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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)**

### **ANNOUNCEMENT IN RELATION TO**

- (1) REMOVAL OF CHAIRMAN AND DIRECTORS;**
- (2) APPOINTMENT OF CHAIRMAN AND DIRECTORS;**
- (3) CHANGE OF MEMBERS OF BOARD COMMITTEES; AND**
- (4) CHANGE OF AUTHORISED REPRESENTATIVE**

#### **(1) REMOVAL OF CHAIRMAN AND DIRECTORS**

The Board announces that with effect from the conclusion of the EGM on 23 May 2018:

- (a) Mr. LI Liufa was removed as Chairman of the Board and executive Director;
- (b) Mr. ZHU Linhai was removed as executive Director;
- (c) Mr. HWA Guo Wai, Godwin was removed as executive Director;
- (d) Ms. HO Man Kay, Angela was removed as independent non-executive Director;
- (e) Mr. LAW Pui Cheung was removed as independent non-executive Director;
- (f) Mr. WONG Chi Keung was removed as independent non-executive Director;
- (g) Dr. CHING Siu Ming was removed as independent non-executive Director; and
- (h) Mr. LO Chung Hing was removed as independent non-executive Director.

## **(2) APPOINTMENT OF CHAIRMAN AND DIRECTORS**

The Board announces that with effect from the conclusion of the EGM and the Board Meeting on 23 May 2018:

- (a) Mr. CHANG Zhangli and Ms. WU Ling-ling (also known as Doris Wu) were appointed as executive Directors of the Company;
- (b) Mr. CHANG Ming-cheng (also known as Michael Ming Cheng Chang), Mr. LIN Shei-yuan and Mr. LI Jianwei were appointed as independent non-executive Directors of the Company; and
- (c) Mr. CHANG Zhangli was appointed as the Chairman of the Board.

## **(3) CHANGE OF MEMBERS OF BOARD COMMITTEES**

The Board announces that with effect from the conclusion of the EGM and the Board Meeting on 23 May 2018:

- (a) Mr. LAW Pui Cheung was removed as the chairman of the audit committee of the Company, and Ms. HO Man Kay, Angela, Mr. WONG Chi Keung, Dr. CHING Siu Ming and Mr. LO Chung Hing were removed as members of the audit committee of the Company;
- (b) Mr. LI Liufa was removed as the chairman of the nomination committee of the Company, and Ms. HO Man Kay, Angela, Mr. LAW Pui Cheung, Mr. WONG Chi Keung, Dr. CHING Siu Ming and Mr. LO Chung Hing were removed as members of the nomination committee of the Company;
- (c) Ms. HO Man Kay, Angela was removed as the chairman of the remuneration committee of the Company, and Mr. LAW Pui Cheung, Mr. WONG Chi Keung, Dr. CHING Siu Ming and Mr. LO Chung Hing were removed as members of the remuneration committee of the Company;
- (d) Mr. LI Liufa was removed as the chairman of the executive committee of the Company, and Mr. ZHU Linhai and Mr. HWA Guo Wai, Godwin were removed as members of the executive committee of the Company;
- (e) Mr. CHANG Ming-Cheng was appointed as the chairman of the audit committee of the Company, and Mr. LIN Shei-yuan and Mr. LI Jianwei were appointed as members of the audit committee of the Company;
- (f) Mr. LI Jianwei was appointed as the chairman of the remuneration committee of the Company, and Mr. CHANG Ming-Cheng and Mr. LIN Shei-yuan were appointed as members of the remuneration committee of the Company;
- (g) Mr. LIN Shei-yuan was appointed as the chairman of the nomination committee of the Company, and Mr. CHANG Zhangli, Ms. WU Ling-ling and Mr. CHANG Ming-Cheng and Mr. LI Jianwei were appointed as members of the nomination committee of the Company; and
- (h) Mr. CHANG Zhangli was appointed as the chairman of the executive committee of the Company, and Ms. WU Ling-ling, Mr. CHANG Ming-Cheng, Mr. LIN Shei-yuan and Mr. LI Jianwei were appointed as members of the executive committee of the Company.

