国防公路	2014-2018	1,680
Moyu (Karakax) – Hotan – Luopu (Lop) 墨玉-和田-洛浦	Moyu (Karakax) – Hetian (Hotan) – Luopu (Lop) Highway , plus 2 bridges (72km)	2013-2017	2,200
Hotan City 和田市	Airport terminal and runway expansion	2013-2015	560
Hotan Region 和田地区	Kashi—Hetian Railway eastern extention project	2014-2017	
Pishan County皮山县	Sangzhu—Saitula National Rd	2014-2017	
Hetian—Wuluwati—Kangxiwa 和田—乌鲁瓦提—康西瓦	Hetian—Wuluwati—Kangxiwa National Rd	2014-2018	
<b>Hydraulic Engineering</b>			
Pishan County 皮山县	A-ke-shao Reservoir 阿克肖水库	2013-2016	610
Hotan County 和田县	Kaxgar River Hydraulic Engineering 喀什河水利枢纽工程	2013-2018	3,240
Cele (Qira) County 策勒县	Nu'er Reservoir 奴儿水库	2014-2017	885
Minfeng (Niya) County 民丰县	Dawantu Reservoir 达完图水库	2014-2019	640
Minfeng (Niya) County 民丰县	Ni'ya Reservoir 尼雅水库	2014-2017	880
Yutian (Keriya) County 于田县	Jiyin Reservoir 吉音水库	2009-2015	1,113
Hetian (Hotan) County 和田县	Dagequke Hydro-electric Station 水利枢纽达格曲克水电站	2009-2015	760
<b>Housing &amp; Other</b>			
Moyu (Karakax) 墨玉县	Shanty Area transformation 棚户区改造	2010-2014	740
Moyu (Karakax) 墨玉县	Infrastructure construction in different towns	2010-2020	1,380
Hotan City & Region 和田地区	Nomad settlement project and other housing & reconstruction projects	2011-2020	N/A





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**WEST CHINA CEMENT LIMITED**

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Stock code: 2233

# Appendices

# Appendix I: Financial Information

## Summary of Consolidated Income Statement

RMB '000	For the year ended 31 December			For the period ended 30 June	
	2010	2011	2012	2012	2013
Revenue	2,960,781	3,190,479	3,524,117	1,590,121	1,967,439
Cost of Sales	(1,768,358)	(2,306,088)	(2,848,920)	(1,288,198)	(1,620,483)
<b>Gross Profit</b>	<b>1,192,423</b>	<b>884,391</b>	<b>675,197</b>	<b>301,923</b>	<b>346,956</b>
Selling and marketing expenses	(27,860)	(31,537)	(32,754)	(12,123)	(18,920)
Administrative expenses	(179,028)	(183,123)	(202,117)	(100,375)	(128,434)
Other income	171,611	156,693	155,833	80,148	80,897
Other gains / (losses) – net	(966)	111,245	490	(13,655)	43,739
Finance income	497	10,407	1,928	927	2,433
Finance cost	101,005	(184,787)	(139,993)	(70,068)	(110,609)
Finance costs – net	(100,508)	(174,380)	(138,065)	(69,141)	(108,176)
<b>Profit before income tax</b>	<b>1,057,604</b>	<b>763,289</b>	<b>458,584</b>	<b>186,777</b>	<b>216,062</b>
Income tax expense	(124,337)	(102,888)	(86,058)	(36,477)	(45,872)
<b>Profit for the year /period</b>	<b>933,267</b>	<b>660,401</b>	<b>372,526</b>	<b>150,300</b>	<b>170,190</b>



# Appendix I: Financial Information

## Summary of Consolidated Balance Sheet

### Assets

RMB '000	As at 31 December			As at
	2010	2011	2012	30 June 2013
<b>Non-current assets</b>				
Property, plant and equipment	3,819,616	6,352,020	7,829,666	7,790,377
Land use rights	176,246	292,269	450,000	453,963
Mining rights	64,867	131,663	139,249	135,019
Other intangible assets	63,077	110,293	171,826	170,795
Advances for business combination	300,000	-	-	-
Deferred income tax assets	17,124	24,901	36,755	30,173
	4,440,930	6,911,146	8,627,496	8,580,327
<b>Current assets</b>				
Inventories	166,898	381,926	468,602	480,177
Trade and other receivables and prepayments	547,265	580,107	683,973	795,931
Restricted cash	16,122	36,526	149,881	150,490
Cash and cash equivalents	374,459	529,612	368,936	404,266
	1,104,744	1,509,538	1,671,392	1,830,864
<b>Total assets</b>	<b>5,545,674</b>	<b>8,420,684</b>	<b>10,298,888</b>	<b>10,411,191</b>

