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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)

LITIGATION AGAINST FORMER SENIOR MANAGEMENT

Reference is made to the announcements of China Shanshui Cement Group Limited (the “**Company**”, together with its subsidiaries (the “**Group**”) dated 31 October 2016, 2 November 2016, 20 December 2016, 12 January 2017 and 13 March 2017 relating to, among others, the removal of Mi Jingtian, Chen Zhongsheng, Zhao Liping, Li Maohuan and Yu Yuchuan (the “**Former Senior Management**”) from all their duties, powers, functions and authorities in the Group, and the termination of all of their employment relationship with the Group.

In light of the breach of fiduciary duties of the Former Senior Management to Shandong Shanshui Cement Group Company Limited (a wholly-owned subsidiary of the Company, “**Shandong Shanshui**”) and the loss and damage to the Group as a result thereof, on 29 March 2017, the Company, China Pioneer Cement (Hong Kong) Company Limited (a wholly-owned subsidiary of the Company, “**Pioneer**”) and Shandong Shanshui as plaintiffs have commenced legal action against the Former Senior Management as defendants (the “**Defendants**”) in the High Court of Hong Kong (the “**High Court Action**”).

Through the High Court Action, the Company seeks protection of the Group’s assets from being seized by way of any unlawful means. In addition, the Company also seeks, *inter alia*, damages in respect of the harm and loss incurred by the unlawful acts of the Former Senior Management, and injunctive relief to *inter alia* restrain the Defendants and/or their affiliates from undertaking unlawful acts to detriment the Group’s interest.

Further announcements relating to the High Court Action will be made by the Company as and when appropriate.

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

Hong Kong, 30 March 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.