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華潤(集團)有限公司

China Resources (Holdings) Company Limited

(Incorporated in Hong Kong with limited liability)



順創投資有限公司

Smooth Concept Investments Limited

(Incorporated in the British Virgin Islands with limited liability)



華潤水泥控股有限公司

China Resources Cement Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Codes: 712 and 2512

**PROPOSAL TO CONSTITUTE
CHINA RESOURCES CEMENT HOLDINGS LIMITED
AS A WHOLLY-OWNED SUBSIDIARY OF
SMOOTH CONCEPT INVESTMENTS LIMITED
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 86 OF THE COMPANIES LAW OF THE CAYMAN
ISLANDS**

**PROPOSED PRIVATISATION AND WITHDRAWAL OF LISTING OF CHINA
RESOURCES CEMENT HOLDINGS LIMITED**

**Financial adviser to
China Resources (Holdings) Company Limited
and Smooth Concept Investments Limited**

ANGLO CHINESE
CORPORATE FINANCE, LIMITED

**Independent financial adviser to
the independent committee of the board of directors of
China Resources Cement Holdings Limited**



Somerley Limited

The Board announces that CRH, through its wholly-owned subsidiary, Smooth Concept, has requested that it put forward to the Shareholders a Proposal regarding a proposed privatisation and withdrawal of listing of the Company.

The Proposal will be implemented by way of the Scheme of Arrangement between the Company, the Shareholders and Smooth Concept under Section 86 of the Companies Law. Upon completion of the Scheme of Arrangement, CRC will be a wholly-owned subsidiary of Smooth Concept and the listing of the Shares will be withdrawn from the Stock Exchange in compliance with Rule 6.15 of the Listing Rules.

Under the Scheme of Arrangement, the Shareholders (other than CRH Group) will receive from Smooth Concept in consideration for the cancellation of their Shares:

for every Share held the Cash Alternative, being HK\$2.45 in cash; or
..... the Share Alternative, being one share in Smooth Concept, credited as fully paid up

Shareholders (other than CRH Group) may elect either the Cash Alternative or the Share Alternative, or a combination of both. If no election is made, such Shareholders will receive the Cash Alternative.

As part of the Proposal, all 270,132,647 Shares held by CRH Group (representing some 70.7% of the issued share capital of the Company) and the remaining 111,730,814 Shares held by all other Shareholders (representing some 29.3% of the issued share capital of the Company) will be cancelled and immediately re-issued to Smooth Concept. The Shares held by CRH Group will be re-created and re-issued to Smooth Concept in exchange for an equal number of shares in Smooth Concept.

Any Shareholder who elects to receive the Share Alternative will retain the same proportional interest in CRC as such Shareholder held immediately before the implementation of the Scheme of Arrangement. The shares in Smooth Concept are not listed on any exchange and there are no plans for a listing of its shares on any such exchange.

The Cash Alternative under the Proposal represents a premium of 35.4% over the closing price of the Shares on 28 March 2006 being the last trading day before the suspension of the Shares pending the publication of this announcement and a premium of 65.5% over the 30-day average closing price of the Shares prior to that suspension. It is also at a premium of 5.6% over the weighted average price of the Shares, weighted by the number of Shares traded, of HK\$2.32 per Share since the Shares were listed on the Stock Exchange on 29 July 2003.

The Scheme of Arrangement is conditional upon the fulfilment or waiver, as applicable, of the conditions described in the section of this announcement headed "Conditions of the Scheme of Arrangement", including, among others, the approval of Shareholders at the Court Meeting and the sanction of the Court. If the conditions are not fulfilled or, if applicable, waived on or before 30 September 2006 (or such other date as Smooth Concept and the Company may agree and the Court may allow), the Proposal will lapse.

CRH and parties acting in concert with it will, in compliance with the Takeovers Code, abstain from voting at the Court Meeting.

