



**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 Annual Results**

## **March 2014**



# 2013 Results Highlights

## ▲ Operational

- Period-end installed capacity of 23.7mt (2012: 23.7mt)
- Cement sales volume of 17.6mt (2012: 14.3mt). Additionally, 0.6mt of clinker sales (2012: 0.7mt).
- Cement ASP's of RMB228/t (2012: RMB238/t)

## ▲ Financial

- Gross Profit increase to RMB729.3m (2012: RMB675.2m)
- EBITDA increase to RMB1188.7m (2012: RMB1056.4m)
- Net Gearing 67.0% (2012: 69.1%)
- Cash & cash equivalents of RMB623.1m (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 Developments

- Xinjiang Yili Plant, 1.5mt, and Guiyang Huaxi Plant, 1.8mt, to be completed in 2H2014, taking the Group's capacity to 27mt.
- New revenue stream: The Lantian Cement Kiln Waste Sludge Treatment Facility.



**Capacity 31 Dec 2013:**  
**Shaanxi – 21.1mt**  
**Xinjiang – 2.6mt**

# Financial Analysis and KPIs

RMB Million (unless otherwise specified)	Ended 31 Dec 2013	Ended 31 Dec 2012	%
<b>Cement Sales Volume</b>	17.6	14.3	23.1%
<b>Revenue</b>	4,167.8	3,524.1	18.3%
<b>Gross Profit</b>	729.3	675.2	8.0%
<b>EBITDA</b>	1,188.7	1,056.4	12.5%
<b>Profit Attributable to Shareholders</b>	378.3	364.9	3.7%
<b>Basic EPS (cents) <sup>(1)</sup></b>	8.3	8.3	-
<b>Interim Dividend (cents)</b>	Nil	Nil	-
<b>Proposed Final Dividend (cents)</b>	2.0	2.0	-
<b>Gross Profit Margin</b>	17.5%	19.2%	(1.7 p.pt)
<b>EBITDA Margin</b>	28.5%	30.0%	(1.5 p.pt)
<b>Net Profit Margin</b>	9.2%	10.6%	(1.4 p.pt)
	As at 31 Dec 2013	As at 3 Jun 2013	
<b>Total Assets</b>	10,664.7	10,298.9	3.6%
<b>Net Debt <sup>(2)</sup></b>	3,406.8	3,350.4	1.7%
<b>Net Gearing <sup>(3)</sup></b>	67.0%	69.1%	(2.1 p.pt)
<b>Net Debt / EBITDA</b>	2.9	3.2	(9.4%)
<b>EBITDA / Fixed Charge <sup>(4)</sup></b>	4.1	3.7	10.8%
<b>Net Assets Per Share(cents)</b>	112	107	4.7%

	Ended 31 Dec 2013	Ended 31 Dec 2012
<b>ASP/t (RMB)</b>	228	238
<b>GP/t (RMB)</b>	41	47
<b>NP/t (RMB)</b>	22	26
<b>Trade receivable Turnover Days <sup>(5)</sup></b>	14	14
<b>Inventory Turnover Days <sup>(6)</sup></b>	53	54
<b>Trade payable Turnover Days <sup>(7)</sup></b>	73	63

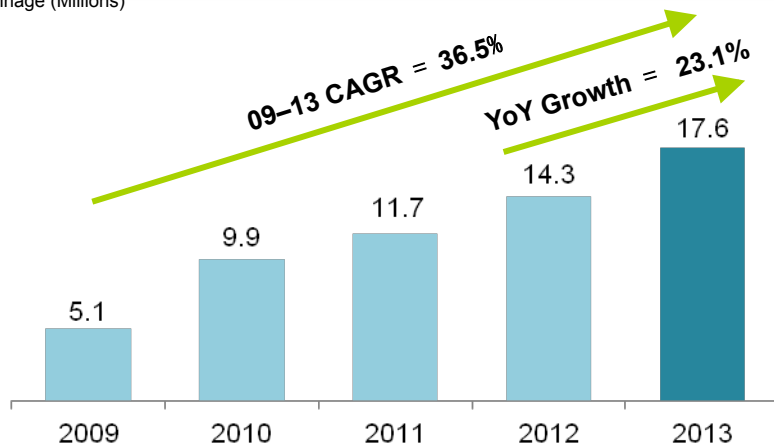
Notes:

- (1) There is no change in the basic EPS despite the increase in profit attributable to shareholders 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

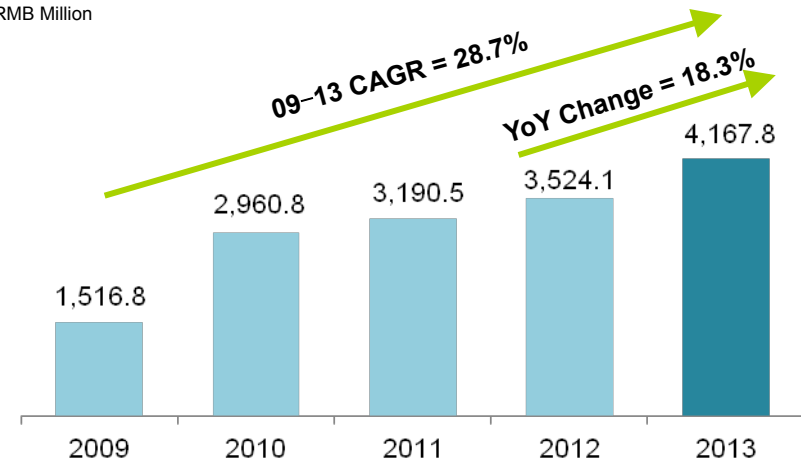
## Sales Volume for Cement

Tonnage (Millions)



