

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**華潤水泥控股有限公司**

**China Resources Cement Holdings Limited**

*(incorporated in the Cayman Islands with limited liability)*

(Stock Code: 1313)

**CONTINUING CONNECTED TRANSACTIONS  
FRAMEWORK AGREEMENT FOR  
INTEGRATED ENERGY PROJECTS**

On 8 November 2023, the Company and CR Power entered into the Framework Agreement in relation to the cooperation on the Integrated Energy Projects, and accordingly, set the annual caps during the term of the Framework Agreement.

The proposed annual caps of RMB130,000,000 per annum (equivalent to approximately HK\$141,570,000) have been determined with reference to, among others, the following factors: (i) the historical transaction amount; and (ii) the Group's demand on the Integrated Energy Projects for its business development.

As the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual caps of the Framework Agreement exceed 0.1% but are less than 5%, the continuing connected transactions contemplated under the Framework Agreement are only subject to the reporting, announcement and annual review requirements but are exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

**BACKGROUND**

On 8 November 2023, the Company and CR Power entered into the Framework Agreement in relation to the cooperation on the Integrated Energy Projects, and accordingly, set the annual caps during the term of the Framework Agreement.

**THE FRAMEWORK AGREEMENT**

**(1) Date**

8 November 2023

**(2) Parties**

- (a) the Company; and
- (b) CR Power.

**(3) Term**

From 8 November 2023 to 31 December 2024.

**(4) Subject Matter – Integrated Energy Projects**

CR Power Group will utilize the rooftops, idle lands and relevant storage and operation space of the Group to install photovoltaic power station facilities and will supply power and provide integrated energy services to the Group after photovoltaic power stations are put into operation; CR Power Group will take advantage of its power industry resources to construct energy storage and cold storage projects to supply power and provide integrated energy services to the Group based on the peak-to-trough price difference of the Group's power consumption throughout the whole day and in accordance with energy consumption needs and conditions of the Group.

**(5) Pricing Policy**

The pricing policy of the Framework Agreement will be based on the market prices determined by ascertaining the prevailing prices at which the same or similar type of products or services are provided by or to or between independent third parties under normal commercial terms in the ordinary course of business, in each case taking into account the applicable circumstances, including but not limited to the relevant policies and regulations of PRC and provincial power system reformation and the configuration, cost, profit, resources, experience, quality assurance requirements and technical solutions of relevant parties.

When determining the market prices of any transaction under the Framework Agreement for the power supply from CR Power Group to the Group, the business team of the Group and CR Power Group would compare the power tariffs of the same type of other projects in the vicinity of the relevant power projects, obtain market and industry data on such power tariffs from time to time through public available information, and understand the market price trends on a regular basis (if applicable).

The parties will review and ensure that the terms and pricing of the transactions to be conducted under the Framework Agreement are consistent with those of other independent third parties.

Payment arrangement for specific transactions will be negotiated and agreed in each formal cooperation agreement.

## **INTERNAL CONTROL MEASURES**

In order to ensure that all continuing connected transactions of the Group comply with the Listing Rules, the Company has formulated and continuously improved the management measures for connected transactions which sets forth the procedures for approval of connected transaction contracts and management of continuing connected transactions.

Before entering into the Framework Agreement in its ordinary and usual course of business, the Group has conducted research study on the market price fairness by obtaining and comparing the prevailing price quotations and pricing terms of the same or similar transactions from other independent suppliers in the vicinity according to its internal approval and monitoring procedures for continuing connected transactions, in order to select suppliers upon comprehensive consideration of various assessment criteria (including but not limited to the prices, the level and quality of tailor-made services, suitability, payment terms, and time required for the provision of goods or services) and determine the relevant procurement terms through negotiations based on the business needs of the project, the types and scale of the procurement. Such quotes, together with the offer from the connected person, and the Framework Agreement shall be reviewed by the management, finance personnel and legal personnel of the Company according to the Group's internal approval and monitoring procedures. Afterwards, the Framework Agreement, the continuing connected transactions contemplated thereunder and the annual caps would be submitted to the Board for consideration and approval.

