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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

This announcement is made pursuant to Rule 13.09 of the Listing Rules and Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the shareholders of the Company and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2013, the Group is expected to record a significant decrease in net profit for the six months ended 30 June 2013 as compared with that of the corresponding period in 2012.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions under Part XIVA of the Securities and Future Ordinance (Cap. 571, Laws of Hong Kong) (the “**SFO**”).

The board of directors (the “**Board**”) of China Shanshui Cement Group Limited (the “**Company**”) wishes to inform the shareholders of the Company and potential investors that, based on its preliminary assessment of the unaudited consolidated management accounts of the Company and its subsidiaries (together, the “**Group**”) for the six months ended 30 June 2013, the Group is expected to record a significant decrease in net profit for the six months ended 30 June 2013 as compared with that of the corresponding period in 2012.

The Board considers that such decrease is mainly attributable to a sustained low sales price recorded in the first half of 2013. Ever since this year, the regional cement market in Shandong, one of the core markets of the Group, has been affected by excessive production capacity within the cement industry and price has remained in low level since the fourth quarter of 2012. Due to the climate condition in the northeast region, the market demand in that region has slowed down and sales price has failed to reach its expected level and remained low compared with that of recent years. Therefore, the Board expects that the net profit of the Group for the six months ended 30 June 2013 will decrease by not less than 40% compared with that of the corresponding period last year.

The information contained in this announcement is only based on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2013 and the information currently available and is not based on any figure or information that has been audited or reviewed by the auditors of the Company. Detailed financial information of the Group for the six months ended 30 June 2013 will be published in due course pursuant to the requirements of the Listing Rules.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
ZHANG Bin
Chairman

Hong Kong, 17 July 2013

As at the date hereof, the board of directors of the Company comprises 3 executive directors, namely ZHANG Bin (Chairman and General Manager), ZHANG Caikui, and YU Yuchuan; 3 non-executive directors, namely Homer SUN, JIAO Shuge and XIAO Yu; and 3 independent non-executive directors, namely SUN Jianguo, WANG Yanmou and WANG Jian.