



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

2014 Interim Results

August 2014

1H 2014 Results Highlights

▲ Operational

- Period-end installed capacity of 23.7mt (30 June 2013: 23.7mt)
- Cement sales volume of 7.98mt (30 June 2013: 8.16mt). Including clinker sales 8.36mt (30 June 2013: 8.38mt).
- Cement ASP's of RMB239/t (30 June 2013: RMB233/t)

▲ Financial

- Gross Profit increase to RMB385.0m (30 June 2013: RMB347.0m)
- EBITDA increase to RMB635.6m (30 June 2013: RMB569.2m)
- Profit Adjusted for Forex Difference RMB181.8m (30 June 2013: RMB127.4m)
- Net Gearing 64.6% (31 December 2013: 67.0%)
- Cash & cash equivalents of RMB740.3m (31 December 2013: RMB623.1m)

▲ Further Developments

- Xinjiang Yili Plant, 1.5mt, kiln ignited in July 2014, commissioning in 2H2014.
- Guiyang Huaxi Plant, 1.8mt, kiln ignited in July 2014, commissioning in 2H2014.
- Plant upgrades to meet new NOx and PM emission standards substantially completed.



Capacity 30 June 2014:
Shaanxi – 21.1mt
Xinjiang – 2.6mt

Financial Analysis and KPIs

RMB Million (unless otherwise specified)	Ended 30 June 2014	Ended 30 June 2013	%
Cement Sales Volume	7.98	8.16	-2.2%
Revenue	1,997.7	1,967.4	1.5%
Gross Profit	385.0	347.0	11.0%
EBITDA	635.6	569.2	11.7%
Profit Attributable to Shareholders ⁽¹⁾	160.2	168.2	-4.8%
Basic EPS (cents)	3.5	3.7	-5.4%
Interim Dividend (cents)	Nil	Nil	-
Gross Profit Margin	19.3%	17.6%	1.7 p.pt
EBITDA Margin	31.8%	28.9%	2.9 p.pt
Net Profit Margin	8.1%	8.7%	-0.6 p.pt
	As at 30 June 2014	As at 31 Dec 2013	
Total Assets	10,929.9	10,664.7	2.5%
Net Debt ⁽²⁾	3,317.9	3,406.8	-2.6%
Net Gearing ⁽³⁾	64.6%	67.0%	-2.4 p.pt
Net Debt / EBITDA	2.6	2.9	-10.3%
EBITDA / Fixed Charge ⁽⁴⁾	4.4	4.1	7.3%
Net Assets Per Share(cents)	114	112	1.8%

	Ended 30 June 2014	Ended 30 June 2013
ASP/t (RMB)	239	233
GP/t (RMB)	51	43
NP/t (RMB)	20	21
Trade receivable Turnover Days ⁽⁵⁾	31	24
Inventory Turnover Days ⁽⁶⁾	58	53
Trade payable Turnover Days ⁽⁷⁾	80	72

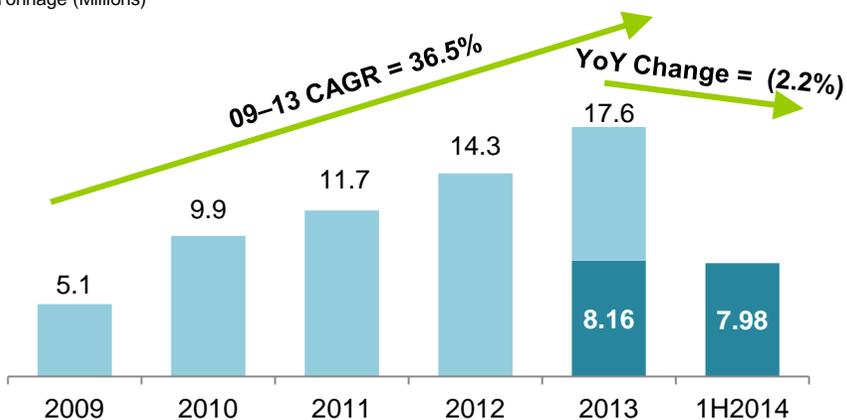
Notes :

- (1) The decline is primarily due to an unrealised foreign exchange loss of RMB22 million (six months ended 30 June 2013: unrealised gain of RMB42 million) as a result of foreign exchange translation of the Group's USD Senior Notes.
- (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

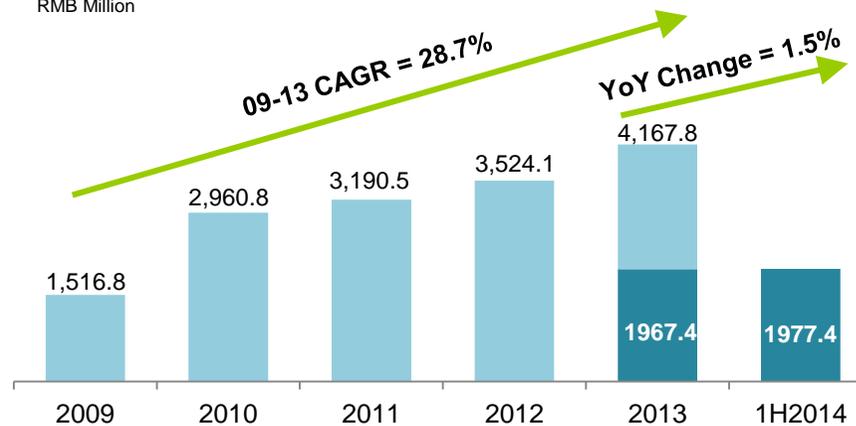
Sales Volume for Cement

Tonnage (Millions)



