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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)

**PROPOSED ISSUE OF RMB SENIOR NOTES
AND
EXTRACT OF OPERATING AND FINANCIAL INFORMATION**

The Company proposes to conduct an international offering of RMB senior notes and will commence a series of roadshow presentations beginning on or around 23 July 2012 to certain institutional and professional investors outside the United States. In connection with the offering, the Company will provide certain institutional and professional investors with recent operating and financial information regarding the Group, including updated risk factors, management's discussion and analysis, description of new projects, related party transactions and indebtedness information, which include information that has not previously been made public. An extract of such recent information is attached to this announcement, and will also be available on the Company's website at www.trcement.com at approximately the same time when such information is released to the institutional and professional investors.

The completion of the Proposed Notes Issue is subject to, among others, market conditions and investor interest. The Notes are proposed to be guaranteed by the Subsidiary Guarantors and secured by the pledge of the shares of the Subsidiary Guarantors. BOC International, as the sole global coordinator, and BOC International, BOCOM International and CCB International as the joint bookrunners and joint lead managers are managing the Proposed Notes Issue. As at the date of this announcement, the principal amount, the interest rates, the payment date and certain other terms and conditions of the Proposed Notes Issue are yet to be finalised. Upon finalising the terms of the Notes, it is expected that the Company, the Subsidiary Guarantors and the Initial Purchasers, among others, will enter into the Purchase Agreement. The Company intends to use the net proceeds from the Notes to refinance certain existing debt obligations, and for liquidity and general corporate purposes.

The Company intends to seek a listing of the Notes by way of debt issues to professional investors on the Stock Exchange.

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialise. Potential investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.

Further announcement in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.

THE PROPOSED NOTES ISSUE

Introduction

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The Notes have not been, and will not be, registered under the Securities Act. The Notes will only be offered outside the United States in compliance with Regulation S under the Securities Act. None of the Notes will be offered to the public in Hong Kong and none of the Notes will be placed with any connected persons of the Company.

Reasons for the Proposed Notes Issue

The Group is a leading clinker and cement producer in Henan and Liaoning provinces in the PRC in terms of production volume for the year ended December 31, 2010. The Group's operations range from the excavation of limestone to the production, sale and distribution of clinker and cement. The Group's cement is sold under the brand “天瑞 TIANRUI” which has been recognized as a “Chinese Famous Trademark” by the State Administration for Industry and Commerce of China. The Group's products are primarily used in the construction of infrastructure projects such as highways, bridges, railways and roads, as well as residential buildings. Majority of the Group's customers are located in Henan and Liaoning provinces in the PRC.

The Proposed Notes Issue is being undertaken to supplement the Group's financing activities and business development. The Board believes that the Proposed Notes Issue will further improve the Company's ability to access the international debt capital markets to support the growth of the Group.

The Company intends to use the net proceeds from the Notes (i) to refinance certain existing debt obligations and (ii) for liquidity and general corporate purposes. The Company may adjust the foregoing plans in response to changing market conditions and thus, reallocate the use of the net proceeds.

Listing

Application will be made for the listing of, and permission to deal in, the Notes by way of debt issues to professional investors on the Stock Exchange.

GENERAL

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialise. Potential investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.

Further announcement in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.

UPDATED INFORMATION ABOUT THE COMPANY

Set forth below is certain operating and financial information about the Company included in the offering document in relation to the Proposed Note Issue.

(A) *Recent Developments*

The summary consolidated financial information of the Company as of and for the five months ended May 31, 2011 and 2012 set forth below is derived from the Company's unpublished unaudited consolidated interim financial data as of and for the five months ended May 31, 2011 and 2012. Such consolidated interim financial data have not been audited by the Company's independent auditors. We have prepared the unaudited consolidated financial information on the same basis as our audited consolidated financial statements. The unaudited consolidated financial information include all adjustments, consisting only of normal recurring adjustments, which we consider necessary for a fair presentation of our financial position and results of operations for the periods presented. None of the Initial Purchasers, the Trustee, the Registrar or the CMU Lodging and Paying Agent or any of their respective affiliates, directors or advisors makes any representation or warranty, express or implied, regarding the sufficiency of such consolidated interim financial data for an assessment of, and potential investors must exercise caution when using such data to evaluate, the Company's financial condition and results of operations. The consolidated interim financial data of the Company as of and for the five months ended May 31, 2012 should not be taken as an indication of the expected financial condition or results of operations of the Company for the full financial year ending December 31, 2012.

