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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)**

**(I) DISCLOSEABLE TRANSACTION —  
DEEMED DISPOSAL OF EQUITY INTERESTS  
IN THE TARGET COMPANIES;  
AND  
(II) DISCLOSEABLE TRANSACTION —  
GRANT OF RIGHT TO REPURCHASE EQUITY INTERESTS  
IN THE TARGET COMPANIES**

On 29 December 2018, the Group and the Investor entered into the Capital Injection Agreements pursuant to which the Investor conditionally agreed to inject capital into the Target Companies in the aggregate amount of RMB2,000,000,000.

On 29 December 2018, the Group and the Investor entered into the Share Repurchase Agreements pursuant to which the Group agreed to repurchase the relevant Equity Interests at an amount equal to the relevant Injected Amount.

**LISTING RULES IMPLICATIONS**

**(1) The Capital Injection Agreements**

As the Capital Injection Agreements have been entered into by the Group with the same party, the respective transactions contemplated under the Capital Injection Agreements shall be aggregated pursuant to Rule 14.22 of the Listing Rules.

Following completion of the Capital Injection, the equity interest held by the Group in the Target Companies will be diluted. The Capital Injection constitutes a deemed disposal of the Group's equity interest in the Target Companies pursuant to Rule 14.29 of the Listing Rules.

As the applicable percentage ratios in respect of the Capital Injection, on an aggregate basis, exceed 5% and all of such ratios are less than 25%, the Capital Injection Agreements and the respective transactions contemplated thereunder constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirements under the Listing Rules.

**(2) The Share Repurchase Agreements**

As the Share Repurchase Agreements have been entered into by the Group with the same party, the respective transactions contemplated under the Share Repurchase Agreements shall be aggregated pursuant to Rule 14.22 of the Listing Rules.

As the applicable percentage ratios in respect of the Investor Repurchase Right, on an aggregate basis, exceed 5% and all of such ratios are less than 25%, the grant of the Investor Repurchase Right (the exercise of which is not at the discretion of the Company) constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

**(3) Pledge of Shares by controlling Shareholder**

Pursuant to the terms of the Agreements, Tianrui Group, the controlling Shareholder or its subsidiaries shall pledge 200,000,000 Shares in favour of the Investor as security for the obligations of the Group under the Agreements. Such pledged Shares represent approximately 6.81% of the Shares in issue as at the date of this announcement. Tianrui Group is owned as to 70% by Mr. Li and as to 30% by Ms. Li. As at the date of this announcement, Mr. Li and Ms. Li have an aggregate interest of approximately 67.62% of the Shares in issue.

Reference is made to the voluntary announcement of the Company dated 28 December 2018 in relation to the potential transaction with the Investor whereby it was proposed that the Investor will invest in the Target Companies by way of capital injection in an aggregate amount of RMB2,000,000,000, subject to the terms of the definitive agreements to be entered into by the Group and the Investor.

On 29 December 2018, the Group and the Investor entered into the Capital Injection Agreements pursuant to which the Investor conditionally agreed to inject capital into the Target Companies in the aggregate amount of RMB2,000,000,000.

On 29 December 2018, the Group and the Investor entered into the Share Repurchase Agreements pursuant to which the Group agreed to repurchase the relevant Equity Interests at an amount equal to the relevant Injected Amount.

Details of the Capital Injection Agreements and the Share Repurchase Agreements are set out below.

## **THE CAPITAL INJECTION AGREEMENTS**

On 29 December 2018, the Group and the Investor entered into the Capital Injection Agreements pursuant to which the Investor conditionally agreed to inject capital into the Target Companies in the aggregate amount of RMB2,000,000,000.

