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CHINA TIANRUI GROUP CEMENT COMPANY LIMITED

中國天瑞集團水泥有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1252)

- (1) DISCLOSEABLE AND CONTINUING CONNECTED TRANSACTION
IN RELATION TO THE DEPOSIT SERVICES AGREEMENT;
(2) CONTINUING CONNECTED TRANSACTION IN RELATION
TO THE FINANCIAL SERVICES AGREEMENT; AND
(3) RESIGNATION OF A JOINT COMPANY SECRETARY**

**Independent Financial Adviser
to the Independent Board Committee and the independent Shareholders**



TC CAPITAL

DEPOSIT SERVICES AGREEMENT

On 6 October 2017 (after trading hours), Tianrui Group Cement Company Limited (“Tianrui Cement”), the Company’s indirectly wholly-owned subsidiary and Tianrui Finance entered into the Deposit Services Agreement, pursuant to which Tianrui Finance agreed to provide Tianrui Cement and its subsidiaries (the “Cement Group”) with the Deposit Services, subject to the terms and conditions provided therein.

FINANCIAL SERVICES AGREEMENT

On 6 October 2017 (after trading hours), Tianrui Cement, the Company’s indirectly wholly owned subsidiary and Tianrui Finance entered into the Financial Services Agreement, pursuant to which Tianrui Finance agreed to provide the Cement Group with the Credit Services and the Settlement Services, subject to the terms and conditions provided therein.

LISTING RULES IMPLICATIONS

Tianrui Finance is a subsidiary of Tianrui Group Company. Tianrui Group Company is the holding company of Tianrui (International) Holding Company Limited which owns the entire issued share capital of Holy Eagle Company Limited and Yu Qi Company Limited, which together owns the entire issued share capital of Yu Kuo Company Limited, a Controlling Shareholder. Accordingly, Tianrui Finance is a connected person of the Company within the meaning of the Listing Rules and the transactions contemplated under the Deposit Services Agreement and the Financial Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Deposit Services under the Deposit Services Agreement exceeds 5% but is less than 25% as defined by the Listing Rules, the Deposit Services constitute (i) discloseable transaction of the Company subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules; and (ii) connected transaction of the Company subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Credit Services to be provided by Tianrui Finance to Tianrui Cement under the Financial Services Agreement will constitute financial assistance to be provided by a connected person for the benefit of the Company. As such services are on normal commercial terms which are similar to or even more favourable than those offered by other commercial banks for comparable services in the PRC, and no security over the assets of the Company will be granted in respect of the Credit Services; the Credit Services are exempt under Rule 14A.90 of the Listing Rules from all reporting, announcement and Independent Shareholders' approval requirements.

As the applicable percentage ratios of the total fees payable by Tianrui Cement to Tianrui Finance in respect of the Settlement Services under the Financial Services Agreement will fall within the de minimis threshold as stipulated under Rule 14A.76 of the Listing Rules, the Settlement Services will be fully exempt from the reporting, announcement, annual review, and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will also disclose the relevant details of the Deposit Services Agreement and the Financial Services Agreement in its next published annual report and accounts in accordance with the relevant requirements as set out in Rule 14A.49 of the Listing Rules.

GENERAL

The EGM will be held for the Independent Shareholders to consider and approve the Deposit Services Agreement.

An Independent Board Committee comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders in relation to the Deposit Services Agreement and the related proposed annual caps. TC Capital International Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the independent Shareholders of the same.

A circular containing, among other matters, (i) further information on the Deposit Services contemplated under the Deposit Services Agreement; (ii) a letter from the Independent Financial Adviser; (iii) a letter from the Independent Board Committee; and (iv) the notice convening the EGM and a form of proxy will be despatched to the Shareholders after the publication of this announcement on or before 27 October 2017.

RESIGNATION OF A JOINT COMPANY SECRETARY

The Board of the Company hereby announces that Mr. Yu Chunliang (“Mr. Yu”) has resigned as a joint company secretary of the Company with effect from 6 October 2017.