Consolidated Income Statement

	For the five months ended May 31,	
	2011 (RMB'000)	2012 (RMB'000)
Revenue	3,288,929	3,102,542
Cost of sales	<u>(2,351,004)</u>	<u>(2,397,378)</u>
Gross profit	<u>937,925</u>	<u>705,164</u>
Other income	97,113	143,960
Selling and distribution expenses	(113,398)	(100,198)
Administrative expenses	(109,873)	(146,177)
Other expenses	(12,454)	(2,408)
Finance costs	<u>(156,148)</u>	<u>(247,942)</u>
Profit before taxation	<u>643,165</u>	<u>352,400</u>
Income tax expense	<u>(166,688)</u>	<u>(84,960)</u>
Profit for the period and total comprehensive income for the period	<u>476,477</u>	<u>267,440</u>
Profit for the period and total comprehensive income for the period attributable to:		
Owners of the Company	<u>476,477</u>	<u>272,756</u>
Non-controlling interest	—	(5,316)

Consolidated Balance Sheet

	As of	
	December 31, 2011 RMB'000	May 31, 2012 RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	10,034,915	9,950,105
Deposits paid	230,563	422,889
Prepaid lease payment	602,491	598,038
Mining rights	222,533	220,658
Goodwill	12,275	12,275
Deferred tax assets	15,285	23,330
	<u>11,118,062</u>	<u>11,227,295</u>
CURRENT ASSETS		
Inventories	1,203,151	1,096,973
Trade and other receivables	2,454,932	3,093,150
Amount due from the related parties	572	1,820
Available for sale investments	4,000	—
Investments held for trading	250,000	—
Restricted bank balance	1,974,648	1,326,810
Cash and bank balances	232,480	688,794
	<u>6,119,783</u>	<u>6,207,547</u>
CURRENT LIABILITIES		
Trade and other payables	4,201,433	4,677,402
Amount due to ther related parties	639	1,012
Borrowings - due within one year	4,946,852	3,783,443
Short term debenture	500,000	1,000,000
Income tax payable	110,629	33,163
	<u>9,759,553</u>	<u>9,495,020</u>
NET CURRENT LIABILITIES	<u>3,639,770</u>	<u>3,287,473</u>

	As of	
	December 31, 2011	May 31, 2012
	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT LIABILITIES		
Borrowings — due after one year	1,410,010	1,156,000
Mid-term debenture	300,000	500,000
Provision for environmental restoration	9,409	10,133
Other payables	30,237	280,237
Deferred income	149,804	147,419
Deferred tax liabilities	<u>24,222</u>	<u>23,983</u>
	<u>1,923,682</u>	<u>2,117,772</u>
Non-controlling interest	38,650	33,334
CAPITAL AND RESERVES		
Issued capital/Share capital	19,505	19,505
Reserves	821,758	821,758
Retained earnings	<u>2,304,573</u>	<u>2,577,329</u>
TOTAL EQUITY	<u>5,515,960</u>	<u>5,788,716</u>

In the five months ended May 31, 2012, as international financial markets remained volatile and macroeconomic policies continued to tighten in the PRC, the economic growth rate of the PRC slowed down as compared with the same period of 2011. Nevertheless, demand for cement products, which has been negatively affected by the economic slowdown, was also positively driven by the increase in demand from certain large infrastructure projects such as the South-North Water Transfer Project (南水北調工程).

Results of operations for the five months ended May 31, 2012 compared to the five months ended May 31, 2011

Revenue

Our revenue was approximately RMB3,102.5 million in the five months ended May 31, 2012, representing a decrease of RMB186.4 million, or 5.7%, from approximately RMB3,288.9 million in the five months ended May 31, 2011.

