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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: 712)

CONTINUING CONNECTED TRANSACTIONS

Financial adviser to China Resources Cement Holdings Limited

ANGLO CHINESE
CORPORATE FINANCE, LIMITED

The Group has entered into the following Non-Exempt Continuing Connected Transactions with connected persons which have been, or will be, carried out in the ordinary and usual course of business and on normal commercial terms and are expected to continue in the foreseeable future:

- (i) sale of cement products by Dongguan Cement to Sumitomo Corporation and its associates;
- (ii) sale of cement products by Zhanjiang CR Cement to an associate of Profit Pool; and
- (iii) purchase of fuel, diesel and lubricant oil by the Group from subsidiaries of China Resources Enterprise.

The Group, in the ordinary and usual course of business, has also entered into Exempt Continuing Connected Transaction with connected persons which are expected to continue in the foreseeable future. As each of the percentage ratios under the Exempt Continuing Connected Transaction is less than 2.5%, the Exempt Continuing Connected Transaction is exempt from the independent shareholders' approval requirement under Rule 14A.34 of the Listing Rules.

As the Non-Exempt Continuing Connected Transactions and the New Caps will constitute "non-exempt continuing connected transactions" for the Company under Chapter 14A of the Listing Rules, the Non-Exempt Continuing Connected Transactions and the New Caps are subject to the independent shareholders' approval. As China Resources Holdings is a connected person of the Company under the Listing Rules, China Resources Holdings and its associates will abstain from voting at the EGM to approve the Non-Exempt Continuing Connected Transaction (iii) and the relevant New Caps.

A circular containing, among other things, further details of the Non-Exempt Continuing Connected Transactions, a letter from the independent financial adviser containing its advice to the independent board committee, the

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Reference is made to the prospectus of the Company dated 26 June 2003 relating to the Continuing Connected Transactions and the Existing Waiver. On 26 June 2003, the Stock Exchange granted to the Company the Existing Waiver in respect of, among other things, the Continuing Connected Transactions, which have been conducted in the ordinary course of business of the Group. As the Non-Exempt Continuing Connected Transactions and the New Caps will constitute “non-exempt continuing connected transactions” for the Company under Chapter 14A of the Listing Rules, the Non-Exempt Continuing Connected Transactions and the New Caps are subject to the independent shareholders’ approval. Sumitomo Corporation, Profit Pool, Guangxi Hongshuihe Cement and their respective associates have no other interests in the Company. As China Resources Holdings is a connected person of the Company under the Listing Rules, China Resources Holdings and its associates will abstain from voting at the EGM to approve the Non-Exempt Continuing Connected Transaction (iii) and the relevant New Caps.

A summary of the Non-Exempt Continuing Connected Transactions is set out as follows:

(i) Sale of cement products by Dongguan Cement to Sumitomo Corporation and its associates

Dongguan Cement, in its normal course of business, has been selling cement products to Sumitomo (Guangzhou) and Sumitomo (Hong Kong), both of them being subsidiaries of Sumitomo Corporation. Sumitomo Corporation is a substantial shareholder of Dongguan Cement and is accordingly a connected person of the Company under the Listing Rules. The selling price was negotiated on an arm’s length basis between Sumitomo Corporation and its associates and the Group which the executive Directors consider to be fair and reasonable as far as the Shareholders are concerned and in the interests of the Group and its Shareholders as a whole. The executive Directors confirm that the prices and terms of the said sales are on normal commercial terms and no less favourable than those available to the Group from independent third parties. The independent non-executive Directors will provide their views on the terms of the said agreements in the circular to be despatched to the Shareholders upon reviewing the letter of recommendation to be provided by the independent financial adviser.

In compliance with the amendments to the Listing Rules which came into effect on 31 March 2004, on 18 August 2004, the Sumitomo Cement Supply Agreements were entered into between Sumitomo (Guangzhou) and Dongguan Cement for the sale of cement products by Dongguan Cement to Sumitomo (Guangzhou) for the period from 1 January 2004 to 31 December 2005.

