



中國西部水泥有限公司
WEST CHINA CEMENT LIMITED

2012 Results Presentation

March 2013

2012 Highlights

▲ Operational

- Year-end installed capacity of 23.7 million tons (2011: 16.2 million)
- Cement sales volume of 15.0 million tons, including capitalised sales from Danfeng Line 2 (2011: 11.7 million). Additionally, 0.7mt of clinker sales (2011: 0.3mt).
- Cement ASP's of RMB238 per ton (2011: 264 per ton)

▲ Financial

- Gross Profit decline to RMB675.2m (2011: RMB884.4m)
- Final Dividend proposed RMB0.02 (2011: Total Dividend RMB0.0342)
- Net Gearing 69.1% (2011: 65.7%)
- Cash & cash equivalents of RMB518.8million (2011: RMB566.1million)

▲ Consolidation & Expansion

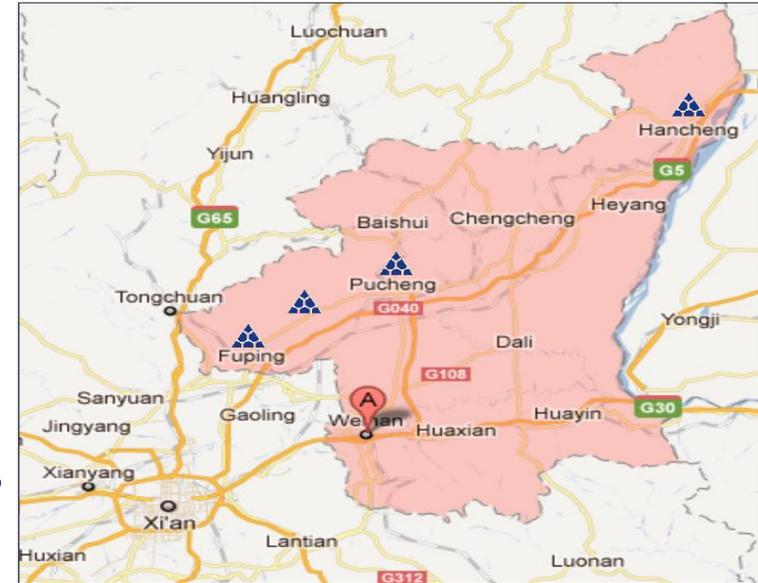
- Shangluo Danfeng Line 2 Plant of 1.5mt commissioned in April.
- Weinan Shifeng Plant of 2mt acquired in April.
- Weinan Fuping Plant of 2mt acquired in a new share for asset transaction from Italcementi Group in June.
- Yutian Plant, Xinjiang Province, of 2mt commissioned in August.



**Capacity December 2012:
Shaanxi – 21.1mt
Xinjiang – 2.6mt**

Weinan Consolidation – Italcementi Cooperation

- ▲ **April 2012:** Acquired a 65% interest in the 2m ton per annum Shifeng Cement Plant in Weinan Region at a valuation of approximately RMB365 per ton of cement capacity on an EV basis.
- ▲ **June 2012:** Acquired a 100% interest in Fuping Cement from the Italcementi Group. The acquisition comprises the 2m ton Fuping Cement Plant plus a 35% interest in the Shifeng Cement Plant. The Fuping Plant was valued at approximately RMB337 per ton of cement capacity on an EV basis.
- ▲ Shifeng Cement was acquired with a combination of cash and assumed debt. The Fuping acquisition was a share for asset deal - WCC issued 284,200,000 new shares (6.25% of enlarged share capital) to Italcementi Group at HK\$2.1815, an approximate 30% premium to our share price. Italcementi have agreed to a 3 year lock up and have nominated a Non Executive Director to the WCC Board.
- ▲ These acquisitions have eliminated competition in the Weinan region and enlarged our market reach into the northern Xi'an Market. This move is a significant step in the supply consolidation process in our province, where the Top 4 producers now command over 80% of supply in the province, and our Shaanxi capacity has now reached over 21m tons.
- ▲ WCC welcomes Italcementi Group, one of the largest international cement producers with operations around the world, as a shareholder. We look forward to benefiting from Italcementi's global industry expertise and future cooperation between the two groups.



Financial Analysis and KPIs

RMB Million (unless otherwise specified)	Ended 31 Dec 2012	Ended 31 Dec 2011	%
Cement Sales Volume	14.3 ⁽¹⁾	11.7	22.2%
Revenue	3,524.1	3190.5	10.5%
Gross Profit	675.2	884.4	(23.7%)
EBITDA	1,056.4	1,161.0	(9.0%)
Profit Attributable to Shareholders	364.9	662.1	(44.9%)
Basic EPS (cents)⁽²⁾	8.3	15.5	(46.5%)
Interim Dividend (cents)	Nil	2.00	(100%)
Proposed Final Dividend (cents)	2.00	1.42	40.8%
Gross Profit Margin	19.2%	27.7%	(8.5 p.pt)
EBITDA Margin	30.0%	36.4%	(6.4 p.pt)
Net Profit Margin	10.6%	20.7%	(10.1 p.pt)
	As at 31 Dec 2012	As at 31 Dec 2011	
Total Assets	10,298.9	8,420.7	22.3%
Net Debt⁽³⁾	3,350.4	2,745.7	22.0%
Net Gearing⁽⁴⁾	69.1%	65.7%	3.4 p.pt
Net Debt / EBITDA	3.2	2.4	33.3%
EBITDA / Fixed Charge⁽⁵⁾	3.7	5.0	(26.0%)
Net Assets Per Share(cents)	107.0	98.0	9.2%

	Ended 31 Dec 2012	Ended 31 Dec 2011
ASP/t (RMB)	238	264
GP/t (RMB)	47	76
NP/t (RMB)	26	56
Trade receivable Turnover Days⁽⁶⁾	14	21
Inventory Turnover Days⁽⁷⁾	54	43
Trade payable Turnover Days⁽⁸⁾	63	52

