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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)

OFFER TO PURCHASE FOR CASH ANY AND ALL OUTSTANDING 8.50% SENIOR NOTES DUE 2016

Reference is made to the announcement of the Company dated 19 May 2011 in relation to the issuance of US\$400,000,000 8.50% senior notes due 2016.

THE OFFER

On 8 May 2015, the Company commenced an offer to purchase for cash any and all of the outstanding Notes from each Holder. This Offer is being made pursuant to section 4.13 of the Indenture as a result of the occurrence of a Change of Control (as defined in the Indenture) of the Company. The Change of Control was triggered as a result of the increase in shareholding in the Company of Mr. Li Liufa and his affiliates from 10.51% to 27.56% on 10 April 2015, which has resulted in Mr. Li Liufa and his affiliates becoming beneficial owner of total voting power of the Company greater than such total voting power held beneficially by the Permitted Holders (as defined in the Indenture).

The Notes are listed on the Official List of the SGX-ST. The CUSIP number of the Restricted Global Note and the Regulation S Global Note is 16951PAA7 and G2116MAA9, respectively. The ISIN number of the Restricted Global Note and Regulation S Global Note is US16951PAA75 and USG2116MAA92, respectively. As of the date of this announcement, the outstanding principal amount under the Notes is US\$400,000,000.

Subject to the terms and conditions of the Offer, the Company offers to purchase for cash any and all of the outstanding Notes for a purchase price equal to US\$1,010 for each US\$1,000 principal amount of Notes validly tendered by the Holders prior to the Expiration Time (which represents 101% of the aggregate principal amount of the Notes) plus accrued and unpaid interest and Additional Amounts (as defined in the Indenture), if any, on such principal amount to, but not including, the Change of Control Payment Date.

The Company expressly reserves the right at any time or from time to time, subject to applicable law, to (i) extend the Offer and retain the Notes that have been tendered during the period for which the Offer is extended; (ii) amend the terms of the Offer in any respect; and/or (iii) terminate the Offer and authorize the return of the Notes to the tendering Holders and the unblocking of the Notes in the relevant accounts maintained at the Clearing Systems.

The Expected Timetable

The Offer commenced on 8 May 2015 and will expire at the Expiration Time, unless otherwise extended by the Company. The Company may, but does not presently intend to, extend the Expiration Time.

The settlement date on which the payment of the Consideration and any accrued and unpaid interest on the Notes that have been validly tendered (and not withdrawn) will be made, is expected to be 6 July 2015 or the third Business Day in New York following the Expiration Time.

Sources of Funds

The Company intends to utilize one or more of (i) its available cash resources; or (ii) borrowings under the Company's existing credit facilities to finance the purchase of the Notes.

Tender Agent

For a detailed statement of the terms and conditions of the Offer, Holders should refer to the Offer to Purchase and its related documents. The Company has retained Bondholder Communications Group, LLC to act as Tender Agent for the Offer. The Tender Agent and its respective affiliates or agents may contact Holders regarding the Offer and may request brokerage houses, custodians, nominees, fiduciaries and others to forward this Offer to Purchase and related materials to Holders. The Tender Agent will be able to provide copies of the Offer to Purchase and any other documents related to the Offer. Any questions regarding the Offer from the Holders should be directed to the Tender Agent at:

New York Office

30 Broad Street, 46th Floor
New York, NY 10004
United States of America
Attention: Cindy Strong
Telephone: +1 888 385-BOND (2663)
Facsimile: +1-212-437-9827
E-mail: Cstrong@bondcom.com

Virgin Islands Office

B1-3 Crown Bay Center
St. Thomas
U.S. Virgin Islands 00802
Telephone: +1 340 714-BOND (2663)
Attention: Charlotte Lyme
Telephone: +1 212 809-BOND (2663)
E-mail: Clyme@bondcom.com

London Office

28 Throgmorton Street, 1st Floor
London EC2N 2AN
United Kingdom
Attention: Catherine Pour
Telephone: +44-20-7382-4580
Facsimile: +44-20-7067-9239
E-mail: Cpour@bondcom.com

The Offer to Purchase and related documents do not constitute an offer to buy or the solicitation of an offer to sell Notes in any circumstances in which such offer is unlawful. In those jurisdictions where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on behalf of the Company by one or more registered brokers or dealers licensed under the laws of such jurisdiction. Neither the delivery of this Offer to Purchase and related documents nor any purchase of Notes will, under any circumstances, create any implication that the information contained therein is current as of any time subsequent to the date of such information.

