

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



華潤水泥控股有限公司

China Resources Cement Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1313)

**CONTINUING CONNECTED TRANSACTIONS
DEPOSIT SERVICES AND FINANCIAL PRODUCTS**

STRATEGIC COOPERATION AGREEMENTS 2017

Reference is made to the Announcement 2015 in relation to, among others, the entering into of the Strategic Cooperation Agreements 2015. As the Strategic Cooperation Agreements 2015 and their respective annual caps will expire on 31 December 2017, the Company enters into the CR Bank Strategic Cooperation Agreement 2017 and the CR Trust Strategic Cooperation Agreement 2017 with CR Bank and CR Trust respectively for a term of three years whereby the annual caps are renewed taking into account of the expected level of services to be received from CR Bank and CR Trust, the Group's liquidity, business needs, expected daily deposit balances of the Group, and the amounts of historical transactions of similar nature.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this Announcement, since CRC being the holding company of CRH which is a controlling shareholder of the Company, holds approximately 75.33% and 51% of interest of CR Bank and CR Trust respectively, each of CR Bank and CR Trust is a connected person of the Company under Chapter 14A of the Listing Rules, and therefore, the transactions contemplated under the Strategic Cooperation Agreements 2017 constitute continuing connected transactions for the Company.

As CR Bank and CR Trust are connected with each other and the financial products to be provided by CR Bank and CR Trust are similar in nature, the financial products to be provided by CR Bank and CR Trust shall be aggregated and their aggregate annual caps shall be used for calculating the applicable percentage ratios pursuant to Rules 14A.81 and 14A.82 of the Listing Rules.

As the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of each of the annual cap for deposit services with CR Bank and the aggregated annual cap for financial products with CR Bank and CR Trust under the Strategic Cooperation Agreements 2017 exceed 0.1% but are less than 5%, the continuing connected transactions contemplated under the Strategic Cooperation Agreements 2017 are only subject to the reporting, announcement and annual review requirements but are exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

STRATEGIC COOPERATION AGREEMENTS 2017

Reference is made to the Company's announcement dated 30 December 2015 (the "Announcement 2015") in relation to, among others, the entering into of the Strategic Cooperation Agreements 2015.

As the Strategic Cooperation Agreements 2015 and their respective annual caps will expire on 31 December 2017, the Company enters into the CR Bank Strategic Cooperation Agreement 2017 and the CR Trust Strategic Cooperation Agreement 2017 with CR Bank and CR Trust respectively for a term of three years as follows.

CR BANK STRATEGIC COOPERATION AGREEMENT 2017

(1) Date

20 October 2017

(2) Parties

- (a) CR Bank; and
- (b) the Company.

(3) Term

Three years from 1 January 2018 to 31 December 2020.

(4) Deposit Services

The Group may place any deposits with CR Bank, including but not limited to any type of cash management which is regarded as deposit under the Listing Rules, relevant agreement and accounting treatment.

These deposits will be on the same terms and conditions as would apply to similar deposits made by other independent preferred customers of CR Bank.

The deposit rates for RMB-denominated deposits were historically set by the People's Bank of China (the "PBOC") whilst the PBOC has gradually liberalised its regulation of deposit rates in the recent years, allowing commercial banks in the PRC more flexibility to determine the interest rate for RMB-denominated deposits. Accordingly, pursuant to the CR Bank Strategic Cooperation Agreement 2017, the deposit rates offered by CR Bank shall be determined with reference to the benchmark rates published by the PBOC or other preferred rates in the market as offered by CR Bank to its other independent preferred customers.

As part of the Group's internal approval and monitoring procedures relating to the transactions with CR Bank, the Group will obtain quote from other independent financial institutions for similar deposit services for similar duration before it enters into any new deposit arrangement with CR Bank and such quotes, together with the offer from CR Bank, will be reviewed and passed by the Group's internal approval procedures.

(5) Financial Products

Other than deposit services, from time to time, the Group may use the financial products of CR Bank, including but not limited to letters of credit, bill of exchange, discounting, assignment of receivables, and other financial products as agreed by the parties.

These financial products will be provided on normal commercial terms after taking into account of the size, nature and quality of the financial products, and after arm's length basis negotiations between the parties. The prices of these financial products shall not be higher than those published by CR Bank that are applicable to its independent preferred customers.