The finance department of the relevant members of the Group will be responsible for the monthly reporting of the amount of continuing connected transactions to the finance department of the Company for monitoring the annual cap of the relevant transactions every month and issuing warning to the Board, relevant departments and business units of the Group when the utilization rate of annual cap reaches 80%, which will facilitate the Board to consider implementation of relevant response measures such as the revision of annual cap. The continuing connected transactions shall also be subject to review and audit by independent non-executive Directors and auditors respectively every year pursuant to Chapter 14A of the Listing Rules. Among which, the independent auditor shall sample check, among other things, the compliance of such pricing terms with the pricing policies or mechanisms under the Framework Agreement.

## ANNUAL CAPS AND BASIS OF DETERMINATION

The annual caps for the Integrated Energy Projects contemplated under the Framework Agreement for the year ending 31 December 2023 and the year ending 31 December 2024 are RMB130,000,000 per annum (equivalent to approximately HK\$141,570,000).

The proposed annual caps have been determined with reference to, among others, the following factors: (i) the historical transaction amount; and (ii) the Group's demand on the Integrated Energy Projects for its business development.

The continuing connected transactions contemplated under the Framework Agreement are recurring in nature and continue in the ordinary and usual course of business of the Group.

In compliance with the Listing Rules, the Company has been closely monitoring the continuing connected transactions with CR Power Group through various internal control measures. For the year ended 31 December 2022 and as at the date of this announcement, all applicable percentage ratios set out in Rule 14.07 of the Listing Rules calculated based on the transaction amount of the Integrated Energy Projects entered into between the Group and CR Power Group are below 0.1%. Set out below are the approximate historical amounts of the Integrated Energy Projects entered into between the Group and CR Power Group in the past:

	<b>Approximate historical amounts</b>	
	<i>RMB</i>	<i>HK\$</i> <i>equivalent</i>
for the year ended 31 December 2022	Nil	Nil
for the nine months ended 30 September 2023	4,911,000	5,348,000

## REASONS FOR AND BENEFITS OF THE TRANSACTION

The transactions contemplated under the Framework Agreement serve as a good opportunity for the Group to explore the possibility of the use of integrated energy which is in line with the Chinese government's policy of "carbon peaking and carbon neutrality". CR Power Group possesses the relevant qualifications and capabilities to provide stable and satisfactory integrated energy services to the Group. The cooperation under the Framework Agreement will support the development within the China Resources Group on normal commercial terms and on a scale which will not place the Group's resources at risk or affect its relationship with other independent third-party suppliers.

All Directors (including the independent non-executive Directors) are of the view that the continuing connected transactions contemplated under the Framework Agreement are negotiated on arm's length basis, on normal commercial terms or better and in the ordinary and usual course of business of the Group, and the terms of the Framework Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, CRC, being the controlling shareholder of the Company, indirectly holds approximately 62.94% of the shares issued by CR Power. Accordingly, under Chapter 14A of the Listing Rules, CR Power is a connected person of the Company and the transactions contemplated under the Framework Agreement constitute continuing connected transactions of the Company.

As the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual caps of the Framework Agreement exceed 0.1% but are less than 5%, the continuing connected transactions contemplated under the Framework Agreement are only subject to the reporting, announcement and annual review requirements but are exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Mr. ZHOU Bo is the common director of both CR Power and the Company, as good corporate governance measure, he absented himself from the Board meeting when the Framework Agreement and the transactions contemplated thereunder were discussed, voted and approved. Save as disclosed above, none of the Directors has any material interest in the Framework Agreement and the transactions contemplated thereunder or abstained from voting on the relevant Board resolutions approving the Framework Agreement and the transactions contemplated thereunder.