#### **(4) CHANGE OF AUTHORISED REPRESENTATIVE**

The Board announces that with effect from the conclusion of the EGM and the Board Meeting on 23 May 2018:

- (a) Mr. HWA Guo Wai, Godwin was removed, and Mr. TSANG Wing Tai has agreed to cease to act, as the authorised representative of the Company; and
- (b) Mr. CHANG Zhangli and Ms. WU Ling-ling were appointed as authorised representatives of the Company.

Reference is made to the circular of China Shanshui Cement Group Limited (the “**Company**”) dated 3 May 2018 relating to the Requisitions and the re-election of Directors (the “**Circular**”), the announcement of the Company dated 23 May 2018 relating to the poll results of EGM (the “**Announcement**”) and the meeting of the board (the “**Board**”) of directors (the “**Directors**”) of the Company held on 23 May 2018 (the “**Board Meeting**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Circular and the Announcement unless specified otherwise.

#### **REMOVAL OF CHAIRMAN AND DIRECTORS**

Following the poll results of the EGM as indicated in the Announcement:

- (a) Mr. LI Liufa was removed as Chairman of the Board, executive Director and chairman of the nomination committee and the executive committee of the Company;
- (b) Mr. ZHU Linhai was removed as executive Director and member of the executive committee of the Company;
- (c) Mr. HWA Guo Wai, Godwin was removed as executive Director, authorised representative and member of the executive committee of the Company;
- (d) Ms. HO Man Kay, Angela was removed as independent non-executive Director, chairman of the remuneration committee and members of the audit committee, the nomination committee and the investigation committee of the Company;
- (e) Mr. LAW Pui Cheung was removed as independent non-executive Director, chairman of the audit committee and members of the nomination committee, the remuneration committee and the investigation committee of the Company;
- (f) Mr. WONG Chi Keung was removed as independent non-executive Director and members of the audit committee, the nomination committee, the remuneration committee and the investigation committee of the Company;
- (g) Dr. CHING Siu Ming was removed as independent non-executive Director, chairman of the investigation committee and members of the audit committee, the nomination committee and the remuneration committee of the Company; and

- (h) Mr. LO Chung Hing was removed as independent non-executive Director and members of the audit committee, the nomination committee, the remuneration committee and the investigation committee of the Company,

all with effect from the conclusion of the EGM.

## **APPOINTMENT OF CHAIRMAN AND DIRECTORS**

Following the approval of the Shareholders at the EGM, the following appointment of Directors take effect from the conclusion of the EGM:

- (a) Mr. CHANG Zhangli and Ms. WU Ling-ling (also known as Doris Wu) were appointed as executive Directors of the Company; and
- (b) Mr. CHANG Ming-cheng (also known as Michael Ming Cheng Chang), Mr. LIN Shei-yuan and Mr. LI Jianwei were appointed as independent non-executive Directors of the Company.

The Board Meeting further resolved that Mr. CHANG Zhangli was appointed as the Chairman of the Board.

The biographical details of the above-mentioned newly appointed Directors are set out below:

### **Mr. CHANG Zhangli**

Mr. CHANG Zhangli, aged 48, is currently the vice president, a secretary to the board and an executive director of China National Building Material Company Limited (中國建材股份有限公司) (“CNBM”), whose shares are listed on the Main Board of the Stock Exchange (stock code: 3323).

Mr. CHANG Zhangli has approximately 30 years of experience in handling listing-related matters for listed companies, with participation in all major matters relating to the global offering of the shares of CNBM and listing of shares of CNBM on the Stock Exchange.