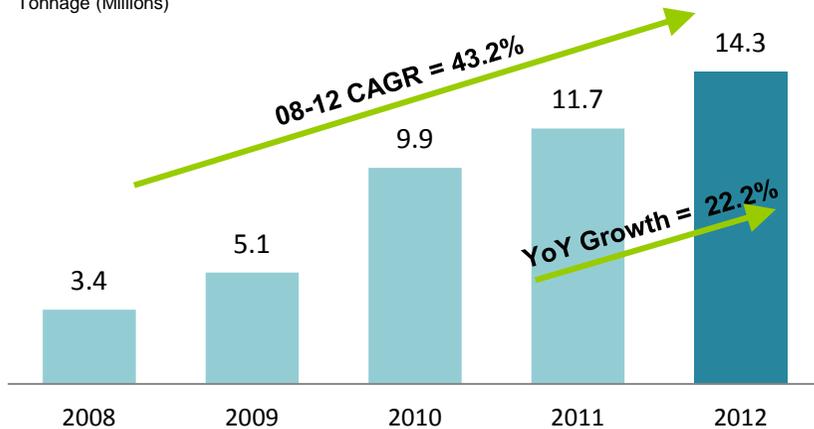
Notes :

- (1) Not including capitalised sales from the Danfeng Line 2 Plant
- (2) Percentage fall in Basic EPS greater than fall in profit attributable to shareholders due to increase in number of shares following the new share issue to Italcementi Group in June 2012
- (3) Net debt equal to total borrowings and senior notes, less bank balances and cash and restricted bank deposits
- (4) Net Gearing is measured as net debt to equity
- (5) Fixed charge means interest expenses
- (6) 365 day / (Turnover / Average trade receivable)
- (7) 365 day / (Production cost / Average inventory)
- (8) 365 day / (Production cost / Average trade payable)

Growth and Profitability

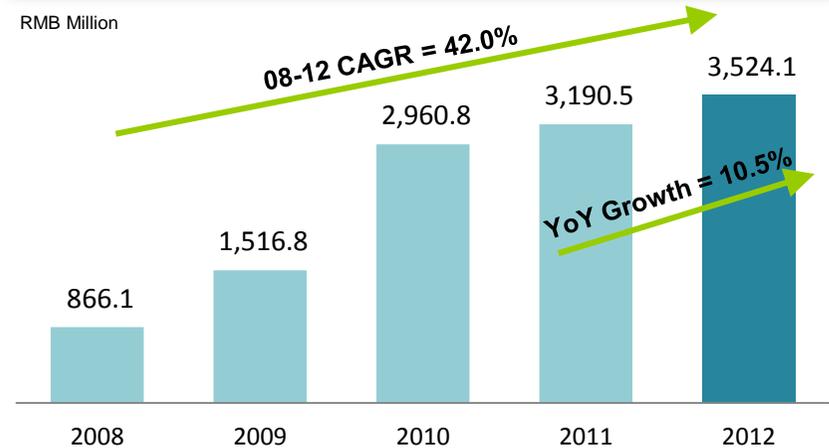
Sales Volume for Cement

Tonnage (Millions)



