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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)

COMPLETION OF ISSUE OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

COMPLETION OF ISSUE OF CONVERTIBLE BONDS

Reference is made to the announcement of China Shanshui Cement Group Limited (the “**Company**”) dated 6 August 2018 (the “**Announcement**”) in relation to the Subscription Agreement entered into between the Company and Subscriber. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that Completion took place on 8 August 2018. Upon the Completion, the Company has issued the Convertible Bonds in an aggregate principal amount of US\$210,900,000 to Subscriber.

As set out in the Announcement, the conversion rights will only exist upon fulfillment of the Conversion Conditions, being (i) the grant of approval for the listing of and permission to deal in the Conversion Shares by the Listing Committee of the Stock Exchange, with such approval being unconditional or subject to conditions to which neither the Company nor Subscriber shall reasonably object; or (ii) the Cancellation of Listing, which have not been fulfilled as at the date of this announcement. As at the date of this announcement, no application has been made to the Listing Committee of the Stock Exchange for Listing Approval. The Company undertakes that as soon as practicable after the resumption in trading in the Shares, it shall make an application to the Listing Committee of the Stock Exchange for Listing Approval.

CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there is no further issue or repurchase of the Shares, based on the Conversion Price and assuming full conversion of the Convertible Bonds at the Conversion Price at an exchange rate of US\$1 = HK\$7.8, the Convertible Bonds will be convertible into 261,529,411 Shares, representing approximately 7.74% of the issued share capital of the Company as at the date of this announcement and approximately 7.18% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

The following table illustrates (i) the existing shareholding structure of the Company; and (ii) the shareholding structure immediately after the issue of the Convertible Bonds and assuming full conversion of the Convertible Bonds into Conversion Shares:

	(i) As at the date of this announcement		(ii) Immediately upon completion of the issuance of the Convertible Bonds and assuming full conversion of the Convertible Bonds into Conversion Shares	
	Number of Shares held	Approximate % of Shares in issue	Number of Shares held	Approximate % of Shares in issue
Tianrui Group Company Limited	951,462,000	28.16	951,462,000	26.13
China Shanshui Investment Company Limited	847,908,316	25.09	847,908,316	23.29
Asia Cement Corporation (<i>Note</i>)	902,914,315	26.72	902,914,315	24.80
China National Building Material Company Limited	563,190,040	16.67	563,190,040	15.47
Subscriber	–	–	261,529,411	7.18
Other Shareholders	113,665,569	3.36	113,665,569	3.13
Total	<u>3,379,140,240</u>	<u>100.0</u>	<u>3,640,669,651</u>	<u>100.0</u>

Note: 4.22% of the interests are held through agreement to acquire interests in the Company required to be disclosed under s.317(1)(a) and s.318 of the SFO.

CONTINUATION OF SUSPENSION OF TRADING

Trading in the Shares and debt securities of the Company on the Stock Exchange will remain suspended until further notice.

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

By Order of the Board
China Shanshui Cement Group Limited
CHANG Zhangli
Chairman

Hong Kong, 8 August 2018

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. CHANG Zhangli and Ms. WU Ling-ling; and two independent non-executive Directors, namely Mr. CHANG Ming-cheng and Mr. LI Jianwei.