The principal terms of the Capital Injection Agreements are set out as follows:

### **Parties**

<b>The First Capital Injection Agreement</b>	(1) The Investor (2) Tianrui Cement (3) The First Target Company
<b>The Second Capital Injection Agreement</b>	(1) The Investor (2) Tianrui Cement (3) The Second Target Company
<b>The Third Capital Injection Agreement</b>	(1) The Investor (2) Tianrui Cement (3) The Third Target Company
<b>The Fourth Capital Injection Agreement</b>	(1) The Investor (2) Tianrui Cement (3) The Fourth Target Company
<b>The Fifth Capital Injection Agreement</b>	(1) The Investor (2) Tianrui Cement (3) The Fifth Target Company

To the best of the Director's knowledge, information and belief, and having made all reasonable enquiries, the Investor and its ultimate beneficial owners are independent of the Company and connected persons of the Company.

## **Capital Injection**

### ***(1) The First Capital Injection Agreement***

As at the date of this announcement, the registered capital of the First Target Company is RMB520,000,000, and the First Target Company is wholly owned by Tianrui Cement.

Under the First Capital Injection Agreement, the Investor shall inject capital into the First Target Company in the amount of RMB600,000,000, of which RMB236,381,300 will be included in the registered capital of the First Target Company and the remaining amount will be included in the capital reserve (資本公積) of the First Target Company.

Upon completion of the above capital injection, the registered capital of the First Target Company will be increased from RMB520,000,000 to RMB756,381,300. The Investor and Tianrui Cement will hold 31.25% and 68.75% equity interest in the First Target Company respectively. The First Target Company will remain a subsidiary of the Company and its financial results will continue to be consolidated with the financial results of the Company.

### ***(2) The Second Capital Injection Agreement***

As at the date of this announcement, the registered capital of the Second Target Company is RMB350,000,000, and the Second Target Company is wholly owned by Tianrui Cement.

Under the Second Capital Injection Agreement, the Investor shall inject capital into the Second Target Company in the amount of RMB495,000,000, of which RMB129,714,900 will be included in the registered capital of the Second Target Company and the remaining amount will be included in the capital reserve (資本公積) of the Second Target Company.

Upon completion of the above capital injection, the registered capital of the Second Target Company will be increased from RMB350,000,000 to RMB479,714,900. The Investor and Tianrui Cement will hold 27.04% and 72.96% equity interest in the Second Target Company respectively. The Second Target Company will remain a subsidiary of the Company and its financial results will continue to be consolidated with the financial results of the Company.

### ***(3) The Third Capital Injection Agreement***

As at the date of this announcement, the registered capital of the Third Target Company is RMB280,000,000, and the Third Target Company is wholly owned by Tianrui Cement.

Under the Third Capital Injection Agreement, the Investor shall inject capital into the Third Target Company in the amount of RMB405,000,000, of which RMB188,305,700 will be included in the registered capital of the Third Target Company and the remaining amount will be included in the capital reserve (資本公積) of the Third Target Company.

Upon completion of the above capital injection, the registered capital of the Third Target Company will be increased from RMB280,000,000 to RMB468,305,700. The Investor and Tianrui Cement will hold 40.21% and 59.79% equity interest in the Third Target Company respectively. The Third Target Company will remain a subsidiary of the Company and its financial results will continue to be consolidated with the financial results of the Company.

### ***(4) The Fourth Capital Injection Agreement***

As at the date of this announcement, the registered capital of the Fourth Target Company is RMB240,000,000, and the Fourth Target Company is wholly owned by Tianrui Cement.

Under the Fourth Capital Injection Agreement, the Investor shall inject capital into the Fourth Target Company in the amount of RMB300,000,000, of which RMB94,868,200 will be included in the registered capital of the Fourth Target Company and the remaining amount will be included in the capital reserve (資本公積) of the Fourth Target Company.

Upon completion of the above capital injection, the registered capital of the Fourth Target Company will be increased from RMB240,000,000 to RMB334,868,200. The Investor and Tianrui Cement will hold 28.33% and 71.67% equity interest in the Fourth Target Company respectively. The Fourth Target Company will remain a subsidiary of the Company and its financial results will continue to be consolidated with the financial results of the Company.

### ***(5) The Fifth Capital Injection Agreement***

As at the date of this announcement, the registered capital of the Fifth Target Company is RMB180,000,000, and the Fifth Target Company is wholly owned by Tianrui Cement.