Mr. CHANG Zhangli has served as the chairman of Southwest Cement Company Limited (西南水泥有限公司) (“**Southwest Cement**”) since March 2016. He served as the acting president of Southwest Cement from January 2015 to March 2016, and has been a director of China Triumph International Engineering Company Limited (中國建材國際工程集團有限公司) since October 2012, a director of China United Cement Corporation (中國聯合水泥集團有限公司) and Southwest Cement since December 2011. He acted as a director of China Composites Group Corporation Limited (中國複合材料集團有限公司) from December 2011 to June 2017, and the vice chairman of the board of Southwest Cement from December 2011 to March 2016. He has been an executive director of CNBM since November 2011 and served as a director of North Cement Company Limited from March 2009 to June 2017. Mr. CHANG Zhangli has been serving as a director of Beijing New Building Material Public Limited Company (北新集團建材股份有限公司) (“**BNBM**”) since July 2008, a director of South Cement Company Limited since September 2007, the vice president of CNBM since August 2006, a director of China Jushi Co., Ltd. (中國巨石股份有限公司) (formerly known as China Fiberglass) since July 2005, the secretary to the board of CNBM since March 2005 and a director of CNBM Investment Company Limited (formerly known as BND Co., Limited) since December 2000. From June 2000 to March 2005, Mr. CHANG Zhangli assumed in a number of key positions in BNBM, including the secretary to the board and the deputy general manager.

Mr. CHANG Zhangli is an engineer who received a bachelor's degree in engineering from Wuhan Polytechnic University (now Wuhan University of Technology) in July 1994 and received an MBA degree from Tsinghua University in July 2005. Currently, Mr. CHANG Zhangli concurrently serves as the vice president of China Cement Association, the vice president of the Listed Companies Association of Beijing, the vice president of China Association for Public Companies and the vice president of China Building Materials Enterprise Management Association. Mr. CHANG Zhangli was awarded the first prize of National Corporate Management Modernization and Innovation Achievements (國家級企業管理現代化創新成果).

The Company will enter into a service contract with Mr. CHANG Zhangli with effect from the conclusion of the EGM and the term of office and other terms and conditions will be determined by the Board at a later stage. He is subject to retirement by rotation and re-election in accordance with the Listing Rules and the Articles. Mr. CHANG Zhangli's director remuneration will be determined with reference to his duties and responsibilities at a later stage.

On 4 December 2015, a Writ of Summons (the "Writ") was issued by the Company ("HCA 2880/2015") against various former Directors. On 17 December 2015, Mr. CHANG Zhangli, among others, was added as a defendant in the Writ. According to the Writ, the Company's claims against these former Directors are for (inter alia) (1) various injunctive reliefs; and (2) damages and/or equitable compensation as a result of the misconduct of the former Directors. On 24 December 2015, the Company obtained the interlocutory injunction orders against, among others, Mr. CHANG Zhangli compelling him to (inter alia) disclose and deliver certain records to the Company. Such interlocutory injunction orders are continuing and remain in effect.

Save as disclosed above, as at the date of this announcement, Mr. CHANG Zhangli has confirmed that he (i) did not assume other offices in any member of the Group; (ii) was not related to any directors, senior management, substantial shareholders or controlling shareholders of the Company or other members of the Group; (iii) did not have any interests in shares of the Company within the meaning of Part XV of the SFO; and (iv) did not hold any other directorships or other major appointments and qualifications in any listed companies in the past three years.

Save as set out above, as at the date of this announcement, there is no other matter in relation to the appointment of Mr. CHANG Zhangli that needs to be brought to the attention of the Shareholders and there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2) (h) to (v) of the Listing Rules.

### **Ms. WU Ling-ling**

Ms. WU Ling-ling, aged 52, is a financial executive with more than 30 years of experience in working with international public accounting, manufacturing, telecommunications and internet service provider firms.