CONTINUING CONNECTED TRANSACTIONS

DEPOSIT SERVICES AGREEMENT

Major terms of the Deposit Services Agreement are as follows:

Date:

6 October 2017 (after trading hours)

Parties:

- (i) Tianrui Cement; and
- (ii) Tianrui Finance (as service provider)

Term:

The period commencing from the Effective Date to 31 December 2019

Major terms:

(i) Deposit Services

Tianrui Finance shall provide the Cement Group with the Deposit Services subject to the terms and conditions provided in the Deposit Services Agreement. The interest rate offered by Tianrui Finance to the Cement Group for the Deposit Services shall not be lower than (i) the relevant benchmark interest rate(s) as set by the PBOC and (ii) the interest rate(s) offered to the Cement Group by other mainstream financial institutions in the PRC for comparable deposits of similar nature and under similar terms during the same period. The daily balance of the Cement Group’s deposits (including any interest accrued therefrom) with Tianrui Finance for the years ending 31 December 2017, 2018 and 2019 shall not exceed RMB700 million, RMB1 billion and RMB1 billion, respectively.

However, the amount deposited by the Cement Group with Tianrui Finance shall not be more than the usage of the total amount of funds provided by Tianrui Finance and its affiliates to the Group (including but not limited to any loan provided by Tianrui Finance and its affiliates to the Cement Group).

(ii) Set-off

In the event of any default by Tianrui Finance as a result of which the Cement Group not being able to recover the amount deposited with Tianrui Finance the Group will be able to offset the amounts owing by Tianrui Finance to the Cement Group against the amounts due from the Cement Group to Tianrui Finance.

(iii) Undertakings by Tianrui Finance:

Tianrui Finance undertakes to the Cement Group, among other things, that:

- (a) it shall ensure the security and independence of the Cement Group's deposits and not impose any restriction thereon. Tianrui Finance shall only deposit the Cement Group's deposit into commercial banks with licence issued by the CBRC and be responsible for any loss sustained by the Cement Group arising from the security of its system;
- (b) it has the qualification and has obtained all necessary permits, approvals, licences required to carry out its obligations under the Deposit Services Agreement, and will provide the Deposit Services in accordance with "Measures for the Administration of Finance Companies of Enterprise Groups" 《企業集團財務管理辦法》;
- (c) it shall cooperate with the Cement Group in compliance with the disclosure requirements under the relevant rules and regulations regarding the connected transactions (as defined under the Listing Rules) contemplated under the Deposit Services Agreement;
- (d) it shall regularly supply annual audit report or such other financial information as requested by the Company, regularly disclose its operation and financial conditions to the Company, allow the Company's auditors to review its accounting records for the purpose of complying with the Listing Rules and conduct regular checks on the deposits;
- (e) it shall notify the Company and take measures to prevent loss from occurring or further loss should it be in breach of relevant laws and regulations or subject to regulatory proceedings or have material adverse changes in its financial condition; and
- (f) it will strictly comply with the risk regulatory indicators promulgated by the CBRC applicable to Tianrui Finance and ensure its major regulatory indicators such as the asset-liability ratio and liquidity ratio comply with the requirements of the CBRC and other relevant laws and regulations. Tianrui Finance is subject to the on-site supervision and management by the CBRC and is required to submit monthly, quarterly, interim and annual reports to the CBRC and the Company will review such report to ensure compliance by Tianrui Finance.

(iv) Special Conditions

Tianrui Finance shall notify the Cement Group in writing within two business days and take actions to remedy the following events:

- i. Tianrui Finance is unable to pay its material debts or if any of the directors or senior management is involved in criminal offences;
- ii. Any material changes in organizational structure and business operation may affect the normal operation of Tianrui Finance;
- iii. Any shareholder loans due to Tianrui Finance is overdue for more than one year;
- iv. any regulatory indicators are not in compliance with those set out in Article 34 of the Measures for the Administration of Finance Companies of Enterprise Groups issued by the CBRC (“Article 34 of the Measures”);
- v. Tianrui Finance is subject to major penalty imposed by the CBRC including but not limited to administrative punishment and being ordered for rectification; and
- vi. Other matters which may impact the security of the Cement Group’s deposit.