### Liabilities and Equity

RMB '000	As at 31 December			As at
	2010	2011	2012	30 June 2013
<b>Non-current liabilities</b>				
Borrowings	131,255	205,000	144,000	106,000
Senior Notes - Non Current	-	2,462,009	2,468,506	2,432,971
MT Notes -Non Current	-	-	-	793,066
Provisions for other liabilities and charges	8,444	10,446	12,991	13,377
Deferred income tax liabilities	8,959	10,964	9,636	13,990
Other liabilities	39,215	44,251	51,971	52,274
	187,873	2,732,670	2,687,104	3,411,678
<b>Current liabilities</b>				
Trade and other payables	644,056	841,774	1,484,434	1,367,846
Senior Notes – Current	-	78,762	78,544	77,234
MT Notes - Current	-	-	-	12,200
Current income tax liabilities	59,548	22,937	23,812	27,983
Borrowings	1,080,181	566,000	1,178,192	587,278
	1,783,785	1,509,473	2,764,982	2,072,541
<b>Total liabilities</b>	<b>1,971,658</b>	<b>4,242,143</b>	<b>5,452,086</b>	<b>5,484,219</b>
<b>Equity</b>				
Total Equity attributable to shareholders	3,540,892	4,069,475	4,755,931	4,834,098
Minority interest	33,124	109,066	90,871	92,874
<b>Total equity</b>	<b>3,574,016</b>	<b>4,178,541</b>	<b>4,846,802</b>	<b>4,926,972</b>
<b>Total equity and liabilities</b>	<b>5,545,674</b>	<b>8,420,684</b>	<b>10,298,888</b>	<b>10,411,191</b>