Since July 2007, Ms. WU Ling-ling has served as the chief financial officer and executive vice president of Asia Cement Corporation, a limited liability company incorporated in Taiwan with its shares listed on the Taiwan Stock Exchange Corporation, and its affiliate, Far Eastern Group of Taiwan. Ms. WU Ling-ling serves as a director and supervisor for more than 30 companies including being a supervisor and former member of the board of directors of Oriental Union Chemical Corporation, a company listed on the Taiwan Stock Exchange Corporation, a supervisor of Chia Hui Power Corporation, a subsidiary of Asia Cement and a joint venture with J Power. Ms. Wu Ling-ling was an executive Director of the Company from 14 October 2015 to 1 December 2015. Ms. WU Ling-ling serves as Chief Executive Director of Asia Cement China Holdings Corporation since 1 April 2016.



From July 2004, Ms. WU Ling-ling served as the vice president of Internal Audit Department and Corporate Controller of Far Eastone Telecommunications Co., Ltd., also a listed affiliate of FEG. She had served in diverse positions since joining the firm in June 2001.

Ms. WU Ling-ling has financial expertise in mergers and acquisitions, working capital management, process control, and regulatory accounting and reporting. She specializes in supporting corporate strategy including streamlining, controllership, and growth initiatives. She has been successful in leading both corporate turnarounds and rapid growth expansion through two initial public equity offerings and multiple acquisitions.

Ms. WU Ling-ling is a Certified Public Accountant registered in the United States and the Republic of China. She received a master of business administration degree having majored in accounting from the California State University, Los Angeles and a master of business administration degree from National Chengchi University in Taipei.

The Company will enter into a service contract with Ms. WU Ling-ling with effect from the conclusion of the EGM and the term of office and other terms and conditions will be determined by the Board at a later stage. She is subject to retirement by rotation and re-election in accordance with the Listing Rules and the Articles. Ms. WU Ling-ling's director remuneration will be determined with reference to her duties and responsibilities at a later stage.

On 4 December 2015, the Writ was issued by the Company against various former Directors. On 17 December 2015, Ms. WU Ling-ling, among others, was added as a defendant in the Writ. According to the Writ, the Company's claims against these former Directors are for (inter alia) (1) various injunctive reliefs; and (2) damages and/or equitable compensation as a result of the misconduct of the former Directors. On 24 December 2015, the Company obtained the interlocutory injunction orders against, among others, Ms. WU Ling-ling compelling her to (inter alia) disclose and deliver certain records to the Company. Such interlocutory injunction orders are continuing and remain in effect.

Save as disclosed above, as at the date of this announcement, Ms. WU Ling-ling has confirmed that she (i) did not assume other offices in any member of the Group; (ii) was not related to any directors, senior management, substantial shareholders or controlling shareholders of the Company or other members of the Group; (iii) did not have any interests in shares of the Company within the meaning of Part XV of the SFO; and (iv) did not hold any other directorships or other major appointments and qualifications in any listed companies in the past three years.

Save as set out above, as at the date of this announcement, there is no other matter in relation to the appointment of Ms. WU Ling-ling that needs to be brought to the attention of the Shareholders and there is no information which is discloseable nor is/was she involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2) (h) to (v) of the Listing Rules.

### **Mr. CHANG Ming-cheng**

Mr. CHANG Ming-cheng, aged 63, received a bachelor degree in mechanical engineering from Taiwan University in 1976 and a master degree in business administration from the University of Michigan in 1978. He passed the U.S. Uniform Certified Public Accountant Examination in May 1978. After working in the United States for one year, he returned to Taiwan in 1979 and joined Deloitte & Touche Taiwan, and became an audit partner in 1990.

Between September 1994 and August 1996, he was seconded to Shanghai and involved in the B share listing of Huangshan Tourism and Gujinggong Liquor. As an experienced auditor, he had a high level of participation in merger and acquisition activities in the PRC and Taiwan. Since June 2007, he assumed the role of reputation and risk leader at Deloitte & Touche Taiwan and was responsible for its overall quality of services and risk management till his retirement in October 2014.