Our revenue from sales of cement was approximately RMB2,603.6 million in the five months ended May 31, 2012, representing a decrease of RMB51.3 million,

or 1.9%, from approximately RMB2,654.9 million in the five months ended May 31, 2011. This decrease was primarily attributable to a decrease in the average selling price of our cement products by RMB6.3 per tonne, or 2.3%, from RMB275.3 per tonne in 2011 to RMB269.0 per tonne in 2012, partially offset by an increase in the cement sales volume by 0.1 million tonnes, or 1.0%, from 9.7 million tonnes in 2011 to 9.6 million tonnes in 2012. The decrease in the average selling price of cement products was primarily because the macroeconomic policies continued to tighten in the PRC, the economic growth rate of the PRC slowed down as compared with the same period of 2011. The increase in our cement sales volume was primarily due to the increase in the market demand for our cement products, particularly the increase in demand from certain large-scale infrastructure projects such as the South-North Water Transfer Project (南水北調工程).

Our revenue from sales of clinker was approximately RMB498.9 million in the five months ended May 31, 2012, representing a decrease of RMB135.1 million, or 21.3%, from approximately RMB634.0 million in the five months ended May 31, 2011. This decrease was primarily attributable to (i) a decrease in the average clinker selling price by RMB13.5 per tonne, or 5.1%, from RMB264.9 per tonne in 2011 to RMB251.4 per tonne in 2012 due to the decrease in market demand as a result of the slowdown in the PRC economy, and (ii) a decrease in our clinker sales volume by 0.4 million tonnes, or 16.7%, from 2.4 million tonnes in the five months ended May 31, 2011 to 2.0 million tonnes in the same period of 2012 primarily due to the Company reduced the external sales volume of clinker in the same period in 2012.

Our revenue from sales of cement as a percentage of revenue was approximately 83.9% in the five months ended May 31, 2012 as compared to 80.7% in the five months ended May 31, 2011. Our revenue from sales of clinker as a percentage of revenue was approximately 16.1% in the five months ended May 31, 2012 as compared to 19.3% in the five months ended May 31, 2011.

Cost of sales

Our cost of sales was approximately RMB2,397.4 million in the five months ended May 31, 2012, representing increase of RMB46.4 million, or 2.0%, from approximately RMB2,351.0 million in the five months ended May 31, 2011. The increase was primarily attributable to increase in the purchase cost of the materials, primarily the increase in the costs of coal and electricity. The cost of coal increased to RMB770.3 per tonne in the first five months ended May 31, 2012 as compared to RMB753.5 tonne in the same period in 2011. Electricity costs increased to RMB0.59 per KWh in the five months ended May 31, 2012 as

compared to RMB0.54 KWh in the same period of 2011. Our cost of sales as a percentage of revenue increased to approximately 77.3% in the five months ended May 31, 2012 from 71.5% in the five months ended May 31, 2011 primarily due to the decrease of revenue.

Gross profit and gross profit margin

As a result of the foregoing reasons, our gross profit decreased from approximately RMB937.9 million in the five months ended May 31, 2011 to approximately RMB705.2 million in the five months ended May 31, 2012, representing a decrease of RMB232.8 million, or 24.8%. Our gross profit margin decreased to approximately 22.7% in the five months ended May 31, 2012 from 28.5% in the five months ended May 31, 2011.

Other income

Other income was RMB144.0 million in the five months ended May 31, 2012, an increase of RMB46.9 million, or 48.2%, from RMB97.1 million in the five months ended May 31, 2011. The increase was primarily due to (i) the increase in value-added tax refunds from the PRC government because more revenue from low-grade cement met the conditions to qualify for such refunds since such cement was used in low-grade cement products with industrial waste materials constituting not less than 30% of raw materials, (ii) the increase in gain on sale of scrap materials of our subsidiaries as these subsidiaries increased sales of these materials to external third parties, and (iii) the fact that a number of long overdue trade payables were recognized as other income in this period.

Selling and distribution expenses

Our selling and distribution expenses were approximately RMB100.2 million in the five months ended May 31, 2012, a decrease of RMB13.2 million, or 11.6%, from RMB113.4 million in the five months ended May 31, 2011. The decrease was primarily attributable to the decrease of transportation and shipping expenses as we reduced sales of clinker to customers in the Southern part of China.