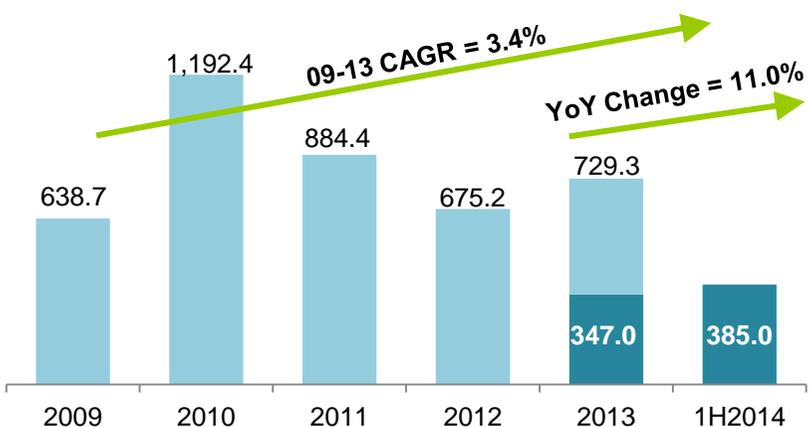
Revenue

RMB Million



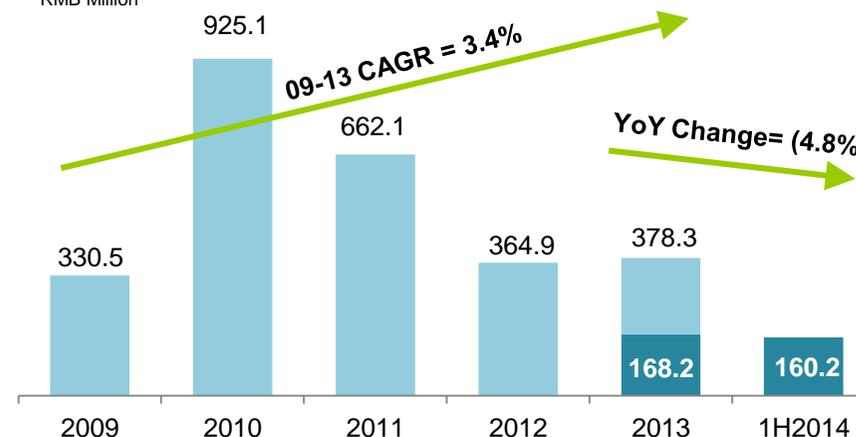
Gross Profit

RMB Million



Profit Attributable to Shareholders

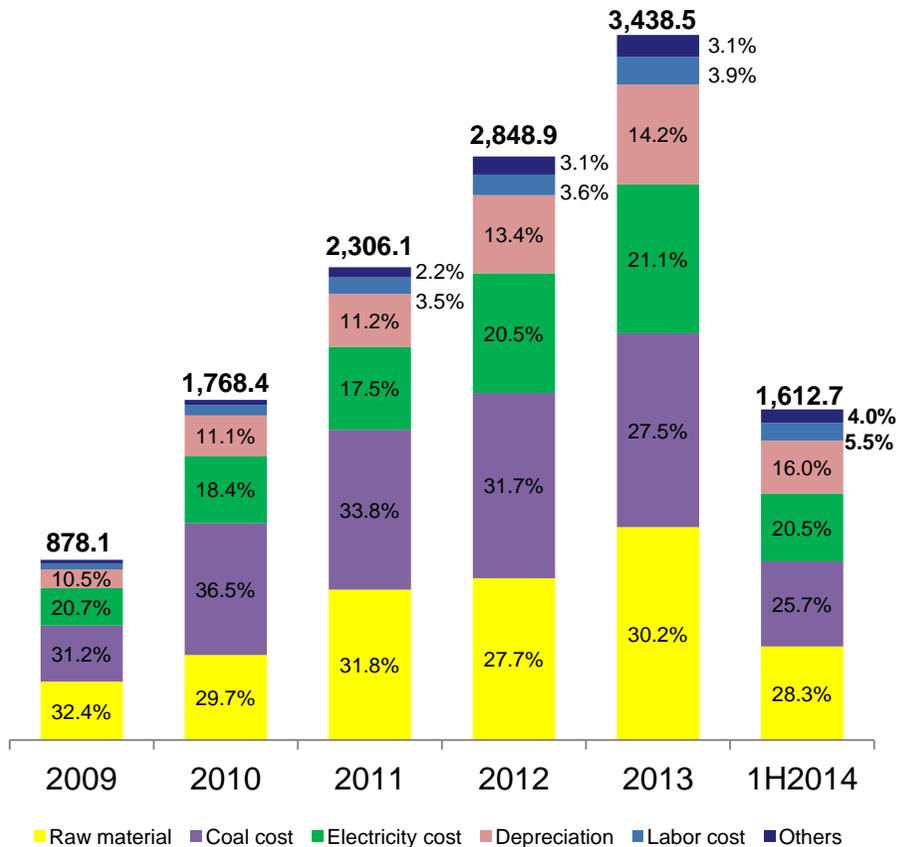
RMB Million



Production Cost Analysis

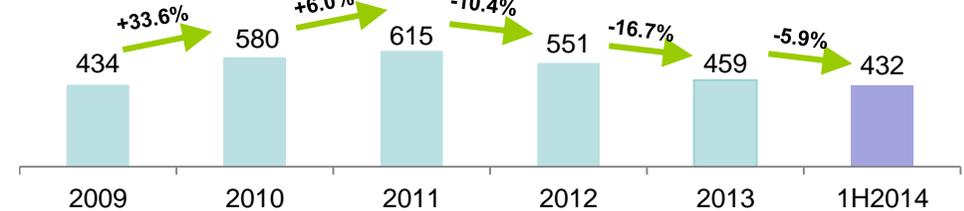
Production Cost

RMB Million



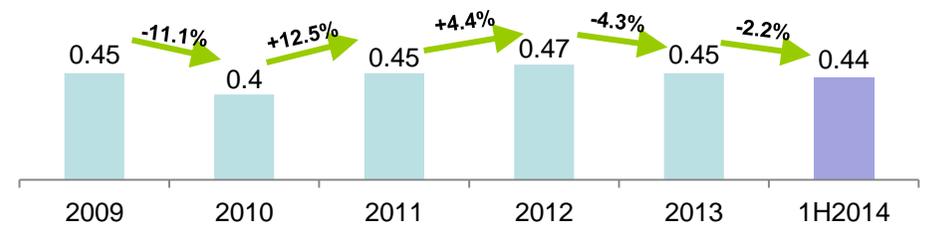
Average Coal Cost

RMB per ton



Average Electricity Cost

RMB per kwh



Average Limestone Cost

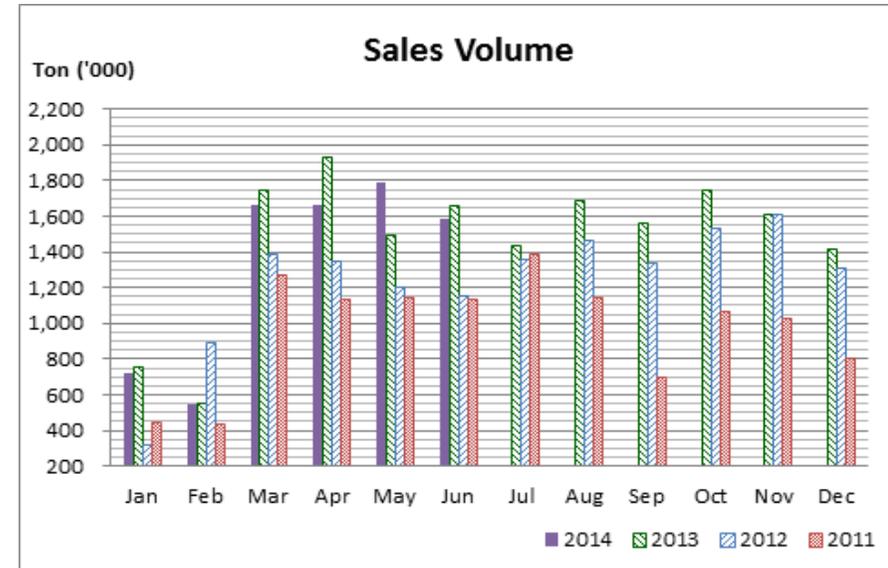
RMB per ton



1H 2014 Market Update

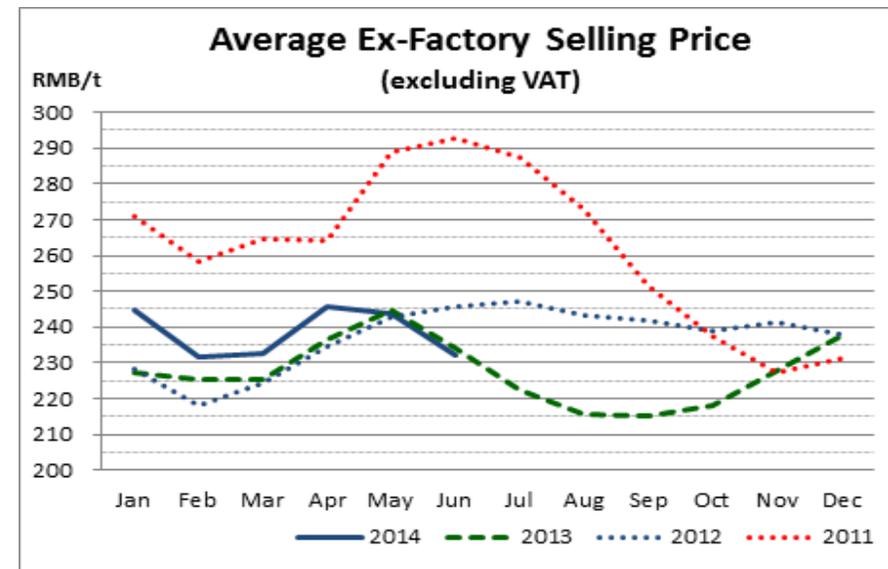
▲ Shaanxi

- **Demand:** **Southern Shaanxi** strong infrastructure demand with good pricing. Xi-Cheng High Speed Railway & Bao-Han Highway major demand drivers. **Central Shaanxi** demand reasonable - slower property starts have been balanced out by improving infrastructure. Xi'an Metro and urban development main demand driver in 1H14. Project approvals being accelerated into 2H2014 and 2015 – Silk Road Economic Belt Development.
- **Supply:** Final batch of capacity additions in **Central Shaanxi** commissioned in 1Q2014 and no further additions planned beyond that. Pricing in **Central Shaanxi** is competitive. **Southern Shaanxi** supply is disciplined and market tight.



▲ Xinjiang

- Single digit volume growth as compared to 1H2013. Still a slow market but anticipating further development plans and demand growth as part of the Silk Road Economic Belt Development. ASPs in Hotan District remain high but at the expense of volumes.