(v) Conditions Precedents

The taking effect of the Deposit Services Agreement is conditional upon (i) the Independent Shareholders’ approval of the Deposit Services Agreement and the arrangement of the Deposit Services at the EGM of the Company and (ii) other relevant approvals as may be required for the Deposit Services Agreement to take effect.

(vi) Termination

The Deposit Services Agreement shall not be terminated by any of the parties unilaterally.

In addition to the default events provided by the Contract Laws of the PRC, Tianrui Cement may terminate the Deposit Services Agreement with immediate effect if Tianrui Finance fails to fulfil its duties and complete its rectifications within the period prescribed by the CBRC, according to the Measures for the Administration of Finance Companies of Enterprise Groups 《企業集團財務公司管理辦法》 issued by the CBRC.

Upon termination of the Deposit Services Agreement, the Cement Group may withdraw all of its deposits with Tianrui Finance at any time. If there is any outstanding loan owed by the Cement Group, the Cement Group may negotiate with Tianrui Finance regarding to the repayment amount and terms for the repayment of loan.

(vii) Indemnity

Tianrui Finance will fully indemnify any loss suffered by the Cement Group due to the default of Tianrui Finance.

Proposed caps

The proposed the annual caps for the maximum daily deposit amount (including the corresponding interests accrued thereon) by member(s) of the Cement Group with Tianrui Finance in relation to the Deposit Services are as follows:

	From Effective Date to 31 December 2017 (RMB)	From 1 January to 31 December 2018 (RMB)	From 1 January to 31 December 2019 (RMB)
The Deposit Services	700,000,000	1,000,000,000	1,000,000,000

The Cement Group had never conducted any transactions with Tianrui Finance similar to those under the Deposit Services.

Basis of the Proposed Annual Caps

The proposed annual caps for the Deposit Services were determined after taking into account of the bank balance and cash on hand of the Cement Group as at 31 January 2016 and 30 June 2017 of approximately RMB971 million and approximately RMB1,072 million, respectively.

The Cement Group is not under any obligation to place deposits with the Tianrui Finance pursuant to the Deposit Services Agreement.

The Company considers that the setting of annual caps for the Deposit Services higher than the bank balance and cash on hand of the Cement Group so as to accommodate the possible drawn down of the loan facility to be provided by the Finance Company which could be temporarily deposited in the relevant bank accounts under the Deposit Services, and have also taken into account of the expected cashflow to be generated from the operations of the Cement Group.

FINANCIAL SERVICES AGREEMENT

Date:

6 October 2017 (after trading hours)

Parties:

- (i) Tianrui Cement; and
- (ii) Tianrui Finance (as service provider)

Term:

The period commencing from the Effective Date to 31 December 2017

Major Terms:

Services to be provided:

The services to be provided by Tianrui Finance to the member(s) of the Cement Group under the Financial Services Agreement include the Credit Services and the Settlement Services.

1. *The Credit Services*

Subject to the compliance of other applicable laws and regulations, the internal compliance and approval of Tianrui Finance and the entering of definitive agreement, Tianrui Finance would provide comprehensive credit facilities services to the Cement Group in aggregate amount of RMB1,500,000,000, RMB2,000,000,000 and RMB2,500,000,000 for the years ending 31 December 2017, 2018 and 2019, respectively.

The interest rate for the Credit Services to be provided by Tianrui Finance to the Cement Group shall be determined on normal commercial terms by reference to the interest rate(s) announced by the PBOC and the market conditions, but shall not exceed the highest interest rate offered by the PBOC for the same type of loan, and shall not exceed the interest rate offered by major financial institutions for the same type of loan.