Under the Fifth Capital Injection Agreement, the Investor shall inject capital into the Fifth Target Company in the amount of RMB200,000,000, of which RMB72,136,200 will be included in the registered capital of the Fifth Target Company and the remaining amount will be included in the capital reserve (資本公積) of the Fifth Target Company.

Upon completion of the above capital injection, the registered capital of the Fifth Target Company will be increased from RMB180,000,000 to RMB252,136,200. The Investor and Tianrui Cement will hold 28.61% and 71.39% equity interest in the Fifth Target Company respectively. The Fifth Target Company will remain a subsidiary of the Company and its financial results will continue to be consolidated with the financial results of the Company.

Set out below is a table summarizing the amount of capital to be injected by the Investor to each of the Target Companies and the shareholding percentage of the Investor and Tianrui Cement in each of the Target Companies upon completion of the Capital Injection:

	The First Capital Injection Agreement	The Second Capital Injection Agreement	The Third Capital Injection Agreement	The Fourth Capital Injection Agreement	The Fifth Capital Injection Agreement
Injected Amount	RMB600,000,000	RMB495,000,000	RMB405,000,000	RMB300,000,000	RMB200,000,000
Shareholding percentages in the relevant Target Company after the Capital Injection	Investor: 31.25% Tianrui Cement: 68.75%	Investor: 27.04% Tianrui Cement: 72.96%	Investor: 40.21% Tianrui Cement: 59.79%	Investor: 28.33% Tianrui Cement: 71.67%	Investor: 28.61% Tianrui Cement: 71.39%

#### **Conditions to the Capital Injection by the Investor:**

The Capital Injection by the Investor under the relevant Capital Injection Agreement is subject to the following conditions:

- (a) Mr. Li, Ms. Li, Tianrui Group, Tianrui Cement and the relevant Target Company having signed all transaction documents with the Investor;
- (b) the relevant Target Company having opened a fund escrow account with the designated branch of China Construction Bank and the fund escrow agreement having been executed;
- (c) the internal and external approval and authorization required to be obtained by the Investor in respect of the capital injection having been obtained; and
- (d) the internal and external approval and authorization required to be obtained by Mr. Li, Ms. Li, Tianrui Group, Tianrui Cement and the relevant Target Company in respect of the capital injection having been obtained and copies of such approval documents having been delivered to the Investor.

**Payment of the Injected Amount:**

The Investor shall inject capital into the fund escrow account of the relevant Target Company after all the payment conditions have been fulfilled and in accordance with the terms of the relevant Capital Injection Agreement.

**Basis of the Injected Amount:**

The Injected Amount was arrived at after arm's length negotiations between the parties to the Capital Injection Agreements and was determined with reference to the appraised net asset value of the relevant Target Company as at 30 September 2018.

**Board composition:**

Upon completion of the Capital Injection Agreements, the board of each Target Company will comprise three directors, of which two will be appointed by Tianrui Cement and one will be appointed by the Investor. The chairman of the board of the relevant Target Company shall be elected by the board of such Target Company among the directors nominated by Tianrui Cement.

**Profit distribution:**

The Investor shall have priority in profit distribution until the actual amount of profit distribution reaches 9% of the relevant Injected Amount. If any amount of profit remains after the aforesaid distribution, Tianrui Cement may receive profit distribution until the actual amount of profit distribution amounts to 9% of the amount injected by Tianrui Cement. If any amount of profit still remains after the aforesaid distributions, the shareholders of the Target Companies shall be entitled to such remaining profit in proportion to their shareholding percentage.

Tianrui Group has entered into the Compensation Agreements to guarantee in favour of the Investor the payment of the shortfall in the event that the profit distribution to the Investor falls short of 9% of the relevant Injected Amount.

**Security:**

The Group shall procure:

- (a) within 30 business days of the date of the Capital Injection Agreements, completion of the registration of the pledge over certain mining rights set out in the Capital Injection Agreements; and
- (b) within 60 business days of the date of the Capital Injection Agreements, completion of the registration of the pledge over the shares of Shanshui Cement or the shares of the Company.

## **FINANCIAL EFFECTS OF THE CAPITAL INJECTION**

There is no expected gain or loss from the Capital Injection.