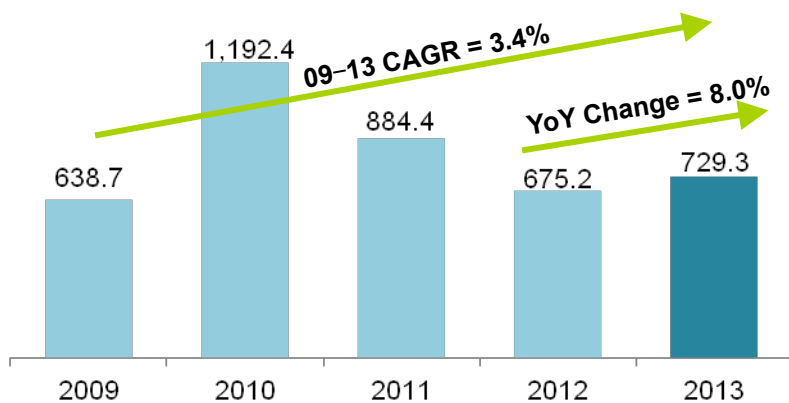
## Revenue

RMB Million



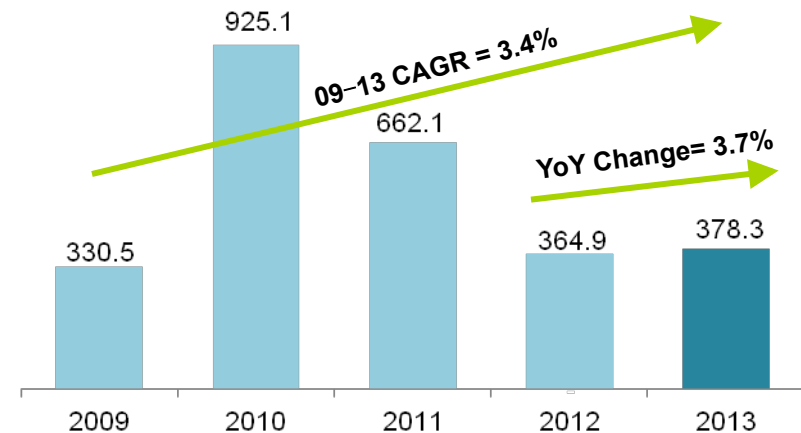
## Gross Profit

RMB Million



## Profit Attributable to Shareholders

RMB Million

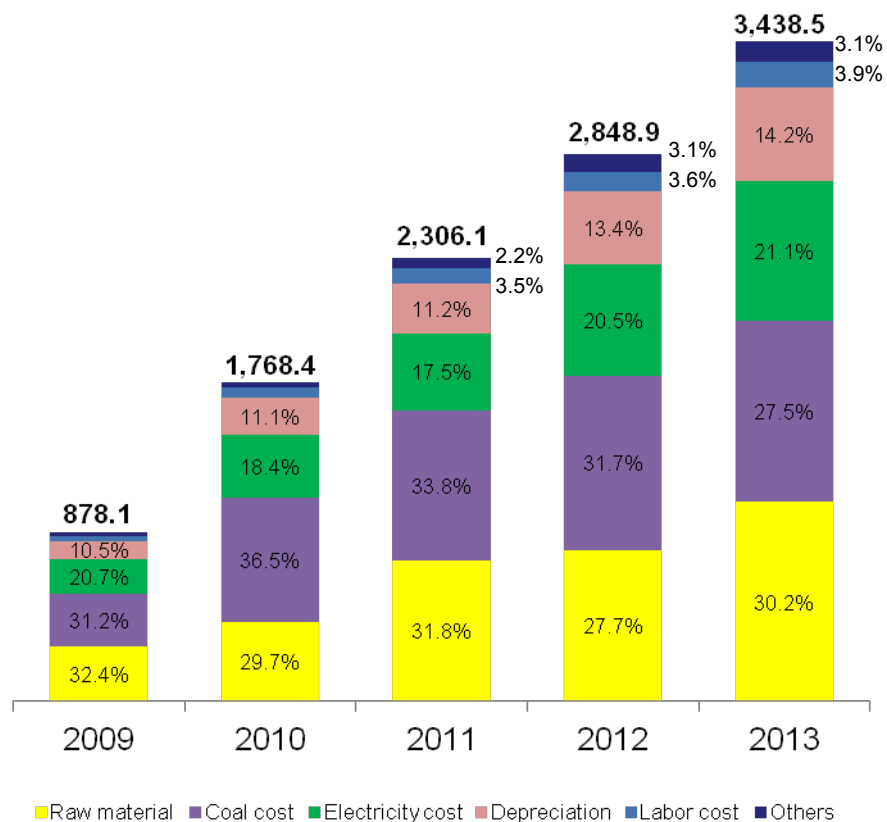




# Production Cost Analysis

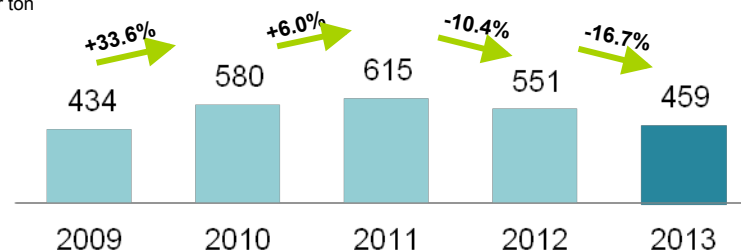
## Production Cost

RMB Million



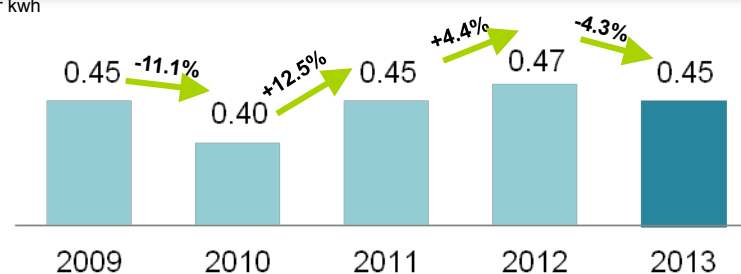
## Average Coal Cost

RMB per ton



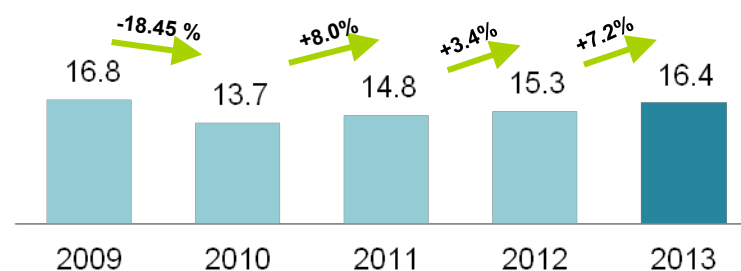
## Average Electricity Cost

RMB per kwh



## Average Limestone Cost

RMB per ton



# 2013 Market Review

## ▲ Shaanxi Demand

- 2013 demand reasonable. Approx 10% yoy demand growth.
- Infrastructure demand pick up led by railway. South Shaanxi strong due to Xi'an to Chengdu High speed Railway. Urban & Rural demand steady.

## ▲ Shaanxi Supply

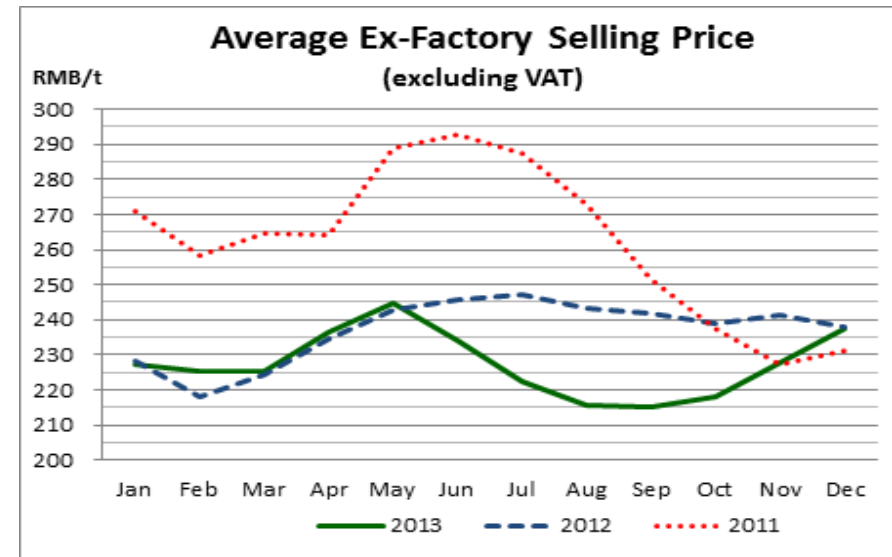
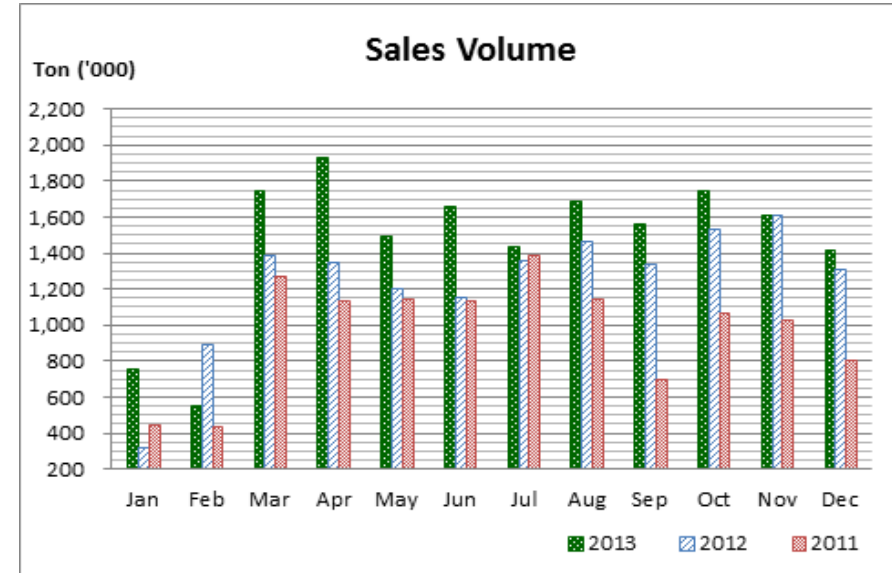
- 2mt of new supply in Xianyang in 2013. Less than 5mt of new supply in 2014 & no more beyond that. The tail end of a 30mt build out of new supply between 2010-2014.
- Continued closure of inefficient capacity. Emission controls and planned abolishment of PC32.5 to further constrict supply.

## ▲ Xinjiang

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

## ▲ WCC Volumes, ASPs & COS

- 18.2m tons cement & clinker sales. Approx 74% capacity utilisation.
- ASP's especially weak in 3Q13 due to capacity additions during the slow season. Improvement into 4Q and year end as demand picked up.
- COS stable. Coal price remains favourable, partially offsetting impact of lower ASP's.





# Shaanxi – Infrastructure Project Demand

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

- Total distance of 343KM within Shaanxi Province, passing through Xi'an and Hanzhong Regions; over 85% of total distance accounted for by bridges and tunnels. Shaanxi total consumption approx. 4.0 - 4.5 million tons.
- WCC supplying over 70% of the tender sections - approx. 3 million tons over 5 years. Construction commenced 2013.

## ▲ 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.
- WCC supplying 6 out of 8 Shaanxi Province sections, approx 300,000 to 400,000 tons of cement per year. Project one third completed with another 3 years of construction.