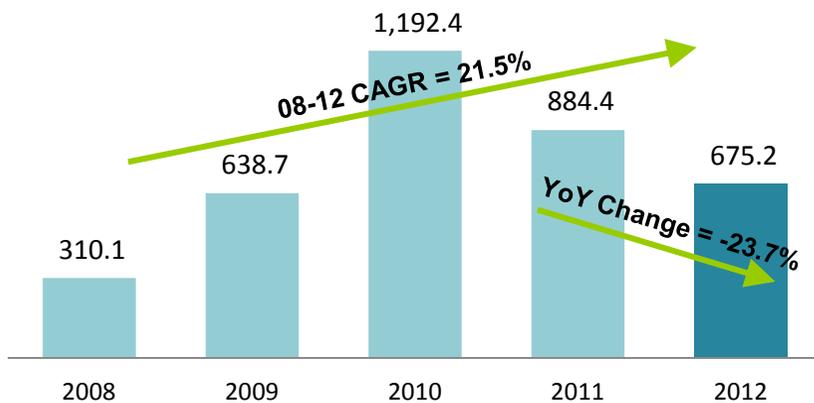
Revenue

RMB Million



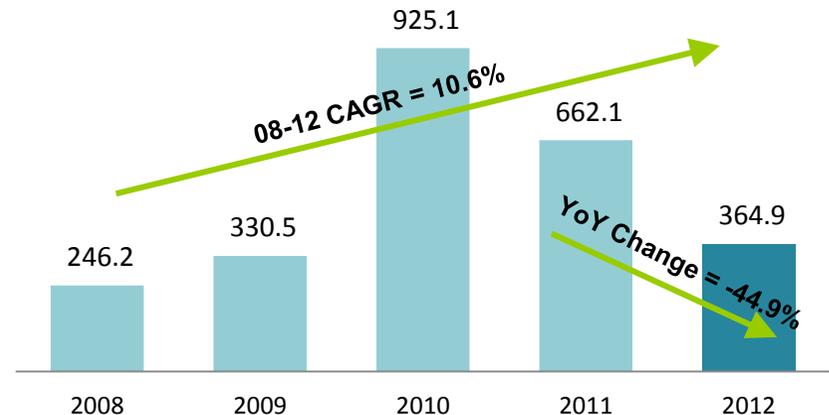
Gross Profit

RMB Million



Profit Attributable to Shareholders

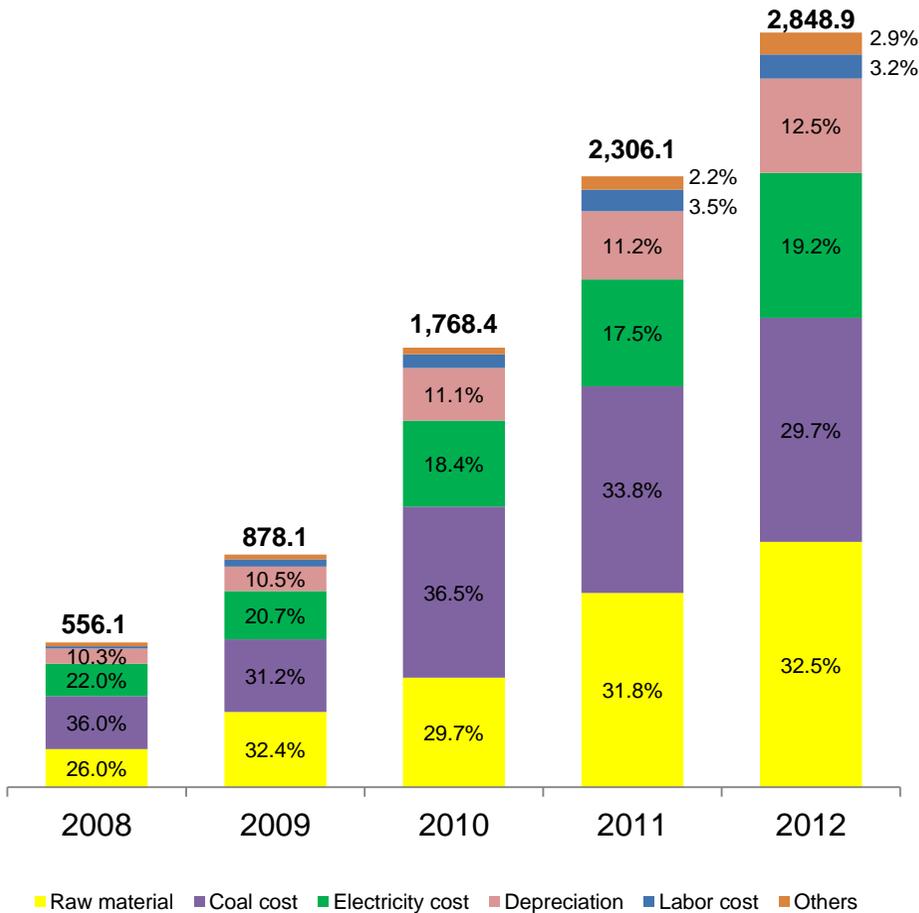
RMB Million



Production Cost Analysis

Production Cost

RMB Million



Average Coal Cost

RMB per ton



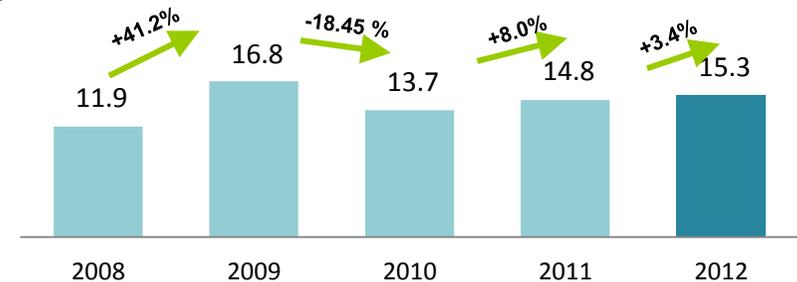
Average Electricity Cost

RMB per kwh



Average Limestone Cost

RMB per ton





Market Review & Prospects

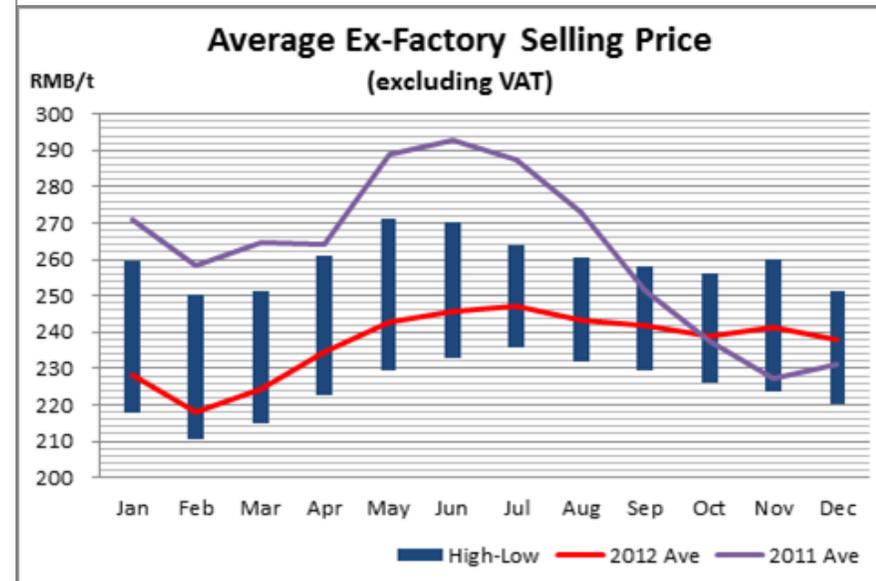
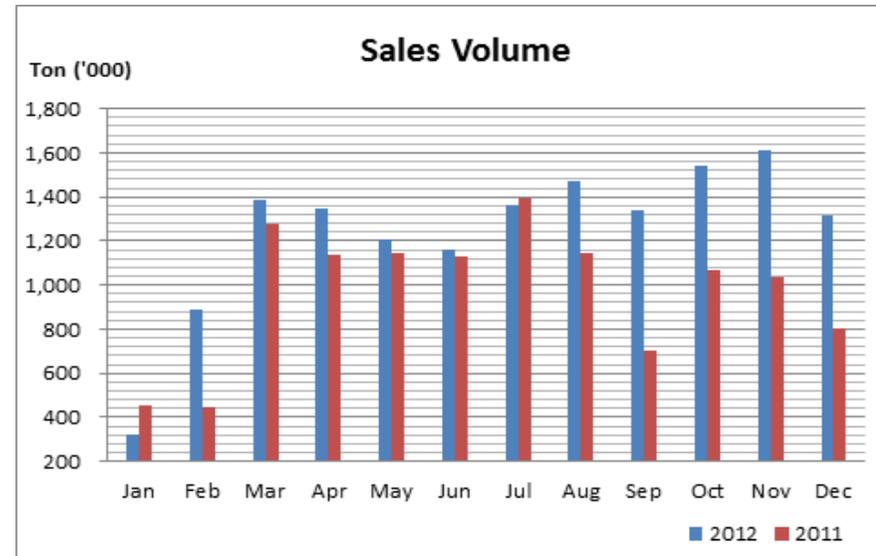
Market Review