▲ Expansion

- **Xinjiang Yili Plant**, 1.5mt & **Guiyang Huaxi Plant**, 1.8mt; both kilns ignited in July 2014 and commissioning in 2H2014. Taking WCC total capacity to 27m tons.

1H 2014: Shaanxi Province, A Tale of Two Regions.....

▲ Shaanxi Province Sales & Pricing 1H 2014

Region	Volume (mt)	High/Low Grade	ASP – High Grade Cement	ASP – Low Grade Cement	ASP – Average
Central	3.82	54% / 46%	Rmb232	Rmb201	Rmb218
South	3.71	49% / 51%	Rmb266	Rmb249	Rmb257
Shaanxi Total	7.53	51% / 49%	Rmb248	Rmb226	Rmb237

▲ Clear pricing difference between Central and South Shaanxi.

- **Southern Shaanxi:** Good infrastructure demand, especially railway. Disciplined supply and tight markets.
- **Central Shaanxi:** Reasonable demand. Property slowdown balanced out by recovering infrastructure. But producers maintaining competitive pricing policies and some effect from new capacity additions. A tough pricing environment.
- **WCC's core market strategy in the south is working. Good pricing power and strong cash flows for the Group in the south to compensate for the tough central area.**
- Results in GP/ton of over Rmb70 in the South, but less than Rmb35 in Central Shaanxi.

Shaanxi – Infrastructure Project Demand Highlight

▲ 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 freight and passenger 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.

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