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

- Resettling approx. 2.4 million people in Southern Shaanxi between 2011& 2020. Expected cement consumption of 12-14mt.
- WCC supplied approx. 750,000 tons of cement to this project in 2013. Relocation target for 2014 is 228,000 people.

## ▲ Baoji to Hanzhong Highway

- Distance of over 150KM within WCC area, passing through Hanzhong Region to Sichuan border. Total consumption from WCC expected up to 1mt.
- WCC has won 100% of tender sections of the Hanzhong to Sichuan Border Segment in 4Q13, with 2 more sections still to be tendered.

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

- Huang-Han-Hou Railway; Lanzhou-Chongqing Railway; Ankang – Pingli Highway.
- Tendering to commence for the Ankang - Yangpingyuan Double Track Railway in 1H2014.

# Environmental Protection Solutions

## ▲ New Revenue Stream – Waste Treatment

- Lantian Plant Cement Kiln Waste Sludge Treatment Facility Phase I completed in January 2014.
- Heat from cement kiln used to burn waste sludge with minimal incremental cost, no additional energy or secondary pollution.
- Established under auspices of Shaanxi Provincial & Municipal Environmental Protection Administration Department to treat industrial waste from the new Samsung Semiconductor Plant in Xi'an.
- Phase II to be completed in 2014 leading to total capacity to treat 210,000 tons of waste per year.
- Estimated profitability of Rmb100m per year at full capacity.
- Further plans to roll out similar facilities at WCC's other lines within the next 2-3 years.

## ▲ New Emission Standards – Nitrous Oxide (NOx) and Particulate Matter (PM)

- **NOx:** Most Group plants have had De-Nox equipment installed in 2012 and 2013, with Shangluo Zhenan to be completed in 2014. The equipment reduces Nox emissions by 60% to within expected new emission standards.
- **PM:** 3 production lines (Lantian I & II, Shifeng) modified to meet new PM standards in 2013; 2 more (Pucheng I and Zhen'an) to be completed in 1H2014. The rest already meet standards and do not need modification.
- Most Group plants already meet the new emission standards that are to be implemented in 2015. Remainder to be completed in 2014 ahead of full implementation of new standards on a national level.



# 2014 Prospects

## ▲ Shaanxi

- **Demand:** Southern Shaanxi demand strong & getting stronger with infrastructure demand pick up. Xi-Cheng High Speed & Bao-Han Highway major demand drivers. Xi-Xian New Area development and Xi'an Metro important sources of demand in Central Shaanxi . Demand growth is estimated at approx 10% pa in 2014/15.
- **Supply:** One last batch of capacity additions expected in Central Shaanxi in 1H2014. No further additions planned in the province beyond that.
- New capacity continues to be gradually absorbed by the market and producers expect increased price stability in 2014. Looking for an eventual reversal of oversupply in 2014 and 2015 as demand catches up with capacity.

## ▲ 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. Hotan District plants remain profitable but at the expense of volumes.

## ▲ Expansion

- **Xinjiang Yili Plant, 1.5mt & Guiyang Huaxi Plant, 1.8mt** to be completed in 2H2014, taking WCC to 27m tons capacity. No further capacity addition plans beyond this.

## ▲ Group Focus for 2014

- Railway and road construction to drive demand in Southern Shaanxi core markets with stronger pricing. Increased price stability in central Shaanxi and the Xi'an metropolitan market, where the Group looks to consolidate its increased market share.
- Environmental Protection Solutions. Reducing emissions and Waste Sludge Treatment Facilities as a new revenue stream.
- Focus on conserving cash, reducing gearing and repayment of USD Senior notes in January 2016.

