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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)

**PLACING OF EXISTING SHARES AND
TOP-UP SUBSCRIPTION FOR NEW SHARES
UNDER GENERAL MANDATE**

Placing Agents



**Goldman
Sachs**

On 11 June 2018, the Vendor and the Company entered into the Agreement with the Placing Agents pursuant to which the Placing Agents have agreed to act as agent for the Vendor (to the exclusion of all others) to place (or failing which itself to purchase) a total of 450,000,000 Placing Shares at a price of HK\$9.30 per Share owned by the Vendor to no less than six independent placees. The Shares to be placed by the Placing Agents represent approximately 6.89% of the issued share capital of the Company as at the date of this announcement and approximately 6.44% of the Company's issued share capital as enlarged by the Subscription (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares). Pursuant to the Agreement, the Vendor has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue to the Vendor 450,000,000 Subscription Shares equivalent to the number of the Placing Shares, at the Subscription Price.

The net proceeds from the Subscription are estimated to be approximately HK\$4.18 billion, net of professional fees and out-of-pocket expenses. The Company intends to use the net proceeds from the Subscription for the development of prefabricated construction and aggregate businesses, the repayment of debts and as general working capital of the Group.

THE AGREEMENT

Date: 11 June 2018

Parties: The Company, the Vendor and the Placing Agents.

Pursuant to the Agreement and subject to its terms and conditions, (i) the Vendor has agreed to place, and the Placing Agents have agreed to place on behalf of the Vendor, the Placing Shares to no less than six independent placees; and (ii) the Vendor has also agreed to subscribe, and the Company has agreed to allot and issue to the Vendor, the Subscription Shares. Details of the Placing and the Subscription are set out in further detail below.

PLACING UNDER THE AGREEMENT

Vendor

The Vendor is a company incorporated in the British Virgin Islands with limited liability and is a wholly owned subsidiary of CR Holdings. CR Holdings is a company incorporated in Hong Kong with limited liability which is indirectly controlled by CRCL. As at the date of the Agreement, the Vendor beneficially owns 4,792,189,749 Shares, representing approximately 73.35 % of the existing issued share capital of the Company.

Placing Agents

CICC and GS have agreed to act as the Placing Agents for the Vendor (to the exclusion of all others) to place (or failing which itself to purchase) a total of 450,000,000 Placing Shares at a price of HK\$9.30 per Share owned by the Vendor to no less than six independent placees.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Placing Agents and its ultimate beneficial owners is independent of, and not connected with, the Vendor, the Company and their respective associates and connected persons.

Total Number of Placing Shares

The total number of Placing Shares is 450,000,000 Shares, representing approximately 6.89% of the issued share capital of the Company as at the date of this announcement, and approximately 6.44% of the issued share capital of the Company as enlarged by the Subscription (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares).

Placing Price

The Placing Price of HK\$9.30 represents:

- (i) a discount of approximately 9.88% to the closing price of HK\$10.32 as quoted on the Stock Exchange on the date of the Agreement; and
- (ii) a discount of approximately 5.87% to the average closing price of HK\$9.88 in the last 5 trading days immediately prior to the date of the Agreement.

The Placing Price of HK\$9.30 per Share was arrived at after arm's length negotiations between the Company, the Vendor and the Placing Agents by reference to the market condition and the recent closing prices per Share. The Directors consider that the terms of the Placing are fair and reasonable based on the current market conditions and are in the interests of the Company and the Shareholders as a whole.

The Vendor and the placees will each bear their own share of the stamp duty, Stock Exchange trading fee, Securities and Futures Commission transaction levy in connection with the Placing.

The net Placing Price, after deducting all professional fees and other out-of-pocket expenses incurred by the Vendor, which are ultimately to be borne by the Company, is estimated at approximately HK\$9.29 per Placing Share.

Rights of the Placing Shares

The Placing Shares will be sold free from any liens, charges and encumbrances, and together with all rights attaching to them as at the relevant transaction date, and the Placing Shares rank pari passu in all respects with existing Shares. The placees, or the Placing Agents if they elect to take up any Placing Shares, will receive all dividends and distributions declared, made or paid on or after the relevant transaction date.