Conditional upon the Scheme of Arrangement becoming effective, Smooth Concept will:

1. offer to acquire all the outstanding Convertible Bonds not held by members of CRH Group for a consideration payable in cash of HK\$4,900 for each Convertible Bond with a principal amount of HK\$4,000 and so in proportion for any lesser or greater principal amount of the Convertible Bonds. At the date of this announcement members of CRH Group hold Convertible Bonds with a face value of HK\$742.9 million, representing 92.9% of the Convertible Bonds in issue; and

2. make a cash offer to the Optionholders to cancel their Options. The offer to cancel each Option will be calculated by deducting the exercise price of the Option from the Cash Alternative under the Scheme of Arrangement.

On the basis of full acceptance of the offers for the outstanding Options and the Convertible Bonds and on the basis that all Shareholders (other than CRH Group) will receive the Cash Alternative, the total maximum consideration payable under the Proposal is approximately HK\$428.0 million. Anglo Chinese is satisfied that Smooth Concept has sufficient financial resources available to it to implement the Proposal in full.

As at the date of this announcement, apart from the Convertible Bonds (which may be converted into Shares) and the Options, the Company does not have any outstanding options, warrants or convertible securities.

An independent committee of the Board, comprising all three independent non-executive directors of the Company, has been formed to advise Shareholders (other than CRH Group), the Convertible Bondholders (other than CRH Group) and the Optionholders in connection with the Proposal. The independent committee of the Board has approved the appointment of Somerley Limited to advise the independent committee of the Board.

At the request of CRC, trading in the Shares and the Convertible Bonds on the Stock Exchange was suspended from 9:30 a.m. on 29 March 2006 pending the issue of this announcement. Application has been made to the Stock Exchange for a resumption of trading in the Shares and the Convertible Bonds with effect from 9:30 a.m. on 3 April 2006.

Shareholders, Convertible Bondholders and, or, potential investors should be aware that the implementation of the Proposal and the offer for the Convertible Bonds are subject to the conditions set out below being fulfilled or waived, as applicable, and consequently the Scheme of Arrangement and the offer for the Convertible Bonds may or may not become effective or be made. Accordingly, they are advised to exercise caution when dealing in the Shares and the Convertible Bonds.

Introduction

On 29 March 2006, CRH through its wholly-owned subsidiary, Smooth Concept, requested the Board to put forward to its Shareholders a Proposal which, if implemented, will result in CRC becoming a wholly-owned subsidiary of Smooth Concept. The Proposal will be implemented by way of a Scheme of Arrangement under Section 86 of the Companies Law. The Board has agreed to put forward the Proposal as it considers the Proposal to be appropriate for consideration by its public Shareholders, Convertible Bondholders and Optionholders.

The Proposal

Under the Scheme of Arrangement, Shareholders (other than CRH Group) will receive from Smooth Concept in consideration for the cancellation of their Shares:

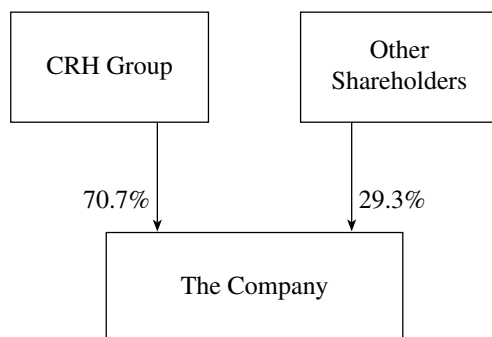
for every Share held..... the Cash Alternative, being HK\$2.45 in cash; or
..... the Share Alternative, being one share in Smooth Concept, credited as fully paid up.

Shareholders (other than CRH Group) may elect either the Cash Alternative or the Share Alternative, or a combination of both. If no election is made, such Shareholders will receive the Cash Alternative.

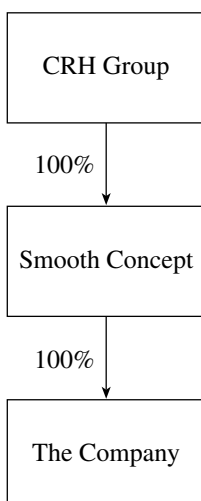
As part of the Proposal, all 270,132,647 Shares held by CRH Group (representing some 70.7% of the issued share capital of the Company) and the remaining 111,730,814 Shares held by all other Shareholders (representing some 29.3% of the issued share capital of the Company) will be cancelled and immediately re-issued to Smooth Concept. The Shares held by CRH Group will be re-created and re-issued to Smooth Concept in exchange for an equal number of shares in Smooth Concept.

