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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 WARNING AND APPOINTMENT OF AN INDEPENDENT FINANCIAL ADVISOR**

This announcement is made by China Shanshui Cement Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”). Reference is made to the Company’s circular dated 16 February 2017 relating to the Requisitions (the “**Requisition Circular**”). Capitalised terms used herein shall have the same meanings as those defined in the Requisition Circular unless specified otherwise.

#### **PROFIT WARNING**

The Board wishes to inform the Shareholders and potential investors of the Company that the Group is expected to record an unaudited annual turnover that is comparable to the previous year but is still facing a loss for year ended 31 December 2016.

Based on the information currently available, the Board believes that although impairment losses on fixed assets, goodwill and investment in associates, provision for bad debts and administrative expenses are expected to decrease significantly for the year ended 31 December 2016 as compared to the previous year, the continuous consolidating cement market in China resulted in the expected continuous loss for the year ended 31 December 2016.

The Company is still in the process of finalizing the annual financial statements of the Group for the year ended 31 December 2016. The information contained in this announcement is only based on the preliminary assessment made by the Board and the information currently available with reference to the unaudited consolidated management accounts of the Group for the year ended 31 December 2016. Audited financial statements of the Group for the year ended 31 December 2016 are expected to be published in March 2017.

## **APPOINTMENT OF AN INDEPENDENT FINANCIAL ADVISOR**

The Board is pleased to announce that an independent board committee comprised of independent non-executive directors of the Company has appointed Karl Thomson Financial Advisory Limited to advise the shareholders of the Company in the form of an IFA Letter on the Proposed Transactions.

## **CONTINUED SUSPENSION OF TRADING IN THE SHARES**

**At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended with effect from 9:00 a.m. on 16 April 2015 due to insufficiency of public float of the Shares.**

**Shareholders and potential investors of the Company should exercise caution when dealing in the shares or other securities of the Company.**

By Order of the Board  
**China Shanshui Cement Group Limited**  
**Liu Yiu Keung, Stephen**  
*Chairman*

Hong Kong, 27 February 2017

*As at the date of this announcement, the Board comprises 3 executive directors, namely, LIU Yiu Keung, Stephen (YEN Ching Wai, David as his alternate), LI Heping and HWA Guo Wai, Godwin; and 1 non-executive director, namely, CHONG Cha Hwa; and 5 independent non-executive directors, namely, HO Man Kay, Angela, LAW Pui Cheung, WONG Chi Keung, CHING Siu Ming and LO Chung Hing.*