Independence of placees

The Placing Shares will be placed to no less than six independent placees which are professional, institutional or other investors approved, selected and/or procured by or on behalf of the Placing Agents as contemplated by the Agreement, who and whose respective ultimate beneficial owners are independent of and not connected with the Company and its connected persons or any of its respective associates and who will not become substantial shareholders of the Company after completion of the Placing.

Completion of the Placing

Completion of the Placing is expected to take place on or before 14 June 2018, or such other time or date as may be agreed by the Vendor and the Placing Agents.

Condition of the Placing

The Placing is unconditional, save that upon the occurrence of certain termination events below, the Placing will not proceed to completion unless otherwise waived by the Placing Agents.

Lock-up Arrangements

The Vendor has undertaken to the Placing Agents that (with the exception of the sale of the Placing Shares pursuant to the Agreement) for a period of 90 days from the date of completion of the Placing it will not, and will procure that none of its nominees and companies controlled by it and trusts associated with it (whether individually or together and whether directly or indirectly) will (i) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (including the Subscription Shares) or any interests therein beneficially owned or held by the Vendor or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests or (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above, unless with the prior written consent of the Placing Agents.

The Company has undertaken to the Placing Agents, and the Vendor has undertaken to the Placing Agents to procure, that for a period of 90 days from the date of completion of the Placing, except for the Subscription Shares to be allotted and issued to the Vendor, the Company will not:

- (A) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares;
- (B) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (A) above; or
- (C) announce any intention to enter into or effect any such transaction described in (A) or (B) above,

without first having obtained the written consent of the Placing Agents.

SUBSCRIPTION UNDER THE AGREEMENT

Subscriber

The Vendor

Issuer

The Company

Number of Subscription Shares

The number of Subscription Shares is 450,000,000 Shares in aggregate, representing approximately 6.89% of the existing issued share capital of the Company as at the date of this announcement and approximately 6.44% of the issued share capital of the Company as enlarged by the Subscription (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares). The number of Subscription Shares is equivalent to the number of the Placing Shares. The aggregate nominal value of the Subscription Shares is HK\$45,000,000.

Subscription Price

The Subscription Price is equivalent to the Placing Price. The Company will bear the expenses incurred by the Vendor in relation to the Placing and the Subscription. The net share price for the Subscription after deduction of such expenses is estimated to be approximately HK\$9.29 per Subscription Share.

General Mandate to issue the Subscription Shares

The Subscription Shares will be issued under the General Mandate. Up to the date of this announcement, the Company has not issued any Shares pursuant to the General Mandate. Based on the above, no separate Shareholders' approval is required for the subscription.

Ranking of the Subscription Shares

The Subscription Shares, when fully paid, will rank *pari passu* in all respects with the Shares in issue as at the date of issue of the Subscription Shares. The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Conditions of the Subscription

The Subscription by the Vendor of the Subscription Shares is conditional upon:

- (i) completion of the Placing having occurred pursuant to the terms of the Agreement; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, such Subscription Shares (and such listing and permission not subsequently revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares).

Completion of the Subscription

Completion of the Subscription shall take place on the second Business Day after the date upon which the last of the conditions to be satisfied shall have been so satisfied provided that it shall take place on a date no later than a date falling on or before 25 June 2018, being 14 days after the date of the Agreement, or such other time and/or date as the Vendor the Company may agree in writing. In the event that the conditions are not fulfilled within 14 days following the date of the Agreement (or such later date as may be agreed between the Vendor and the Company), the obligations and liabilities of the Vendor and the Company under the Subscription shall be null and void and neither the Company nor the Vendor shall have any claim against the other for costs, damages, compensation or otherwise provided that the Company shall reimburse the Vendor any legal fees and out-of-pocket expenses which the Vendor shall be obliged to pay in connection with the Placing and the Subscription.

If the Subscription is not completed within 14 days after the date of the Agreement, it will constitute a non-exempt connected transaction of the Company and the Company has to comply with the requirements of the Listing Rules, including obtaining approval from the independent Shareholders. An appropriate announcement will be made by the Company in compliance with the Listing Rules, if required and necessary.