▲ Volumes

- In spite of general credit tightening, Shaanxi Province was still able to achieve a rise in cement consumption from approx. 64.3 million tons in 2011 to 65.5 million tons in 2012.
- WCC has been able to achieve cement sales volume growth of 28% as a result of increased capacity and 2H12 improvements in underlying demand.
- Rural markets have remained resilient throughout the year. Infrastructure markets picked up in 2H12 with resumption of railway projects in Weinan and Shangluo regions.

▲ ASPs

- After bottoming out in 1Q12, price increased after CNY and through 2Q12. Stable pricing achieved in 2H12.
- Consolidation has concentrated the supply side leading to some increased pricing power.
- Only 30% of sales in 1H were high grade cement. This had improved to nearly 50% by 4Q, both as a result of infrastructure demand pick up and the addition of the Shifeng and Fuping Plants which serve the Xi'an Metropolitan market.



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.
- Approximately 300,000 people have been resettled in 2012. WCC has supplied approx. 1m tons of cement to this project in 2012.
- 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 – 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 4.5m tons.
- Project currently preparing for contract tendering and expected to supply in 2013.

▲ 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 recovery in infrastructure demand in 2H12 is expected to continue into 2013. Railway construction will be an important incremental demand driver in 2013, especially in southern Shaanxi (Refer to projects on Page 11)
- The acquisitions of the Shifeng and Fuping cement plants allow WCC to become a more significant player in the Xi'an Metropolitan market, which accounts for 30-40% of total provincial demand and is mostly high grade cement. WCC expects rural development, infrastructure and Xi'an urban demand to all drive demand in 2013.
- With increased full year effective capacity of 23.7mt in 2013, WCC expects continued volume growth.

▲ Shaanxi Supply

- Pricing power achieved in 2012 is expected to be maintained into 2013 due to the increasingly concentrated supply side and reduction in the rate of supply growth in Shaanxi. Consolidation and capacity controls remain key themes for the cement industry.

▲ Xinjiang Plants Outlook

- Hotan District faces oversupply in 2013 and expect to be running plants below capacity. Focus on establishing WCC in the area in anticipation of infrastructure demand pick up later in the current Five Year Plan.

▲ Group Focus

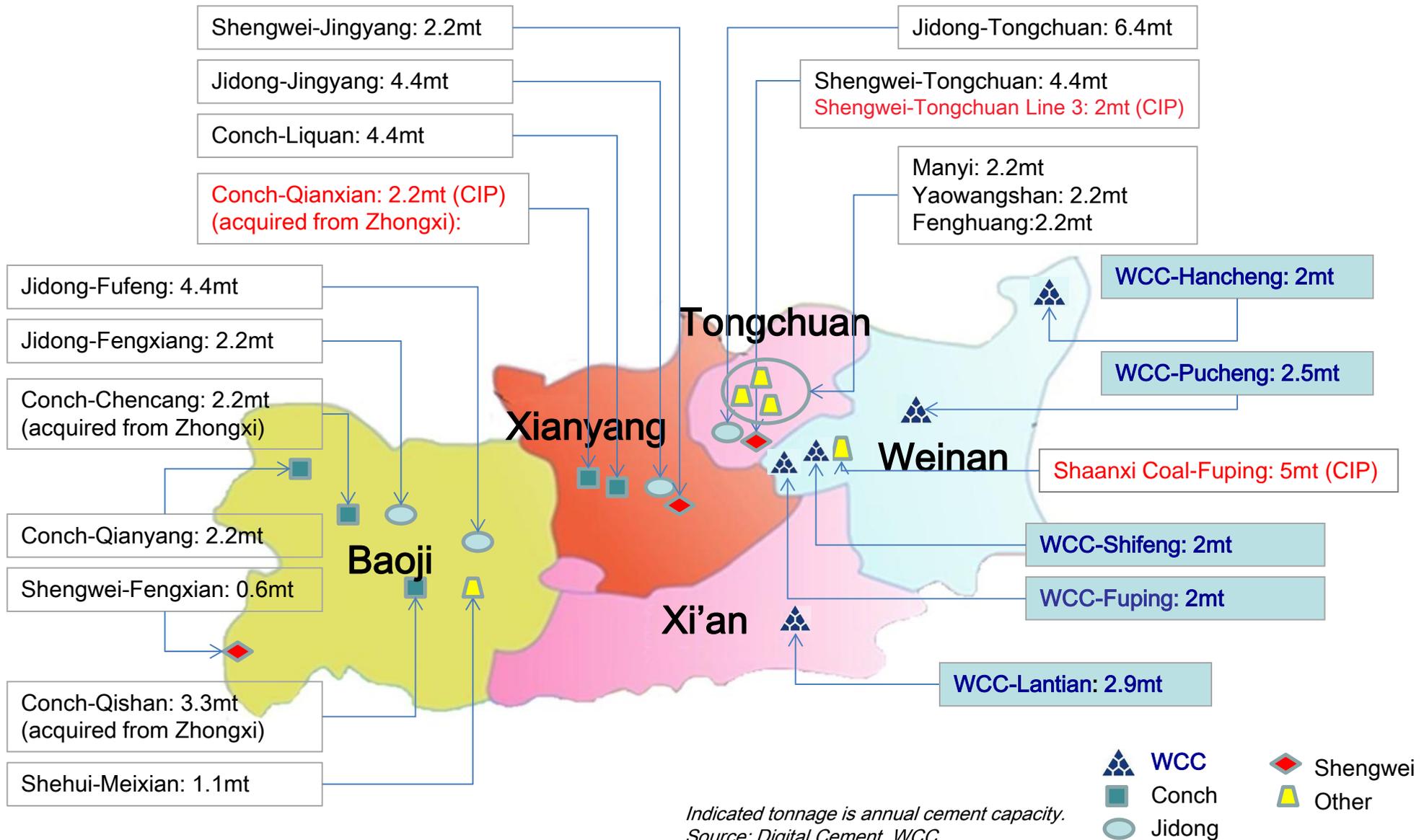
- Whilst continuing to target consolidation and growth opportunities, the Group will shift its priorities in 2013 to reducing its net debt levels with a target of repayment of the USD Senior note in January 2016.

