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CHINA SHANSHUI CEMENT GROUP LIMITED

中國山水水泥集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 691)

PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the shareholders of the Company and investors that the Group is expected to record a decrease in its unaudited consolidated profit for the fourth quarter of 2009 as compared with that for the same period in 2008. However, the Group's unaudited consolidated net profit for the financial year ended 31 December 2009 is still expected to increase by over 20% as compared with the same period in 2008.

The above information is only based on the preliminary review of the unaudited consolidated management accounts of the Group which are still subject to audit by the Company's auditors.

Shareholders of the Company and potential investors should exercise due care in their dealing in the securities of the Company.

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The board ("**Board**") of directors of China Shanshui Cement Group Limited (the "**Company**") announces that, based on its preliminary review of the unaudited consolidated management accounts of the Company and its subsidiaries (together, the "**Group**") for the financial year ended 31 December 2009, the Group is expected to record a decrease in its unaudited consolidated profit for the fourth quarter of 2009 as compared with that for the same period in 2008. Such decrease is mainly attributable to the series of snowstorms which have been hitting the Northern and Central China since November 2009. The severe weather has forced many construction and infrastructure works in the Shandong and Liaoning provinces ground to a halt and thereby adversely affecting the overall consumption rate of cement and clinker in these areas which has in turn resulted in a drop in the Group's cement and clinker sales for the fourth quarter of 2009.

Notwithstanding the above, the Group's unaudited consolidated net profit for the financial year ended 31 December 2009 is still expected to increase by over 20% as compared with the same period in 2008. Gross profit margin for the year ended 31 December 2009 remains comparable with that of 2008, and the overall financial position and operations of the Group remain sound and healthy.

The above information is only based on the Company's preliminary assessment of its draft unaudited consolidated management accounts for the financial year ended 31 December 2009, which are still subject to the audit by the Company's auditors and adjustments to the accounts may be made in the course of the audit. Shareholders of the Company and potential investors should note that the audited consolidated annual results of the Group for the financial year ended 31 December 2009 is expected to be announced in April 2010.

As the PRC Central Government continues to implement a series of development plans to stimulate economic growth, and in particular, to accelerate the development of cities and towns and urbanization of new villages, it is expected that these development plans would enliven the investment markets in the Shandong and Liaoning provinces and thereby leading to an increase in the market demand for the Group's cement products. The Shandong provincial government has implemented industrial restructuring, energy saving and emission reduction policies that eliminate obsolete cement kilns and procure the development and consolidation of new dry process cement production. As such, the Directors have full confidence in the prospect of the cement market and the Group's future performance.

Shareholders and potential investors should exercise due care in their dealing in the securities of the Company.

By Order of the Board
ZHANG Caikui
Chairman

Hong Kong, 12 February 2010

As at the date hereof, the board of directors of the Company comprises 4 executive directors, namely ZHANG Caikui (Chairman and General Manager), LI Yanmin, DONG Chengtian and YU Yuchuan; 2 non-executive directors, namely Homer SUN and JIAO Shuge; and 3 independent non-executive directors, namely SUN Jianguo, WANG Yanmou and WANG Jian.