Completion of the Placing and the Subscription is subject to the satisfaction of the conditions precedent in the Agreement. As the Placing and the Subscription may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

EFFECT OF THE PLACING AND THE SUBSCRIPTION

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Placing but before completion of the Subscription; and (iii) immediately after completion of the Placing and the Subscription, on the assumption that (a) there will be no other change to the share capital of the Company between the date of this announcement and the completion of the Subscription save for the issue of the Subscription Shares; and (b) the placees do not and will not hold any Shares other than the Placing Shares:

Shareholders	At present		Immediately after Completion of the Placing but before Subscription		Immediately after Completion of the Placing and Subscription	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Vendor and its close associates	4,798,453,749	73.45	4,348,453,749	66.56	4,798,453,749	68.72
Directors	1,290,000	0.02	1,290,000	0.02	1,290,000	0.02
BOCI-Prudential Trustee Limited (Note)	35,176,000	0.54	35,176,000	0.54	35,176,000	0.50
Placees	N/A	N/A	450,000,000	6.89	450,000,000	6.44
Other public Shareholders	1,698,018,068	25.99	1,698,018,068	25.99	1,698,018,068	24.32
Total	6,532,937,817	100.00	6,532,937,817	100.00	6,982,937,817	100.00

Note: Such Shares are held by BOCI-Prudential Trustee Limited as the trustee of a trust set up pursuant to the Scheme.

TERMINATION OF THE AGREEMENT

Notwithstanding anything contained in the Agreement, if at any time prior to 9:00 am (Hong Kong time) on the date of completion of the Placing:

- (a) there develops, occurs or comes into force:

- (i) any new law or regulation or any change or development involving a prospective change in existing laws or regulations in Hong Kong, the PRC, the United States or the United Kingdom which in the reasonable opinion of the Placing Agents have or are likely to have a material adverse effect on the financial position of the Group as a whole; or
- (ii) any significant change (whether or not permanent) in local, national or international monetary, economic, financial, political or military conditions which in the reasonable opinion of the Placing Agents are or would be materially adverse to the success of the Placing; or
- (iii) any significant change (whether or not permanent) in local, national or international securities market conditions or currency exchange rates or foreign exchange rates or foreign exchange controls which in the reasonable opinion of the Placing Agents are or would be materially adverse to the success of the Placing; or makes it impracticable or inadvisable or inexpedient to proceed therewith; or
- (iv) a general moratorium on commercial banking activities in Hong Kong, the PRC, London or New York declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong, the PRC, the United Kingdom or the United States; or
- (v) a change or development involving a prospective change in taxation adversely affecting the Group taken as a whole, the Placing Shares or the transfer thereof; or
- (vi) any outbreak or escalation of hostilities or act of terrorism involving Hong Kong, the PRC, the United Kingdom or the United States or the declaration by Hong Kong, the United Kingdom or the United States of a national emergency or war; or
- (vii) any suspension of dealings in the Shares for any period whatsoever (other than as a result of the Placing); or
- (viii) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange, the London Stock Exchange, the New York Stock Exchange or Nasdaq due to exceptional financial circumstances or otherwise at any time prior to the date of completion of the Placing; or

- (b) any breach of any of the representations, warranties and undertakings by the Company and/or the Vendor set out in the Agreement comes to the knowledge of the Placing Agents or any event occurs or any matter arises on or after the date of the Agreement and prior to the date of completion of the Placing which if it had occurred or arisen before the date of the Agreement would have rendered any of such representations, warranties and undertakings untrue or incorrect in any respect and any such breach or failure is material or (in the reasonable opinion of the Placing Agents) is or would materially and adversely affect the financial position or business of the Group or is or would be materially adverse to the success of the Placing, or there has been (in the reasonable opinion of the Placing Agents) a material breach of, or failure to perform, any other provision of the Agreement on the part of the Vendor and/or the Company; or
- (c) there is any such adverse change, or development involving a prospective change, in the general affairs, condition, results of operations or prospects, management, business, stockholders' equity or in the financial or trading position of the Group as a whole which in the opinion of the Placing Agents are materially adverse to the success of the Placing;

then and in any such case, the Placing Agents may terminate the Agreement without liability to the Vendor and the Company by giving notice in writing to the Vendor and the Company, which notice may be given at any time prior to 9:00 a.m. (Hong Kong time) on the date of completion of the Placing.