The table below sets out the cap amounts under the Existing Waiver relating to the sale of cement products by Dongguan Cement to Sumitomo Corporation and its associates for the two years ending 31 December 2004 and the actual amounts of such sale for the two years ended 31 December 2003:

	Year ended 31 December		
	2002 <i>HK\$ million</i>	2003 <i>HK\$ million</i>	2004 <i>HK\$ million</i>
Cap amount	N/A <i>(Note 1)</i>	10.0	10.0
Actual amount of sales	5.3 <i>(Note 2)</i>	7.2 <i>(Note 3)</i>	N/A <i>(Note 4)</i>

Notes:

1. A cap amount in 2002 was not available as the Existing Waiver was granted by the Stock Exchange on 26 June 2003. The Company was listed on the Stock Exchange on 29 July 2003.
2. Dongguan Cement had been selling cement products to both Sumitomo (Guangzhou) and Sumitomo (Hong Kong) during the year ended 31 December 2002.

3. Dongguan Cement had been selling cement products to Sumitomo (Guangzhou) during the year ended 31 December 2003 and will continue to sell cement products to Sumitomo (Guangzhou) in the two years ending 31 December 2005.
4. This amount cannot be confirmed as the financial year has not ended yet.

For the year ended 31 December 2003 and up to the date of this announcement, the Group did not exceed the limit set out in the Existing Waiver.

The Group will continue to carry out the above transactions pursuant to the Sumitomo Cement Supply Agreements. The Directors propose to revise the cap amount for the above transactions. Based on (i) the historical sale of cement products by Dongguan Cement to Sumitomo (Guangzhou) for the two years ended 31 December 2003 and the six months ended 30 June 2004; (ii) the expected increase in the demand of cement products by Sumitomo (Guangzhou) of approximately 160% and 25% respectively for the two financial years ending 31 December 2005, as a result of an increasing demand for high quality ready mixed concrete for construction projects in Guangdong Province in compliance with stricter regulatory standards imposed by the Chinese government as well as a limited number of quality cement manufacturers available in Dongguan; and (iii) a buffer in value of approximately 20% per annum to meet the possible increase in the prices of cement products and demand of the cement products by Sumitomo (Guangzhou), the Directors estimate that the total amount of sale of cement products under the Sumitomo Cement Supply Agreements will not exceed the limit of HK\$23 million and HK\$28 million for each of the two financial years ending 31 December 2005.

Benefit

The Directors believe that the Sumitomo Cement Supply Agreements will ensure a steady revenue derived from the sale of cement products.

(ii) Sale of cement products by Zhanjiang CR Cement to an associate of Profit Pool

Zhanjiang CR Cement, in its normal course of business, has been selling cement products to an associate of Profit Pool. Profit Pool is a substantial shareholder of Zhanjiang CR Cement and is accordingly a connected person of the Company under the Listing Rules.

Pursuant to the joint venture agreement dated 12 February 2003 entered into between Guangxi CR Cement and Profit Pool, Profit Pool agreed to procure its subsidiary to purchase cement products from Zhanjiang CR Cement. The joint venture agreement is valid for a period of ten years. In compliance with the amendments to the Listing Rules which came into effect on 31 March 2004, on 7 September 2004, the Profit Pool Cement Supply Agreement was entered into between Zhanjiang CR Cement and an associate of Profit Pool for the sale of cement products to an associate of Profit Pool by Zhanjiang CR Cement for the period from 7 September 2004 to 31 December 2005. The selling price was negotiated on an arm's length basis between the associate of Profit Pool and the Group which the executive Directors consider to be fair and reasonable as far as the Shareholders are concerned and in the interests of the Group and its Shareholders as a whole. The executive Directors confirm that the prices and terms of the said sales are on normal commercial terms and no less favourable than those available to the Group from independent third parties. The independent non-executive Directors will provide their views on the terms of the said agreements in the circular to be despatched to the Shareholders upon reviewing the letter of recommendation to be provided by the independent financial adviser.