Upon completion of the Capital Injection, the Target Companies will remain subsidiaries of the Company and their financial results will continue to be consolidated with the financial results of the Company.

## **INTENDED USE OF PROCEEDS**

The Injected Amount will be used for repayment of loans owing by the relevant Target Company pursuant to the terms of the relevant Capital Injection Agreement.

## **THE SHARE REPURCHASE AGREEMENTS**

On 29 December 2018, the Group and the Investor entered into the Share Repurchase Agreements pursuant to which the Group agreed to repurchase the relevant Equity Interests at an amount equal to the relevant Injected Amount.

The principal terms of the Share Repurchase Agreements are set out as follows:

### **Parties**

<b>The First Share Repurchase Agreement</b>	(1) The Investor (2) Tianrui Cement (3) The First Target Company
<b>The Second Share Repurchase Agreement</b>	(1) The Investor (2) Tianrui Cement (3) The Second Target Company
<b>The Third Share Repurchase Agreement</b>	(1) The Investor (2) Tianrui Cement (3) The Third Target Company
<b>The Fourth Share Repurchase Agreement</b>	(1) The Investor (2) Tianrui Cement (3) The Fourth Target Company



- The Fifth Share Repurchase Agreement**
- (1) The Investor
  - (2) Tianrui Cement
  - (3) The Fifth Target Company

**Repurchase by the end of the investment period**

Tianrui Cement shall repurchase the relevant Equity Interest within 5 business days of the expiry date of the relevant investment period as follows, unless otherwise agreed by the parties:

	Equity Interest in the First Target Company	Equity Interest in the Second Target Company	Equity Interest in the Third Target Company	Equity Interest in the Fourth Target Company	Equity Interest in the Fifth Target Company
Expiry date of the investment period:	31 December 2023	31 December 2023	31 December 2022	31 December 2022	31 December 2022

**Right of Tianrui Cement to repurchase early**

Tianrui Cement may apply for early repurchase of the relevant Equity Interest with 3 months' prior notice and such application shall be approved by the Investor.

**Right of the Investor to request Tianrui Cement to repurchase early**

The Investor may require Tianrui Cement to repurchase the relevant Equity Interest earlier upon the occurrence of the events set out in the relevant Share Repurchase Agreement, including but not limited to the following:

- (a) the relevant Target Company fails to meet the business performance pledge for two consecutive years;
- (b) the relevant Target Company incurs loss in any year;
- (c) the asset to debt ratio of the relevant Target Company exceeds the stipulated percentage for a period of over twelve months without any reasonable cause; and
- (d) the Group fails to procure distribution of profit or payment of compensation pursuant to the terms of the Agreements and such payment is not completed within 30 days after a written notice from the Investor.

Upon the occurrence of the events set out in the relevant Share Repurchase Agreement, Tianrui Cement shall pay the repurchase price and other amounts payable within 5 business days of the date Tianrui Cement receives a notice from the Investor.

## **Repurchase price**

The repurchase price shall be the Injected Amount.

## **Compensation**

If the annualized investment return during the investment period falls short of 10.39%, Tianrui Cement shall pay the shortfall prior to paying the repurchase price. The investment return for the period between the end of the last complete accounting period and the date of the Investor's exit shall be 12%. To the extent Tianrui Group has paid the shortfall under the relevant Compensation Agreement, such amount shall be deducted from the amount payable by Tianrui Cement.

## **Business performance pledge**

Under the Share Repurchase Agreements, Tianrui Cement and the Target Companies undertook that the return on equity of the Target Companies shall not be less than a certain level in the five years from 2019 to 2023 (in the case of the First Target Company and the Second Target Company) or in the four years from 2019 to 2022 (in the case of the other Target Companies).