- Transfer water from the Han River south of the Qinling Mt. to the Wei River in the north to resolve water shortages in central and northern Shaanxi Province by 2020. Includes Hydro-Junctions, Pump Stations, Dams and the 98km Qinling Tunnel.

▲ Ankang to Yangpingguan Railway.

- Freight transportation line linking NW China to the south. Construction of 325KM in Shaanxi of which 240KM in Hanzhong, 50% bridges and tunnels.
- Tendering results out in late August. WCC expects to win most sections as its in our core market. A major 2015 growth driver.

▲ Baoji to Hanzhong Highway

- Distance of >150KM within WCC area, passing through Hanzhong Region to Sichuan border. WCC expected to supply up to 1mt.
- WCC has won 100% of tender sections of the Hanzhong to Sichuan Border Segment in 4Q13.

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

- Lanzhou-Chongqing Railway; Ankang – Pingli Highway; Heyang-Fengxiang Highway; Xi'an-Xianyang Loop Expressway.

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. Timing of Phase II Construction subject to market demand.
- Currently carrying out preparation work to install a similar facility at the Group's Fuping Plant – to treat Fuping County municipal waste.
- 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 completed in 1H2014. The equipment reduces Nox emissions by 60% to within expected new emission standards.
- **PM:** 2 production lines (Pucheng I & Zhenan) modified to meet new PM standards in 1H2014. All production lines now meet standard.
- Upgrade work to meet new emission standards substantially completed, with 2 more plants to be completed in 2H2014.