The table below sets out the cap amounts under the Existing Waiver relating to the sale of cement products by Zhanjiang CR Cement to an associate of Profit Pool for the two years ending 31 December 2004 and the actual amounts of such sale for the two years ended 31 December 2003:

	Year ended 31 December		
	2002 <i>HK\$ million</i>	2003 <i>HK\$ million</i>	2004 <i>HK\$ million</i>
Cap amount	N/A <i>(Note 1)</i>	10.0	10.0
Actual amount of sales	Nil <i>(Note 2)</i>	8.9 <i>(Note 2)</i>	N/A <i>(Note 3)</i>

Notes:

1. A cap amount in 2002 was not available as the Existing Waiver was granted by the Stock Exchange on 26 June 2003. The Company was listed on the Stock Exchange on 29 July 2003.
2. As Zhanjiang CR Cement was established on 28 April 2003, no sale amount was recorded for the year ended 31 December 2002. The actual amount of sale during the year ended 31 December 2003 only reflected sales made during the period from 29 April 2003 to 31 December 2003.
3. This amount cannot be confirmed as the financial year has not ended yet.

For the year ended 31 December 2003 and up to the date of this announcement, the Group did not exceed the limit set out in the Existing Waiver.

The Group will continue to carry out the above transactions pursuant to the Profit Pool Cement Supply Agreement. The Directors propose to revise the cap amount for the above transactions. Based on (i) the historical sale of cement products by Zhanjiang CR Cement to an associate of Profit Pool for the year ended 31 December 2003 and the six months ended 30 June 2004; (ii) the expected increase in the demand of cement products by the associate of Profit Pool of approximately 110% and 15% respectively for the two financial years ending 31 December 2005, as a result of an increasing demand for high quality ready mixed concrete for construction projects in Zhanjiang in compliance with stricter regulatory standards imposed by the Chinese government as well as a limited number of quality cement manufacturers available in Zhanjiang; (iii) the full year impact of sale of cement products by Zhanjiang CR Cement commencing in the year ending 31 December 2004 (as detailed in Note 2 to the table above); and (iv) a buffer in value of approximately 20% per annum to meet the possible increase in the prices of cement products and demand of the cement products by an associate of Profit Pool, the Directors estimate that the total amount of sale of cement products under the Profit Pool Cement Supply Agreement will not exceed the limit of HK\$22 million and HK\$25 million for each of the two financial years ending 31 December 2005.

Benefit

The Directors believe that the Profit Pool Cement Supply Agreement will ensure a steady revenue derived from the sale of cement products.

(iii) Purchase of fuel, diesel and lubricant oil from subsidiaries of China Resources Enterprise

The Group, in its normal course of business, has been purchasing fuel and diesel from 深圳市華潤石油有限公司 (Shenzhen China Resources Petroleum Company Limited) and lubricant oil from 深圳華潤特種油劑有限公司 (CRC Special Oil Company Limited), both being subsidiaries of China Resources Enterprise. As the Company's controlling shareholder, China Resources Holdings, is also the controlling shareholder of China Resources Enterprise, China Resources Enterprise is accordingly a connected person of the Company under the Listing Rules.

In compliance with the amendments to the Listing Rules which came into effect on 31 March 2004, on 30 June and 1 July 2004, the Fuel Diesel and Lubricant Oil Purchase Agreements were entered into between the Group and subsidiaries of China Resources Enterprise for the purchase of fuel, diesel and lubricant oil from the subsidiaries of China Resources Enterprise for the period from 1 July 2004 to 31 December 2005. The executive Directors confirm that the prices and terms of the said purchases are on normal commercial terms and no less favourable than those available to the Group from independent third parties. The independent non-executive Directors will provide their views on the terms of the said agreements in the circular to be despatched to the Shareholders upon reviewing the letter of recommendation to be provided by the independent financial adviser.