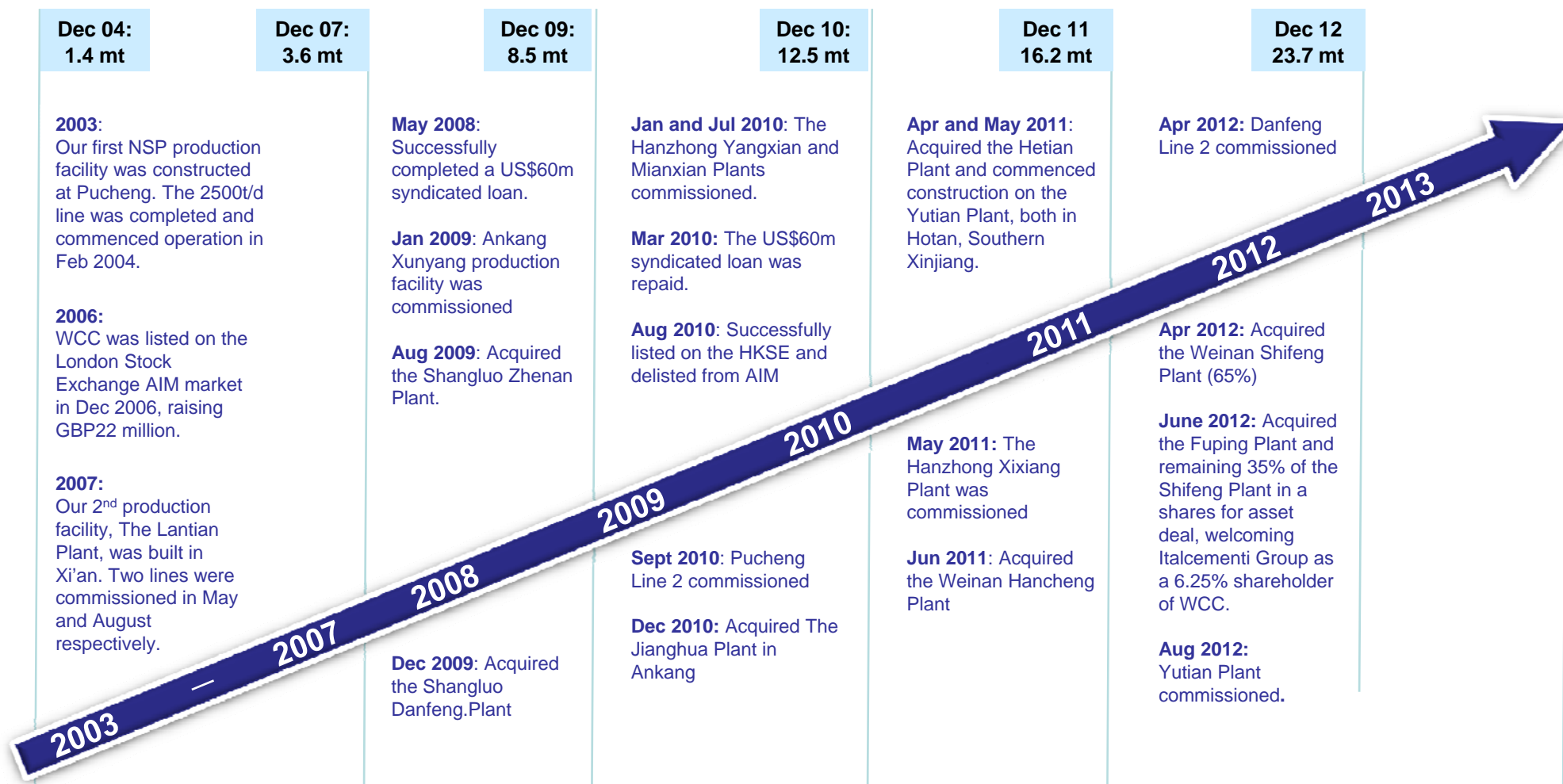
# Appendix I: Financial Information

## Summary Consolidated Cash Flow Statements

RMB '000	For the year ended 31 December			For the period ended 30 June	
	2010	2011	2012	2012	2013
Net cash generated from operating activities	870,111	787,494	1,377,368	664,003	297,126
Net cash used in investing activities	(1,597,016)	(2,406,351)	(1,404,056)	(1,036,037)	(192,337)
Net cash generated from / (used in) financing activities	755,106	1,770,038	(135,894)	(46,171)	(67,683)
Net increase / (decrease) in cash and cash equivalents	28,201	151,181	(162,582)	(418,205)	(37,106)
<b>Cash and cash equivalent at end of year / period</b>	<b>374,459</b>	<b>529,612</b>	<b>368,936</b>	<b>111,407</b>	<b>404,266</b>

# Appendix II: Company Development

*We target up to 27 million tons capacity by end of 2015...*



# Appendix II: Shaanxi Province – Home Market

21.1 million tons capacity



**Shaanxi's largest cement producer with market leadership in the south and east of the Province.**

- ▲ Serving the development and urbanisation needs of southern and eastern Shaanxi
- ▲ NSP Production plants in proximity to our limestone resources and markets
- ▲ Focus on both infrastructure and rural development markets
- ▲ Dominant market share in Weinan, Shangluo, Ankang and Hanzhong regions.
- ▲ Increased market share in the Xi'an Metropolitan area market through recent acquisitions in the Weinan region.

# Appendix II: Xinjiang – A New Growth Market

2.6 million tons capacity; plus 1.5 million tons construction in progress

## Hotan, Southern Xinjiang

- ▲ Hotan region is bordered to the north by the Taklamakan Desert and to the south by the Kunlun Mountains. A key energy and resource supply Zone. Abundant natural gas, oil, coal and mineral resources.
- ▲ 2012 cement capacity of approx 5.5mt, of which 94% is NSP capacity. Plentiful, low cost limestone and coal supplies for cement production
- ▲ WCC total of 2.6mt capacity: 600,000 tons Hetian Plant in Hotian City and the 2mt Yutian Plant.

## Yili, North West Xinjiang

- ▲ Yili District is on the Kazakhstan border and includes the Khorgas Special Economic Zone where development and construction supported by trade with Central Asia is growing rapidly
- ▲ WCC's plant is situated in Yining County. The area is the main logistics and trade centre for trade between China and the Central Asian Republics. Yining City FAI growth in 1H13 was 43%, focused on property and infrastructure.
- ▲ WCC's Yili Project is a brownfield acquisition with a projected cement capacity of 1.5mt. Completion is expected in 2014.





# Appendix II: Production Facilities

Approximately 24 million tons capacity

## Production Facilities at end 2011

	Production Facilities	Annual Capacity (mt)	Commencement/ Acquisition Date
1	Weinan Pucheng Line 1 & 2	2.5	Commissioned: Line 1 Feb 2004 & Line 2: Sept 2010
2	Xi'an Lantian Line 1 & 2	2.2	Commissioned: Line 1 May 2007 & Line 2 Aug 2007
3	Ankang Xunyang	2.0	Commissioned: Jan 2009
4	Shangluo Zhen'an	0.7	Acquired: Aug 2009
5	Shangluo Danfeng	1.1	Acquired: Dec 2009
6	Hanzhong Yangxian	1.1	Commissioned: Jan 2010
7	Xi'an Lantian Grinding Mill	0.7	Commissioned: July 2010
8	Hanzhong Mianxian	1.1	Commissioned: July 2010
9	Ankang Jianghua	1.1	Acquired: Dec 2010
10	Hanzhong Xixiang	1.1	Commissioned: April 2011
11	Hetian, Xinjiang	0.6	Acquired: May 2011
12	Hancheng Weinan (80% Interest)	2.0	Acquired: June 2011
	<b>At 31 December 2011</b>	<b>16.2</b>	