Mr. CHANG Ming-cheng has been the chairman of the Auditing Standards Committee of Taiwan since April 2011 and his term will expire in March 2020. He also serves as independent director for three Taiwanese public companies, namely Medigen Vaccine Biologics Corporation (高端疫苗生物製劑股份有限公司), Alexander Marine Co., Ltd. (東哥企業股份有限公司) and United Alloy-Tech Company Ltd. (精確實業股份有限公司).

The Company will enter into a service contract with Mr. CHANG Ming-cheng with effect from the conclusion of the EGM and the term of office and other terms and conditions will be determined by the Board at a later stage. He is subject to retirement by rotation and re-election in accordance with the Listing Rules and the Articles. Mr. CHANG Ming-cheng's director remuneration will be determined with reference to his duties and responsibilities at a later stage.

Save as disclosed above, as at the date of this announcement, Mr. CHANG Ming-cheng has confirmed that he (i) did not assume other offices in any member of the Group; (ii) was not related to any directors, senior management, substantial shareholders or controlling shareholders of the Company or other members of the Group; (iii) did not have any interests in shares of the Company within the meaning of Part XV of the SFO; and (iv) did not hold any other directorships or other major appointments and qualifications in any listed companies in the past three years.

Save as set out above, as at the date of this announcement, there is no other matter in relation to the appointment of Mr. CHANG Ming-cheng needs to be brought to the attention of the Shareholders and there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2) (h) to (v) of the Listing Rules.

### **Mr. LIN Shei-yuan**

Mr. LIN Shei-yuan, aged 55, was the head of corporate and institution of the Australia and New Zealand Banking Group Taiwan from August 2012 to December 2017, the head of corporate banking in Standard Chartered from December 2008 to July 2012, the deputy head of corporate banking in Citibank from January 2007 to September 2008, the industry head of corporate banking in Citibank from September 2001 to December 2006, a relationship manager of corporate banking in Citibank from June 1999 to August 2001, and a transactor of merchant banking in Citibank from August 1997 to May 1999.

During his 11 years of experience in corporate banking in Citibank, Mr. LIN Shei-yuan also served as a coordinator for Taiwan Desk for Chinese business and IT coordinator, and was occasionally assigned as overseas auditor. He was promoted to senior credit officer and to managing director of Citibank in 2008.

Mr. LIN Shei-yuan had five years of experience in Chinatrust where he was recruited as a management associate in 1992 after obtained his master degree in business administration program in Boston University.

Before his postgraduate study, Mr. LIN Shei-yuan worked in Taiwan First Trust & Investment company, an affiliate of Citibank Taipei, for one and a half years and was engaged in international trade business as sales representative in Collins. Mr. Lin Shei-yuan graduated from Tunghai University with a major in economics.

The Company will enter into a service contract with Mr. LIN Shei-yuan with effect from the conclusion of the EGM and the term of office and other terms and conditions will be determined by the Board at a later stage. He is subject to retirement by rotation and re-election in accordance with the Listing Rules and the Articles. Mr. LIN Shei-yuan's director remuneration will be determined with reference to his duties and responsibilities at a later stage.

Save as disclosed above, as at the date of this announcement, Mr. LIN Shei-yuan has confirmed that he (i) did not assume other offices in any member of the Group; (ii) was not related to any directors, senior management, substantial shareholders or controlling shareholders of the Company or other members of the Group; (iii) did not have any interests in shares of the Company within the meaning of Part XV of the SFO; and (iv) did not hold any other directorships or other major appointments and qualifications in any listed companies in the past three years.

Save as set out above, as at the date of this announcement, there is no other matter in relation to the appointment of Mr. LIN Shei-yuan that needs to be brought to the attention of the Shareholders and there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2) (h) to (v) of the Listing Rules.

