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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)

UPDATE ON THE OFFER TO PURCHASE FOR CASH 7.50% SENIOR NOTES DUE 2020

Reference is made to the announcements of the Company (the “**Announcements**”) dated 7 January 2016, 14 January 2016, 14 March 2016 and 30 June 2016 in relation to the Offer to purchase US\$500,000,000 7.50% senior notes due 2020 (the “**Notes**”). Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

Due to circumstances beyond the Company’s control, certain indicative timeline and numbers as mentioned in the announcement dated 30 June 2016 needs to be modified. The Board wishes to update Shareholders and other stakeholders of the Company that:

- (i) The Company has already paid 5% of the purchase price of the Tendered Notes (the “**First Notes payment**”) on 30 June 2016 (the “**First Payment Date**”);
- (ii) The Company has already paid out 5% of the purchase price of the Tendered Notes (the “**Second Notes Payment**”) on 15 July 2016 (the “**Second Payment Date**”);
- (iii) The Company plans to pay out the remainder of the purchase price of the Tendered Notes plus all accrued and unpaid interest on the Tendered Notes (the “**Third Notes Payment**”) by the earlier of (a) 31 October 2016 or (b) receipt by the Company of the net proceeds of the proposed open offer and/or share placement described in the Company’s announcement dated 3 June 2016 (the “**Third Payment Date**”);
- (iv) Subsequent to the First and Second Notes Payment, for the avoidance of doubt, interest will continue to accrue on all of the Notes (and not just on the Tendered Notes only) as calculated based on 100% of the principal amount of the Notes until the Third Payment Date; and
- (v) All other terms and conditions of the Notes remain unchanged as stated in the Company’s announcement dated 30 June 2016.

As of the date of this announcement, Tianrui Group has in aggregate already extended loans of approximately HK\$590 million to the Company, which is unsecured, interest free and has no fixed repayment terms.

Further announcements will be made by the Company as and when there are any material developments on the settlement of the Notes and the Additional Loans.

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

By Order of the Board
China Shanshui Cement Group Limited
LIU Yiu Keung Stephen
Chairman

Hong Kong, 15 July 2016

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.