Administrative expenses

Our administrative expenses were approximately RMB146.2 million in the five months ended May 31, 2012, representing an increase of RMB36.3 million, or 33.0%, from RMB109.9 million in the five months ended May 31, 2011. The

increase was primarily due to the higher compensation we paid to our Directors and senior management after our listing on the Stock Exchange, and the growth of our business as we hired more administrative personnel and more staffs with higher educational background in this period.

Other expenses

Other expenses were approximately RMB2.4 million in the five months ended May 31, 2012, a decrease of RMB10.1 million from approximately RMB12.5 million in the five months ended May 31, 2011. The decrease was primarily due to the recovery of certain trade receivables which we had provided for as bad debts in prior periods.

Finance costs

Finance costs were approximately RMB247.9 million in the five months ended May 31, 2012, representing an increase of RMB91.8 million, or 58.8%, from approximately RMB156.1 million in the five months ended May 31, 2011. The increase was primarily attributable to the PBOC's increase of benchmark loan interest rates during the year. The increase in finance costs was also due to fewer projects which we had under construction in the five months ended May 31, 2012, as a result of which we were not able to capitalize finance costs to the same extent as in prior years.

Profit before taxation

As a result of the foregoing, our profit before taxation was approximately RMB352.4 million in the five months ended May 31, 2012, a decrease of RMB290.8 million, or approximately 45.2%, from approximately RMB643.2 million in the five months ended May 31, 2011.

Income tax expenses

Our income tax expenses were approximately RMB85.0 million in the five months ended May 31, 2012, representing a decrease of RMB81.7 million, or approximately 49.0%, from approximately RMB166.7 million in the five months ended May 31, 2011 mainly due to the decrease in profit before taxation.

Profit and total comprehensive income for the year

As a result of the foregoing, our profit and total comprehensive income for the year was approximately RMB267.4 million in the first five months of 2012, a decrease of RMB209.0 million, or approximately 43.9%, from approximately

RMB476.5 million in the first five months of 2011. The net profit margin decreased from 14.5% in the first five months of 2011 to 8.6% in the first five months of 2012, mainly attributable to the decrease in revenue and the increase in cost of sales and other operating expenses as the percentages of revenue.

Changes in balance sheet as of May 31, 2012 as compared to as of December 31, 2011

Current Assets

Inventories

Inventories decreased from RMB1,203.2 million as of December 31, 2011 to RMB1,097.0 million as of May 31, 2012, primarily due to the decrease of the unit cost of raw materials, clinker and cements and that our production plants in Northeast China normally stored more clinker at year end to prepare for production after the Chinese New Year.

Trade and other receivables

Trade and other receivables increased from RMB2,454.9 million as of December 31, 2011 to RMB3,093.2 million as of May 31, 2012, primarily due to the increase of pre-payments for the purchase of coal due to the increase in prices of coal and the increase of deposits for transportations.

Available-for-sale investments and investments held for trading

Available-for-sale investments and investments held for trading are both nil as of May 31, 2012 as compared to RMB4.0 million and RMB250.0 million as of December 31, 2011, respectively, primarily because the Company had disposed these investments during the five months ended May 31, 2012.

Restricted bank balances

Restricted bank balances decreased from RMB1,974.6 million as of December 31, 2011 to RMB1,326.8 million as of May 31, 2012, primarily due to the fact that the Company fully repaid the IFC loan and syndicated loan which used the restricted bank balances from IPO in February 2012.

Cash and bank balances

Cash and bank balances increased from RMB232.5 million as of December 31, 2011 to RMB688.8 million as of May 31, 2012, primarily due to accumulated cash inflows that generated from operation in this period.

Current Liabilities

Trade and other payables

Trade and other payables increased from RMB4,201.4 million as of December 31, 2011 to RMB4,677.4 million as of May 31, 2012, primarily due to the increase of the trading payables for purchase of raw materials due to the increase in the prices of raw materials and advance form customers in line with the increase in sales volume.

Borrowings — due within one year

Borrowings — due within one year decreased from RMB4,946.9 million as of December 31, 2011 to RMB3,783.4 million as of May 31, 2012, primarily due to the Company fully repaid the IFC loan and syndicated loan in February 2012.