Shaanxi – Market and Demand

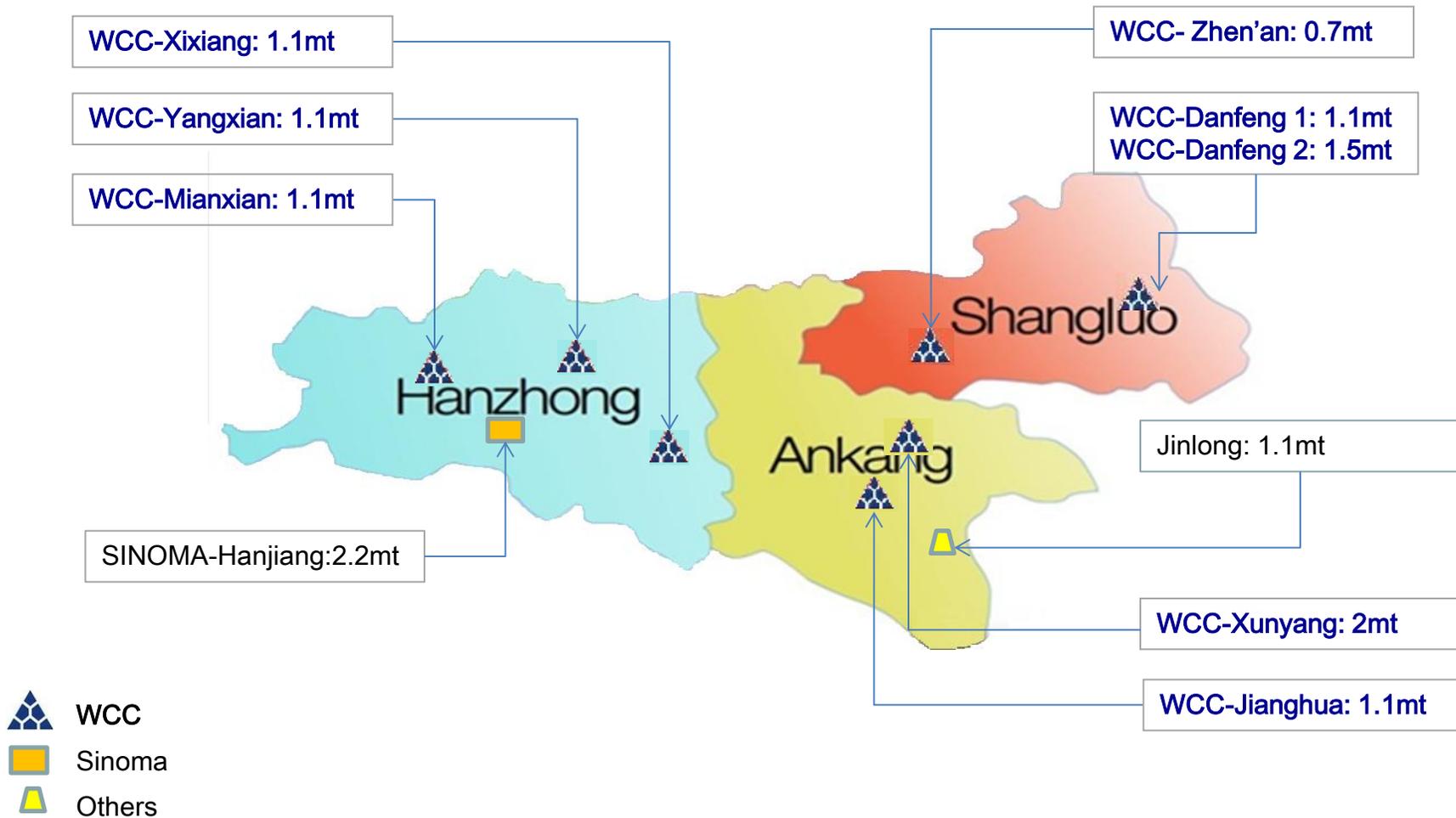
The Three Central Government Objectives in the Cement Industry

- **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
WCC	2.9	-	-	-	8.5	3.3	3.1	3.3	-	21.1	26%
Jidong	-	6.6	4.4	6.4	-	-	-	-	2.1	19.5	24%
Conch	-	5.5	6.6	-	-	-	-	-	-	12.1	15%
Shengwei	-	0.6	2.2	6.4	-	-	-	-	-	9.2	12%
Others	-	1.1	-	6.6	5	-	1.1	2.2	2.6	18.6	23%
Total	2.9	13.8	13.2	19.4	13.5	3.3	4.2	5.5	4.7	80.5	100%
% Total Supply	4%	17%	16%	24%	17%	4%	5%	7%	6%	100%	