West China Cement Limited

Shaanxi Province



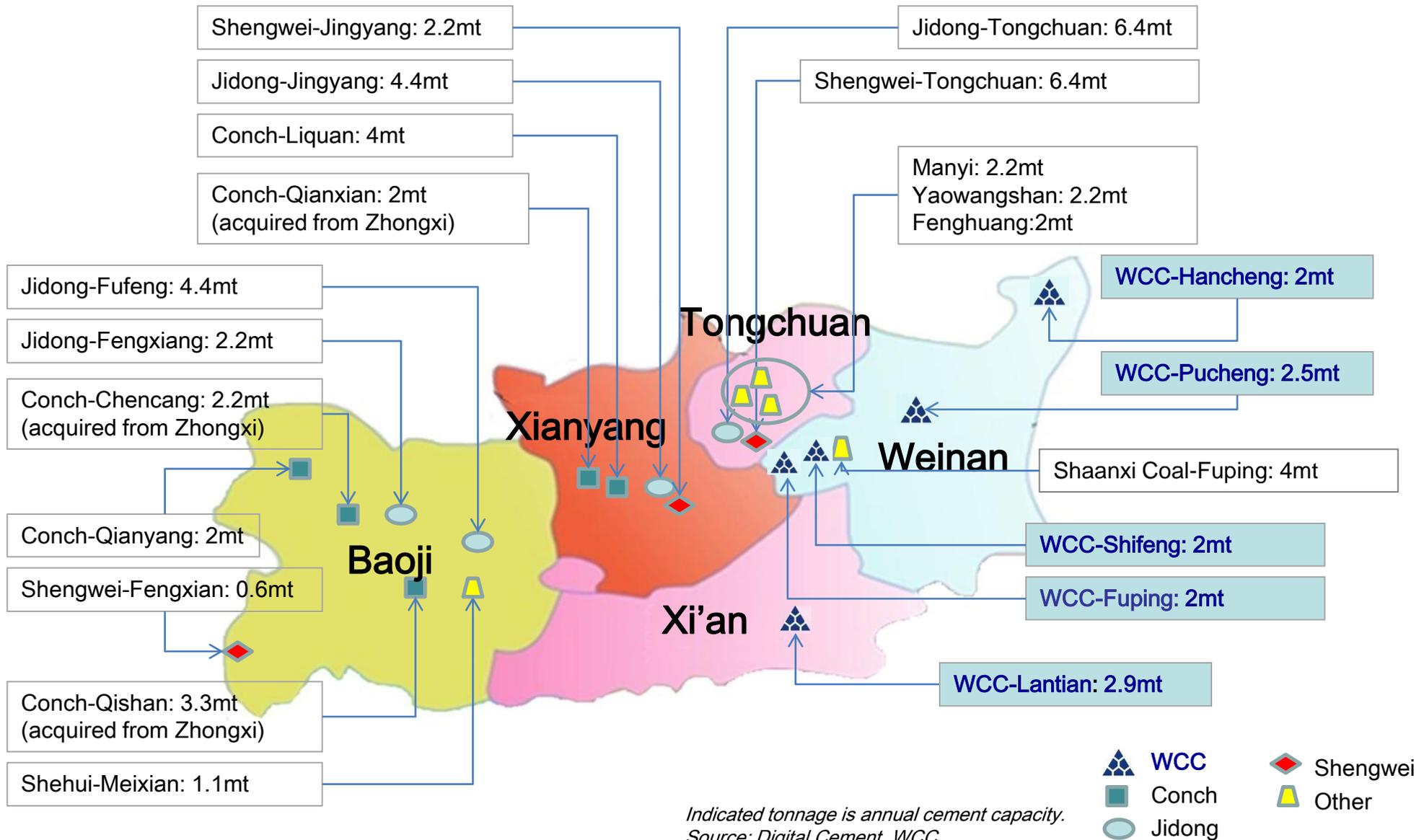
Shaanxi Province

21.1 million tons capacity

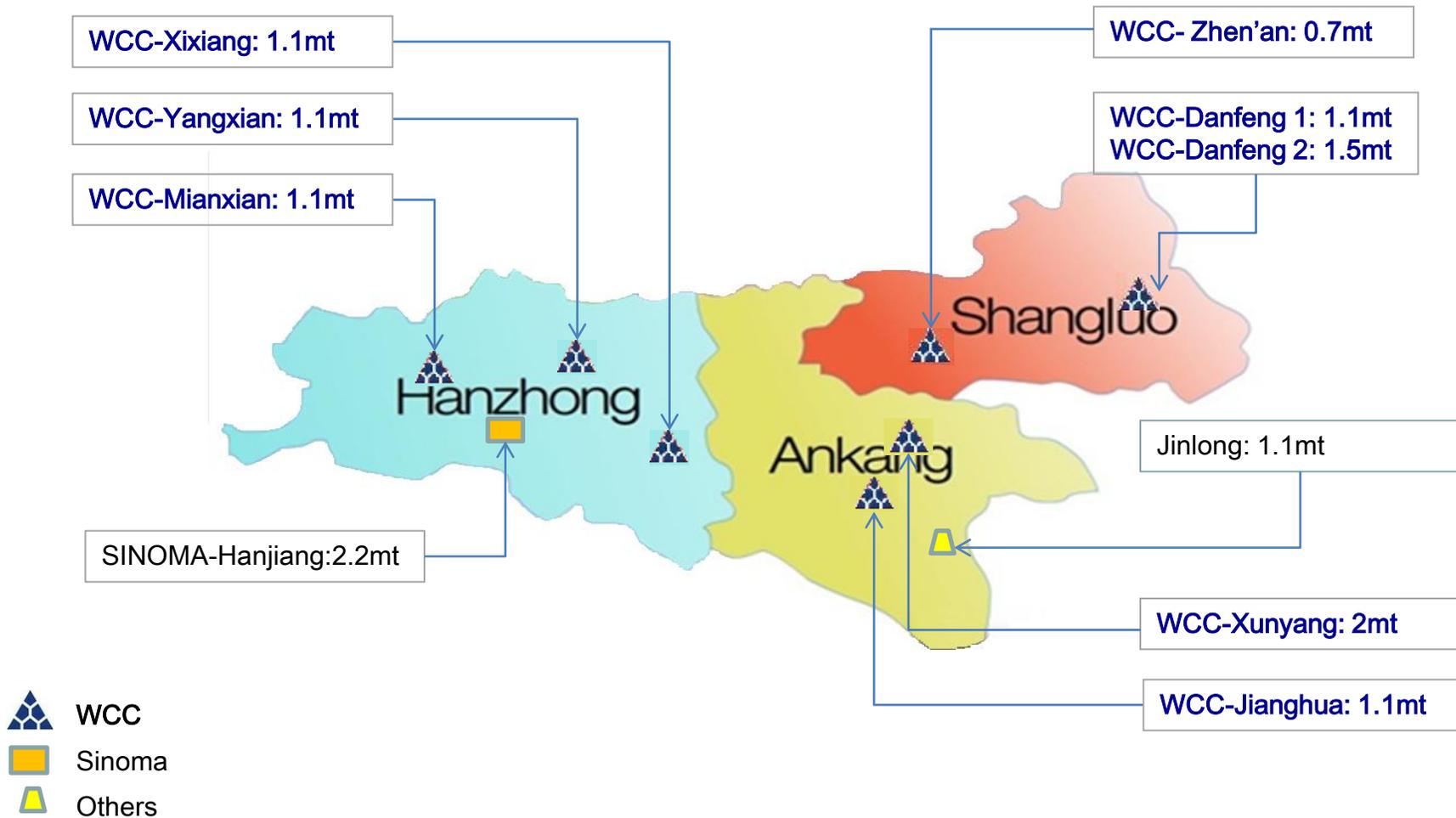


	Production Facilities in Shaanxi Province	Annual Capacity (mt)	Commencement/ Acquisition Date
1	Weinan Pucheng Line 1 & 2	2.5	Commissioned: Line 1 Feb 2004 & Line 2: Sept 2010
2	Xi'an Lantian Line 1 & 2	2.2	Commissioned: Line 1 May 2007 & Line 2 Aug 2007
3	Ankang Xunyang	2.0	Commissioned: Jan 2009
4	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
	Total	21.1	

Central Shaanxi – Competitive Landscape



Southern Shaanxi – Competitive Landscape



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

Shaanxi – 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	-	7.5	6.0	-	-	-	-	-	-	13.5	17%
Shengwei	-	0.6	2.2	6.4	-	-	-	-	-	9.2	11%
Others	-	1.1	-	6.4	4.0	-	1.1	2.2	2.6	17.4	22%
Total	2.9	15.8	12.6	19.2	12.5	3.3	4.2	5.5	4.7	80.7	100%
% 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.
- All plant construction in the province has now been completed and there are no further additions planned.

Shaanxi – Demand

Project Name	Planned Construction Period	Project Name	Planned Construction Period
Expressway			
Yan'an-Yanchuan(Weinan Region)	2012-2014	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
Heyang-Fengxiang Expressway (Xi'an & Weinan Region)	2014-2016	Weinan – Yushan Expressway (Weinan Region)	2013-2015
Xi'an-Xianyang North Loop Expressway (Xi'an & Weinan Region)	2013-2015		
Railway			