#### **Mr. LI Jianwei**

Mr. LI Jianwei, aged 44, Juris Doctor, professor of Commercial Law at China University of Political Science and Law, supervisor of doctoral students, serves as the director of Department of Law and Commerce of Business School, deputy chairman of Academic Committee of Business School, as well as serves as the deputy director of the Institute of Commercial Law. His main research areas include, among others, civil and commercial law, corporate law, securities law, corporate governance etc. He is a well-known young and middle-aged company law expert in China who has made outstanding achievements in the research of a broad range of commercial laws including company law, securities law, insurance law, investment fund law and trust law etc.

He worked as a postdoctoral researcher at the Business School of the Renmin University of China from 2002 to 2004, a senior visiting scholar at the Law School of University of The New South Wales, Australia from 2008 to 2009 and a visiting professor at the Law School of The Aoyama Gakuin University in Japan from 2013 to 2015.

His past positions also include the executive director and secretary general of the Commercial Law Research Society of China Law Society, executive director of China Association of Business Law, member of the 1st and 2nd Hong Kong and Macau Law Committee of Zhuhai Hengqin New Area, member of Expert Advisory Committee of courts such as Guangzhou Intermediate People's Court, instructor of judges in courts such as Bao'an District People's Court of Shenzhen, and arbitrator of arbitration committees in Beijing, Fuzhou, Changsha and Zhuhai etc.



He has been in charge of more than 10 national and provincial level projects under the National Social Science Fund of China, Humanities and Social Science Fund of the Ministry of Education, rule of law theory projects of the Ministry of Justice and social science projects under Beijing Social Science Fund. He has been in charge of the Youth Research Innovation Team Project of Commercial Law in China University of Political Science and Law for 6 years from 2012 to 2018.

He has published more than 100 academic papers in publications such as China Legal Science, Chinese Journal of Law and Xinhua Digest, and published more than 10 books and translated works including “A Study of Independent Directors”, “Corporate Mechanism, Corporate Management and Corporate Governance” and “Company Law”. He has won many awards for research excellence such as the second prize in Dong Biwu Youth Law Achievement Award and the third prize in the 4th China Law Outstanding Achievement Award.

As a legal expert, he has successively participated in expert argumentation of a number of legislative and judicial interpretation documents, including, among others, General Principles of Civil Law, Civil Code – Contracts, Company Law, Electronic Commerce Law and Company Law Interpretation (3) (4).

He has won the Outstanding Teacher Award of 2011 and Excellent Teacher Award of 2007, 2009, 2010, 2016 of the China University of Political Science and Law. He has been awarded as one of the Ten Teachers Most Welcomed by Undergraduates in 2006, 2008 and 2010.

In 2015, he obtained the qualification of independent director from the Shanghai Stock Exchange and is currently the independent director of Hanwang Technology Co., Ltd. (漢王科技股份有限公司), whose shares have been listed on the Shenzhen Stock Exchange (Stock Code: 2362) since April 2018, and Linksus Digiwork Marketing Communication Co., Ltd. (靈思雲途營銷顧問股份有限公司) whose shares have been listed on the National Equities Exchange and Quotations (Stock Code: 838290) since May 2017, and serves as the chairman of the board of Beijing Fangyuan Zhonghe Culture Communication Co., Ltd. (北京方圓眾合教育科技有限公司).

The Company will enter into a service contract with Mr. LI Jianwei with effect from the conclusion of the EGM and the term of office and other terms and conditions will be determined by the Board at a later stage. He is subject to retirement by rotation and re-election in accordance with the Listing Rules and the Articles. Mr. LI Jianwei’s director remuneration will be determined with reference to his duties and responsibilities at a later stage.

Save as disclosed above, as at the date of this announcement, Mr. LI Jianwei has confirmed that he (i) did not assume other offices in any member of the Group; (ii) was not related to any directors, senior management, substantial shareholders or controlling shareholders of the Company or other members of the Group; (iii) did not have any interests in shares of the Company within the meaning of Part XV of the SFO; and (iv) did not hold any other directorships or other major appointments and qualifications in any listed companies in the past three years.

