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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)

WINDING-UP PETITION BY THE COMPANY AND APPLICATION FOR APPOINTMENT OF PROVISIONAL LIQUIDATORS

This announcement is made by China Shanshui Cement Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 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 announcement that the Company made on 5 November 2015 (the “**Previous Announcement**”) in relation to the current financial condition of the Company and the uncertainty as to whether the Group will be able to repay the Onshore Debt (as defined in the Previous Announcement) that will become due on 12 November 2015.

Having explored all options reasonably available to the Group, the Board has concluded that the Group will be unable to obtain sufficient financing on or before 12 November 2015 to repay the Onshore Debt and it is therefore certain that the Group will default on the Onshore Debt on 12 November 2015. As disclosed in the Previous Announcement, the default under the Onshore Debt will trigger cross default provisions of other financial facilities entered into by the Group, including the 2020 Notes (as defined in the Previous Announcement) and other loans or guarantees that the Group entered into in the People’s Republic of China.

In order to reduce the risk of the Group being destabilised by creditor action following a default under the Onshore Debt on 12 November 2015 and the subsequent cross-defaults, the Board resolved after trading hours on 10 November 2015 (Hong Kong time) to file a winding up petition (the “**Winding-up Petition**”) and an application for the appointment of provisional liquidators (the “**Application**”) with the Grand Court of the Cayman Islands (the “**Cayman Court**”). The Winding-up Petition and the Application are made pursuant to sections 94(1) and 104(3) of the Companies Law (2013 Revision) and were filed with the Cayman Court at 2.30 p.m. on 10 November 2015 (Cayman Islands time). The Application is to be heard by the Cayman Court at 10.00 a.m. on 11 November 2015 (Cayman Islands time). The Board would also like to highlight that the filing of the Winding-up Petition will also constitute an event of default under the 2020 Notes and accelerate repayment of the 2020 Notes.

In the event the Cayman Court grants the Application, restructuring professionals proposed by the Company and approved by the Cayman Court would be appointed to develop a restructuring proposal to deal with the Group's current financial position as referred to in the Previous Announcement. By commencing such proceedings in the Cayman Islands, the Company will have the benefit of protection in Cayman Islands and time to engage in negotiations with creditors and progress a collective restructuring plan in the best interests of all stakeholders. The provisional liquidators, if appointed, will also be seeking the extension of that protection to the Company's operations and activities in Hong Kong.

The Company will keep the shareholders and the public informed of the progress of the Winding-up Petition and 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, 11 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.