North Xi'an-Airport Intercity Railway (Xi'an Region)	2015-2017	Xi'an-Tongchuan Intercity Railway (Xi'an & Weinan Region)	2015-2018
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		
Hydropower Station			
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 (Hanzhong Region)	2014-2017
Mengzhushan Hydropower Station (Shangluo Region)	2013-2016	Sanhekou Reservoir (Hanzhong Region)	2014-2017
Projects Scheduled to Commence Construction			
Yangpingguan– Ankang Double Track Railway (Hanzhong & Ankang Region)	2014-2018	Xi'an Metro Line 5 (Xi'an Region)	2015-2018
Inner Mongolia – Jiangxi Coal Transportation Railway (Shaanxi section) (Weinan Region)	2015-2019	Xi'an Metro Line 6 (Xi'an Region)	2015-2018
Pucheng- Huanglong Expressway (Weinan Region)	2014-2016	Pingli-Zhenping Expressway (Ankang Region)	2015-2017
Zhen'an Yuehe Hydropower station (Shangluo Region)	2016-2019	Hancheng- Baishui Expressway (Weinan Region)	2015-2018
Central Shaanxi Intercity Railway (Xi'an & Weinan Region)	2016-2020	Zhashui– Shanyang Expressway (Shangluo Region)	2014-2017

West China Cement Limited

Xinjiang & Guizhou Provinces

Xinjiang – Hotan & Yili

4.1 million tons capacity in 2H2014

	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	Commissioning: 2H2014
	Total	4.1	

Hotan 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 Jiyin Hydro Project, Hetian Airport Extension, Moyu-Hotan Highway Expansion, Pishan Akeqiao Hydro Project
- ▲ Hotan is a key energy & resource supply zone. Abundant coal, oil gas and mineral resources.