Save as set out above, as at the date of this announcement, there is no other matter in relation to the appointment of Mr. LI Jianwei needs to be brought to the attention of the Shareholders and there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to (v) of the Listing Rules.

## CHANGE OF MEMBERS OF BOARD COMMITTEES

Upon the conclusion of the EGM and the Board Meeting, the composition of each of the Audit Committee, the Remuneration Committee, the Nomination Committee and the Executive Committee is as follows:

### **Audit Committee**

CHANG Ming-cheng (*Chairman*)  
LIN Shei-yuan  
LI Jianwei

### **Remuneration Committee**

LI Jianwei (*Chairman*)  
CHANG Ming-cheng  
LIN Shei-yuan

### **Nomination Committee**

LIN Shei-yuan (*Chairman*)  
CHANG Zhangli  
WU Ling-ling  
CHANG Ming-cheng  
LI Jianwei

### **Executive Committee**

CHANG Zhangli (*Chairman*)  
WU Ling-ling  
LIN Shei-yuan  
CHANG Ming-cheng  
LI Jianwei

The Board agreed to disband the Investigation Committee and particularly stressed that the disbandment of the Investigation Committee does not mean that the investigation, among others, of certain actions taken by the Company in the past will end. The Board and the Audit Committee will resume the roles and responsibilities of the Investigation Committee and such investigation will continue. In the event that Mr. CHANG Zhangli and/or Ms. WU Ling-ling are considered to have a material interest in the investigation, Mr. CHANG Zhangli and/or Ms. WU Ling-ling will abstain and sit out where necessary and appropriate.

## CHANGE OF AUTHORISED REPRESENTATIVE

The Board announces that Mr. CHANG Zhangli and Ms. WU Ling-ling have been appointed as authorised representatives of the Company under Rule 3.05 of the Listing Rules to fill the vacancy arising from the removal of Mr. HWA Guo Wai, Godwin with effect from the conclusion of the EGM. Mr. TSANG Wing Tai has agreed to cease to act as an authorised representative of the Company under Rule 3.05 of the Listing Rules with effect from the date of the Board Meeting.

## RESIGNATION, SUSPENSION AND APPOINTMENT OF DIRECTORS OF THE SUBSIDIARIES OF THE COMPANY

The Board further announces that, with effect from 23 May 2018, Mr. HWA Guo Wai, Godwin has resigned from directorship and any other positions within China Shanshui Cement Group (Hong Kong) Company Limited, China Pioneer Cement (Hong Kong) Company Limited, American Shanshui Development Inc. and Continental Cement Corporation (collectively the “**Relevant Subsidiaries**”), respectively.

Upon the removal of Mr. LI Liufa as Chairman of the Board and executive Director, the Company has temporarily suspended the powers of Mr. LI Liufa as directors of the Relevant Subsidiaries and he has no authority to represent or bind the Relevant Subsidiaries with effect from the date of the Board Meeting. The Group will take all necessary actions to remove Mr. LI Liufa as a director and other positions within the Relevant Subsidiaries in accordance with the articles of association of the Relevant Subsidiaries.

The Company has appointed Mr. CHANG Zhangli and Ms. WU Ling-ling as director of the Relevant Subsidiaries to fill the vacancy arising from the resignation of Mr. HWA Guo Wai, Godwin, and the subsequent removal of Mr. LI Liufa, as director of the Relevant Subsidiaries.

The Company is firmly committed to maintaining and ensuring high standards of corporate governance and to ensuring that business activities and decision making processes are regulated in a proper and prudent manner.

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

Hong Kong, 25 May 2018

*As at the date of this announcement, the board of directors of the Company comprises two executive Directors, namely CHANG Zhangli and WU Ling-ling; and three independent non-executive Directors, namely CHANG Ming-cheng, LIN Shei-yuan and LI Jianwei.*