Short-term debenture

Short-term debenture increased from RMB500.0 million as of December 31, 2011 to RMB1,000.0 million as of May 31, 2012, primarily due to the reissuance of the third tranche of the short-term financing bonds in January 2012.

Net Current Liabilities

We had net current liabilities of approximately RMB3,287.5 million as of May 31, 2012, a decrease of RMB352.3 million as compared to RMB3,639.8 million as of December 31, 2011. The net current liabilities are primarily attributable to the increase in our trade receivables and cash and bank balances due to reasons mentioned above.

Non-Current Liabilities

Borrowings — due after one year

Borrowings — due after one year decreased from RMB1,410.0 million as of December 31, 2011 to RMB1,156.0 million as of May 31, 2012, primarily due to the fact that we reclassified some borrowings as “Borrowings — due within one year” as the due dates of those borrowings moved to within one year of the date of the balance sheet.

Mid-term Debenture

Mid-term debenture increased from RMB300.0 million as of December 31, 2011 to RMB500.0 million as of May 31, 2012, primarily due to the issuance of the second tranche of the mid-term notes of RMB200.0 million in May 2012.

Other Payables

Other payables increased from RMB30.2 million as of December 31, 2011 to RMB280.2 million as of May 31, 2012, primarily due to RMB250 million of amount payable pursuant to a finance lease arrangement we entered into in January 2012 related to one of our production line in Dalian.

(B) *Issuance of Short-term Bonds and Mid-term Notes in the PRC*

Short-term Financing Bonds (“Short-term Bonds”)

We issued the first tranche short-term, unsecured financing bonds of the short-term financing bonds with an aggregate principal amount of RMB500.0 million in November 2010. The bonds bear interest at a rate of 4.1% per annum, payable upon the maturity of the bonds. We issued the second tranche Short-term Bonds in the same principal amount in March 2011, with an interest rate of 5.55% per annum payable upon the maturity of the second tranche financing bonds. Both the first tranche Short-term Bonds and the second tranche Short-term Bonds were registered with the National Association of Financial Market Institutional Investors of the PRC (中國銀行間市場交易商協會) and were issued in the PRC interbank debenture market (全國銀行間債券市場) to institutional investors. Upon maturity and repayment of the first tranche of the Short-term Bonds, we reissued in January 2012 the first tranche of these Short-term Bonds for the same aggregate principal amount, which was RMB500 million. The bonds bear interest at a rate of 8.48% per annum, payable upon January 16, 2013, the maturity date of the reissued first tranche Short-term Bonds. Upon maturity and repayment of the second tranche of the Short-term Bonds, on April 26, 2012, we reissued RMB500.0 million aggregate principal amount of the second tranche of the Short-term Bonds. The second tranche Short-term Bonds bear interest at 5.15% and will mature on April 27, 2013.

Under the terms of the Short-term Bonds, we have undertaken to investors to, among others, (1) disclose our corporate information in a full, fair, accurate and timely manner in accordance with PRC legal requirements, and that the disclosure contains or will contain no false or misleading statements or material

omissions; (2) pay the principal and interest of the Short-term Bonds in a timely manners; and (3) for the duration of the Short-term Bonds, be subject to the regulation and supervision of the PRC National Association of Financial Market Institutional Investors. The events of default for the Short-term Notes include, among others, default in the payment of principal or interest when due, and dissolution, bankruptcy, and default in payment of other material indebtedness. If any event occurs that materially or may materially affect the repayment of the Short-term Notes, we will need to make full and timely disclosure of such event and/or organize a bondholder's meeting to deal with such event.

Mid-term Notes (“Mid-term Notes”)

We had entered into an underwriting agreement with Guangdong Development Bank and China Bohai Bank on June 21, 2011 for the issuance of mid-term notes in an aggregate amount of RMB500.0 million and received an approval from National Association of Financial Market Institutional Investors of the PRC (中國銀行間市場交易商協會) dated November 23, 2011 for the offering of these mid-term notes. We issued the first tranche Mid-term Notes in a principal amount of RMB300.0 million on December 6, 2011 for a term of three years, carrying an interest rate of 8.4% per annum, calculated and payable on an annual basis. On May 9, 2012, we issued RMB200.0 million aggregate principal amount of the second tranche of the Mid-term Notes. The second tranche Mid-term Notes bear interest at 5.8% and will mature on May 10, 2015. The net proceeds from the reissuance will all be used for repayment of short term bank loans.