REASONS FOR THE PLACING AND THE SUBSCRIPTION AND USE OF PROCEEDS

The Company is a limited liability company incorporated in the Cayman Islands and its shares have been listed on the Stock Exchange since 6 October 2009. The Group is principally engaged in the production and sale of cement, clinker and concrete in the PRC and Hong Kong.

The Directors (including the independent non-executive Directors) consider that the Placing and the Subscription will strengthen the capital base of the Company. The Company estimates that the net proceeds of the Subscription will amount to approximately HK\$4.18 billion. The Company intends to use the net proceeds from the Subscription for the development of prefabricated construction and aggregate businesses, the repayment of debts and as general working capital of the Group.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not undertaken any equity fund raising exercise over the period of twelve months prior to the date of this announcement.

The Directors confirm that, immediately after completion of the Placing and the Subscription, the public float of the Company will be no less than 25% of the Company's issued share capital as enlarged by the Subscription (assuming there is no change in the issued share capital of the Company from the date of this announcement to the date of the Subscription save for the issue of the Subscription Shares).

The Directors (including the independent non-executive Directors) are of the view that the terms of the Agreement are fair and reasonable and believe that the Placing and the Subscription are in the best interests of the Company and the Shareholders as a whole.

The Directors (including the independent non-executive Directors) are further of the view that the lock up period for the Company as set out above is fair and reasonable on the grounds that: (i) the lock up period is only for 90 days which is in line with the market practice and as a result of the arm's length commercial negotiation between the Company, the Vendor and the Placing Agents; and (ii) it can ensure an orderly market of the Shares.

DEFINITIONS

“Agreement”	the placing, underwriting and subscription agreement dated 11 June 2018 and entered into between the Company, the Vendor and the Placing Agents
“associates”	has the meaning ascribed to it under the Listing Rules
“Business Day”	any day (excluding a Saturday) on which banks are generally open for business in Hong Kong
“CICC”	China International Capital Corporation Hong Kong Securities Limited
“Company”	China Resources Cement Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the main board of the Stock Exchange (Stock code: 1313)
"CRCL"	China Resources Company Limited (formerly known as China Resources National Corporation), a company established in the PRC, the Company's ultimate holding company
"CR Holdings"	China Resources (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability, the Company's intermediate holding company
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 11 May 2018, pursuant to which the Company has been authorised to allot, issue and deal with up to 1,306,587,563 new Shares, being 20% of the then issued share capital of the Company as at the date of passing such resolution;
“Group”	the Company and its subsidiaries
“GS”	Goldman Sachs (Asia) L.L.C.
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	the placing of the Placing Shares by the Placing Agents as agent (to the exclusion of all others) and for and on behalf of the Vendor pursuant to the Agreement
“Placing Agents”	CICC and GS
“Placing Price”	HK\$9.30 per Placing Share
“Placing Shares”	an aggregate of the 450,000,000 Shares currently owned by the Vendor and to be placed pursuant to the Agreement
“PRC”	People’s Republic of China and for the purpose of this announcement, excluding Hong Kong the Macau Administrative Region of the PRC and Taiwan
“Scheme”	the share award scheme of the Company adopted by the Directors on 2 September 2009 and amended by the Directors as a cash award scheme on 17 November 2010
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscription”	the subscription for the Subscription Shares by the Vendor pursuant to the Agreement
“Subscription Price”	an amount equal to the Placing Price
“Subscription Shares”	an aggregate of 450,000,000 new Shares to be issued by the Company and subscribed by the Vendor under the Agreement
“Vendor”	CRH (Cement) Limited, a company incorporated in the British Virgin Islands with limited liability, holding approximately 73.35% of the issued share capital of the Company as at the date of the Agreement
%	per cent.

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

Hong Kong, 11 June 2018

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. CHEN Ying, Mr. WANG Yan, Madam WAN Suet Fei and Mr. JING Shiqing; 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.