In order to finance the Proposal, CRH will subscribe for such number of new shares in Smooth Concept at HK\$2.45 per share so that (1) upon the Scheme of Arrangement becoming effective, and following the issue of shares in Smooth Concept (if any) under the Share Alternative, Smooth Concept will have the same number of shares in issue as CRC; and (2) the Shareholders who elect to receive the Share Alternative will have the same proportional interests in CRC, held through their shareholdings in Smooth Concept, as they did immediately before the implementation of the Scheme of Arrangement as direct Shareholders in CRC. However, Smooth Concept will not be a listed company so that its shareholders will no longer be afforded the protections currently given to them under the Listing Rules, the constitution of CRC and the laws of the Cayman Islands. Moreover, there is no plan to obtain a listing for the shares in Smooth Concept on any exchange.

Shareholding structure of the Company before the Scheme of Arrangement becomes effective



Shareholding structure of the Company immediately after the Scheme of Arrangement becomes effective, assuming that all Shareholders (other than CRH Group) accept the Cash Alternative



Conditions of the Scheme of Arrangement

The Scheme of Arrangement will become effective and binding on the Company, CRH and all other Shareholders subject to the fulfilment or waiver, as applicable, of the following conditions:

- (a) the approval of the Scheme of Arrangement by a majority in number of the Shareholders representing not less than three-fourths in value of the Shares, present and voting at the Court Meeting either in person or by proxy by poll, provided that the number of votes cast against the resolution to approve the Scheme of Arrangement is not more than 10% of the votes attaching to all Shares, save for the Shares held by CRH and parties acting in concert with it. CRH and parties acting in concert with it shall, in compliance with the Takeovers Code, abstain from voting at the Court Meeting.
- (b) the passing of a special resolution to approve and give effect to the reduction of the issued share capital of the Company by cancelling all of the issued Shares by a majority of at least three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at the EGM and immediately thereafter, to apply the reserve created as a result of the aforesaid cancellation to pay up in full and issue to Smooth Concept such number of new shares as is equal to the number of issued Shares cancelled;
- (c) the sanction of the Scheme of Arrangement by the Court (with or without modifications) and to the extent necessary, the Court's confirmation of the reduction of the share capital of the Company and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Court for registration;
- (d) compliance, to the extent necessary, with the procedural requirements of Section 15 of the Companies Law and compliance with any conditions imposed under Section 16 of the Companies Law in each case in relation to the reduction of the issued share capital of the Company;
- (e) all Authorisations having been obtained in connection with the Scheme of Arrangement from the Relevant Authorities in the Cayman Islands, and, or Hong Kong and, or any other relevant jurisdictions; and
- (f) all Authorisations remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Scheme of Arrangement becomes effective.

In the event that condition (e) and, or condition (f) is not, are not fulfilled, Smooth Concept reserves the right to assess the materiality of such non-fulfilment and to waive the fulfilment of any such condition to such extent as it considers appropriate. Conditions (a) to (d) cannot be waived in any event. All of the above conditions will have to be fulfilled or waived, as applicable, on or before 30 September 2006 (or such other date as Smooth Concept and the Company may agree and the Court may allow), the Proposal will lapse.

Comparison of value

The Cash Alternative represents:

- a premium of approximately 35.4% over the closing price of HK\$1.81 per Share as quoted on the Stock Exchange on 28 March 2006 being the last day on which the Shares traded before the publication of this announcement;

- a premium of approximately 65.5% over the 30-day average closing price of the Shares of HK\$1.48 per Share during the period ended on 28 March 2006;
- a premium of 57.1% over the weighted average traded price, weighted by the number of Shares traded, of HK\$1.56 per Share during the period commencing 1 January 2005 and ending on 28 March 2006;
- a premium of 5.6% over the weighted average traded price of HK\$2.32 per Share for the entire period since the Shares were listed on the Stock Exchange on 29 July 2003 until 28 March 2006;
- a historical price earnings multiple of 74.2 times based on the basic earnings per Share of HK\$0.033 for the financial year ended 31 December 2005; no dividends were declared in respect of this period; and
- a discount of 2.8% on the audited net assets attributable to Shareholders as at 31 December 2005 on a fully diluted basis of HK\$2.52 per Share.

