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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 7.5% SENIOR NOTES DUE 2020

(Stock Code: 5880)

VOLUNTARY ANNOUNCEMENT

This announcement is made by China Shanshui Cement Group Limited (the “**Company**”) pursuant to Rule 13.09(2)(the “**Listing Rules**”) 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 (the “**SFO**”) (Chapter 571 of the Laws of Hong Kong). Reference is made to the Company’s announcement dated 17 February 2017 and 27 February 2017 (the “**Announcements**”) and 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 Announcements and Requisition Circular unless specified otherwise.

On 27 January 2017, the Requisitionists (subsidiaries or associates of ACC, a substantial shareholder of the Company) sent a letter (“**Requisition Letter**”) to the Company requesting the Board to convene an extraordinary general meeting (the “**Requisition EGM**”) for the purpose of considering and passing the ordinary resolutions as stated in the Requisition Letter (the “**Requisitions**”), including to adjourn the extraordinary general meeting held on 17 February 2017 for the purpose of considering and passing (1) placing of new shares under specific mandate (the “**Placing**”); (2) Refreshment of the scheme mandate limit (the “**EGM**”). On 16 February 2017, the Company has dispatched the Requisition Circular and notice of Requisition EGM to the Shareholders. The Requisition EGM will be held on 8 March 2017 in accordance with the requirements as stated in the memorandum and articles of association of the Company.

Despite the adjournment of the Placing to restore the minimum public floats of the Company has rendered an immediate adverse effect on the Company’s refinancing initiatives and caused delay in the resumption of trading in the Shares as scheduled, nevertheless, the Company’s discussion with these financial institutions are continuing, and is re-negotiating with various placing agents and financial institutions to establish the revised timeline for resumption of trading in the Shares.

The Board wishes to inform the Shareholders and potential investors of the Company that due to a current shortage of fund in Shandong Shanshui Cement Group Company Limited (“**Shandong Shanshui**”) a medium-term note issued by Shandong Shanshui in the PRC inter-bank market and due on 27 February 2017 with a code of “14山水MTN001” (3 years in maturity, 6.1% interest per annum and the principal amount of RMB1 billion) was in default.

Furthermore, a medium-term note issued by Shandong Shanshui in the PRC inter-bank market with a code of “14山水MTN002” (3 years in maturity, 6.2% interest per annum and in the principal amount of RMB1.2 billion) will become due on 12 May 2017.

The Company will continue to assist Shandong Shanshui in negotiating with the underwriter of the medium-term note and holders thereof for the repayment of the principal amount and interest.

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

For and on behalf of
China Shanshui Cement Group Limited
Liu Yiu Keung, Stephen
Chairman

Hong Kong, 28 February 2017

As at the date hereof, the board of directors of the Company 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.