# West China Cement Limited

**Shaanxi Province**





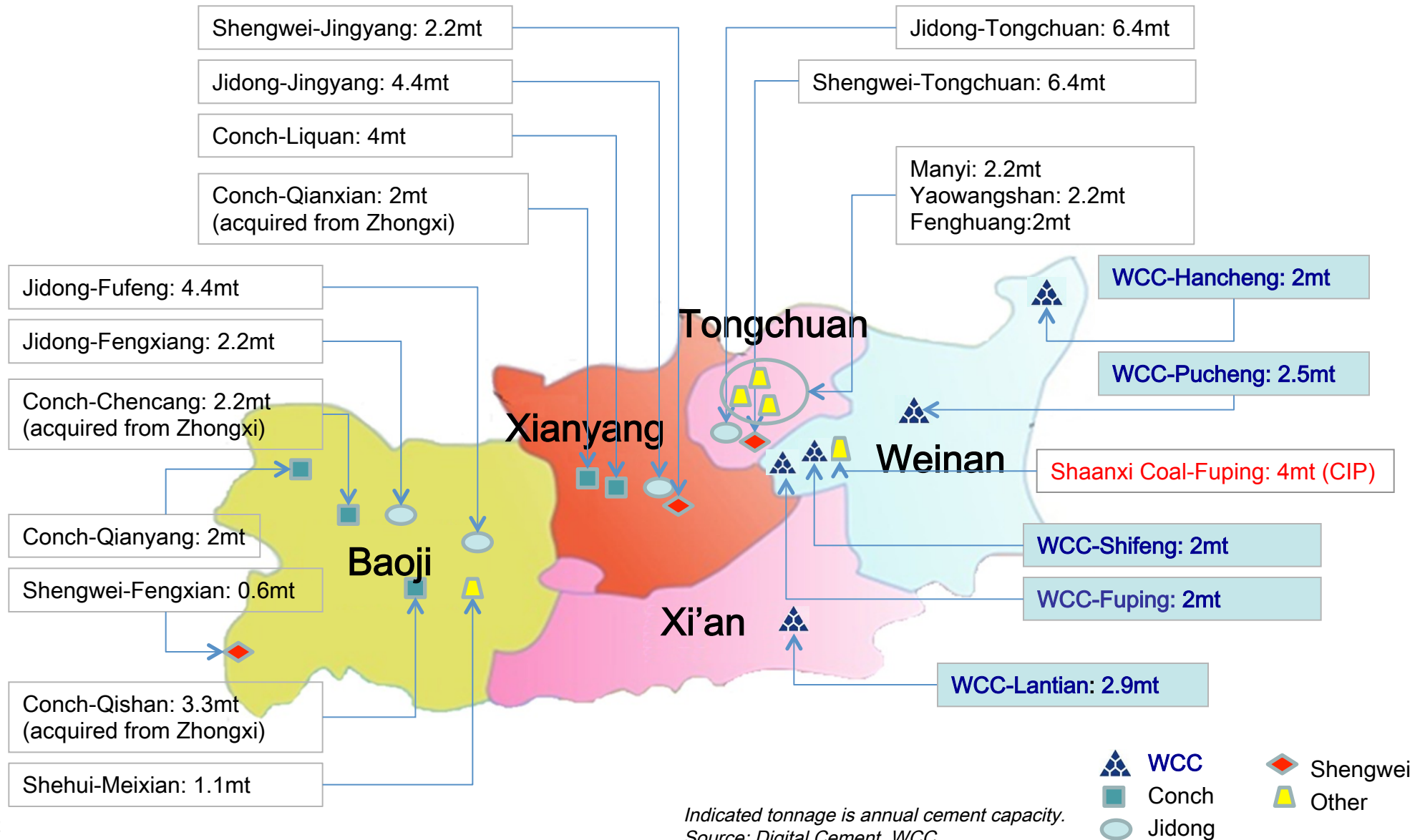
# Shaanxi Province

## 21.1 million tons capacity



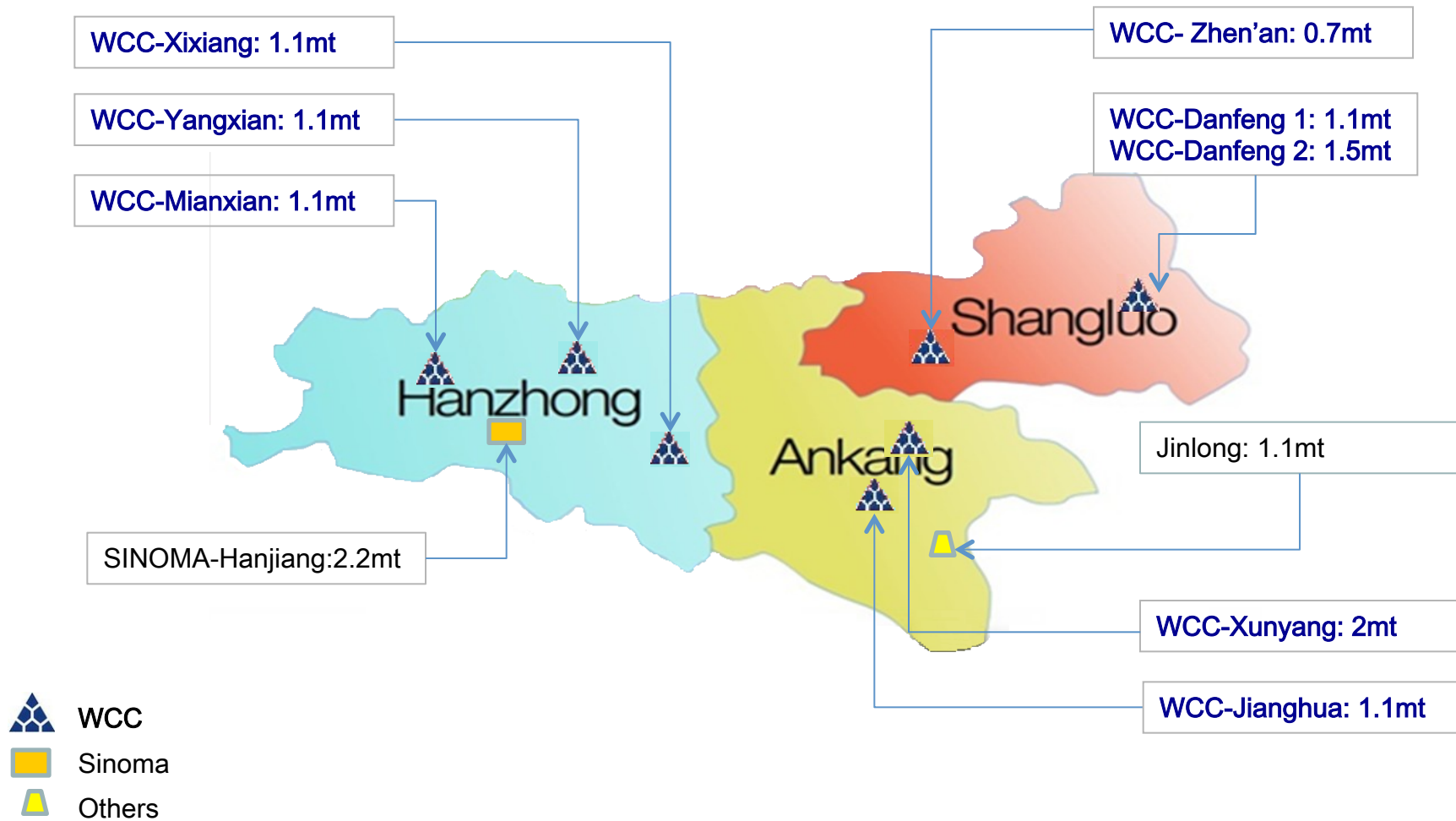
	Production Facilities in Shaanxi Province	Annual Capacity (mt)	Commencement/ Acquisition Date
1	Weinan Pucheng Line 1 & 2	2.5	Commissioned: Line 1 Feb 2004 & Line 2: Sept 2010
2	Xi'an Lantian Line 1 & 2	2.2	Commissioned: Line 1 May 2007 & Line 2 Aug 2007
3	Ankang Xunyang	2.0	Commissioned: Jan 2009
4	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	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
12	Hancheng Weinan (80% Interest)	2.0	Acquired: June 2011
13	Shangluo Danfeng 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
	<b>Total</b>	<b>21.1</b>	