Offer for the Convertible Bonds

The Company has in issue and outstanding HK\$799.9 million principal amount of Convertible Bonds. After the Scheme of Arrangement becomes effective, Smooth Concept will offer to acquire all the Convertible Bonds held by Convertible Bondholders, other than members of CRH Group, on the following basis:

for any HK\$4,000 principal amount of HK\$4,900 in cash or so in proportion for any lesser or the Convertible Bonds greater principal amount of the Convertible Bonds held.

The Convertible Bonds are convertible into Shares at HK\$2.00 per Share. The consideration payable for the offer for the Convertible Bonds is determined based on the consideration payable under the Cash Alternative and the conversion price of the Convertible Bonds. Smooth Concept's acquisition of all the Convertible Bonds held by Convertible Bondholders will be financed by means of a shareholders' loan from CRH.

Under the terms of the Convertible Bonds, the Company may redeem the Convertible Bonds if the aggregate principal amount of the Convertible Bonds in issue and outstanding is less than HK\$30 million. If as a result of the offer for the Convertible Bonds there are less than HK\$30 million in aggregate principal amount held by holders other than members of CRH Group, CRH Group will convert such principal amount of the Convertible Bonds so that the Company will be able to issue a notice of mandatory redemption. If acceptances of the offer for the Convertible Bonds are less than the amount which would make mandatory redemption possible, the Convertible Bonds will, subject to the next following paragraph, remain listed on the Stock Exchange until their maturity date on 14 January 2010.

CRH Group currently holds in excess of 90% in the principal amount of the Convertible Bonds and is, accordingly, able to pass an extraordinary resolution of the Convertible Bondholders by means of a resolution in writing signed by the relevant members of CRH Group. Convertible Bondholders should note that an extraordinary resolution may have the effect of, among other things, modifying the maturity date of the Bonds, or approving any other matter affecting the interests of the Convertible Bondholders as a class. CRH has not decided to exercise its rights to pass any extraordinary resolution of the Convertible Bondholders, but it is open to it to do so at any time before the maturity date of the Convertible Bonds provided that it holds not less than 90% in the value of the Convertible Bonds. Convertible Bondholders should also note that, after the Scheme of Arrangement becomes effective, the Shares into which the Convertible Bonds are converted will no longer be listed on the Stock Exchange.

Although the Convertible Bonds are listed on the Stock Exchange, they have not traded so it is not possible to provide a comparison of the price offered for the Convertible Bonds with their market price.

Cancellation of the Options under the Share Option Scheme

After the Scheme of Arrangement becomes effective, Smooth Concept will make a cash offer to cancel the Options under the Share Option Scheme. The offer to cancel each Option will be calculated by deducting the exercise price of the Option from the Cash Alternative under the Scheme of Arrangement.

In the event that any Options are exercised after the date of this announcement and Shares are issued pursuant to such exercise prior to the closing of the register of members of the Company for the purpose of determining entitlements of Shareholders under the Scheme of Arrangement, any such Shares shall participate in the Scheme of Arrangement.

The offer to Optionholders will be financed by means of a shareholders' loan from CRH.

Total consideration and confirmation of financial resources

On the basis of full acceptance of the offers for the outstanding Options and the Convertible Bonds and on the basis that all Shareholders (other than CRH Group) will receive the Cash Alternative, the total maximum consideration payable under the Proposal is approximately HK\$428.0 million. Anglo Chinese, the financial adviser to CRH and Smooth Concept, has confirmed that sufficient financial resources are available to Smooth Concept to implement the Scheme of Arrangement and to satisfy full acceptance of the offers for the Convertible Bonds and the Options.