2. *The Settlement Services*

Tianrui Finance would provide collection and payment services and other relevant clearing and settlement services for the member(s) of the Cement Group free of charge. Tianrui Finance shall ensure that its settlement services system operates safely which protects the security of funds and control the risk of assets and liabilities.

3. *Other Services*

If Tianrui Finance provides any other financial services as approved by CBRC to the Cement Group, Tianrui Finance and Tianrui Cement will enter into a separate agreement, in accordance with the Financial Services Agreement and the requirements of the Listing Rules.

The fees so charged shall not be higher than the rates for the same type of services of the same period offered by any financial institutions for the same type of services in PRC.

Proposed Caps

The Company proposed the annual caps for the Credit Services for the years ending 31 December 2017, 2018 and 2019 are RMB1,500,000,000, RMB2,000,000,000 and RMB2,500,000,000, respectively.

The Company confirmed that the Group had never conducted any transactions with the Tianrui Finance similar to those under the Credit Services before the effective date of the Financial Services Agreement.

Basis of the Proposed Annual Caps:

Pursuant to our understanding with the management of the Company, the proposed annual caps for the Credit Services were determined after taking into account of the followings:

The proposed annual caps were determined after taking into account of the total credit amount serviced by independent third party to the Group as at 30 June 2017 of approximately RMB12 billion and the existing business' potential funding requirement.

The Company plans to use part of the aggregate credit facility and the internal resources of the Group to provide more efficient and competitive financing channels. In addition, the Company plans to employ a portion of the credit facility to facilitate the internal project financing.

INTERNAL CONTROL AND RISK MANAGEMENT OF THE COMPANY

The followings will be adopted by the Company to ensure that the transactions contemplated under the Deposit Services Agreement and the Financial Services Agreement are on normal commercial terms and in the interests of the Company and the Shareholders as a whole and in compliance with the Listing Rules:

- (a) in respect of the Deposit Services under the Deposit Services Agreement to be utilized by the Cement Group, the personnel in the finance department of the Group is/are responsible for the comparing of the rate(s) offered by Tianrui Finance against the deposit rate(s) announced by the PBOC, and further against the deposit rate(s) offered by at least three major commercial banks in the PRC, to confirm the rate(s) offered by Tianrui Finance are not less favorable to the Cement Group, which all of these information together with the daily deposit amount (with the corresponding accrued interests) will be included in a report to be submitted to the chief financial officer of the Group for review, verification and approval. The approved report will be submitted to the Audit Committee by the Office of the Board of the Company regularly for second review and confirmation. Through the above control procedures, it will ensure the rates and terms offered to member(s) of the Cement Group for the Deposit Services are in compliance with the terms and conditions under the Deposit Services Agreement and can monitor the aggregate daily deposit amount (with the corresponding accrued interests) with Tianrui Finance by the Cement Group not exceeding the relevant proposed annual caps; and
- (b) in respect of the Credit Services and Settlement Services under the Financial Services Agreement to be employed by the Cement Group, the personnel in finance department of the Group is/are responsible for comparing the interests and/or fees charged by Tianrui Finance with interests and/or fees charged by at least three major commercial banks or financial institutions in the PRC, to confirm the interests and/or fees charged by Tianrui Finance more favorable to the Cement Group, which all of these information together with the aggregate credit amount (including interests and/or fees payable, where applicable) will be included in a report to be submitted to the chief financial officer of the Group for review, verification and approval. The approved report will be submitted to the Company for second review and records. Through the above control procedures, it will ensure the rates and terms offered to member(s) of the Cement Group for the Credit Services and Settlement Services are in compliance with the terms and conditions under the Financial Services Agreement and the aggregate credit amounts do not exceed the relevant proposed annual caps. The report will also include the information about net

asset value of the asset(s) to be provided by member(s) of the Cement Group as collateral which will be reviewed to ensure the collateral provided is also in line with the relevant credit amounts.