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

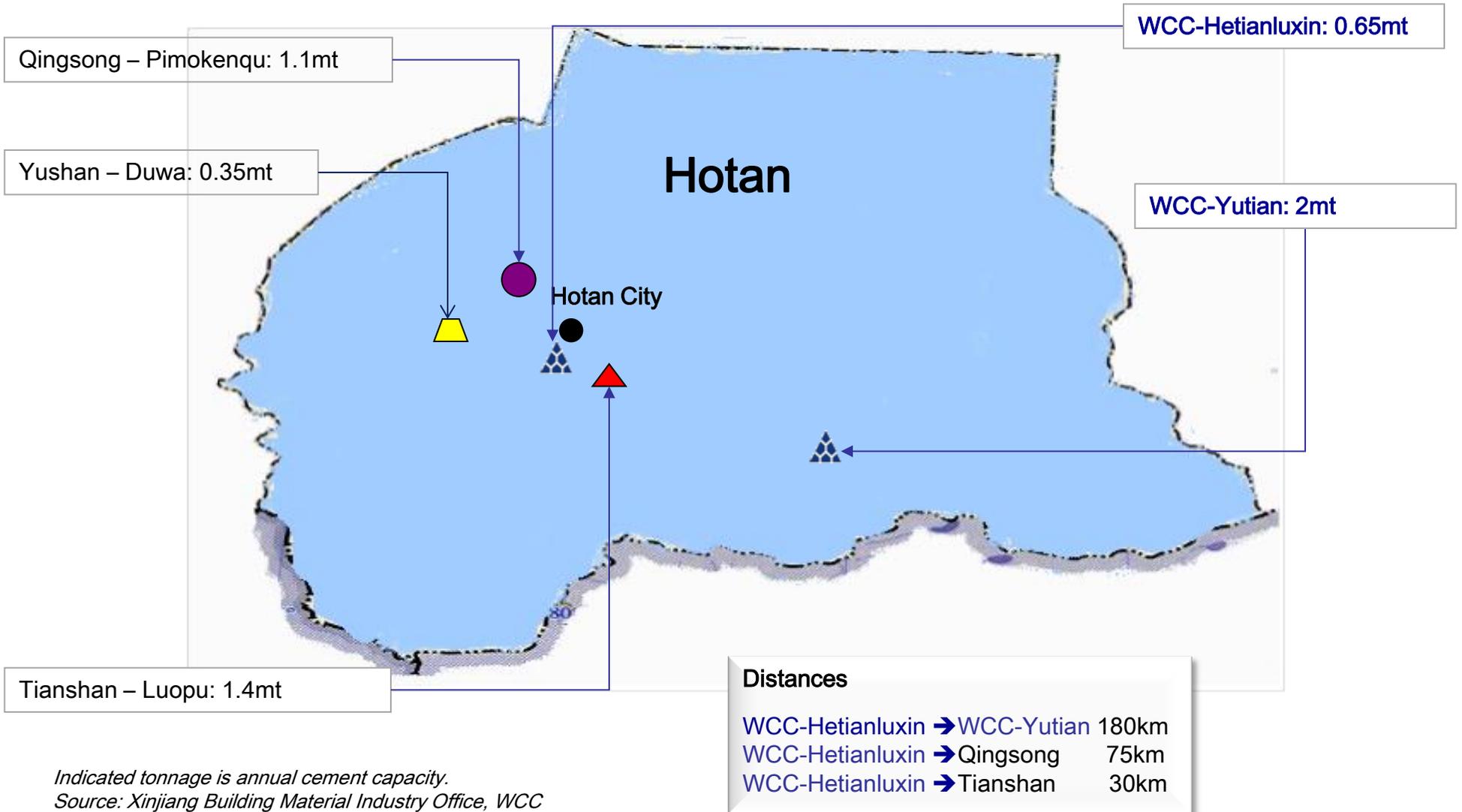
- Xi'an is the largest cement market in the province, accounting for 30-40% of total demand.
- Baoji, Tongchuan, Weinan and Xianyang are the major areas of supply, accounting for approx. 75% of provincial output.
- WCC Core Markets are Weinan, Shangluo, Ankang and Hanzhong – areas where we command market 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
Expressway			
Weizhuang – Luofu Expressway (Weinan Region)	2011-2015	Chengxian – Wudu (Hanzhong Region)	2011-2013
Ankang – Pingli Expressway (Ankang Region)	2012-2016	Tongchuan-Huangling Expressway (Weinan Region)	2011-2014
Hejin– Jixian Expressway (Weinan Region)	2011-2014	Sanmenxia-Xichuan Expressway (Shangluo Region)	2011-2014
Railway			
Huangling – Hancheng– Houma (Weinan Region)	2010-2013	Xi'an Metro Line 1 (Xi'an Region)	2012-2016
Lanzhou – Chongqing (Hanzhong Region)	2008-2013	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)	2011-2014
Xi'an– Hefei Railway (Xi'an & Shangluo Region)	2012-2016		
Hydropower Station			
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)	2011-2020
Baihe Jiahe Hydropower Station (Ankang Region)	2010-2014	Dongzhuang Hydro Junction (Xi'an Region)	2013-2020
Projects Scheduled to Commence Construction			
Xi'an– Chengdu Passenger Line (Xi'an & Hanzhong Region)	2012-2016	Hanzhong – Shaanxi and Sichuan border Expressway (Hanzhong Region)	2011-2014
Inner Mongolia – Jiangxi Coal Transportation Railway (Shaanxi section) (Weinan Region)	2012-2017	Yangpingguan– Ankang Double Tracking Railway (Hanzhong & Ankang Region)	2011-2015
Xi'an – Lintong Intercity Railroad (Xi'an Region)	2011-2014	Weinan – Yushan Expressway (Weinan Region)	2011-2013
Xi'an- Weinan Expressway (Xi'an & Weinan Region)	2012-2015	Hancheng- Baishui Expressway (Weinan Region)	2012-2015
Baoji– Hanzhong– Bazhong Expressway (Hanzhong Region)	2011-2015	Zhashui– Shanyang Expressway (Shangluo Region)	2011-2014
Shangzhou- Danfeng Highway Reconstruction (Shangluo Region)	2012-2014	Yan'an– Yanchuan Expressway (Weinan Region)	2013-2015

