SUNNSY

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)

PROFIT WARNING SUPPLEMENTAL ANNOUNCEMENT

This announcement is made by China Shanshui Cement Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) 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 (Chapter 571 of the Laws of Hong Kong).

We refer to the announcement of the Company dated 17 April 2020 in relation to the profit warning of the Company (the "**Announcement**"). Unless otherwise specified, capitalised terms used herein shall have the same meaning as those defined in the Announcement.

The Board wishes to further inform the shareholders of the Company and potential investors that, based on its preliminary assessment of the unaudited consolidated management accounts of the Group for the three months ended 31 March 2020, it is expected that (a) the losses of the Group for the three months ended 31 March 2020 will increase by approximately 66.7% to approximately RMB453,621,000 as compared with approximately RMB272,141,000 of the same period in 2019, and (b) the losses attributable to equity shareholders of the Company for the three months ended 31 March 2020 will increase by approximately 81.4% to approximately RMB382,585,000 as compared with approximately RMB210,891,000 of the same period in 2019.

The cement and clinker production base of the Group is located in the northern part of China. Due to the seasonal influence and kiln suspension in winter, the Group mostly records losses in the first quarters. The expected increases in the losses of the Group and the losses attributable to equity shareholders of the Company for the three months ended 31 March 2020 as compared with those of the same period in 2019 were mainly due to the impact of the COVID-19 (the novel coronavirus infection) pneumonia epidemic, which caused the delay in resumption of work for enterprises and the decrease in the sales volume of cement.

This profit warning is only based on a preliminary assessment by the Board with reference to the information currently available from the consolidated management accounts of the Group, and is not based on any financial data or information that has been audited or reviewed by the Company's independent auditor. Details of the financial data to be disclosed in the Group's voluntary announcement of selected financial information for the three months ended 31 March 2020, which is expected to be published prior to the end of April 2020, shall prevail.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 21 April 2020

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.