## **INFORMATION OF THE PARTIES TO THE TRANSACTIONS AND THEIR ULTIMATE BENEFICIAL OWNER**

### ***CR Power***

CR Power was incorporated in Hong Kong with limited liability and the shares of CR Power have been listed on the Stock Exchange since 12 November 2003 (stock code: 836). CR Power Group is principally engaged in investing, developing, operating and managing wind farms, photovoltaic power plants, hydro-electric power plants and other clean and renewable energy projects and coal-fired power plants in China. CR Power is owned by CRH with 62.94% equity interests. The ultimate beneficial owner of CR Power is CRC, which is beneficially owned by the State-owned Assets Supervision and Administration Commission of the State Council of PRC.

## ***The Company***

The Company is a company incorporated in the Cayman Islands with limited liability whose shares are listed and traded on the main board of the Stock Exchange (stock code: 1313). As at the date of this announcement, approximately 68.72% of the shares issued by the Company are indirectly held by CRH, which in turn is ultimately owned by CRC. The Group is principally engaged in the manufacture and sale of cement, concrete, other construction materials and other related products and services in Chinese Mainland and Hong Kong.

## ***CRC***

CRC, the ultimate beneficial owner of the Company and CR Power, is a company established in PRC with limited liability and is a state-owned enterprise under the supervision of the State-owned Assets Supervision and Administration Commission of the State Council of PRC. It is the holding company of CRH, and is a conglomerate which holds a variety of businesses in PRC and Hong Kong including but not limited to consumer products, integrated energy, urban construction and operation, healthcare, industrial finance, technology and emerging sectors.

## **DEFINITIONS**

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

“Board”	board of Directors;
“Company”	China Resources Cement Holdings Limited (華潤水泥控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed and traded on the main board of the Stock Exchange (stock code: 1313);
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“continuing connected transactions”	has the meaning ascribed thereto under the Listing Rules;
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules;

“CRC”	China Resources Company Limited (中國華潤有限公司), a company established in PRC with limited liability, the ultimate holding company and the ultimate beneficial owner of the Company and CR Power;
“CRH”	China Resources (Holdings) Company Limited (華潤(集團)有限公司), a company incorporated in Hong Kong with limited liability, the intermediate holding company of the Company and CR Power, which is ultimately and wholly owned by CRC;
“CR Power”	China Resources Power Holdings Company Limited (華潤電力控股有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed and traded on the main board of the Stock Exchange (stock code: 836);
“CR Power Group”	CR Power and its subsidiaries;
“Director(s)”	the director(s) of the Company;
“Framework Agreement”	the Framework Agreement for the Cooperation on Integrated Energy Projects entered into between the Company and CR Power on 8 November 2023;
“Group”	the Company, its subsidiaries, its associates and its joint ventures;
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of PRC;
“Integrated Energy Projects”	has the meaning ascribed thereto in the section headed “Subject Matter – Integrated Energy Projects” in this announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC” or “China”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan;

“RMB” Renminbi, the lawful currency of PRC; and

“Stock Exchange” The Stock Exchange of Hong Kong Limited.

By order of the Board  
**China Resources Cement Holdings Limited**  
**JI Youhong**  
*Chairman*

Hong Kong, 8 November 2023

*\* In this announcement, the English names of PRC government authorities or entities are translations of their Chinese names and included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.*

*For the purposes of this announcement and illustration only, conversions of RMB into HK\$ are based on the approximate exchange rate of RMB1.00 to HK\$1.089. No representation is made that any amount in HK\$ or RMB could have been or could be converted at the above rate or at any other rates.*

*As at the date of this announcement, the executive Directors are Mr. JI Youhong and Mr. JING Shiqing; the non-executive Directors are Mr. YU Shutian, Mr. ZHU Ping, Mr. ZHOU Bo and Mr. YANG Changyi; and the independent non-executive Directors are Mr. IP Shu Kwan Stephen, Mr. SHEK Lai Him Abraham, Madam ZENG Xuemin and Mr. NG Kam Wah Webster.*