The Group will obtain quote from, or compare the amounts of principals, interests and prices of the financial products offered by other independent financial product providers before it decides to purchase the financial products offered by CR Bank.

CR TRUST STRATEGIC COOPERATION AGREEMENT 2017

(1) Date

20 October 2017

(2) Parties

- (c) CR Trust; and
- (d) the Company.

(3) Term

Three years from 1 January 2018 to 31 December 2020.

(4) Financial Products

From time to time, the Group may use the financial products of CR Trust, including but not limited to cash management, asset management, assignment of receivables, and other financial products as agreed by the parties.

These financial products will be provided on normal commercial terms after taking into account of the size, nature and quality of the financial products, and after arm's length basis negotiations between the parties. The prices of these financial products shall not be higher than those published by CR Trust that are applicable to its independent customers.

The Group will obtain quote from, or compare the amounts of principals, interests and prices of the financial products offered by other independent financial product providers before it decides to purchase the financial products offered by CR Trust.

ANNUAL CAPS AND BASIS OF DETERMINATION

The proposed maximum daily amount of deposits (inclusive of interest receivable) which may be placed by the Group with CR Bank and the proposed maximum daily amounts of principal and interests in relation to financial products to be provided by CR Bank and CR Trust to the Group respectively during the term of the Strategic Cooperation Agreements 2017 are as follows:

	Maximum daily amounts for the year ending					
	31 December					
	2018		2019		2020	
	<i>RMB</i>	<i>HK\$</i>	<i>RMB</i>	<i>HK\$</i>	<i>RMB</i>	<i>HK\$</i>
	<i>million</i>	<i>million</i>	<i>million</i>	<i>million</i>	<i>million</i>	<i>million</i>
		<i>equivalent</i>	<i>equivalent</i>	<i>equivalent</i>	<i>equivalent</i>	<i>equivalent</i>
Deposit balance with CR Bank (inclusive of interest receivable)	847.5	1,000.0	847.5	1,000.0	847.5	1,000.0
Financial products to be provided by CR Bank	423.75	500.0	423.75	500.0	423.75	500.0
Financial products to be provided by CR Trust	423.75	500.0	423.75	500.0	423.75	500.0

The above maximum daily amounts of deposits, principal and interests of financial products are applicable for each day during the relevant period, and are calculated on an individual basis remaining as of the end of each day.

The proposed annual caps for deposit balance and financial products under the Strategic Cooperation Agreements 2017 have been determined after taking into account of the expected level of services to be received from CR Bank and CR Trust, the Group's liquidity, business needs, expected daily deposit balances of the Group, and the amounts of historical transactions of similar nature.

Set out below are the approximate historical amounts of the maximum daily deposits (inclusive of interest receivable) placed by the Group with CR Bank and the maximum daily amounts of principal and interests in relation to financial products provided by CR Bank and CR Trust respectively pursuant to the terms of the Strategic Cooperation Agreements 2015 during the year ended 31 December 2016 and the nine months ended 30 September 2017 and the respective annual caps for the year ended 31 December 2016 and for the year ending 31 December 2017:

<i>Amounts in HK\$ million equivalent</i>	For the year ended 31 December 2016		For the year ending 31 December 2017	For the 9 months ended 30 September 2017
	<i>Annual caps</i>	<i>Historical amounts</i>	<i>Annual caps</i>	<i>Historical amounts</i>
Maximum daily amount of deposits (inclusive of interest receivable) placed with CR Bank	766.0	621.8	786.0	600.9
Maximum daily amounts of principal and interests of financial products provided by CR Bank	497.9	0	510.9	0
Maximum daily amounts of principal and interests of financial products provided by CR Trust	268.1	0	275.1	0

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Strategic Cooperation Agreements 2017 will enable the Group to enhance its overall liquidity, optimize its utilization of cash and capital and provide greater flexibility in cash management for generation of better return on normal commercial terms and on a scale which will not place the Group's resources at risk or affect its relationship with other financial institutions.

All Directors (including the independent non-executive Directors) are of the view that the Strategic Cooperation Agreements 2017 were negotiated on arm's length basis, the relevant terms and the annual caps are fair and reasonable, and the transactions contemplated thereunder are on normal commercial terms and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this Announcement, since CRC being the holding company of CRH which is a controlling shareholder of the Company, holds approximately 75.33% and 51% of interest of CR Bank and CR Trust respectively, each of CR Bank and CR Trust is a connected person of the Company under Chapter 14A of the Listing Rules, and therefore, the transactions contemplated under the Strategic Cooperation Agreements 2017 constitute continuing connected transactions for the Company.