Under the terms of the Mid-term Notes, we have undertaken to investors to, among others, (1) disclose our corporate information in a full, fair, accurate and timely manner in accordance with PRC legal requirements, and that the disclosure contains or will contain no false or misleading statements or material omissions; (2) pay the principal and interest of the Mid-term Notes in a timely manners; and (3) for the duration of the Mid-term Notes, be subject to the regulation and supervision of the PRC National Association of Financial Market Institutional Investors. The events of default for the Mid-term Notes include, among others, default in the payment of principal or interest when due, and dissolution, bankruptcy, and default in payment of other material indebtedness. If any event occurs that materially or may materially affect the repayment of the Mid-term Notes, we will need to make full and timely disclosure of such event and/or organize a bondholder's meeting to deal with such event.

(C) *Repayment of Certain Loans*

Tianrui Cement entered into the IFC Loan, a US\$50.0 million loan agreement with IFC, on June 28, 2007, and subsequently fully drew down the loan. The interest rate on the IFC Loan was determined with reference to the LIBOR. In addition, Tianrui Cement and nine of its subsidiaries in the PRC, namely, Ruzhou Cement, Antai Cement, Zhoukou Cement, Shangqiu Cement, Yingkou Cement, Liaoyang Cement, Nanzhao Cement, Weihui Cement and Zhengzhou Tianrui (together, the “Borrowers”), entered into the JPM Facility pursuant to a facility agreement on August 22, 2007 with a syndicate of financial institutions led by JPM on a joint and several basis. Under the JPM Facility, the syndicate granted the Borrowers a credit facility of up to RMB1,993 million. The interest rates on amounts drawn under the JPM Facility were determined with reference to the benchmark interest rate promulgated by PBOC at the time when the JPM Facility was entered into. As of February 29, 2012, we had fully repaid the outstanding principal amount of principal, interest and fees payable under the IFC Loan and the JPM Facility and RMB1,196.2 million have been released from security as a result of the repayment.

(D) *Other Operating and Financial Data*

As of May 31, 2012, our aggregate outstanding short-term and long-term borrowings were approximately RMB4,783.4 million and RMB1,656.0 million, respectively.

Since January 1, 2012, we no longer enjoy the benefit of the preferential tax rate of 12.5% as a foreign owned enterprise and have been subject to an enterprise income tax of 25%.

As of May 31, 2012, we had net current liabilities of RMB3,287.5 million.

As of May 31, 2012, we had banking facilities of approximately RMB9,888.5 million for short-term and long-term bank loans, of which RMB2,645.0 million was unutilized.

As of May 31, 2012, our total borrowings amounted to RMB6,439.4 million. And the aggregate outstanding amount under the loan agreements with terms ranging from three months to 90 months total approximately RMB4,939.4 million, of which RMB3,783.2 million was due within one year or on demand, and RMB1,156.2 million was due in greater than one year.

As of May 31, 2012, the interest rates on the aggregate outstanding amount of our bank loans ranged from 5.15% to 11.81% per annum.

DEFINITIONS

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

“Antai Cement”	Lushan Antai Cement Company Limited [†] (魯山縣安泰水泥有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of our Company
“Board”	the board of directors of the Company
“BOC International”	BOCI Asia Limited
“BOCOM International”	BOCOM International Securities Limited
“CCB International”	CCB International Capital Limited
“CMU”	Central Moneymarkets Unit Service
“Company”	China Tianrui Group Cement Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“CMU Lodging and Paying Agent”	Deutsche Bank AG, Hong Kong Branch
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFC”	International Finance Corporation, a former investor of our Company and the lender of the IFC Loan
“IFC Loan”	a loan of US\$50 million that IFC advanced to Tianrui Cement pursuant to a loan agreement dated June 28, 2007 entered into between IFC and Tianrui Cement
“Initial Purchasers”	BOC International, BOCOM International and CCB International