## Production Facilities Added in 2012

	Production Facilities	Annual Capacity (mt)	Commencement/ Acquisition Date
13	Shangluo Danfeng Line 2	1.5	Commissioned: April 2012
14	Weinan Shifeng	2.0	Acquired: 65% - April 2012; 35% - June 2012
15	Weinan Fuping	2.0	Acquired: June 2012
16	Yutian, Xinjiang	2.0	August 2012
	<b>At 30 June 2013</b>	<b>23.7</b>	

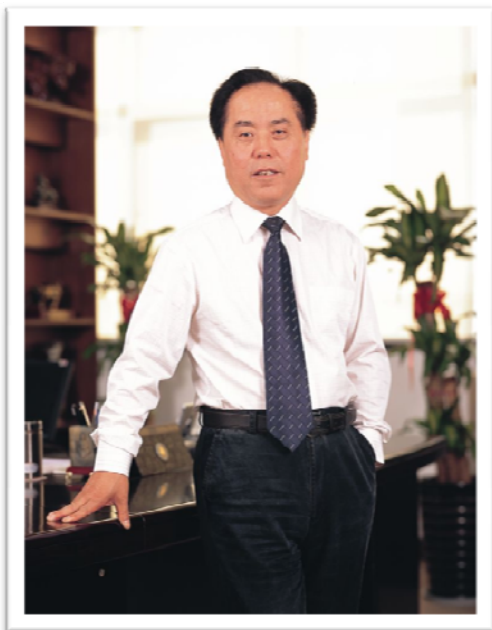
## Production Facilities Under Construction

17	Yili, Xinjiang	1.5	Expected completion: 2014
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**Capacity 30 June 2013:**  
**Shaanxi – 21.1mt**  
**Xinjiang – 2.6mt**

# Appendix III: Board of Directors

## Executive Directors



### ▲ **Mr. Zhang Jimin – Chairman, aged 58**

Mr. Zhang is a founder of the Group. He began his career in the cement industry in Hanjing Cement and has more than 30 years of industry experience. From 1992-1994, he led the development of low-heat slag cement, moderate heat Portland cement and highway cement, which won the Second Grade Science and Technology Progress Prize issued by the Province Government.

### ▲ **Mr. Tian Zhenjun – Chief Executive Officer, aged 52**

Mr. Tian has received an undergraduate degree in accountancy from Shaanxi Finance & Economy College. From August 1988 to August 1998, Mr. Tian served as the accounting manager of Pucheng County Coal Mine, a local state-owned enterprise. He joined Yaobai Cement (now West China Cement) in September 1998 and has held several positions in our Group, including general accountant, director of the finance department, assistant general manager and sales manager. Mr. Tian became a certified accountant in the PRC in October 1994.



# Appendix III: Board of Directors

## Executive Directors

### ▲ **Mr. Wang Jianli – Chief Engineer, aged 49**

Mr. Wang graduated from Luoyang Building Material Industry College with a degree in Cement Technology. He worked at the Shaanxi Design & Research Institute of Building Materials from December 1982 to February 2002 where he became director of the Institute. He has held his current position with Yaobai Cement (now West China Cement) since March 2002.



### ▲ **Ms. Low Po Ling – Investment Strategy, aged 38**

Ms Low, a Malaysian national, is an ACCA qualified accountant with over ten years experience in audit practice and corporate finance. She has worked in Malaysia, Singapore and the UK with PricewaterhouseCoopers, BDO, and PKF. She was associate director of an investment company in Beijing before joining West China Cement. She is fluent in Mandarin and English. Ms Low has worked for WCC in various capacities since the London AiM IPO in 2006, including CFO up until May 2011. Ms Low is responsible for WCC's M&A and investment execution.