As CR Bank and CR Trust are connected with each other and the financial products to be provided by CR Bank and CR Trust are similar in nature, the financial products to be provided by CR Bank and CR Trust shall be aggregated and their aggregate annual caps shall be used for calculating the applicable percentage ratios pursuant to Rules 14A.81 and 14A.82 of the Listing Rules.

As the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of each of the annual cap for deposit services with CR Bank and the aggregated annual cap for financial products with CR Bank and CR Trust under the Strategic Cooperation Agreements 2017 exceed 0.1% but are less than 5%, the continuing connected transactions contemplated under the Strategic Cooperation Agreements 2017 are only subject to the reporting, announcement and annual review requirements but are exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the Strategic Cooperation Agreements 2017 and the transactions contemplated thereunder.

INFORMATION OF THE PARTIES

CR Bank

CR Bank is a licensed bank regulated by the China Banking Regulatory Commission and is headquartered in Zhuhai, PRC. It has branches and sub-branches in different locations in PRC where it operates and provides financial and commercial banking services.

CR Trust

CR Trust is an integrated financial service provider headquartered in Shenzhen, PRC, and is authorized by the relevant regulatory body to operate and conduct business on a nationwide basis in PRC.

The Group

The Group is principally engaged in the production and sale of cement, clinker and concrete in PRC and Hong Kong.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	board of Directors;
“China Resources Group”	CRC, CRH and their subsidiaries;
“Company”	China Resources Cement Holdings Limited, a limited liability company incorporated in the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;

“continuing connected transactions”	has the meaning ascribed thereto under the Listing Rules;
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules;
“CR Bank”	China Resources Bank of Zhuhai Co., Ltd. (珠海華潤銀行股份有限公司), a limited liability company established in PRC and a municipal bank headquartered in Zhuhai, in which CRC holds approximately 75.33% interest as at the date of this announcement;
“CR Bank Strategic Cooperation Agreement 2017”	the Strategic Cooperation Agreement entered into between CR Bank and the Company on 20 October 2017;
“CR Trust”	China Resources SZITIC Trust Co., Ltd. (華潤深國投信托有限公司), in which CRC holds 51% interest as at the date of this announcement;
“CR Trust Strategic Cooperation Agreement 2017”	the Strategic Cooperation Agreement entered into between CR Trust and the Company on 20 October 2017;
“CRC”	China Resources Co., Limited (華潤股份有限公司), a joint stock limited liability company incorporated in PRC, which is the holding company of CRH and the banking and trust activities in which the China Resources Group has an interest;
“CRH”	China Resources (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability and the intermediate holding company of the China Resources Group in Hong Kong, holding all the China Resources Group’s material interests apart from its banking and trust activities;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC” or “China”	the People’s Republic of China;

“RMB”	Renminbi, the lawful currency of PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Strategic Cooperation Agreements 2015”	the Strategic Cooperation Agreement entered into by CR Bank and the Company on 30 December 2015, and the Strategic Cooperation Agreement entered into by CR Trust and the Company on 30 December 2015;
“Strategic Cooperation Agreements 2017”	the CR Bank Strategic Cooperation Agreement 2017 and the CR Trust Strategic Cooperation Agreement 2017.

By order of the Board
CHINA RESOURCES CEMENT HOLDINGS LIMITED
ZHOU Longshan
Chairman

Hong Kong, 20 October 2017

For the purposes of this announcement and illustration only, conversions of RMB into HK\$ are based on the approximate exchange rate of RMB1.00 to HK\$1.18. No representation is made that any amount in HK\$ or RMB could have been or could be converted at the above rate or at any other rates.

As at the date of this announcement, the executive Directors are Mr. ZHOU Longshan, Mr. JI Youhong, and Mr. LAU Chung Kwok Robert; the non-executive Directors are Mr. DU Wenmin, Mr. WEI Bin, Mr. CHEN Ying and Mr. WANG Yan; and the independent non-executive Directors are Mr. IP Shu Kwan Stephen, Mr. SHEK Lai Him Abraham, Madam ZENG Xuemin and Mr. LAM Chi Yuen Nelson.