Hotan, Xinjiang – Market and Demand

Xinjiang Hotan – Competitive Landscape



Hotan – Demand

Location	Projects	Construction Period	Total Investment (RMB million)
Transport Infrastructure			
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	2011-2015	1,680
Moyu (Karakax) – Hotan – Luopu (Lop) 墨玉-和田-洛浦	Moyu (Karakax) – Hetian (Hotan) – Luopu (Lop) Highway , plus 2 bridges (72km)	2011-2016	2,200
Hotan City 和田市	Airport terminal and runway expansion	2013-2015	560
Hydraulic Engineering			
Pishan County 皮山县	A-ke-shao Reservoir 阿克肖水库	2012-2015	610
Hotan County 和田县	Kaxgar River Hydraulic Engineering 喀什河水利枢纽工程	2009-2015	3,240
Cele (Qira) County 策勒县	Nu'er Reservoir 奴儿水库	2010-2013	885
Minfeng (Niya) County 民丰县	Dawantu Reservoir 达完图水库	2010-2015	640
Minfeng (Niya) County 民丰县	Ni'ya Reservoir 尼雅水库	2010-2013	880
Yutian (Keriyia) 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
Housing & Other			
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

Strategy

Development Strategy

Western Development, Core Market Strategy and New Growth Areas

Shaanxi Development

- ▲ Expansion out of our base area of Weinan into southern Shaanxi.
- ▲ Core Market Strategy – secure resources and construct smaller plants, closer to each other in less developed areas
- ▲ Gain a dominant market position in our core markets and avoid areas of intense competition.

Shaanxi Consolidation

- ▲ Core Markets in southern Shaanxi ensure margins superior to our regional peers.
- ▲ Follow Government objectives and industry consolidation trends. Selective acquisitions in Core Markets.
- ▲ Ensure stable cash flows and leverage Core Market advantages during the consolidation process.

West China Consolidation

- ▲ Identify and expand into Key Development Areas in the west of China. Local market control and not provincial dominance important in this stage of consolidation.
- ▲ Focus on cement assets with superior location and pricing advantages.
- ▲ Benefit from “Western Development” & consolidation to become a regional player – 28-30m tons target.



中國西部水泥有限公司
WEST CHINA CEMENT LIMITED

Appendices

Appendix I: Financial Information

Summary of Consolidated Income Statement

RMB '000	For the year ended December 31			
	2009	2010	2011	2012
Revenue	1,516,766	2,960,781	3,190,479	3,524,117
Cost of Sales	(878,087)	(1,768,358)	(2,306,088)	(2,848,920)
Gross Profit	638,679	1,192,423	884,391	675,197
Selling and marketing expenses	(15,064)	(27,860)	(31,537)	(32,754)
Administrative expenses	(77,846)	(179,028)	(183,123)	(202,117)
Other income	71,526	171,611	156,693	155,833
Other gains / (losses) – net	(1,057)	(966)	111,245	490
Finance income	1,190	497	10,407	1,928
Finance cost	(242,281) ⁽¹⁾	101,005	(184,787)	(139,993)
Finance costs – net	(242,281)	(100,508)	(174,380)	(138,065)
Profit before income tax	375,147	1,057,604	763,289	458,584
Income tax expense	(44,687)	(124,337)	(102,888)	(86,058)
Profit for the year	330,460	933,267	660,401	372,526

Note: (1) Includes one-off pre-tax charge of RMB 168.5 million related to the redemption of warrants

Appendix I: Financial Information

Summary of Consolidated Balance Sheet

Assets

RMB '000	As at December 31			
	2009	2010	2011	2012
Non-current assets				
Property, plant and equipment	2,611,502	3,819,616	6,352,020	7,829,666
Land use rights – non-current portion	124,571	176,246	292,269	450,000
Mining rights	46,373	64,867	131,663	139,249
Other intangible assets	65,104	63,077	110,293	171,826
Advances for business combination	-	300,000	-	-
Deferred income tax assets	13,540	17,124	24,901	36,755
	<u>2,861,090</u>	<u>4,440,930</u>	<u>6,911,146</u>	<u>8,627,496</u>
Current assets				
Inventories	128,979	166,898	381,926	468,602
Trade and other receivables and prepayments	317,670	545,457	561,474	683,973
Land use rights – current portion	-	1,808	18,633	-
Restricted cash	19,582	16,122	36,526	149,881
Cash and cash equivalents	346,258	374,459	529,612	368,936
	<u>812,489</u>	<u>1,104,744</u>	<u>1,509,538</u>	<u>1,671,392</u>
Total assets	3,673,579	5,545,674	8,420,684	10,298,888

Liabilities and Equity

RMB '000	As at December 31			
	2009	2010	2011	2012
Non-current liabilities				
Borrowings	360,058	131,255	205,000	144,000
Senior Notes - Non Current portion	-	-	2,462,009	2,468,506
Provisions for other liabilities and charges	6,265	8,444	10,446	12,991
Deferred income tax liabilities	8,079	8,959	10,964	9,636
Other liabilities	117,049	39,215	44,251	51,971
	<u>491,451</u>	<u>187,873</u>	<u>2,732,670</u>	<u>2,687,104</u>
Current liabilities				
Trade and other payables	559,395	644,056	841,774	1,484,434
Senior Notes - Current portion	-	-	78,762	78,544
Current income tax liabilities	38,639	59,548	22,937	23,812
Borrowings	1,288,868	1,080,181	566,000	1,178,192
	<u>1,886,902</u>	<u>1,783,785</u>	<u>1,509,473</u>	<u>2,764,982</u>
Total liabilities	2,378,353	1,971,658	4,242,143	5,452,086
Equity				
Total Equity attributable to shareholders	1,270,226	3,540,892	4,069,475	4,755,931
Minority interest	25,000	33,124	109,066	90,871
Total equity	1,295,226	3,574,016	4,178,541	4,846,802
Total equity and liabilities	3,673,579	5,545,674	8,420,684	10,298,888

