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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)

US\$500,000,000 7.50% SENIOR NOTES DUE 2020

(Stock Code: 5880)

### UPDATE ON RECENT DEVELOPMENTS

This announcement is made by China Shanshui Cement Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09, Rule 13.19 and Rule 13.25 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

We refer to the announcements that the Company made on 11 November 2015 and 12 November 2015 (the “**Previous Announcements**”) in relation to the current financial condition of the Company and the winding up petition and the summons (together the “**Application**”) filed by the Company for the appointment of joint provisional liquidators (the “**JPLs**”) with the Grand Court of the Cayman Islands (the “**Cayman Court**”). The Application will be heard in the Cayman Court on 18 November 2015.

The board of directors of the Company (the “**Board**”) would like to update its shareholders and the public that since the Previous Announcements, the Board has notified the Group’s employees of the Application and the production and business operation of the Group currently remain stable.

Since the Previous Announcements, the Group has received a number of enquiries and correspondence from creditors both in and outside of China and members of the Board have had discussions with some of the creditors in relation to the Application. Some of these discussions were facilitated by the Jinan municipal government in China where some of the Group’s operational subsidiaries are located (the “**Local Government**”). During these discussions, the Local Government expressed its support to the Company and requested onshore creditors not to take aggressive actions against the Group. The onshore creditors participating in such discussions have expressed their understanding and support of the request of the Local Government in the current circumstances.

A number of the Group’s creditors have been focusing on the Group’s plan to repay its debts and have expressed their desire to see a proposal for the Group to raise finance to repay its onshore and offshore debts as soon as possible.

As at the date of this announcement, the Board has collected from the Company’s advisors and creditors, and has considered, the following possible proposals:

- (1) the Group to issue new shares to its existing shareholders and/or other investors;
- (2) the Group to restructure part of its assets;
- (3) the Group to conduct securitization in relation to part of its assets (e.g. creating mortgages over such assets);

(4) a combination of any of the above.

Each of these proposals is for the purposes of allowing the Group to raise finance so it can repay the debt the Group owes to its creditors both in and outside of China. If the Cayman Court grants the Application and appoints JPLs, the JPLs will have the right to choose and implement one of these proposals or another proposal for the purposes of repaying the Group's debts. The Board has confirmed that it will fully cooperate with the JPLs in carrying out their work. The Company would like to highlight that the implementation of any of these proposals or another proposal will be subject to compliance with applicable laws and regulations (including the Listing Rules) and obtaining the requisite consents or approvals (including but not limited to those of the JPLs, if appointed, and the relevant regulatory authorities).

The Company will keep the shareholders and the public informed of the developments of the Application by way of further announcement(s) as and when appropriate.

By Order of the Board  
**China Shanshui Cement Group Limited**  
**ZHANG Bin**  
Chairman

Hong Kong, 16 November 2015

*As at the date hereof, the board of directors of the Company comprises 3 executive directors, namely ZHANG Bin (Chairman and General Manager), CHANG Zhangli and WU Ling-ling (also known as Doris WU); 2 non-executive directors, namely CAI Guobin and LEE Kuan-chun (also known as Champion LEE) (WU Ling-ling (also known as Doris WU) as his alternate); and 3 independent non-executive directors, namely, OU Chin-Der, ZENG Xuemin and SHEN Bing.*