# 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	6.0	-	-	-	-	-	-	<b>13.5</b>	17%
Shengwei	-	0.6	2.2	6.4	-	-	-	-	-	<b>9.2</b>	11%
Others	-	1.1	-	6.4	4.0	-	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)	2011-2016
Ankang – Pingli Expressway (Ankang Region)	2013-2015	Tongchuan-Huangling Expressway (Weinan Region)	2013-2015
Tongchuan– Xunyi Expressway (Weinan Region)	2011-2014	Sanmenxia-Xichuan Expressway (Shangluo Region)	2012-2016
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-Tongchuan Intercity Railroad	2014-2017
Lanzhou – Chongqing (Hanzhong Region)	2009-2016	Xi'an Metro Line 3 (Xi'an Region)	2010-2015
Xi'an-Chengdu Passenger Line (Xi'an & Hanzhong)	2013-2017	Xi'an Metro Line 4 (Xi'an Region)	2012-2016
Xi'an– Hefei Railway (Xi'an & Shangluo Region)	2012-2016		2013-2017
<b>Hydropower Station</b>			
Xunhe Cascade Hydropower Station (Ankang Region)	2014-2016	Hanjiang-Weihe River Water Transfer Project –Qinling Tunnel (Hanzhong Region)	2009-2017
Hanjiang Xunyang Hydroelectric Station (Ankang Region)	2014-2018	Huangjinxia Hydro Power Station	2014-2017
Mengzhushan Hydropower Station (Shangluo Region)	2013-2016	Sanhekou Reservoir	2014-2017
<b>Projects Scheduled to Commence Construction</b>			
Yangpingguan– Ankang Double Track Railway (Hanzhong & Ankang Region)	2014-2018	Xi'an Metro Line 5 (Xi'an Region)	2014-2018
Inner Mongolia – Jiangxi Coal Transportation Railway (Shaanxi section) (Weinan Region)	2014-2018	Xi'an Metro Line 6 (Xi'an Region)	2014-2018
Pucheng- Huanglong Expressway (Weinan Region)	2014-2016	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)	2014-2016	Zhashui– Shanyang Expressway (Shangluo Region)	2014-2017



# West China Cement Limited

**Xinjiang & Guizhou Provinces**

# Xinjiang – Hotan & Yili

2.6 million tons capacity; 1.5 million tons construction in progress

	Production Facilities in Xinjiang Province	Annual Capacity (mt)	Commencement/ Acquisition Date
1	Hetian	0.6	Acquired: May 2011
2	Yutian	2.0	Commissioned: August 2012
3	Yili	1.5	Target completion: 2H2014
	<b>Total</b>	<b>4.1</b>	

## Hotan (Hetian) District:

▲ Total district capacity of approx. 5.5mt, 94% NSP. WCC capacity of 2.6mt: 600,000 tons in Hotan City and 2mt in Yutian County.

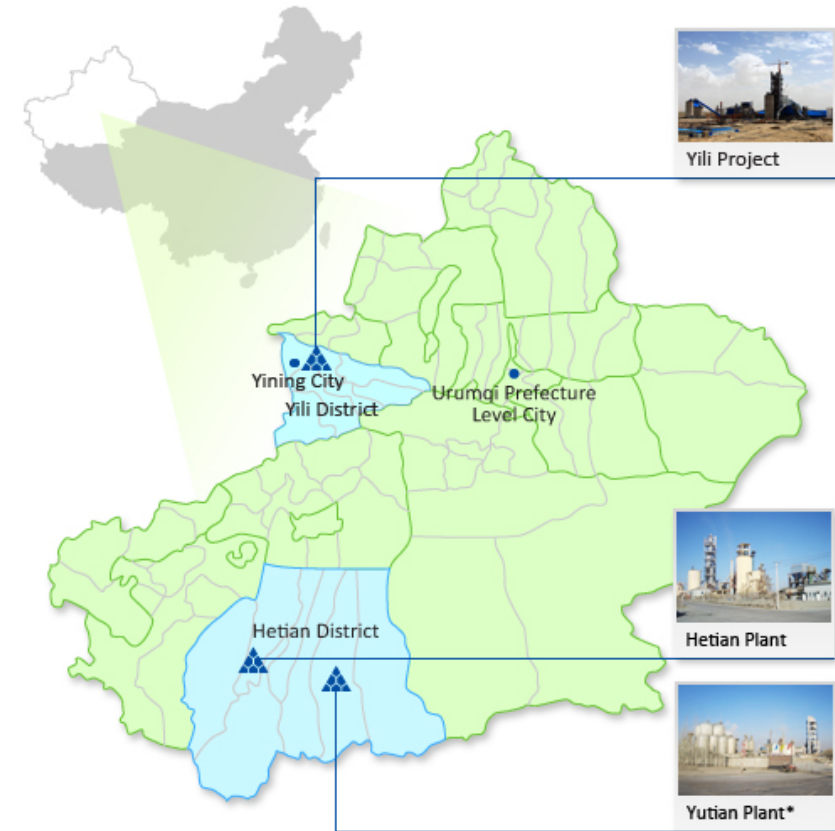
▲ 2014 FAI growth of 26%. New projects include Yutian Jiying Hydro Project, Hetian Airport Extension, Moyu-Hotan Highway Expansion.

▲ Hotan is a key energy & resource supply zone. Abundant coal, oil gas and mineral resources.

## Yili District:

▲ Yili Plant to be commissioned in 2H2014. A brownfield project adjacent to the Khorgas SEZ, close to the Kazakhstan border. Economic development supported by trade with Central Asia.