# Appendix III: Board of Directors

## Independent Non-Executive Directors

### ▲ **Mr. Lee Kong Wai Conway – Independent Non-executive Director, aged 58**

Mr. Lee received a bachelor's degree in arts from Kingston University (formerly known as Kingston Polytechnic) in London and further obtained his postgraduate diploma in business from Curtin University of Technology in Australia. Mr. Lee served as a partner of Ernst & Young over the past 29 years and held key leadership positions in the development of such firm in China. Mr. Lee is a member of the ICAEW, the ICA in Australia, the ACCA, the Hong Kong ICPA and the Macau Society of Registered Accountants. Mr. Lee currently also serves as an independent non-executive director of China Taiping Insurance Holdings Company Limited, Chaowei Power Holdings Limited, China Modern Dairy Holdings Limited, Gome Electrical Appliances Holding Limited, Citic Securities Company Limited and NVC Lighting Holding Limited, companies listed on the main board of the HKSE since October 2009, July 2010, November 2010, March 2011, November 2011 and November 2012 respectively. Mr. Lee was appointed as a member of the Chinese People's Political Consultative Conference of Hunan Province in China since 2007.

### ▲ **Mr. Tam King Ching Kenny – Independent Non-executive Director, aged 63**

Mr. Tam received a bachelor's degree in commerce from the Concordia University in. He is a practising CPA in Hong Kong. He is a fellow member of the Hong Kong ICPA and a member of the ICA of Ontario, Canada. Mr. Tam is serving as a member of the Ethics Committee and Practice Review committee in the Hong Kong ICPA. He is also a past president of The Society of Chinese Accountants and Auditors. Mr. Tam also serves as an independent non-executive director of five other listed companies on the Main Board of the Stock Exchange, namely, Kingmaker Footwear Holdings Limited, CCT Telecom Holdings Limited, Shougang Concord Grand (Group) Limited, Starlite Holdings Limited and Van Shung Chong Holdings Limited since May 1994, December 1999, February 1996, July 2004 and September 2004, respectively.

### ▲ **Mr. Wong Kun Kau – Independent Non-executive Director, aged 52**

Mr. Wong received a bachelor's degree in social sciences from the University of Hong Kong. He has 28 years of experience in fund management, securities broking and corporate financing involving securities origination, underwriting and placing of equities and equity-linked products, mergers and acquisitions, corporate restructuring and reorganizations and other general corporate advisory activities. Mr. Wong has extensive experience in the Greater China region markets. He is the founder and currently the managing partner of Bull Capital Partners Ltd, a direct investment fund management company. Before founding Bull Capital Partners Ltd., Mr. Wong was the head of investment banking (Asia) of BNP Paribas Capital (Asia Pacific) Limited from 2002 to 2007.



# Appendix III: Board of Directors

## Non-Executive Directors



### **Mr. Ma Weping – Non-executive Director, aged 52**

Mr. Ma Weiping has been nominated to the Board by our 6.25% shareholder, Cimfra China, part of the Italcementi Group. He has over 20 years of management and technical experience in the building materials industry in both the United States of America and China. From 1996 to 2002, Mr Ma served as a senior process engineer and project manager for Holcim in Michigan, United States. From 2002 to 2005, Mr. Ma served as a vice president of marketing and sales for Lafarge (China) in Beijing and served in a similar position for Lafarge Shuion Cement from 2005 to 2008. From 2008 to 2009, he served as a general manager and vice president for Lafarge A&C in Chongqing. Preceding his appointment as a non-executive Director, from 2009 up until the Completion of the Equity Transfer Agreement and the Subscription Agreement, Mr. Ma was also a chief representative and managing director of Fuping Cement, a company wholly owned by Cimfra China prior to Completion. Mr. Ma will continue to cooperate with Italcementi Group in South-East Asia. Mr. Ma received a bachelor's degree in Inorganic and Non-Metallic Materials from Tongji University, Shanghai in 1982, a master's degree in Solid State Science and a Ph.D in Material Science and Engineering from Pennsylvania State University in 1991 and 1994, respectively. Mr. Ma also obtained a Master of Business Administration in Integration Management from Michigan State University in 2002.



### **Mr. Ma Zhaoyang – Non-executive Director, aged 44**

Mr. Ma Zhaoyong received a master's degree in management from Northwestern Polytechnic University. Mr. Ma has been a professor of management at Northwestern Polytechnic University in Shaanxi, China since 1996. In view of his academic knowledge and extensive experience in strategic planning, Mr. Ma was appointed an advisory role with us in respect of the overall strategic planning and operation of our business. Mr. Ma has been the chairman and director of Sino Vanadium Inc., a vanadium mining company listed on the TSX Venture Exchange in Canada since June 2009. He has also been a non-executive director of Taihua PLC, a pharmaceutical company listed on the LSE, where he assumes an advisory role since December 2006. He is currently and has been an independent non-executive director of Xi'an Kaiyuan Holding Group Co., Ltd. (西安開元控股集團股份有限公司), a company listed on the Shenzhen Stock Exchange which is principally engaged in department store retail businesses and where he assumes an advisory role since May 2006.

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