Reasons for the Proposal

The Company, which holds the cement and concrete interests of CRH Group, was listed on the Stock Exchange on 29 July 2003. The listing was through an introduction so that no funds were raised by the Company as part of its listing. Since then the production capacity of CRC Group has been greatly increased through both the expansion of existing capacity and through acquisitions, notably China Resources Cement (Pingnan) Limited, which is now wholly owned. Further increases are planned and, as disclosed in CRC's results announcement for the year ended 31 December 2005, it is the objective of CRC Group to have installed production capacity for 15 million tonnes of cement and 10 million cubic metres of concrete per annum by 2008. If this is achieved it will make CRC Group one of the largest cement and concrete producers in PRC and one of the dominant cement producers in Guangxi Zhuang Autonomous Region. The increase in production capacity has required extensive investment a substantial portion of which has been funded by CRH through the provision of HK\$742.9 million of the HK\$800 million Convertible Bonds by a wholly-owned subsidiary of CRH.

During the period since the listing of CRC, conditions in the building materials sector in PRC have deteriorated markedly due principally to measures taken by PRC Government to curb excessive fixed assets investment and the substantial increases in production and distribution costs due to sharply increased energy prices. This has resulted in pressure both on sales prices and on margins with the result that the profits of CRC Group, in common with other cement and concrete producers, have declined markedly.

In circumstances where it has not been possible to raise significant funds from the market and in view of the keen competition and cost pressures in the building materials sector, CRH has questioned the value of a listed status for CRC and believes that the continued expansion of CRC Group during difficult trading conditions is best carried out as an unlisted company.

The Proposal is designed to give public Shareholders a consideration for their Shares which, CRH believes, is substantially higher than would be justified by the Company's trading performance and the immediate outlook for the cement and concrete industry in PRC. This is borne out by the premium to the prevailing market price of Shares prior to this announcement compared with the Cash Alternative being offered to Shareholders under the Scheme of Arrangement. The Proposal does, however, allow Shareholders who wish to retain their investment in CRC to do so, albeit in an unlisted form. Accordingly, although the implementation of the Scheme of Arrangement will result in CRC ceasing to be a listed company, the Scheme of Arrangement will not compel Shareholders to relinquish their effective interest in CRC and its future.

Information of CRC

CRC Group is engaged in the manufacture of cement, principally from its plants in Nanning, Pingnan and Guigang, Guangxi Zhuang Autonomous Region, which is sold primarily to customers in the Pearl River Delta. CRC Group is also engaged in the production of concrete and related products in Hong Kong and Southern China and in the manufacture and sale of precast products.

A summary of the audited consolidated accounts of CRC for the years ended 31 December 2004 and 2005 is set out below:

	For the year ended 31 December 2004	For the year ended 31 December 2005
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	1,438,391	1,684,377
Profit before taxation	114,966	27,120
Profit after taxation	110,335	16,855
Profit attributable to Shareholders	82,394	12,529
Basic earnings per Share (<i>HK\$</i>)	0.227	0.033
Dividends per Share (<i>HK\$</i>)	0.05	nil

The audited consolidated net assets attributable to Shareholders were approximately HK\$1,269.6 million as at 31 December 2005 and approximately HK\$1,073.1 million as at 31 December 2004.

Information on CRH Group and Smooth Concept

CRH is a company incorporated in Hong Kong with limited liability and is the controlling shareholder of the Company. Other than the activities engaged in by the Company, CRH is also engaged in the manufacture and distribution of consumer products, property and related industries and infrastructure and utilities.

Smooth Concept is wholly owned by CRH and was established for the purpose of the Proposal set out in this announcement. It has not yet commenced business. Smooth Concept has presently 1 ordinary share of HK\$0.10 each in issue.

As far as the Board is aware, CRH Group and parties acting in concert with it hold 270,347,447 Shares (representing some 70.8% of the issued share capital of the Company) and 3.8 million Options and in excess of 90% of the principal amount of the Convertible Bonds. Other than this and as far as the Board is aware, CRH and parties acting in concert with it do not hold any other securities in the Company. As far as the Board is aware, neither CRH nor any party acting in concert with it has acquired Shares in the six months immediately preceding the date of this announcement.

