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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)**

### **INSIDE INFORMATION**

#### **AGREEMENT TO COMPLETE TENDER OFFER AT 101%**

China Shanshui Cement Group Limited (the “**Company**”) is pleased to announce that as of 20 September 2018, it has entered into a restructuring support agreement (“**RSA**”) to complete the tender offer of its 7.5% senior notes due 2020 (the “**2020 Notes**”) with multiple holders of the 2020 Notes (the “**Consenting Noteholders**”).

On 14 January 2016, the Company launched a tender offer to repurchase the 2020 Notes at 101% of par (the “**Tender Offer**”). An aggregate principal amount of US\$484,971,000 of the 2020 Notes were tendered (the “**Tendered Notes**”). Between June and October 2016, the Company repurchased US\$73,473,106.50 of the Tendered Notes.

On 6 August 2018 and 30 August 2018 the Company entered into agreements to issue convertible bonds with an aggregate principal amount of US\$531,600,000 for the purpose, among other things, of completing the Tender Offer. However, on 30 August 2018 and 31 August 2018, Tianrui (International) Holding Company Limited (“**Tianrui**”), a minority shareholder of the Company, filed petitions (the “**Petitions**”) seeking to wind up the Company before the Grand Court of the Cayman Islands and the Court of First Instance of the High Court of the Hong Kong Special Administrative Region (the “**Courts**”). On 6 September 2018, Tianrui also made an application to the Grand Court of the Cayman Islands for the appointment of joint provisional liquidators to the Company (the “**JPL Application**”). Hearings on the Petitions and JPL Application have been fixed for 10 and 11 October 2018. Until the Petitions and JPL Application are dismissed, the Company cannot use the cash raised from the issuance of the convertible bonds to complete the Tender Offer.

Pursuant to the terms of the RSA, the Company and the Consenting Noteholders agree to oppose the Petitions and the JPL Application, the Company agrees to complete the Tender Offer at 101% of par plus accrued interest through the date of payment (less the amount already repurchased and overpaid interest<sup>1</sup> (which is US\$8,980,046.35 as of the date of this announcement)) within 10 business days after the Courts enter final orders dismissing the Petitions and the JPL Application, and the Consenting Noteholders agree not to enforce their rights under the indenture governing the 2020 Notes unless and until the RSA is terminated.

“We are very pleased to secure the support of the Consenting Noteholders. The Company is committed to keep the Company’s promise to repurchase the 2020 Notes. After the recent issuance of convertible bonds, the Company has the funds to complete the repurchase. We urge the other holders of Tendered Notes to join the RSA. The RSA, when implemented, will enable the Company to focus on further improving its day-to-day business operations without disruption. This is a very positive step for the Company.”said Mr. Chang Zhangli, Chairman of the Company.

The Company is represented by Latham & Watkins as legal counsel and Moelis & Company as financial adviser. Noteholders who wish to obtain a copy of the RSA, become parties to the RSA or have questions about the RSA are encouraged to reach out to Moelis & Company at CSC2018\_Ext@Moelis.com.

## **CONTINUED SUSPENSION OF TRADING**

Due to the failure to meet the minimum public float requirement and the failure to address the audit issues concerning 2015 and 2016 annual results/report of the Company, trading in the shares and debt securities of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) will remain suspended until further notice.

**The Company understands that the Stock Exchange will not grant any listing approval sought by the Company unless and until the Company has demonstrated its fulfilment of all the resumption conditions and compliance with the Listing Rules to the Stock Exchange’s satisfaction.**

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

<sup>1</sup> Interest was overpaid as it was paid over the original notional amount of US\$500 million and did not take into account the Tendered Notes of US\$73,473,106.50 that were repurchased by the Company.

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

Hong Kong, 20 September 2018

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