PURPOSE OF OFFER

The Company is making the Offer in accordance with section 4.13 of the Indenture, which requires that, within 30 days following a Change of Control, the Company must mail a notice to each Holder stating that a Change of Control has occurred and that such Holder has the right to require the Company to repurchase such Holder's Notes at a repurchase price in cash equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the date of repurchase set forth in such notice. A Change of Control occurred with respect to the Notes on 10 April 2015.

RESULTS UPDATE

Holders should read the 2014 annual report of the Company, published on 16 April 2015 and are available on the website of the Company (www.shanshuigroup.com) and the Stock Exchange (www.hkexnews.hk) for detailed information of the Company's current business.

FORWARD-LOOKING STATEMENTS

Forward-looking statements in this announcement, including those statements relating to the Offer, such as the scheduled expiration deadline and the repurchase of Notes, are based on current expectations. These statements are not guarantees of future events or results. Future events and results involve some risks, uncertainties and assumptions that are difficult to predict. Actual events and results could vary materially from the description contained herein due to many factors including changes in the market and price for the Notes; changes in the business and financial condition of the Company and its subsidiaries; changes in the debt markets in general; and the occurrence of events specified in the Offer to Purchase that would trigger a condition permitting termination or amendment of the Offer.

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

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"Board"	the board of directors of the Company
"Business Day"	any day other than a Saturday, Sunday or other day on which commercial banking institutions are authorized or required to close in New York, London or Hong Kong
"Change of Control Payment Date"	6 July 2015 or the third business day in New York following the Expiration Time
"China" or "PRC"	the People's Republic of China excluding except where the context otherwise requires, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region of China and Taiwan
"Clearing System"	The Depository Trust Company, Euroclear Bank SA/NV and Clearstream Banking, société anonyme

“Company”	China Shanshui Cement Group Limited (中國山水水泥集團有限公司), a limited liability company incorporated in the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange
“Consideration”	a purchase price equals to US\$1,010 for each US\$1,000 principal amount of Notes plus accrued and unpaid interest and Additional Amounts (as defined in the Indenture), if any, to on such principal amount to, but not including, the Change of Control Payment Date
“Expiration Time”	5:00 p.m., New York time, on 30 June 2015
“Holders”	the holders of the Notes
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Indenture”	an indenture dated 25 May 2011 entered into between the Company, the Subsidiary Guarantors as subsidiary guarantors and the Trustee as trustee
“Notes”	the US\$400,000,000 8.50% senior notes due 2016 issued by the Company, which are guaranteed by the Subsidiary Guarantors and listed on the SGX-ST
“Offer”	offer to purchase for cash any and all of the outstanding Notes from each Holder
“Offer to Purchase”	the notice of change of control and offer to purchase issued by the Company dated 8 May 2015
“Restricted Global Note”	the Note sold within the United States to “qualified institutional buyers” as defined in and pursuant to Rule 144A of the Securities Act
“Regulation S Global Note”	the Note sold outside the United States in offshore transactions in reliance on Regulations S under the Securities Act
“Securities Act”	the United States Securities Act of 1933, as amended
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantors”	certain subsidiaries of the Company incorporated outside of the PRC that jointly and severally guarantee the Company’s obligations under the Notes
“Tender Agent”	Bondholder Communications Group, LLC

“Trustee”	Citicorp International Limited
“US\$”	United States dollars
“%”	per cent

By Order of the Board
China Shanshui Cement Group Limited
ZHANG Bin
Chairman

Hong Kong, 8 May 2015

As at the date hereof, the board of directors of the Company comprises three executive directors, namely Mr. ZHANG Bin (Chairman and General Manager), Mr. ZHANG Caikui and Mr. LI Cheung Hung; one non-executive director, namely Mr. XIAO Yu; and three independent non-executive directors, namely, Mr. WANG Jian, Mr. HOU Huailiang and Ms. WU Xiaoyun.