Yili District

- ▲ The Yili Plant is commissioning in 2H2014. A brownfield project adjacent to the Khorgas SEZ, close to the Kazakhstan border. Economic development supported by trade with Central Asia & key area for the Silk Road Economic Belt Development Policy.
- ▲ 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 in 2H2014

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



- ▲ The Guiyang Huaxi Plant, 1.8mt, is a brownfield site that was acquired at low acquisition price in 2012. Plant commissioning 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”. Many project starts accelerated in 2014.
- ▲ 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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Appendix

Appendix I: Financial Information

Summary of Consolidated Income Statement

RMB '000	For the year ended 31 December			For the period ended 30 June	
	2011	2012	2013	2013	2014
Revenue	3,190,479	3,524,117	4,167,843	1,967,439	1,997,670
Cost of Sales	(2,306,088)	(2,848,920)	(3,438,503)	(1,620,483)	(1,612,672)
Gross Profit	884,391	675,197	729,340	346,956	384,998
Selling and marketing expenses	(31,537)	(32,754)	(34,718)	(18,920)	(16,759)
Administrative expenses	(183,123)	(202,117)	(243,862)	(128,434)	(131,052)
Other income	156,693	155,833	169,928	80,897	83,390
Other gains / (losses) – net	111,245	490	66,651	43,739	(14,345)
Finance income	10,407	1,928	4,817	2,433	2,377
Finance cost	(184,787)	(139,993)	(217,074)	(110,609)	(96,928)
Finance costs – net	(174,380)	(138,065)	(212,257)	(108,176)	(94,551)
Profit before income tax	763,289	458,584	475,082	216,062	211,681
Income tax expense	(102,888)	(86,058)	(92,812)	(45,872)	(49,273)
Profit for the year	660,401	372,526	382,270	170,190	162,408

Appendix I: Financial Information

Summary of Consolidated Balance Sheet

Assets

RMB '000	As at 31 December			As at 30
	2011	2012	2013	June 2014
Non-current assets				
Property, plant and equipment	6,352,020	7,829,666	8,003,776	8,152,667
Land use rights	292,269	450,000	448,244	459,242
Mining rights	131,663	139,249	133,116	152,197
Other intangible assets	110,293	171,826	169,693	168,761
Deferred income tax assets	24,901	36,755	18,587	17,531
	6,911,146	8,627,496	8,773,476	8,950,398
Current assets				
Inventories	381,926	468,602	530,864	501,708
Trade and other receivables and prepayments	580,107	683,973	737,304	737,488
Restricted cash	36,526	149,881	116,519	125,282
Cash and cash equivalents	529,612	368,936	506,586	614,998
	1,509,538	1,671,392	1,891,273	1,979,476
Total assets	8,420,684	10,298,888	10,664,709	10,929,874

