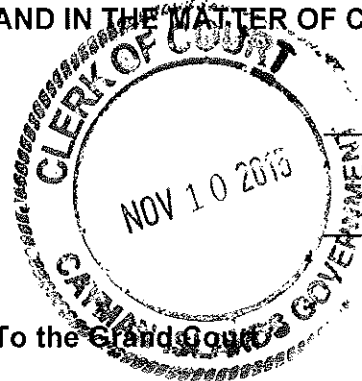


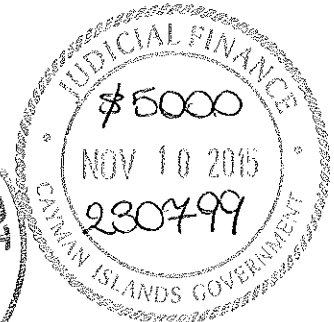
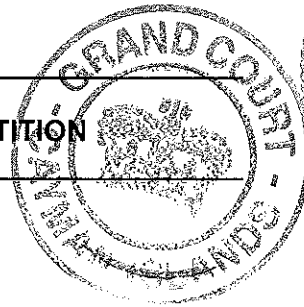
IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

CAUSE NO: FSDC180F 2015 (IMJ)

IN THE MATTER OF THE COMPANIES LAW (2013 REVISION)
AND IN THE MATTER OF CHINA SHANSHUI CEMENT GROUP LIMITED



WINDING UP PETITION



To the Grand Court

The humble petition of China Shanshui Cement Group Limited of Ugland House, South Church Street, Grand Cayman and Sunnsy Industrial Park, Gushan Town, Changqing District, Jinan, Shandong, People's Republic of China (the "Petitioner" or the "Company") shows that:

Background

- 1 The Company was incorporated in the Cayman Islands on 26 April 2006 as an exempted non-resident company limited by shares under the then revision of the Companies Law. Its registration number is 166467.
- 2 The registered office of the Company is situated at PO Box 309, Ugland House, South Church Street, George Town, Grand Cayman. The Company's headquarters are situated at Sunnsy Industrial Park, Gushan Town, Changqing District, Jinan, Shandong in the People's Republic of China ("PRC").
- 3 The authorised share capital of the Company is US\$100,000,000 divided into 100,000,000,000 ordinary shares of US\$0.01 each.
- 4 The objects for which the Company was established are unrestricted and as more particularly set out in its Memorandum of Association.

- 5 The Company's shares are publicly listed on The Stock Exchange of Hong Kong ("**SEHK**") under the stock code 691 and the short stock name "Shanshui Cement". Trading in the shares of the Company has been suspended since April 2015. The Company's market capitalisation is over US\$2.7 billion based on its share price as at April 2015.
- 6 The Company's principal business activity is acting as the holding company of an international group of companies whose operating subsidiaries are located in the PRC (the "**Group**"). The Group is one of the leading producers of cement in the PRC with a dominant market position in the Shandong and Liaoning Provinces.
- 7 The Group focuses on the design, manufacturing, sale and distribution of cement, cement-related products and construction materials and sells products in over 50 countries across Asia, Europe, America, the Middle-East, Africa and Australia. The Group's production facilities are principally located in Shandong Province, Liaoning Province, the eastern part of Inner Mongolia, Shanxi Province, the northern part of Shaanxi Province and Kashi region in Xinjiang Province.
- 8 The Company's main asset is its shares in a wholly-owned, Hong Kong incorporated subsidiary, China Shanshui Cement Group (Hong Kong) Company Limited ("**CSHK**"). CSHK is in turn also a holding company, its main asset comprising of its shares in another wholly-owned, Hong Kong incorporated subsidiary, China Pioneer Cement (Hong Kong) Company Limited ("**Pioneer**"). Pioneer's primary assets are its direct shareholdings in Shandong Shanshui Cement Group Co., Ltd ("**Shandong Shanshui**"), American Shanshui Development Inc. and Continental Cement Corporation.
- 9 Shandong Shanshui, a company incorporated in the PRC, is the main holding company of the Group's onshore subsidiaries in the PRC. Shandong Shanshui holds shares in a number of the Group's operating entities in the PRC and holds most of the Group's working capital.

Insolvency

- 10 The Company's principal creditors are the holders ("**2020 Noteholders**") of its US\$500,000,000 7.50% Senior Notes due 2020 ("**2020 Notes**") issued by the Company in around March 2015 pursuant to a New York law governed Indenture dated 10 March 2015

("Indenture") between the Company, Citicorp International Limited ("Trustee") and CSHK, Pioneer and Continental Cement Corporation as guarantors.