The table below sets out the cap amounts under the Existing Waiver relating to the aggregate purchases of fuel, diesel and lubricant oil from subsidiaries of China Resources Enterprise by the Group for the two years ending 31 December 2004 and the actual amounts of such purchases for the two years ended 31 December 2003:

	Year ended 31 December		
	2002 <i>HK\$ million</i>	2003 <i>HK\$ million</i>	2004 <i>HK\$ million</i>
Cap amount	N/A <i>(Note 1)</i>	10.0	10.0
Actual amount of purchases	3.6	9.3	N/A <i>(Note 2)</i>

Notes:

1. A cap amount in 2002 was not available as the Existing Waiver was granted by the Stock Exchange on 26 June 2003. The Company was listed on the Stock Exchange on 29 July 2003.
2. This amount cannot be confirmed as the financial year has not ended yet.

For the year ended 31 December 2003 and up to the date of this announcement, the Group did not exceed the limit set out in the Existing Waiver.

The Group will continue to carry out the above transactions pursuant to the Fuel Diesel and Lubricant Oil Purchase Agreements. The Directors propose to revise the cap amount for the above transactions. Based on (i) the historical purchases of fuel, diesel and lubricant oil from subsidiaries of China Resources Enterprise for the two years ended 31 December 2003 and the six months ended 30 June 2004; (ii) additional purchases of fuel and diesel by Redland Precast and other subsidiaries which were recently acquired by the Group such as Wenwei and Shengcheng commencing in the year ending 31 December 2004 and expected to continue until 31 December 2005; and (iii) a buffer in value of approximately 30% per annum to meet the possible increase in the prices of fuel, diesel and lubricant oil, the Directors estimate that the total amount of the aggregate purchases of fuel, diesel and lubricant oil under the Fuel Diesel and Lubricant Oil Purchase Agreements will not exceed the limit of HK\$22 million and HK\$25 million for each of the two financial years ending 31 December 2005.

Benefits

The Directors believe that the Fuel Diesel and Lubricant Oil Purchase Agreements will ensure:

1. a steady supply of fuel, diesel and lubricant oil for the production of cement and concrete; and
2. timely delivery of fuel, diesel and lubricant oil to the Group.

EXEMPT CONTINUING CONNECTED TRANSACTION

Service Agreements with Guangxi Hongshuihe Cement and its associates

Guangxi CR Cement, in its normal course of business, has entered into the Service Agreements with Guangxi Hongshuihe Cement and its associates. Guangxi Hongshuihe Cement is a substantial shareholder of Guangxi CR Cement and is accordingly a connected person of the Company under the Listing Rules. Details of the Service Agreements are set out below:

On 1 August, 17 August and 24 August 2004, the Service Agreements were entered into between the Group and Guangxi Hongshuihe Cement for the provision of raw material unloading, cement product loading labour services and printing services for the period from 1 August 2004 to 31 December 2005, and the provision of limestone crushing and catering services for the period from 1 April 2004 to 31 December 2005. The Directors, including the independent non-executive Directors, confirm that the prices and terms upon which the said services were provided to the Group are on normal commercial terms and no less favourable than those available to the Group from independent third parties and are fair and reasonable and in the interests of the Group and its Shareholders as a whole.

The table below sets out the cap amounts under the Existing Waiver relating to the Service Agreements with Guangxi Hongshuihe Cement by the Group for the two years ending 31 December 2004 and the actual amounts of purchases of these services for the two years ended 31 December 2003:

	Year ended 31 December		
	2002 <i>HK\$ million</i>	2003 <i>HK\$ million</i>	2004 <i>HK\$ million</i>
Cap amount	N/A <i>(Note 1)</i>	10.0	10.0
Actual amount of purchases of services	1.1	1.8	N/A <i>(Note 2)</i>

Notes:

1. A cap amount in 2002 was not available as the Existing Waiver was granted by the Stock Exchange on 26 June 2003. The Company was listed on the Stock Exchange on 29 July 2003.
2. This amount cannot be confirmed as the financial year has not ended yet.