## **Security**

The obligations of Tianrui Cement under the Share Repurchase Agreements are secured by:

- (a) in respect of the First Share Repurchase Agreement, a share pledge over the 70,000,000 Shares held by Tianrui Group;
- (b) in respect of the Second Share Repurchase Agreement, a share pledge over the 60,000,000 Shares held by Tianrui Group;
- (c) in respect of the Third Share Repurchase Agreement, a share pledge over the 50,000,000 Shares held by Tianrui Group;
- (d) in respect of the Fourth Share Repurchase Agreement, a share pledge over the 100,000,000 shares of Shanshui Cement held by Tianrui (International) Holding Company Limited;
- (e) in respect of the Fifth Share Repurchase Agreement, a share pledge over the 20,000,000 Shares held by Tianrui Group;
- (f) in respect of all the Share Repurchase Agreements, a personal guarantee by Mr. Li and Ms. Li; and
- (g) in respect of all the Share Repurchase Agreements, a pledge over certain mining rights held by the Target Companies and/or Tianrui Group and/or Tianrui Cement.

## **Failure to comply with the obligations under the Share Repurchase Agreements**

If Tianrui Cement fails to fulfill its repurchase or payment obligations for a period of over 30 days, the Investor may transfer the relevant Equity Interest to third parties. If the sale proceeds arising from the sale to such third party are less than the amount that the Investor shall receive under the Share Repurchase Agreements, Tianrui Cement shall compensate such shortfall. The Investor may also enforce its rights under the security and the guarantee.

## **INFORMATION ON THE TARGET COMPANIES**

Each of the Target Companies is a company established in the PRC with limited liability and is a direct wholly-owned subsidiary of Tianrui Cement and an indirect wholly-owned subsidiary of the Company as at the date of this announcement. The Target Companies are principally engaged in the manufacture and sale of cement and clinker.

### **(1) The First Target Company**

Set out below is a summary of audited financial information of the First Target Company for the two years ended 31 December 2017:

	<b>For the year ended 31 December 2017 RMB</b>	<b>For the year ended 31 December 2016 RMB</b>
Net profits before taxation	242,291,000	108,918,000
Net profits after taxation	180,069,000	81,689,000

The audited net asset value of the First Target Company as at 30 September 2018 was approximately RMB1,371,985,000.

## (2) The Second Target Company

Set out below is a summary of audited consolidated financial information of the Second Target Company for the two years ended 31 December 2017:

	<b>For the year ended 31 December 2017 RMB</b>	<b>For the year ended 31 December 2016 RMB</b>
Net profits before taxation	86,394,000	6,318,000
Net profits after taxation	64,479,000	4,738,000

The audited net asset value of the Second Target Company as at 30 September 2018 was approximately RMB1,257,015,000.

## (3) The Third Target Company

Set out below is a summary of audited consolidated financial information of the Third Target Company for the two years ended 31 December 2017:

	<b>For the year ended 31 December 2017 RMB</b>	<b>For the year ended 31 December 2016 RMB</b>
Net profits before taxation	68,909,000	71,853,000
Net profits after taxation	51,682,000	53,791,000

The audited net asset value of the Third Target Company as at 30 September 2018 was approximately RMB612,314,000.

#### (4) The Fourth Target Company

Set out below is a summary of audited consolidated financial information of the Fourth Target Company for the two years ended 31 December 2017:

	<b>For the year ended 31 December 2017 RMB</b>	<b>For the year ended 31 December 2016 RMB</b>
Net profits before taxation	124,734,000	33,931,000
Net profits after taxation	92,959,000	25,488,000

The audited consolidated net asset value of the Fourth Target Company as at 30 September 2018 was approximately RMB649,151,000.

#### (5) The Fifth Target Company

Set out below is a summary of audited consolidated financial information of the Fifth Target Company for the two years ended 31 December 2017:

	<b>For the year ended 31 December 2017 RMB</b>	<b>For the year ended 31 December 2016 RMB</b>
Net profits before taxation	145,831,000	74,942,000
Net profits after taxation	107,972,000	55,431,000

The audited consolidated net asset value of the Fifth Target Company as at 30 September 2018 was approximately RMB456,034,000.

