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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)

ANNOUNCEMENT ON LEGAL PROCEEDINGS CONCERNING SHANDONG SHANSHUI

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

The Company clarifies that an announcement published by Shanghai Clearing House on 12 April 2016 (available at http://www.shclearing.com/xxpl/zdsxjqt/201604/t20160412_142926.html) (the “Announcement”) was not made by Shandong Shanshui. The status of litigations mentioned in the Announcement is not factually correct and is still being investigated by the Company.

The Company has made a declaration in the announcement dated 19 February 2016 on the invalidity of the seal of Shandong Shanshui which was retained by the former directors of Shandong Shanshui without proper authority. The directors of the Company believe that such announcement was made by the former directors of Shandong Shanshui with the invalid seal. Shandong Shanshui has made an application for a new company seal which is pending approval from the relevant authorities in China.

Since the declaration by the Company of the invalidity of the seal of Shandong Shanshui, all the announcements, notices and documents with the seal of Shandong Shanshui were and are issued/executed without the proper authority from Shandong Shanshui and the Company. Shareholders and the public are advised to disregard such announcements, notices and documents issued/to be issued until further notice.

Tiantai Law Firm, the Company’s PRC legal adviser advises the Company, at the date of announcement, on the status of legal proceedings concerning Shandong Shanshui as follows.

As at the date of announcement, the Company is aware of total 102 legal disputes with creditors, of which 2 cases have been settled via mediation and 26 cases being withdrawn. Of the other cases, they are either being set aside or still subject to the determination of the court in China. As far as the Company is concerned, none of these cases have received an enforceable judgment. As such, the operations of the Company are continuing normally and have not been affected by these legal cases.

The Company is seriously considering all necessary steps and actions against the former directors of Shangdong Shanshui including Zhang Caikui and Zhang Bin (collectively the “Zhangs”) for (inter alia) their unlawful use of the invalid seal and specifically the Zhangs for contempt of court proceedings in Hong Kong (if is advised) for their non-compliance of the Injunction Orders. The Company takes the view that these activities may have material detrimental effects on the interest of the Company. The Company will pursue to the fullest extent against all those who are engaged in or assisted in these illegal activities.

Further announcement will be made by the Company as and when appropriate.

By Order of the Board
China Shanshui Cement Group Limited
LI Liufa
Chairman

Hong Kong, 15 April 2016

As at the date of this announcement, the board of directors of the Company comprises 4 executive directors, namely, LI Liufa, LI Heping, LIU Yiu Keung Stephen (YEN Ching Wai, David as his alternate), CHEUNG Yuk Ming; and 2 non-executive director, namely, HWA Guo Wai, Godwin and CHONG Cha Hwa; and 3 independent non-executive directors, namely, HO Man Kay Angela, LAW Pui Cheung and WONG Chi Keung.