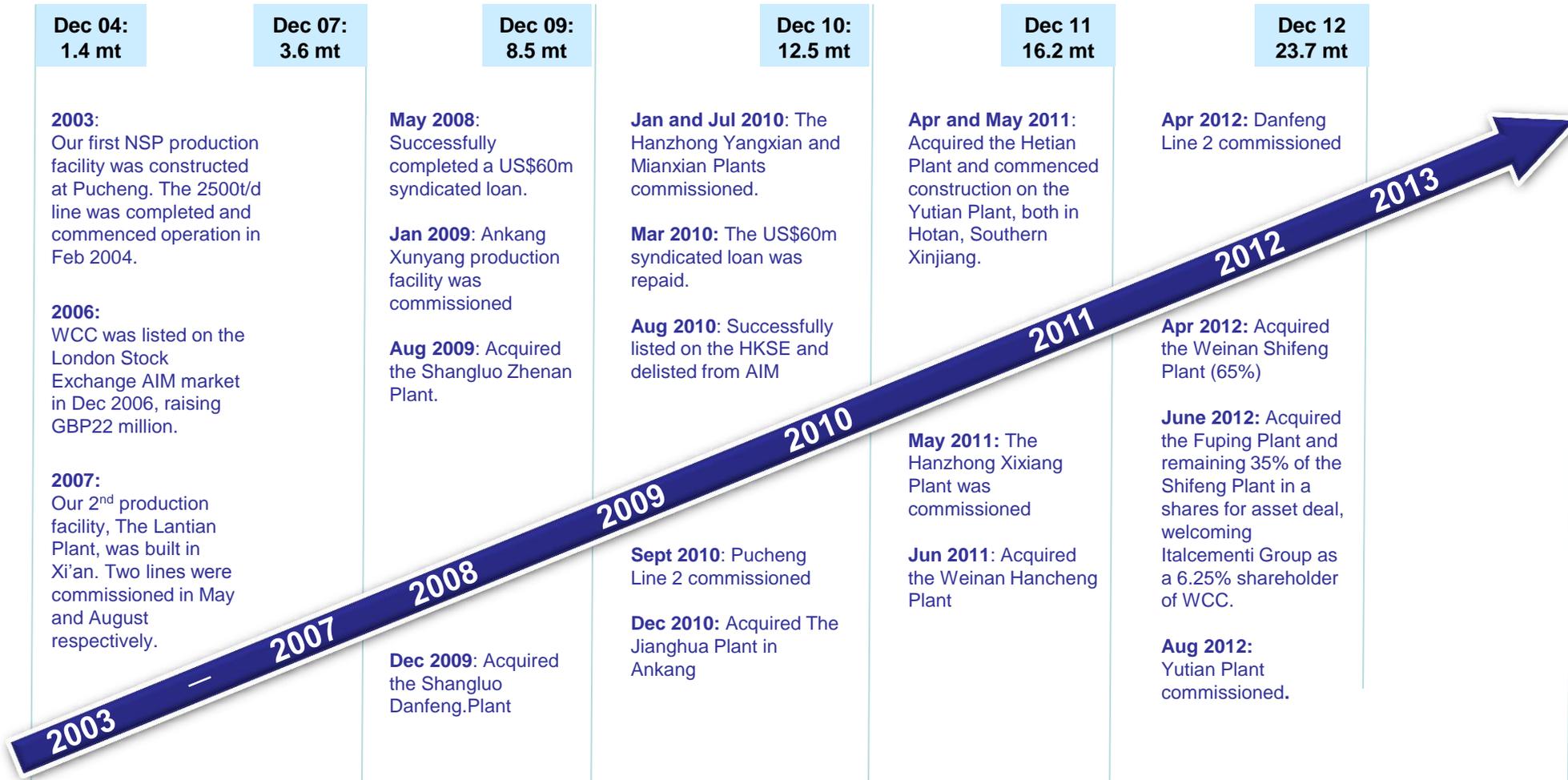
Appendix I: Financial Information

Summary Consolidated Cash Flow Statements

RMB '000	For the year ended December 31			
	2009	2010	2011	2012
Net cash generated from operating activities	619,676	870,111	787,494	1,377,368
Net cash used in investing activities	(847,503)	(1,597,016)	(2,406,351)	(1,404,056)
Net cash generated from / (used in) financing activities	537,047	755,106	1,770,038	(135,894)
Net increase / (decrease) in cash and cash equivalents	309,220	28,201	151,181	(162,582)
Cash and cash equivalent at end of year	346,258	374,459	529,612	368,936

Appendix II: Company Development

We target up to 28-30 million tons capacity by 2016...



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: Southern Xinjiang – A New Growth Market

2.6 million tons capacity

Replicating our Core Market Strategy in Hotan

- Hotan region is bordered to the north by the Taklamakan Desert and to the south by the Kunlun Mountains.
- Cumulative FAI from 2006-2010 (the 11th Five-Year Plan) was RMB 31 billion. Planned FAI under the 12th Five-Year Plan (2011-2015) is over RMB 110 billion – a more than three fold increase.
- A key energy and resource supply Zone. Abundant natural gas, oil, coal and mineral resources.
- Plentiful, low cost limestone and coal supplies for cement production
- 2012 cement capacity of approx 5.5mt, of which 94% is NSP capacity.
- Current cement demand driven by transport infrastructure, hydro and water projects and urbanisation.
- WCC's near term strategic focus on pricing. Longer term focus on positioning for increased infrastructure and resource extraction development in the region.



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
	At 31 December 2011	16.2	

New 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
	At 31 December 2012	23.7	

Capacity December 2012:
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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