#### INFORMATION ON THE INVESTOR

The Investor is established in the PRC with limited liability and its principal scope of business includes conducting debt-to-equity swaps investment business and ancillary supporting business; conducting fund raising from qualified public investors for debt-to-equity swaps in accordance with relevant laws and regulations; issuance of financial bonds specifically for debt-to-equity swaps, as well as other businesses as approved by the China Banking Regulatory Commission. The Investor is a wholly-owned subsidiary of China Construction Bank Corporation.

## **INFORMATION ON TIANRUI CEMENT**

Tianrui Cement is established in the PRC with limited liability and is a wholly-owned subsidiary of the Company. It is principally engaged in investment holding, manufacture and sale of cement and clinker.

## **REASONS FOR AND BENEFITS OF THE AGREEMENTS**

The Company is an investment holding company. The principal activities of its subsidiaries are manufacture and sale of cement and clinker.

The Directors consider that the transactions contemplated under the Agreements would strengthen the financial resources of the Group and enhance the business growth of the Group.

Having considered the above, the Board is of the view that the respective terms of the Agreements are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

### **(1) The Capital Injection Agreements**

As the Capital Injection Agreements have been entered into by the Group with the same party, the respective transactions contemplated under the Capital Injection Agreements shall be aggregated pursuant to Rule 14.22 of the Listing Rules.

Following completion of the Capital Injection, the equity interest held by the Group in the Target Companies will be diluted. The Capital Injection constitutes a deemed disposal of the Group's equity interest in the Target Companies pursuant to Rule 14.29 of the Listing Rules.

As the applicable percentage ratios in respect of the Capital Injection, on an aggregate basis, exceed 5% and all of such ratios are less than 25%, the Capital Injection Agreements and the respective transactions contemplated thereunder constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirements under the Listing Rules.

### **(2) The Share Repurchase Agreements**

As the Share Repurchase Agreements have been entered into by the Group with the same party, the respective transactions contemplated under the Share Repurchase Agreements shall be aggregated pursuant to Rule 14.22 of the Listing Rules.

As the applicable percentage ratios in respect of the Investor Repurchase Right, on an aggregate basis, exceed 5% and all of such ratios are less than 25%, the grant of the Investor Repurchase Right (the exercise of which is not at the discretion of the Company) constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

### **(3) Pledge of Shares by controlling Shareholder**

Pursuant to the terms of the Agreements, Tianrui Group, the controlling Shareholder or its subsidiaries shall pledge 200,000,000 Shares in favour of the Investor as security for the obligations of the Group under the Agreements. Such pledged Shares represent approximately 6.81% of the Shares in issue as at the date of this announcement. Tianrui Group is owned as to 70% by Mr. Li and as to 30% by Ms. Li. As at the date of this announcement, Mr. Li and Ms. Li have an aggregate interest of approximately 67.62% of the Shares in issue.

## **DEFINITIONS**

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

“Agreements”	the Capital Injection Agreements and the Share Repurchase Agreements
“Board”	the board of the Company
“Capital Injection”	the capital injection by the Investor contemplated under the Capital Injection Agreements
“Capital Injection Agreements”	the First Capital Injection Agreement, the Second Capital Injection Agreement, the Third Capital Injection Agreement, the Fourth Capital Injection Agreement and the Fifth Capital Injection Agreement
“Company”	China Tianrui Group Cement Company Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange (stock code: 1252)
“Compensation Agreements”	the investment return shortfall compensation agreements dated 29 December 2018 entered into between the Investor and Tianrui Group
“Director(s)”	the director(s) of the Company