REASONS FOR AND BENEFITS OF ENTERING INTO THE DEPOSIT SERVICES AGREEMENT AND THE FINANCIAL SERVICES AGREEMENT

The Deposit Services Agreement and the Financial Services Agreement entered into by the respective parties is in the ordinary and usual course of business of the Group. The Directors (including the independent non-executive Directors after taking into account the advice of the Independent Financial Adviser) considered that:

- (1) the interest rate(s) offered to the member(s) of the Cement Group by Tianrui Finance for Deposit Services shall not be lower than (i) the deposit rate(s) announced by the PBOC; and (ii) deposit rate(s) offered by major commercial banks in the PRC to the member(s) of the Cement Group, for comparable deposits, are on equal or better terms than those available from independent third parties;
- (2) the interest rate(s) offered to the member(s) of the Cement Group by Tianrui Finance for Credit Services shall not exceed the highest interest rate offered by the PBOC for the same type of loan, and shall not exceed the interest rate offered by major commercial banks for the same type of credit, are on equal or better terms than those available from independent third parties;
- (3) the Settlement Services provided by Tianrui Finance to the member(s) of the Cement Group are free of charge, which the Company could benefit from;
- (4) the deposit services and financial services provided by independent third parties in preceding years and the services under the Deposit Services and the Credit Services to be provided by Tianrui Finance are similar in nature. In addition, the Cement Group requires the Deposit Services and the Credit Services under the Financial Services Agreement for its daily operation, which are in the ordinary and usual course of business of the Group.

In view of the above, the Directors (including the independent non-executive Directors after taking into account the advice of the Independent Financial Adviser) considered that the terms of the Deposit Services Agreement and the Financial Services Agreement are on normal commercial terms as compared to those available from independent third parties under the prevailing local market conditions. The Financial Services Agreement and the related proposed annual caps are fair and reasonable, in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole.

Save for Chairman Li, Mr. Li Jiangming and Mr. Xu Wuxue, all of the Directors have confirmed that none of them has any material interest in the Deposit Services Agreement, the Financial Services Agreement and the related proposed annual caps; and therefore no Director (except Chairman Li, Mr. Li Jiangming and Mr. Xu Wuxue) is required to abstain from voting at the meeting of the Board to approve The Deposit Services Agreement, the Financial Services Agreement and the related proposed annual caps.

INFORMATION OF THE GROUP AND TIANRUI FINANCE

The Group is principally engaged in businesses ranging from excavation of limestone, to production, sale and distribution of clinker and cement.

Tianrui Finance is a non-banking financial institution subject to the supervision of the CBRC. Its establishment was approved by the CBRC on 20 July 2015 and it is authorised to provide a variety of financial services including the provision of financial and corporate finance advisory services, credit worthiness verification and related consultancy and agency services to member companies; provision of assistance in the payment and receipt of transaction proceeds to member companies; provision of guarantees to member companies and dealing with entrusted loans among member companies; provision of draft acceptance and discounting services to member companies; provision of intra-group transfer and settlement services to member companies as well as the planning of clearing and settlement scheme; provision of deposit services to member companies; provision of loans and finance leasing services to member companies; provision of intra-group funds transfer and settlement services to member companies.

The scope of business of Tianrui Finance includes: the provision of financial and corporate finance advisory services, credit worthiness verification and related consultancy and agency services to member companies; provision of assistance in the payment and receipt of transaction proceeds to member companies; performing authorized insurance agency business; provision of guarantees to member companies and dealing with entrusted loans or investments among member companies; provision of draft acceptance and discounting services to member companies; provision of intra-group transfer and settlement services to member companies as well as the planning of clearing and settlement scheme; provision of deposit services to member companies; conducting inter-bank borrowing and lending.

As at the Latest Practicable Date, Tianrui Finance had a registered capital of RMB1 billion which was owned as to 46.25% by Tianrui Group Company, as to 25.5% by Tianrui Cement, as to 5.25% by Tianrui Foundry and as to 23% by Tianrui Travel.

