

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

(I) UPDATE ON PROPOSED CANCELLATION OF LISTING AND (II) THE FINAL RULING OF THE LEGAL REPRESENTATIVE OF SHANDONG SHANSHUI

(I) Update on Proposed Cancellation of Listing

Reference is made to the announcement (the “**Announcement**”) of China Shanshui Cement Group Limited (the “**Company**”) dated 27 October 2017 relating to, among others, the proposed cancellation of listing of the Company by the Stock Exchange (the “**Proposed Action**”). Capitalised terms used herein shall have the same meaning as those defined in the Announcement unless specified otherwise.

On 6 November 2017, the Company sent a letter to the Stock Exchange to raise objection of the Proposed Action (the “**Objection Letter**”). Pursuant to the letter dated 19 December 2017 from the Stock Exchange, the Stock Exchange informed the Company that it has considered the Objection Letter and concluded that the Company fails to demonstrate a reasonable prospect that it will, within a reasonable period of time:

- (i) restore the minimum public float; and
- (ii) address the audit issues concerning the lack of the Company board’s written representation regarding proper maintenance of accounting records to its auditors, which is caused by the illegal occupation of the properties of Shandong Shanshui in Jinan City by Mi Jingtian and his associates.

In view of the above, the Stock Exchange has decided to commence procedures to cancel the Company’s listing under Rules 6.01(2) and/or Rule 6.01(4) and the grounds set out in the Show Cause Letter. The Company shall (a) restore the public float and (b) resolve the matters rendering it unsuitable for listing by 30 June 2018, failing which the Listing Department will make a recommendation to the Listing Committee for the cancellation of the Company’s listing (the “**Decision**”).

The Company disagrees with the Decision. On 29 December 2017, the Company made a request to review the Decision by the Listing Committee of the Stock Exchange pursuant to Rule 2B.06(1) of the Listing Rules (the “**Review**”).

Further announcement will be made by the Company in respect of the Review as and when appropriate.

(II) The Final Ruling of the Legal Representative of Shandong Shanshui

The Company has been advised by its PRC legal advisors of the final ruling dated 22 December 2017 on the disputes between the Company’s wholly owned subsidiary, Shandong Shanshui Cement Group Limited (“**Shandong Shanshui**”) and Mi Jingtian, Li Maohuan, Zhao Yongkui, Yu Yuchuan, Zhao Liping, Chen Zhongsheng, Gao Yong from the Higher People’s Court of Shandong Province (the “**Final Ruling**”). It was ruled that, *inter alia*, (i) Zhang Bin (a former legal representative of Shandong Shanshui) could not represent Shandong Shanshui in legal proceedings on the basis that he has been removed by shareholder resolutions made by the Company and the sole shareholder of Shandong Shanshui, a wholly owned subsidiary of the Company, China Pioneer Cement (Hong Kong) Company Limited with effect from 3 December 2015; and (ii) according to the relevant laws and regulations of the People’s Republic of China, the change of the legal representative of Shandong Shanshui does not need the approval from regulatory authority and the legal representative of Shandong Shanshui has been changed from Zhang Bin to Li Heping with effect from 3 December 2015, the date of shareholder resolutions made by the Company and the sole shareholder of Shandong Shanshui.

Since the appointment of Li Heping as the legal representative of Shandong Shanshui by the Company has now been recognized by Higher People’s Court of Shandong Province in the Final Ruling, the Company considers that such Final Ruling is expected to have a positive effect in the Company’s effort to uphold its control over Shandong Shanshui and repossess the official seal of Shandong Shanshui through legal actions. The Company will continue to liaise with the People’s Government of Shandong Province, People’s Government of Jinan City, other departments of Chinese Government and institutions to resolve the matters in relation to the illegal occupation of the properties of Shandong Shanshui by Mi Jingtian and his associates and the repossession of the official seal of Shandong Shanshui in accordance with the law.

Continued Suspension of Trading in the Securities

At the request of the Company, trading in the securities 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, 29 December 2017

As at the date of this announcement, the Board comprises 4 executive directors, namely, LIU Yiu Keung, Stephen (YEN Ching Wai, David as his alternate), LI Zhiqiang, 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.