For the year ended 31 December 2003 and up to the date of this announcement, the Group did not exceed the limit set out in the Existing Waiver.

The Group will continue to carry out the above transactions pursuant to the Service Agreements. The Directors propose to retain the cap amount granted under the Existing Waiver for the above transactions. Based on (i) the historical considerations paid for such services from Guangxi Hongshuihe Cement for the two years ended 31 December 2003 and the six months ended 30 June 2004; and (ii) a buffer in value of approximately 20% per annum to meet the possible increase in labour costs, the Directors estimate that the total amount of the aggregate purchases of services under the Service Agreements will not exceed the limit of HK\$10.0 million for each of the two financial years ending 31 December 2005.

Benefits

The Directors believe that the Service Agreements will ensure a stable supply of quality services provided to the Group.

INFORMATION ABOUT THE CONNECTED PERSONS

Sumitomo Corporation

Sumitomo Corporation is a company incorporated in Japan and beneficially holds 12.5% interests in Dongguan Cement, of which 2.5% interests are held indirectly through Sumitomo (Hong Kong). It is principally engaged in trading, investing and financing.

Profit Pool

Profit Pool is a company incorporated in Hong Kong and holds 49% of the registered capital in Zhanjiang CR Cement. It is principally engaged in the manufacturing and sale of concrete products in the PRC.

China Resources Enterprise

China Resources Enterprise is a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange. The company has a diversified portfolio of businesses in both Hong Kong and the PRC including retail, beverage, food processing and distribution, textile, petroleum and chemical distribution, property and other investments.

China Resources Holdings

China Resources Holdings is a company incorporated in Hong Kong with limited liability and the controlling shareholder of the Company and China Resources Enterprise. Other than the activities engaged by the Company and China Resources Enterprise, China Resources Holdings is also engaged in property development, electric power and microelectronics, telecommunications, infrastructure development and other industries.

Guangxi Hongshuihe Cement

Guangxi Hongshuihe Cement is a joint stock company established in the PRC and holds 30% of the registered capital in Guangxi CR Cement. It is principally engaged in the manufacturing and sale of cement products in the PRC.

INFORMATION ABOUT THE COMPANY

The Company is a listed company on the Stock Exchange and the business of the Group includes production, distribution and sale of cement, concrete, mortars and shotcrete in Hong Kong and the PRC.

CHAPTER 14A OF THE LISTING RULES

As it is expected that the Non-Exempt Continuing Connected Transactions will continue, the Directors believe that it is in the commercial interest of the Company to seek approval from the independent shareholders for the continuation of the Non-Exempt Continuing Connected Transactions up to the limits specified in the New Caps mentioned below. The executive Directors consider that the terms of the Non-Exempt Continuing Connected Transactions are on normal commercial terms and in the ordinary course of business and are fair and reasonable so far as the Shareholders are concerned. As the Non-Exempt Continuing Connected Transactions will constitute “non-exempt continuing connected transactions” for the Company under Chapter 14A of the Listing Rules, independent shareholders’ approval is proposed to be sought in respect of the Non-Exempt Continuing Connected Transactions subject to the following conditions:

1. the Non-Exempt Continuing Connected Transactions shall be:
 - (a) entered into by the Group in the ordinary and usual course of business;

- (b) conducted either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties; and
 - (c) entered into in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.
2. the aggregate values of the transactions under the Sumitomo Cement Supply Agreements, Profit Pool Cement Supply Agreement and Fuel Diesel and Lubricant Oil Purchase Agreements, for each of the two financial years ending 31 December 2005 shall not exceed the limits set out below:

Transaction	Proposed New Caps for the year ending 31 December	
	2004	2005
(i) Sumitomo Cement Supply Agreements	HK\$23 million	HK\$28 million
(ii) Profit Pool Cement Supply Agreement	HK\$22 million	HK\$25 million
(iii) Fuel Diesel and Lubricant Oil Purchase Agreements	HK\$22 million	HK\$25 million

3. compliance by the Company with all other relevant requirements under Chapter 14A of the Listing Rules regarding the Non-Exempt Continuing Connected Transactions from 1 April 2004.