- 11 The 2020 Notes were initially allocated to around 300 institutions and are listed on the SEHK. For that reason, the Company does not have details of the current ultimate holders of the 2020 Notes.
- 12 The 2020 Notes are currently repayable on 10 March 2020 with biannual interest payments to be made on 10 March and 10 September of each year. The Company has duly met all such payments through 10 September 2015.
- 13 A debt arising under the Notes is imminent, and/or immediately due and payable, and/or will, upon the hearing of this petition be and remain immediately due and payable, which the Company is unable to pay within the meaning of section 92(d) of the Companies Law (2013 Revision).

Particulars

- 13.1 Shandong Shanshui is the issuer of certain PRC law governed notes with a principal amount of approximately US\$316 million currency equivalent ("**SDSS Onshore Notes**");
- 13.2 The SDSS Onshore Notes are due and payable on 12 November 2015;
- 13.3 Shandong Shanshui is unable to pay the debt arising under the SDSS Onshore Notes and will default on its obligations on 12 November 2015;
- 13.4 Pursuant to section 6.01(e) of the Indenture, Shandong Shanshui's default under the SDSS Onshore Notes will trigger an Event of Default by the Company under the 2020 Notes;
- 13.5 Pursuant to section 6.02 of the Indenture, such Event of Default entitles the Trustee or holders of at least 25% in aggregate principal amount of the 2020 Notes to declare by notice in writing the entire principal amount of the 2020 Notes, together with premium (if any) and accrued and unpaid interest (together, the "**Debt**"), to be immediately due and payable;

13.6 The Company considers that the Debt will be declared immediately due and payable on or following 13 November 2015; and

13.7 The filing of this Petition also causes the Debt to become immediately due and payable under the Indenture without demand.

14 The Company has an excess of assets over its liabilities and is seeking, contemporaneously with this Petition, the appointment of provisional liquidators ("JPLs") under section 104(3) of the Companies Law and it is otherwise just and equitable that the Company be wound up.

15 The Company's board of directors has unanimously resolved to present this winding up petition.

YOUR PETITIONER THEREFORE HUMBLY PRAYS THAT:


- (1) The Company be wound up in accordance with the Companies Law (2013 Revision).
- (2) David Walker of PwC Corporate Finance & Recovery (Cayman) Limited of 5th Floor, Strathvale House, P.O. Box 258, Grand Cayman, KY1-1104, Man Chun (Christopher) So of PricewaterhouseCoopers in Hong Kong, 20/F Prince's Building, Central, Hong Kong and Yat Kit (Victor) Jong of PricewaterhouseCoopers Consultants (Shenzen) Limited, 11/F, PricewaterhouseCoopers Centre, 202, Hubin Road, Shanghai, People's Republic of China, 200021 be appointed as joint official liquidators ("JOLs") of the Company with the power to act jointly and severally.
- (3) The JOLs shall not be required to give security for their appointment.
- (4) The JOLs' remuneration and expenses be paid out of the assets of the Company in accordance with Part III of the Insolvency Practitioner's Regulations 2008 (as amended) and Order 20 of the Companies Winding Up Rules, 2008 (as amended).
- (5) The JOLs be authorised to exercise such of the powers specified in Part I of the Third Schedule to the Companies Law (2013 Revision) as the Court may direct.
- (6) The JOLs may take any such action as may be necessary or desirable to obtain the recognition of their appointment in any other relevant jurisdictions and to make applications

to the courts of such jurisdictions for that purpose and, for the avoidance of doubt, the powers of the JOLs may be exercised by them within and outside the Cayman Islands.

- (7) No disposition of the Company's property by or with the authority of the JOLs in carrying out their duties and functions and exercise of their powers under this Order shall be voided by virtue of section 99 of the Companies Law (2013 Revision).
- (8) The JOLs be at liberty to appoint counsel, attorneys, professional advisors, whether in the Cayman Islands or elsewhere as they may consider necessary to advise and assist them in the performance of their duties and on such terms as they may think fit and to remunerate them out of the assets of the Company.
- (9) The JOLs be at liberty to apply generally.
- (10) The costs of this Petition shall be paid out of the assets of the Company, as an expense of the liquidation, to be taxed if not agreed.
- (11) Such further or other relief be granted as the Court deems appropriate.

AND your Petitioner will ever pray etc.

Dated the 10th day of November 2015.



Maples and Calder

NOTICE OF HEARING

TAKE NOTICE THAT the hearing of this petition will take place at the Law Courts, George Town,
Grand Cayman, on _____ at _____.

Any correspondence or communication with the Court relating to the hearing of this petition should be addressed to the Registrar of the Financial Services Division of the Grand Court at PO Box 495, Grand Cayman, KY1-1106, telephone 345 949 4296.