Save for the Proposal itself, there are no arrangements (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code between CRH or any party acting in concert with it and any other party in relation to the shares of CRH or the Company which might be material to the Proposal.

Future intentions and withdrawal of listings of securities of CRC

It is the intention of CRH Group to maintain the existing businesses of CRC Group following the Scheme of Arrangement becoming effective. It does not intend to introduce any major changes to the existing operating and management structure of CRC Group or to make any changes to existing senior management or to discontinue the employment of any of the employees of CRC Group. Consequently, there should be no material change to CRC Group's businesses or personnel as a result of the Scheme of Arrangement becoming effective.

Upon the Scheme of Arrangement becoming effective and if sufficient acceptances of the offer for the Convertible Bonds enable the Company to redeem mandatorily the Convertible Bonds, it is intended to withdraw the listings of both the Shares and the Convertible Bonds on the Stock Exchange. If acceptances of the offer are not sufficient to redeem mandatorily the Convertible Bonds, it is intended to withdraw the listing of the Shares on the Stock Exchange upon the Scheme of Arrangement being effective. The listing of the Shares and the Convertible Bonds on the Stock Exchange will not be withdrawn if the Proposal is not approved or lapses.

Overseas Shareholders, holders of Convertible Bonds and Optionholders

The Scheme of Arrangement and offers to Shareholders, Convertible Bondholders and Optionholders who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions which such Shareholders, Convertible Bondholders and Optionholders are located. Such Shareholders, Convertible Bondholders and Optionholders should inform themselves about and observe any applicable legal and regulatory requirements. It is the responsibility of any overseas Shareholder wishing to elect for the Share Alternative to satisfy itself as the full observance of the laws of the relevant jurisdiction in connection therewith, including obtaining any governmental, exchange control or other consents which may be required, or compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

Smooth Concept reserves the right to make relevant arrangements in respect of Shareholders not resident in Hong Kong in relation to the Proposal in case the issue of new shares in Smooth Concept under the Proposal to any overseas Shareholder who elects for the Share Alternative is prohibited by any relevant law or so prohibited except after compliance with conditions which are regarded to be unduly burdensome. Details of such arrangements (if any) will be set out in the composite document referred to below.

Independent committee of the Board

An independent committee of the Board comprising its three independent non-executive directors, being Messrs. Chan Mo Po, Paul, Lin Zongshou and Lui Pui Kee, Francis, has been formed to advise the Shareholders, other than CRH Group, as to what action they should take in response to the Scheme of Arrangement, as well as Optionholders and Convertible Bondholders, other than CRH Group, in response to the offer for their Options and Convertible Bonds respectively. The independent committee of the Board has approved the appointment of Somerley Limited to advise the independent committee of the Board. The two non-executive directors of the Company are not members of the independent committee of the Board in view of their indirect interests in the Proposal. One of the non-executive directors of the Company is an executive director of CRH and the other is a director of China Resources Enterprise, Limited, a subsidiary of CRH.

“Anglo Chinese”	Anglo Chinese Corporate Finance, Limited, the financial adviser to CRH and Smooth Concept, and a deemed licensed corporation to carry on business in types 1, 4, 6 and 9 regulated activities under the Securities and Futures Ordinance
“Associate(s)”	has the meaning ascribed thereto in the Takeovers Code
“Authorisations”	all necessary authorisations, registrations, filings, rulings, consents, permissions and approvals in connection with the Proposal
“Board”	board of directors of CRC
“Cash Alternative”	HK\$2.45 per Share in cash under the Scheme of Arrangement
“Companies Law”	Companies Law (2004 Revision) of the Cayman Islands
“Convertible Bond(s)”	zero Coupon Convertible Bond(s) due 2010 issued by China Resources Cement Finance Limited, a wholly-owned subsidiary of the Company, and guaranteed by CRC in the principal amount of HK\$800 million (of which HK\$799.9 million is outstanding) which entitle the holders to convert all or a portion of their Convertible Bonds into Shares at an initial conversion price of HK\$2.00 per Share, subject to adjustment
“Convertible Bondholder(s)”	holder(s) of Convertible Bonds
“Court”	the Grand Court of the Cayman Islands
“Court Meeting”	a meeting of Shareholders to be convened at the direction of the Court at which the Scheme of Arrangement will be voted upon. CRH and parties acting in concert with it will abstain from voting at the Court Meeting
“CRC” or “Company”	China Resources Cement Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the Stock Exchange
“CRC Group”	Company and its subsidiaries
“CRH”	China Resources (Holdings) Company Limited, a company incorporated in Hong Kong and the holding company of Smooth Concept
“CRH Group”	CRH and its subsidiaries including CRC Group
“EGM”	an extraordinary general meeting of the Company to be held immediately following the Court Meeting to consider and vote on the share capital reduction as part of the Scheme of Arrangement. All Shareholders are eligible to vote at the EGM
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administration Region of the PRC