“Equity Interests”	the equity interests in the Target Companies to be acquired by the Investor upon completion of the Capital Injection
“Fifth Capital Injection Agreement”	the capital injection agreement dated 29 December 2018 entered into between the Investor, Tianrui Cement and the Fifth Target Company
“Fifth Share Repurchase Agreement”	the share repurchase agreement dated 29 December 2018 entered into between the Investor, Tianrui Cement and the Fifth Target Company
“Fifth Target Company”	Tianrui Group Ruzhou Cement Company Limited 天瑞集團汝州水泥有限公司*, a company established in the PRC and a direct wholly-owned subsidiary of Tianrui Cement and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“First Capital Injection Agreement”	the capital injection agreement dated 29 December 2018 entered into between the Investor, Tianrui Cement and the First Target Company
“First Share Repurchase Agreement”	the share repurchase agreement dated 29 December 2018 entered into between the Investor, Tianrui Cement and the First Target Company
“First Target Company”	Tianrui Group Zhengzhou Cement Company Limited 天瑞集團鄭州水泥有限公司*, a company established in the PRC and a direct wholly-owned subsidiary of Tianrui Cement and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Fourth Capital Injection Agreement”	the capital injection agreement dated 29 December 2018 entered into between the Investor, Tianrui Cement and the Fourth Target Company
“Fourth Share Repurchase Agreement”	the share repurchase agreement dated 29 December 2018 entered into between the Investor, Tianrui Cement and the Fourth Target Company
“Fourth Target Company”	Weihui Shi Tianrui Cement Company Limited 衛輝市天瑞水泥有限公司*, a company established in the PRC and a direct wholly-owned subsidiary of Tianrui Cement and an indirect wholly-owned subsidiary of the Company as at the date of this announcement



“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Injected Amount”	the amount to be injected by the Investor to the Target Companies
“Investor”	CCB Financial Asset Investment Co., Ltd (建信金融資產投資有限公司), a wholly-owned subsidiary of China Construction Bank Corporation
“Investor Repurchase Right”	the right of the Investor to require Tianrui Cement to repurchase the relevant Equity Interest from the Investor pursuant to the terms of the Share Repurchase Agreements
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Li”	Mr. Li Liufa, the Chairman and non-executive Director
“Ms. Li”	Ms. Li Fengluan, the spouse of Mr. Li
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Second Capital Injection Agreement”	the capital injection agreement dated 29 December 2018 entered into between the Investor, Tianrui Cement and the Second Target Company
“Second Share Repurchase Agreement”	the share repurchase agreement dated 29 December 2018 entered into between the Investor, Tianrui Cement and the Second Target Company
“Second Target Company”	Dalian Tianrui Cement Company Limited 大連天瑞水泥有限公司*, a company established in the PRC and a direct wholly-owned subsidiary of Tianrui Cement and an indirect wholly-owned subsidiary of the Company as at the date of this announcement

“Shanshui Cement”	China Shanshui Cement Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Stock Exchange (stock code: 691)
“Share Repurchase Agreements”	the First Share Repurchase Agreement, the Second Share Repurchase Agreement, the Third Share Repurchase Agreement, the Fourth Share Repurchase Agreement and the Fifth Share Repurchase Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	the First Target Company, the Second Target Company, the Third Target Company, the Fourth Target Company and the Fifth Target Company
“Third Capital Injection Agreement”	the capital injection agreement dated 29 December 2018 entered into between the Investor, Tianrui Cement and the Third Target Company
“Third Share Repurchase Agreement”	the share repurchase agreement dated 29 December 2018 entered into between the Investor, Tianrui Cement and the Third Target Company
“Third Target Company”	Tianrui Group Guangshan Cement Company Limited 天瑞集團光山水泥有限公司*, a company established in the PRC and a direct wholly-owned subsidiary of Tianrui Cement and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Tianrui Cement”	Tianrui Cement Group Company Limited (天瑞水泥集團有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Tianrui Group”	Tianrui Group Company Limited (天瑞集團股份有限公司), a company established in the PRC with limited liability, which is owned as to 70% by Mr. Li and owned as to 30% by Ms. Li

“RMB” Renminbi, the lawful currency of the PRC

“%” per cent.

\* *The English translation of the Chinese names denoted in this announcement is for illustration purpose only. Should there be any inconsistencies, the Chinese names prevail.*

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

Ruzhou City, Henan Province, PRC, 29 December 2018

*As at the date of this announcement, the board of directors of the Company consists of Chairman and Non-executive Director, Mr. Li Liufa; Executive Directors, Ms. Li Fengluan, Mr. Ding Jifeng, Mr. Xu Wuxue and Mr. Li Jiangming; and Independent Non-executive Directors, Mr. Kong Xiangzhong, Mr. Wang Ping and Mr. Du Xiaotang.*