Tianrui Group Company is a company established in the PRC with limited liability and held as to 70% by Chairman Li and 30% by Ms. Li Fengluan, the spouse of Chairman Li, who have investment in different businesses such as foundry business, tourism, hotel business, energy and mining, 67.62% of the shareholding of the Company is indirectly owned by Tianrui Group Company. Tianrui Foundry and Tianrui Travel are subsidiaries of Tianrui Group Company.

LISTING RULES IMPLICATIONS

Tianrui Finance is a subsidiary of Tianrui Group Company. Tianrui Group Company is the holding company of Tianrui (International) Holding Company Limited which owns the entire issued share capital of Holy Eagle Company Limited and Yu Qi Company Limited, which together owns the entire issued share capital of Yu Kuo, a Controlling Shareholder of the Company. Accordingly, Tianrui Finance is a connected person of the Company within the meaning of the Listing Rules and the transactions contemplated under the Deposit Services Agreement and the Financial Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Deposit Services under the Deposit Services Agreement exceeds 5% but is less than 25% as defined by the Listing Rules, the Deposit Services constitute (i) discloseable transaction of the Company subject to the

reporting and announcement requirements under Chapter 14 of the Listing Rules; and (ii) connected transaction of the Company subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Credit Services to be provided by Tianrui Finance to the Company under the Financial Services Agreement will constitute financial assistance to be provided by a connected person for the benefit of the Company. As such services are on normal commercial terms which are similar to or even more favourable than those offered by other commercial banks for comparable services in the PRC, and no security over the assets of the Company will be granted in respect of the Credit Services; the Credit Services are exempt under Rule 14A.90 of the Listing Rules from all reporting, announcement and Independent Shareholders' approval requirements.

As the applicable percentage ratios of the total fees payable by the Company to Tianrui Finance in respect of the Settlement Services under the Financial Services Agreement will fall within the de minimis threshold as stipulated under Rule 14A.76 of the Listing Rules, the Settlement Services will be fully exempt from the reporting, announcement, annual review, and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will also disclose the relevant details of the Deposit Services Agreement and the Financial Services Agreement in its next published annual report and accounts in accordance with the relevant requirements as set out in Rule 14A.49 of the Listing Rules.

GENERAL

The EGM will be held for the Independent Shareholders to consider and approve the Deposit Services Agreement.

An Independent Board Committee comprising all the independent non-executive Directors, has been established to advise the independent Shareholders in relation to the Deposit Services Agreement and the related proposed annual caps. TC Capital International Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the independent Shareholders of the same.

A circular containing, among other matters, (i) further information on the Deposit Services contemplated under the Deposit Services Agreement; (ii) a letter from the Independent Financial Adviser; (iii) a letter from the Independent Board Committee; and (iv) the notice convening the EGM and a form of proxy will be despatched to the Shareholders after the publication of this announcement on or before 27 October 2017.

RESIGNATION OF A JOINT COMPANY SECRETARY

The Board of the Company hereby announces that Mr. Yu has resigned as a joint company secretary of the Company with effect from 6 October 2017. Mr. Li Jiangming and Ms. Ng Ching Mei will remain as the joint company secretaries of the Company and will continue to perform and discharge the duties of a company secretary under the Listing Rules. Mr. Yu confirmed that there is no disagreement with the Board and there are no matters that need to be brought to the attention of the Stock Exchange and the shareholders of the Company.

The Board would like to express their gratitude to Mr. Yu for his contribution to the Company.