▲ 2014 FAI growth of 18%. New projects include the Yili River Diversion Project & the Khorgos Development Area Expansion.



# Guizhou – Guiyang

1.8 million tons capacity – construction in progress

	Production Facilities in Guizhou Province	Annual Capacity (mt)	Commencement/ Acquisition Date
1	Guiyang Huaxi	1.8	Target completion: 2H2014



- ▲ The Guiyang Huaxi Plant, 1.8mt, is a brownfield site that was acquired at low acquisition price in 2012. Plant to be commissioned in 2H2014.
- ▲ Superior location close to Guiyang City centre and within the Gui-An New Area.
- ▲ Infrastructure and urbanisation are growth drivers. “Western Development Plan”.
- ▲ Planned projects: Highway - Guiyang to Anshun Expressway, Guiyang Ring Road Expressway; Railway – Guiyang Loop High-speed Railway, Guiyang to Xingyi Railway, Guiyang Airport to Anshun Express Rail, Chengdu to Guiyang High-speed Railway; and five new cities.





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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			
	2010	2011	2012	2013
Revenue	2,960,781	3,190,479	3,524,117	4,167,843
Cost of Sales	(1,768,358)	(2,306,088)	(2,848,920)	(3,438,503)
<b>Gross Profit</b>	<b>1,192,423</b>	<b>884,391</b>	<b>675,197</b>	<b>729,340</b>
Selling and marketing expenses	(27,860)	(31,537)	(32,754)	(34,718)
Administrative expenses	(179,028)	(183,123)	(202,117)	(243,862)
Other income	171,611	156,693	155,833	169,928
Other gains / (losses) – net	(966)	111,245	490	66,651
Finance income	497	10,407	1,928	4,817
Finance cost	101,005	(184,787)	(139,993)	(217,074)
Finance costs – net	(100,508)	(174,380)	(138,065)	(212,257)
<b>Profit before income tax</b>	<b>1,057,604</b>	<b>763,289</b>	<b>458,584</b>	<b>475,082</b>
Income tax expense	(124,337)	(102,888)	(86,058)	(92,812)
<b>Profit for the year</b>	<b>933,267</b>	<b>660,401</b>	<b>372,526</b>	<b>382,270</b>

# Appendix I: Financial Information

## Summary of Consolidated Balance Sheet

### Assets

RMB '000	As at 31 December			
	2010	2011	2012	2013
<b>Non-current assets</b>				
Property, plant and equipment	3,819,616	6,352,020	7,829,666	8,003,776
Land use rights	176,246	292,269	450,000	448,244
Mining rights	64,867	131,663	139,249	133,116
Other intangible assets	63,077	110,293	171,826	169,693
Advances for business combination	300,000	-	-	-
Deferred income tax assets	17,124	24,901	36,755	18,587
	4,440,930	6,911,146	8,627,496	8,773,476
<b>Current assets</b>				
Inventories	166,898	381,926	468,602	530,864
Trade and other receivables and prepayments	547,265	580,107	683,973	737,304
Restricted cash	16,122	36,526	149,881	116,519
Cash and cash equivalents	374,459	529,612	368,936	506,586
	1,104,744	1,509,538	1,671,392	1,891,273
<b>Total assets</b>	<b>5,545,674</b>	<b>8,420,684</b>	<b>10,298,888</b>	<b>10,664,709</b>

### Liabilities and Equity

RMB '000	As at 31 December			
	2010	2011	2012	2013
<b>Non-current liabilities</b>				
Borrowings	131,255	205,000	144,000	6,000
Senior Notes - Non Current	-	2,462,009	2,468,506	2,407,455
MT Notes -Non Current	-	-	-	794,189
Provisions for other liabilities and charges	8,444	10,446	12,991	13,763
Deferred income tax liabilities	8,959	10,964	9,636	14,575
Deferred revenue	39,215	44,251	51,971	49,569
	187,873	2,732,670	2,687,104	3,285,551
<b>Current liabilities</b>				
Trade and other payables	644,056	841,774	1,484,434	1,444,351
Senior Notes – Current	-	78,762	78,544	76,211
MT Notes - Current	-	-	-	36,600
Current income tax liabilities	59,548	22,937	23,812	21,870
Deferred revenue-current	-	-	-	5,445
Borrowings	1,080,181	566,000	1,178,192	709,423
	1,783,785	1,509,473	2,764,982	2,293,900
<b>Total liabilities</b>	<b>1,971,658</b>	<b>4,242,143</b>	<b>5,452,086</b>	<b>5,579,451</b>
<b>Equity</b>				
Total Equity attributable to shareholders	3,540,892	4,069,475	4,755,931	5,044,164
Minority interest	33,124	109,066	90,871	41,094
<b>Total equity</b>	<b>3,574,016</b>	<b>4,178,541</b>	<b>4,846,802</b>	<b>5,085,258</b>
<b>Total equity and liabilities</b>	<b>5,545,674</b>	<b>8,420,684</b>	<b>10,298,888</b>	<b>10,664,709</b>