“Listing Rules”	Rules governing the Listing of Securities on the Stock Exchange
“Option(s)”	Option(s) granted to Optionholders under the Share Option Scheme
“Optionholder(s)”	holder(s) of options granted under the Share Option Scheme
“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administration Region and Taiwan
“Proposal”	the proposed privatisation of the Company by CRH through Smooth Concept under the Scheme of Arrangement
“Relevant Authorities”	appropriate governments and, or governmental bodies, regulatory bodies, courts or institutions including the SFC and the Stock Exchange
“Scheme of Arrangement”	a scheme of arrangement between the Company, the Shareholders and Smooth Concept under Section 86 of the Companies Law
“SFC”	the Securities and Futures Commission
“Share(s)”	shares of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Alternative”	1 share in Smooth Concept for each Share held, other than Shares held by CRH
“Share Option Scheme”	the share option scheme of the Company initially adopted on 20 June 2003 and effected on 29 July 2003
“Smooth Concept”	Smooth Concept Investments Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of CRH
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

By order of
the board of directors of
**CHINA RESOURCES (HOLDINGS)
COMPANY LIMITED**
Jiang Wei
Director

By order of
the board of directors of
**SMOOTH CONCEPT
INVESTMENTS LIMITED**
Wong Siu Ping
Director

By order of
the board of directors of
**CHINA RESOURCES CEMENT
HOLDINGS LIMITED**
Shi Shanbo
Director

Hong Kong, 31 March 2006

As at the date of this announcement, the board of directors of CRH comprises Messrs. Chen Xinhua, Song Lin, Ding Yali, Chen Shulin, Qiao Shibo, Wang Yin, Jiang Wei, Yan Biao, Wang Shuaiting, Zhou Shengjian, Zhu Jinkun, Chen Lang and Wang Qun.

The directors of CRH jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, other than relating to CRC and Smooth Concept, and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement, other than relating to CRC and Smooth Concept, have been arrived at after due and careful consideration and there are no facts, other than facts relating to CRC and Smooth Concept, not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at this date of this announcement, the board of directors of Smooth Concept comprises Messrs. Wong Siu Ping and Lin Guolong.

The directors of Smooth Concept jointly and severally accept full responsibility for the accuracy of the information in this announcement, other than relating to CRH and CRC, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement, other than as specified above, have been arrived at after due and careful consideration and there are no facts, other than those relating to CRH and CRC, not contained in this announcement, the omission of which would make any statements in this announcement misleading.

As at the date of this announcement, the Board comprises Messrs. Qiao Shibo, Shi Shanbo, Zhou Junqing, Zhou Longshan, Sun Mingquan and Zheng Yi as executive directors; Messrs. Jiang Wei and Keung Chi Wang, Ralph as non-executive directors; and Messrs. Chan Mo Po, Paul, Lin Zongshou and Lui Pui Kee, Francis as independent non-executive directors.

The directors of CRC jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, other than relating to CRH and Smooth Concept, and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement, other than specified above, have been arrived at after due and careful consideration and there are no facts, other than facts relating to CRH and Smooth Concept, not contained in this announcement, the omission of which would make any statement in this announcement misleading.

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