



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)

ANNOUNCEMENT OF BANKING FACILITIES WITH COVENANTS RELATING TO CERTAIN OBLIGATIONS OF THE CONTROLLING SHAREHOLDERS

Financial adviser

ANGLO CHINESE
CORPORATE FINANCE, LIMITED

The Board announced that on 25 October 2004, the Company entered into a Loan Agreement with certain banks whereby subject to the terms of the Loan Agreement, the Lenders agreed to make available to the Company term loan facilities in the aggregate amount of HK\$400,000,000. Pursuant to the Loan Agreement, China Resources Holdings, the controlling shareholder of the Company which beneficially holds approximately 74.5% of the issued share capital of the Company, will be subject to certain obligations relating to the ownership and control of the Company and the management of the Group.

THE LOAN AGREEMENT

The Board announced that on 25 October 2004, the Company entered into a Loan Agreement with certain banks, which are independent of the Company and not connected persons of the Company, whereby subject to the terms of the Loan Agreement, the Lenders agreed to make available to the Company term loan facilities in the aggregate amount of HK\$400,000,000, for the purposes of the Group's capital expenditure relating to the acquisition, construction and development of production facility and/or general corporate purposes, which is available for drawdown within one year from the date of the Loan Agreement.

The term loan facilities are unsecured and interest bearing. All amounts drawn down are repayable by five equal semi-annual instalments commencing from the end of the third year from the date of the Loan Agreement and the last of which will be repayable at the end of the fifth year from the date of the Loan Agreement.

CERTAIN OBLIGATIONS OF THE CONTROLLING SHAREHOLDER UNDER THE COMFORT LETTER

Pursuant to the Loan Agreement, China Resources Holdings is required to issue a Comfort Letter as a condition precedent to the Loan Agreement. Under the Comfort Letter, so long as any amount is outstanding to the Lenders under the Loan Agreement, China Resources Holdings will continue to:

1. maintain itself as the single largest shareholder of the Company;
2. hold not less than 51% of the voting issued share capital in the Company; and
3. maintain the management control of the Company through the nomination of the majority number of directors to the Board.

It will be an event of default under the Loan Agreement if the Comfort Letter may become and becomes unenforceable against China Resources Holdings, or is declared by China Resources Holdings to be not enforceable and in such case, the Lenders may declare that all or part of the outstanding amounts together with accrued interest to be immediately due and payable.

Similar disclosures will be included in subsequent interim and annual reports for so long as circumstances giving rise to the certain obligations continue to exist.

DEFINITIONS

“Board”	board of directors of the Company
“China Resources Holdings”	China Resources (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability
“Comfort Letter”	a letter of comfort to be issued by China Resources Holdings in favour of the Lenders pursuant to the Loan Agreement
“Company”	China Resources Cement Holdings Limited, a company incorporated in the Cayman Islands with limited liability and its shares are listed on the Stock Exchange
“Group”	Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Lenders”	certain banks as referred to in the Loan Agreement, which are independent of the Company and not connected persons of the Company
“Loan Agreement”	a term loan facility agreement dated 25 October 2004 between certain banks as Lenders and the Company

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

By order of the Board

Shi Shanbo

Director

Hong Kong, 25 October 2004

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.

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