“IPO”	our initial public offering on the Stock Exchange in December 2011
“JPM”	JP Morgan Chase Bank (China) Company Limited Shanghai Branch
“JPM Facility”	a credit facility of up to RMB1,993 million granted by a syndicate led by JPM to Tianrui Cement and nine of its subsidiaries in the PRC pursuant to a facility agreement dated 22 August 2007 entered into among the syndicate, Tianrui Cement and such nine subsidiaries
“KWh”	kilowatt hour
“Liaoyang Cement”	Liaoyang Tianrui Cement Company Limited† (遼陽天瑞水泥有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of our Company
“LIBOR”	London Inter-bank Offered Rate
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Nanzhao Cement”	Tianrui Group Nanzhao Cement Company Limited† (天瑞集團南召水泥有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of our Company
“Notes”	the RMB senior notes proposed to be issued by the Company
“PBOC”	the People’s Bank of China (中國人民銀行)
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan for the purpose of this announcement
“Proposed Notes Issue”	the proposed issue of the Notes by the Company
“Purchase Agreement”	the agreement proposed to be entered into between, among others, the Company, the Subsidiary Guarantors and the Initial Purchasers in relation to the Proposed Notes Issue
“Registrar”	Deutsche Bank AG, Hong Kong Branch

“RMB”	Renminbi, the lawful currency of the PRC
“Ruzhou Cement”	Tianrui Group Ruzhou Cement Company Limited† (天瑞集團汝州水泥有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of our Company
“Shangqiu Cement”	Shangqiu Tianrui Cement Company Limited (商丘天瑞水泥有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of our Company
“Securities Act”	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantors”	the subsidiaries of the Company incorporated outside of the PRC which are expected to provide a guarantee for the payment of the Notes and will not include any subsidiaries of the Company established under the laws of the PRC
“Tianrui Cement”	Tianrui Group Cement Company Limited† (天瑞集團水泥有限公司), a wholly foreign-owned enterprise established in the PRC with limited liability and a wholly-owned subsidiary of our Company
“Trustee”	DB Trustees (Hong Kong) Limited
“United States”	the United States of America
“US\$”	United States dollar, the lawful currency of the United States of America
“Weihui Cement”	Weihui Tianrui Cement Company Limited† (衛輝市天瑞水泥有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of our Company
“Yingkou Cement”	Yingkou Tianrui Cement Company Limited† (營口天瑞水泥有限公司) (formerly known as Yingkou ETD Zone Golden Earth Cement Co., Ltd† (營口經濟技術開發區金地球水泥有限公司)), a company established in the PRC with limited liability and a wholly-owned subsidiary of our Company

“Zhengzhou Cement
(Xinyang)”

Tianrui Group Zhengzhou Cement Company Limited[†]
(天瑞集團鄭州水泥有限公司) (formerly known as
Tianrui Group Xinyang Cement Company Limited[†] (天
瑞集團滎陽水泥有限公司)), a company established in
the PRC with limited liability and a wholly-owned
subsidiary of our Company

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

Hong Kong, 20 July 2012

As at the date of this announcement, the Board consists of:

Chairman and Non-executive Director

Mr. Li Liufa

Executive Directors

Mr. Li Heping, Mr. Liu Wenying and Mr. Yu Yagang

Non-executive Director

Mr. Tang Ming Chien

Independent Non-executive Directors

Mr. Wang Yanmou, Mr. Poon Chiu Kwok, Mr. Song Quanqi and Mr. Ma Chun Fung Horace

This announcement contains forward-looking statements relating to the business outlook, forecast business plans and growth strategies of the Group. These forward-looking statements are based on information currently available to the Group and are stated herein on the basis of the outlook at the time of this announcement. They are based on certain expectations, assumptions and premises, some of which are subjective or beyond control of the Group. The forward-looking statements may prove to be incorrect and may not be realised in future. Underlying the forward-looking statements are a large number of risks and uncertainties. Further information regarding these risks and uncertainties is included in the Company’s other public disclosure documents.

[†] denotes English translation of the name of a Chinese company, or vice versa, and is provided for identification purposes only