DEFINITIONS

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

“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CBRC”	China Banking Regulatory Commission (中國銀行業監督管理委員會)
“Chairman Li”	Li Liufa (李留法), the chairman and a Controlling Shareholder of the Company
“Company”	China Tianrui Group Cement Company Limited (中國天瑞集團水泥有限公司), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Credit Services”	the provision of credit services by Tianrui Finance to member(s) of the Cement Group, including but not limited to loans, bill acceptance, discounted bills, and other forms of capital financing pursuant to the terms and provisions set out in the Financial Services Agreement
“Deposit Services”	<i>inter alia</i> , demand deposit, saving deposit, notice deposit and agreed deposit services proposed to be provided by Tianrui Finance to member(s) of the Cement Group pursuant to the terms and provisions set out in the Deposit Services Agreement
“Deposit Services Agreement”	the deposit services agreement dated 6 October 2017 entered into between the Tianrui Finance and Tianrui Cement
“Director(s)”	the director(s) of the Company
“Effective Date”	the date of the Independent Shareholders’ approval of the Deposit Services Agreement
“EGM”	the extraordinary general meeting of the Company to be convened for, among other matters, approving the Deposit Services Agreement and the related proposed annual caps
“Financial Services Agreement”	the financial services agreement dated 6 October 2017 entered into between the Tianrui Finance and Tianrui Cement
“Group”	the Company and its subsidiaries from time to time

“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, namely Mr. Kong Xiangzhong, Mr. Wang Ping and Mr. Du Xiaotang, established to advise the Independent Shareholders in respect of the terms of the Deposit Services Agreement and the related proposed annual caps and the transactions contemplated thereunder
“Independent Financial Adviser”	TC Capital International Limited, the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in connection with the Deposit Services Agreement and the related proposed annual caps
“Independent Shareholders”	Shareholders other than Yu Kuo and those who are required under the Listing Rules to abstain from voting on the resolution to be proposed at the EGM to approve the Deposit Services Agreement and the related proposed annual caps
“Independent Third Party(ies)”	party(ies) which is/are independent of and not connected with any of our Directors, chief executives, substantial shareholders or any of our subsidiaries or any of their associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“PBOC”	the People’s Bank of China, the central bank of the PRC with the statutory authority to, <i>inter alia</i> , control monetary policy in the PRC
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Settlement Services”	the free cash clearance and settlement services provided by Tianrui Finance to member(s) of the Cement Group pursuant to the terms and provisions set out in the Financial Services Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	the holder(s) of the Shares
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the
“Stock Exchange”	Company The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Listing Rules
“Tianrui Foundry”	Tianrui Group Foundry Company Limited (天瑞集團鑄造有限公司), a company established in the PRC with limited liability and a subsidiary of Tianrui Group Company

“Tianrui Finance”	Tianrui Group Finance Company Limited (天瑞集團財務有限責任公司), a company established in the PRC with limited liability, owned as to 46.25% by Tianrui Group Company, as to 25.5% by Tianrui Cement, as to 5.25% by Tianrui Foundry and as to 23% by Tianrui Travel
“Tianrui Group Company”	Tianrui Group Company Limited (天瑞集團股份有限公司), a company established in the PRC with limited liability, owned as to 70% by Chairman Li and 30% by Ms. Li Fengluan, the spouse of Chairman Li
“Tianrui Travel”	Tianrui Travel Group Company Limited (天瑞旅遊集團股份有限公司), formerly known as Tianrui Group Travel Development Company Limited (天瑞集團旅遊發展有限公司), a company established in the PRC with limited liability and a subsidiary of Tianrui Group Company
“Yu Kuo”	Yu Kuo Company Limited (煜闊有限公司), a company incorporated in the BVI with limited liability, which is a Controlling Shareholder of the Company holding 67.62% of the issued share capital of the Company and the issued share capital of which is indirectly owned as to 70% by Chairman Li and as to 30% by Ms. Li Fengluan, the spouse of Chairman Li
“%”	per cent

In case of any discrepancy between the English version and the Chinese version of this announcement, the English version shall prevail.

By Order of the Board
China Tianrui Group Cement Company Limited
Li Liufa
Chairman

Ruzhou City, Henan Province, PRC, 6 October 2017

As at the date of this announcement, the Board consists of chairman and non-executive director, Mr. Li Liufa; executive directors, Mr. Xu Wuxue, Mr. Li Jiangming and Mr. Ding Jifeng; non-executive directors, Mr. Li Heping and Mr. Yang Yongzheng; and independent non-executive directors, Mr. Kong Xiangzhong, Mr. Wang Ping and Mr. Du Xiaotang.