Liabilities and Equity

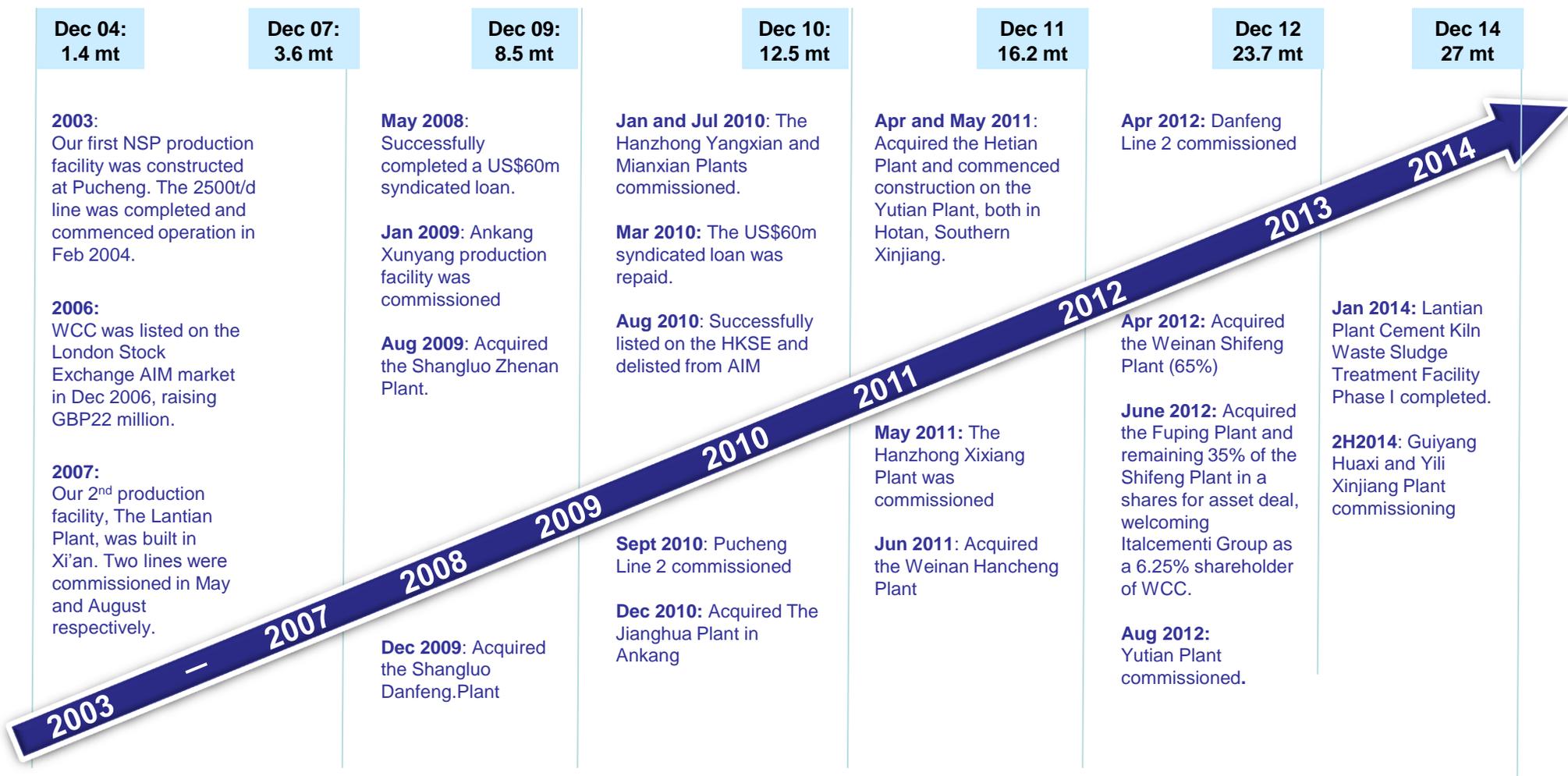
RMB '000	As at 31 December			As at 30
	2011	2012	2013	June 2014
Non-current liabilities				
Borrowings	205,000	144,000	6,000	86,000
Senior Notes - Non Current	2,462,009	2,468,506	2,407,455	2,436,643
MT Notes -Non Current	-	-	794,189	795,353
Provisions for other liabilities and charges	10,446	12,991	13,763	14,354
Deferred income tax liabilities	10,964	9,636	14,575	17,283
Deferred revenue	44,251	51,971	49,569	57,828
	2,732,670	2,687,104	3,285,551	3,407,461
Current liabilities				
Trade and other payables	841,774	1,484,434	1,444,351	1,605,986
Senior Notes – Current	78,762	78,544	76,211	76,910
MT Notes - Current	-	-	36,600	12,200
Current income tax liabilities	22,937	23,812	21,870	36,048
Deferred revenue-current	-	-	5,445	2,081
Borrowings	566,000	1,178,192	709,423	651,088
	1,509,473	2,764,982	2,293,900	2,384,313
Total liabilities	4,242,143	5,452,086	5,579,451	5,791,774
Equity				
Total Equity attributable to shareholders	4,069,475	4,755,931	5,044,164	5,094,803
Minority interest	109,066	90,871	41,094	43,247
Total equity	4,178,541	4,846,802	5,085,258	5,138,100
Total equity and liabilities	8,420,684	10,298,888	10,664,709	10,929,874

Appendix I: Financial Information

Summary Consolidated Cash Flow Statements

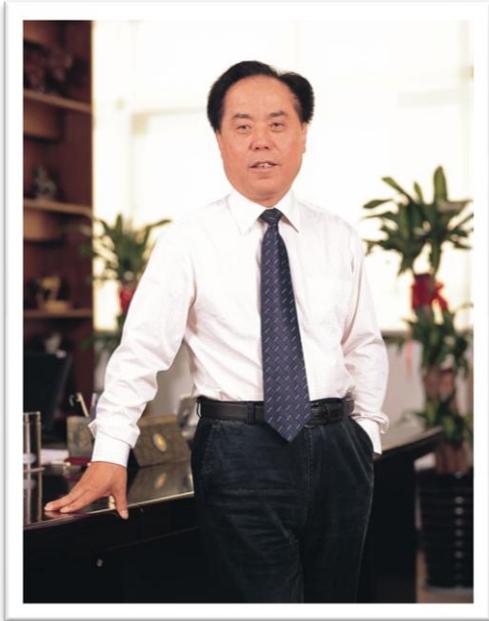
RMB '000	For the year ended 31 December			For the period ended 30 June	
	2011	2012	2013	2013	2014
Net cash generated from operating activities	787,494	1,377,368	918,179	297,126	614,740
Net cash used in investing activities	(2,406,351)	(1,404,056)	(562,450)	(192,337)	(335,607)
Net cash generated from / (used in) financing activities	1,770,038	(135,894)	(217,470)	(67,683)	(167,851)
Net increase / (decrease) in cash and cash equivalents	151,181	(162,582)	138,259	(37,106)	111,282
Cash and cash equivalent at end of year	529,612	368,936	506,586	404,266	614,998

Appendix II: Company Development



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

▲ **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

Non-Executive Directors

▲ **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 Zhaoyang 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.

Contact Us

**WEST CHINA CEMENT LIMITED
YAObAI SPECIAL CEMENT GROUP CO., LTD.**

No. 336 4th Shenzhou Road
Aerospace Industrial Base
Chang'an District
Xi'an, Shaanxi, China

Tel: +86 29 8925 4088
Fax: +86 29 8925 4088
Email: ir@westchinacement.com

尧柏特种水泥集团有限公司

中国 陕西省 西安市
长安区航天基地
神舟四路336号
电话: +86 29 8925 4088
传真: +86 29 8925 4088

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