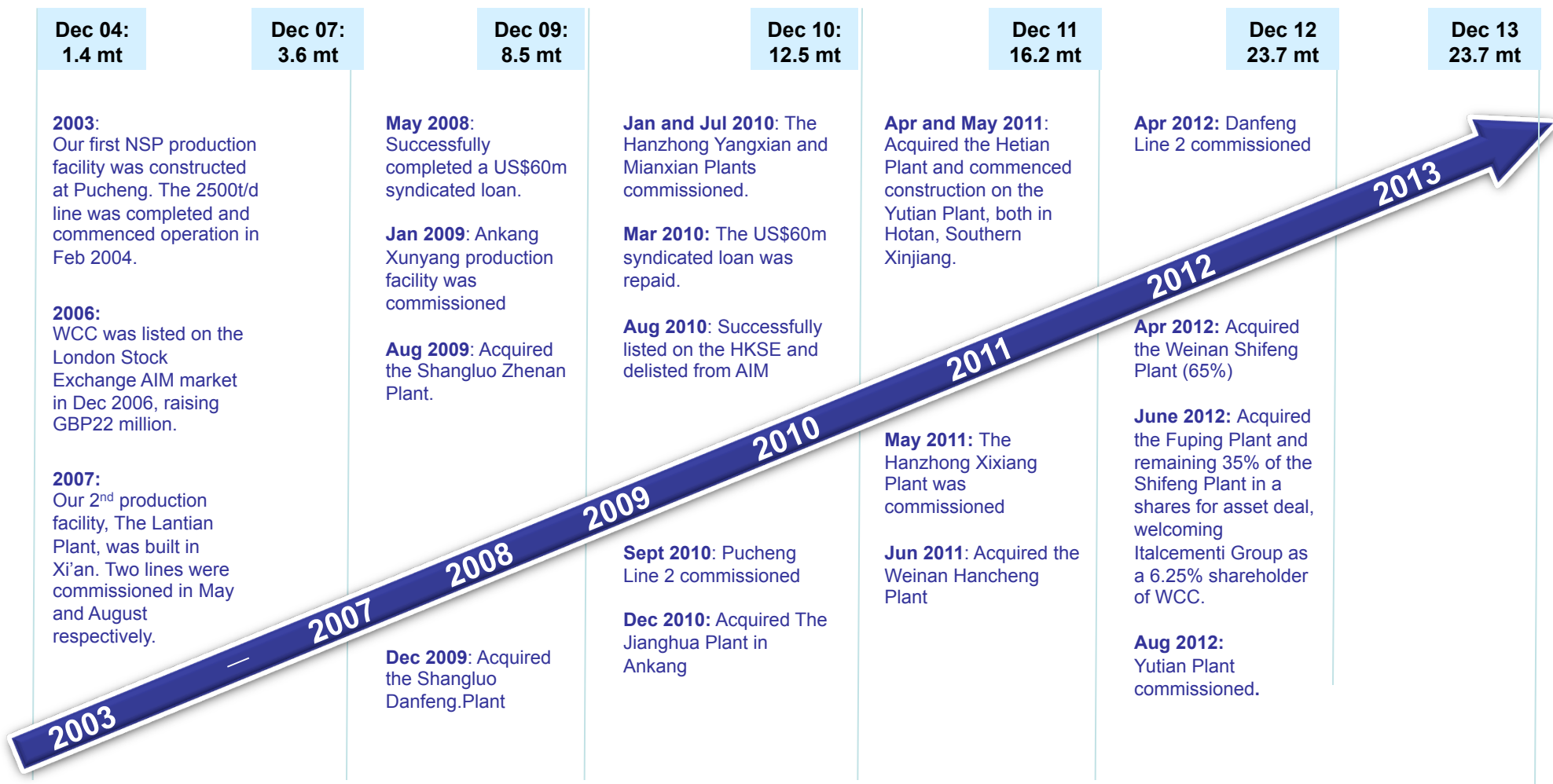
# Appendix I: Financial Information

## Summary Consolidated Cash Flow Statements

RMB '000	For the year ended 31 December			
	2010	2011	2012	2013
Net cash generated from operating activities	870,111	787,494	1,377,368	918,179
Net cash used in investing activities	(1,597,016)	(2,406,351)	(1,404,056)	(562,450)
Net cash generated from / (used in) financing activities	755,106	1,770,038	(135,894)	(217,470)
Net increase / (decrease) in cash and cash equivalents	28,201	151,181	(162,582)	138,259
<b>Cash and cash equivalent at end of year</b>	<b>374,459</b>	<b>529,612</b>	<b>368,936</b>	<b>506,586</b>

# Appendix II: Company Development

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





## Appendix III: Board of Directors

### Executive Directors



▲ **Mr. Zhang Jimin – Chairman, aged 59**

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 53**

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 50**

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 39**

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 & Non-Executive Directors

### ▲ **Mr. Lee Kong Wai Conway – Independent Non-executive Director, aged 59**

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 64**

Mr. Tam received a bachelor's degree in commerce from the Concordia University in. He is a practicing 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 53**

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

## Independent Non-Executive Directors & Non-Executive Directors

### ▲ **Mr Xu Delong – Independent Non-executive Director, Aged 62**

Mr. Xu is an expert in recycling technology and power conservation in the cement industry as well as ceramic and powder engineering amongst other disciplines, and has participated in a series of key scientific projects in the sixth, seventh, eighth and ninth Five Year Plans. He received a doctorate's degree in Metallurgy Engineering from Northeastern University in Shenyang, PRC, in 1996 and has over 30 years of academic experience in building and engineering. He has served as executive director and president of Shaanxi Institute of Recycling Economy and Engineering (陝西循環經濟工程技術院) since October 2009; vice president of the Chinese Federation of Building Materials since 2013; a member of the standing committee of the Department of Biochemical Engineering at the Institute of Chemical Metallurgy since 2006; deputy director of both the Chinese Ceramic Society and Chinese Society of Particuology since 2005; executive director of the Chinese Society of Metal since 2001. He has also served as an executive of the Research and Promotion Centre of Precalcining Technology for Dry-process Cement Rotary Kilns in 1997 and president of the Xi'an University of Architecture and Technology from March 1998 to July 2013. Mr. Xu is also a member of the American Institute of Chemical Engineers and an honorary member of the British Cement Association. Currently, he also serves as a representative of the Twelfth National People's Congress and a member of the ninth Standing Committee of All-China Federation of Returned Overseas Chinese as well as the Chairman of the Federation of Returned Overseas Chinese in Shaanxi province.

### ▲ **Mr. Ma Weiping – Non-executive Director, aged 53**

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 45**

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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