As each of the percentage ratios under the Exempt Continuing Connected Transaction is less than 2.5%, the Exempt Continuing Connected Transaction is exempt from the independent shareholders' approval requirement under Rule 14A.34 of the Listing Rules.

GENERAL

The EGM will be held to approve the Non-Exempt Continuing Connected Transactions and the New Caps. Sumitomo Corporation, Profit Pool, Guangxi Hongshuihe Cement and their respective associates have no other interests in the Company. As China Resources Holdings is a connected person of the Company under the Listing Rules, China Resources Holdings and its associates will abstain from voting to approve the Non-Exempt Continuing Connected Transaction (iii) and the relevant New Caps. A circular containing, among other things, further details of the Non-Exempt Continuing Connected Transactions, a letter from the independent financial adviser containing its advice to the independent board committee, the recommendations of the independent board committee, together with a notice of the EGM will be despatched to the Shareholders as soon as practicable.

As at the date of this announcement, the Board comprises twelve Directors, of which six are executive Directors, namely Mr. Qiao Shibo, Mr. Shi Shanbo, Ms. Zhou Junqing, Mr. Zhou Longshan, Ms. Sun Mingquan and Mr. Zheng Yi, three are non-executive Directors, namely Mr. Ning Gaoning, Mr. Jiang Wei and Mr. Keung Chi Wang, Ralph and three are independent non-executive Directors, namely Mr. Chan Mo Po, Paul, Mr. Lin Zongshou and Mr. Lui Pui Kee, Francis.

DEFINITIONS

“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“China Resources Enterprise”	China Resources Enterprise, Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange
“China Resources Holdings”	China Resources (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability

“Company”	China Resources Cement Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it in the Listing Rules
“Continuing Connected Transactions”	the Exempt Continuing Connected Transaction and the Non-Exempt Continuing Connected Transactions
“Directors”	the directors of the Company
“Dongguan Cement”	Dongguan Huarun Cement Manufactory Co., Ltd., a sino foreign joint venture established in the PRC, which is beneficially held as to 75% by the Company through Clear Bright Investments Limited, an indirect wholly owned subsidiary of the Company, and held as to 12.5% by UBE Industries, 10% by Sumitomo Corporation and 2.5% by Sumitomo (Hong Kong)
“EGM”	the extraordinary general meeting to be held by the Company
“Exempt Continuing Connected Transaction”	the connected transaction to be continued between the Group and its connected persons on an ongoing basis and as described under the paragraph headed “Exempt Continuing Connected Transaction” in this announcement
“Existing Waiver”	the waiver granted by the Stock Exchange on 26 June 2003 to the Company waiving the Company’s obligation from strict compliance with provisions of Chapter 14 of the Listing Rules subject to certain conditions in respect of, among other things, the Continuing Connected Transactions
“Fuel Diesel and Lubricant Oil Purchase Agreements”	three purchase agreements dated 30 June 2004 and a purchase agreement dated 1 July 2004 for the purchase of lubricant oil and two purchase agreements dated 1 July 2004 for the purchase of fuel and diesel entered into between the Group and subsidiaries of China Resources Enterprise
“Group”	Company and its subsidiaries
“Guangxi CR Cement”	Guangxi China Resources Hongshuihe Cement Co., Ltd., a sino foreign equity joint venture which is a subsidiary held as to 70% by the Company through Flavour Glory Limited, a wholly owned subsidiary of the Company and 30% by Guangxi Hongshuihe Cement
“Guangxi Hongshuihe Cement”	Guangxi Hongshuihe Cement Joint Stock Company Limited, a joint stock company established in the PRC which holds 30% of the registered capital in Guangxi CR Cement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange

“New Caps”	the maximum aggregate annual values of the Non-Exempt Continuing Connected Transactions as set out under the heading “Chapter 14A of the Listing Rules” in this announcement
“Non-Exempt Continuing Connected Transactions”	the connected transactions to be continued between the Group and its connected persons on an ongoing basis and as described under the paragraph headed “Non-Exempt Continuing Connected Transactions” in this announcement
“PRC”	The People’s Republic of China
“Profit Pool”	Profit Pool Holdings Limited, a company incorporated in Hong Kong which holds 49% of the registered capital in Zhanjiang CR Cement
“Profit Pool Cement Supply Agreement”	a supply agreement dated 7 September 2004 for the supply of cement products entered into between Zhanjiang CR Cement and an associate of Profit Pool
“Redland Precast”	Redland Precast Concrete Products Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company
“RMB”	Renminbi, the legal currency in the PRC
“Service Agreements”	the four service agreements entered into between Guangxi CR Cement and Guangxi Hongshuihe Cement including the printing service agreement dated 1 August 2004 regarding the printing of various forms with a company logo, the raw material unloading and cement product loading service agreement dated 17 August 2004 for the provision of labour forces for unloading coal and raw materials from and loading cement products onto locomotives, the limestone crushing service agreement dated 24 August 2004 for the provision of crushing services and the catering service agreement dated 24 August 2004 for the provision of catering services
“Shares”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	holders of Shares
“Shengcheng”	深圳市生成混凝土有限公司 (Shenzhen Shengcheng Concrete Limited), a company established in the PRC with limited liability which is beneficially held as to 100% by the Company through China Resources Concrete Limited, a wholly owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sumitomo Cement Supply Agreements”	four agreements for the supply of cement products dated 18 August 2004 entered into between Dongguan Cement and Sumitomo (Guangzhou)
“Sumitomo Corporation”	Sumitomo Corporation, a company incorporated in Japan which beneficially holds 12.5% interests in Dongguan Cement, of which 2.5% is held indirectly through Sumitomo (Hong Kong)

“Sumitomo (Hong Kong)”	Sumitomo Corporation (Hong Kong) Ltd., a subsidiary of Sumitomo Corporation and which beneficially holds 2.5% interests in Dongguan Cement
“Sumitomo (Guangzhou)”	Sumitomo (Guangzhou) Corporation Ltd., a subsidiary of Sumitomo Corporation
“UBE Industries”	UBE Industries Ltd., a company incorporated in Japan which beneficially holds 12.5% interests in Dongguan Cement
“Wenwei”	深圳市文偉混凝土有限公司 (Shenzhen Wenwei Concrete Limited), a company established in the PRC with limited liability which is beneficially held as to 100% by the Company through China Resources Concrete Limited, a wholly owned subsidiary of the Company
“Zhanjiang CR Cement”	Zhanjiang China Resources Hongshuihe Cement Co., Limited, a sino foreign joint venture company established in the PRC, which is beneficially held as to 49% interest by Profit Pool and 51% by Guangxi CR Cement, a subsidiary which is held as to 70% by the Company through Flavour Glory Limited, a wholly owned subsidiary of the Company

Unless otherwise specified in this announcement, amounts denominated in RMB have been converted, for the purpose of illustration only, into Hong Kong dollars at the rate of HK\$1.00 = RMB1.06. This exchange is for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be converted at the above rate or any other rates.

By order of the Board
China Resources Cement Holdings Limited
Lee Yip Wah, Peter
Secretary

Hong Kong, 8 September, 2004

Please also refer to the published version of this announcement in The Standard.