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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)

UPDATES ON THE GROUP

Public Float of the Company

Reference is made to the announcement of China Shanshui Cement Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) dated 13 March 2017 relating to, among others, the Placing, and the announcements of the Company dated 31 October 2016, 2 November 2016, 20 December 2016, 12 January 2017, 13 March 2017, 17 March 2017, 30 March 2017, 10 April 2017, 12 April 2017, 21 April 2017, 25 April 2017, 1 June 2017 and 20 June 2017 relating to the legal actions against the Former Senior Management of Shandong Shanshui (the “**Announcements**”). Capitalised terms used herein shall have the same meaning as those defined in the Announcements unless specified otherwise.

The Company would like to inform the Shareholders and the public that the Jinan government is assisting the Company to restructure the board of directors and senior management of Shandong Shanshui and to resolve the illegal occupation of the properties of Shandong Shanshui by its Former Senior Management (the “**Illegal Occupation**”). In addition, the Jinan government is proactively encouraging various shareholders of the Company to resolve the disputes in a cooperative, reconcilable, and an accountable manner.

The Placing has been delayed by the Placing Agents due to the Illegal Occupation. The Company will work out a timetable with the Placing Agents for the Placing in order to restore the public float of the Company after the Illegal Occupation is resolved and issue further announcements to update the Shareholders as and when appropriate.

Business Updates on the Group

Based on the Board's preliminary review on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2017 and information currently available, it is expected that the Group will continue to record a net loss for the six months ended 30 June 2017. However, such net loss is expected to narrow down as compared with the corresponding period in 2016 mainly due to the increase in average selling price of cement in the domestic PRC market during the first half of 2017.

This announcement is made only based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2017 and the information currently available, which has not been confirmed or reviewed by the Company's auditor. The Company is in the process of finalizing the interim results for the six months ended 30 June 2017 and shareholders of the Company and potential investors are advised to read carefully the Company's interim results announcement for the six months ended 30 June 2017, which is expected to be released before the end of August 2017.

Continued Suspension of Trading in the Shares

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended with effect from 9:00 a.m. on 16 April 2015 due to the insufficiency of the public float of the Shares.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares or other securities of the Company.

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

Hong Kong, 8 August 2017

As at the date of this announcement, the Board comprises 3 executive directors, namely, LIU Yiu Keung, Stephen (YEN Ching Wai, David as his alternate), LI Heping and HWA Guo Wai, Godwin; and 5 independent non-executive directors, namely, HO Man Kay, Angela, LAW Pui Cheung, WONG Chi Keung, CHING Siu Ming and LO Chung Hing.