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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 ACTIONS WITH REGARDS TO MI JINGTIAN AND HIS ASSOCIATES

This announcement is made by China Shanshui Cement Group Limited (the “**Company**”) 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 the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong). Reference is made to the announcements of the Company dated 12 January 2017, 13 March 2017 and 30 March 2017.

The Company would like to inform the shareholders of the Company and the public that some of the Jinan properties of Shandong Shanshui Cement Group Company Limited (“**Shandong Shanshui**”), a wholly-owned subsidiary of the Company, has been illegally occupied by Mi Jingtian, the former deputy general manager of Shandong Shanshui and his associates (the “**Illegal Occupation**”).

On 8 April 2017, the directors of the Company legitimately entered and tried to repossess the properties of Shandong Shanshui in Jinan (the “**Repossession Action**”) but were:

- (1) Held against their will in the open courtyard of the Shandong Shanshui premise by a group of unidentified crowd commanded and organized by Mi Jingtian and his associates for over 2 hours under abnormal circumstances. The directors of the Company were only able to leave with the assistance of the Jinan Police;
- (2) Bodily harmed to several directors of the Company were inflicted by those unidentified associates commanded and manipulated by Mi Jingtian; and
- (3) Suffered from the attack by the use of “banned/control weapons” – the directors of the Company witnessed the use weapons such as pepper spray, smoke bombs, and high pressured water guns by Mi Jingtian’s associates during the Repossession Action.

The Company as purely a civilian run commercial enterprise listed in Hong Kong, the directors of the Company are deeply concerned by the Mi Jingtian's and his unidentified associates' means to possess and so readily use such "banned/control weapons" of bodily harm on civilians. In light of the above acts undertaken by Mi Jingtian and his associates constitute a crime (the "**Criminal Actions**"), and the ongoing dialogue the Company has with the Jinan City government, the board of directors of the Company resolved that:

- (1) The Company wishes to thank the Jinan Police for intervening and doing their best to protect the safety of the directors present;
- (2) The Company will request the Jinan City government and the Changqing District government to investigate into the Illegal Occupation and the Criminal Actions and inform the Company the investigation results; and
- (3) The Company will appoint legal advisers both in the PRC and Hong Kong to take legal actions against Mi Jingtian and his associates for the Illegal Occupation and the Criminal Actions.

The Company will reply on Jinan local government and with the assistance of Jinan Police to repossess the properties of Shandong Shanshui in Jinan. The Company will in its best endeavor maintain the normal operation of Shandong Shanshui.

The Company wishes to remind the public that, as stated in the announcements dated 12 January 2017 and 13 March 2017 respectively, Mi Jingtian, Li Maohuan, Yu Yuchuan, Zhao Liping, Chen Zhongsheng and Liu Xianliang have all been terminated from all their duties, powers, functions and authorities in Shandong Shanshui and all of its subsidiaries effective immediately on the respective announcement date. The above mentioned persons have no authority from the Company to enter into any agreement, contracts, documents or understanding in whatever form will not be recognized by the Company. Shareholders, investors, and the public should exercise extreme caution in dealing with these individuals.

The Company would like stress that it does not tolerate any illegal actions against the Company, its legitimate interest and its personnel's safety, and will prosecute to the fullest any person or entities that attempts to embarrass the Company's legitimate interest. The Company is confident that the Company will take control over the properties of Shandong Shanshui with the assistance of Jinan City government and Changqing District government and the normal operation of Shandong Shanshui will be resumed thereafter.

Further announcements in respect of the Illegal Occupation and the Repossession 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, 10 April 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.