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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in China Shanshui Cement Group Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

**PROPOSALS FOR GENERAL MANDATES  
TO ISSUE SHARES AND TO BUY BACK SHARES;  
SPECIFIC MANDATE TO ISSUE SHARES;  
RE-ELECTION OF RETIRING DIRECTORS;  
APPOINTMENT OF NEW AUDITOR;  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of China Shanshui Cement Group Limited to be held at Meeting Room, 3/F, Shandong Shanshui Cement Group Company Limited, Shanshui Industrial Park, Gushan Town, Changqing District, Jinan City, Shandong Province, PRC on Friday, 31 August 2018 at 10:00 a.m. is set out on pages 12 to 18 of this circular. Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting (i.e. not later than 10:00 a.m. on Wednesday, 29 August 2018) or any adjourned meeting thereof (as the case may be). Completion and return of the accompanying form of proxy will not preclude you from attending and voting in person at the meeting or at any adjournment (as the case may be) should you so wish and in such event, the form of proxy shall be deemed to be revoked. References to time and dates in this circular are to Hong Kong time and dates.

10 August 2018

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at Meeting Room, 3/F, Shandong Shanshui Cement Group Company Limited, Shanshui Industrial Park, Gushan Town, Changqing District, Jinan City, Shandong Province, PRC on Friday, 31 August 2018 at 10:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 12 to 18 of this circular, or any adjournment thereof
“Announcement”	the announcement of the Company dated 10 August 2018 in relation to the Appointment of New Auditor;
“Appointment of New Auditor”	the appointment of Moore Stephens CPA Limited as the new auditor of the Company following the resignation of KPMG;
“Articles of Association”	the amended and restated articles of association of the Company
“Board”	the board of Directors
“Company”	China Shanshui Cement Group Limited (中國山水水泥集團有限公司), an exempted company incorporated in Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“General Issuance Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares as at the date of passing of the ordinary resolution in relation thereof
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	9 August 2018, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Memorandum of Association”	the memorandum of association of the Company, as amended from time to time
“PRC”	the People’s Republic of China
“RMB”	the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time
“Share(s)”	ordinary share(s) with a par value of US\$0.01 each in the share capital of the Company
“Share Buy-back Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to buy back Shares up to 10% of the total number of issued Shares as at the date of passing of the ordinary resolution in relation thereof
“Shareholder(s)”	holder(s) of Share(s)
“Specific Mandate”	the specific mandate proposed to be granted to the Directors at the Annual General Meeting to allot, issue or deal with additional Shares of not exceeding 10% of the total number of issued Shares as at the date of passing of the special resolution in relation thereof
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission in Hong Kong, as amended from time to time
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. CHANG Zhangli (*Chairman*)

Ms. WU Ling-ling

*Independent Non-executive Directors:*

Mr. CHANG Ming-cheng

Mr. LI Jianwei

*Registered Office:*

P.O. Box 10008

Willow House, Cricket Square

Grand Cayman KY1-1001

Cayman Islands

*Principal Place of Business in Hong Kong:*

Room 2609, 26/F, Tower 2, Lippo Centre

89 Queensway, Admiralty

Hong Kong

*To the Shareholders*

10 August 2018

Dear Sir/Madam,

**PROPOSALS FOR GENERAL MANDATES  
TO ISSUE SHARES AND TO BUY BACK SHARES;  
SPECIFIC MANDATE TO ISSUE SHARES;  
RE-ELECTION OF RETIRING DIRECTORS;  
APPOINTMENT OF NEW AUDITOR;  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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## LETTER FROM THE BOARD

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### 1. INTRODUCTION

The purpose of this circular is to provide you with information reasonably necessary to enable you to make a decision on whether to vote for or against the resolutions to be proposed at the AGM which will be convened for the purpose of considering and, if thought fit, approving, amongst other things:

- (i) the granting of the General Mandates to issue Shares and to buy back Shares;
- (ii) the granting of the Specific Mandate to issue Shares;
- (iii) the re-election of retiring Directors; and
- (iv) the Appointment of New Auditor.

### 2. PROPOSED GRANTING OF GENERAL MANDATES TO ISSUE SHARES AND TO BUY-BACK SHARES

In order to give the Company the flexibility to issue and buy back Shares if and when appropriate, ordinary resolutions will be proposed at the AGM to approve the granting to the Directors of general mandates to issue, allot and deal with additional Shares and to buy back its Shares on the Stock Exchange. The Directors believe that the granting of these general mandates will be in the best interests of the Company and the Shareholders as a whole.

At the AGM, an ordinary resolution, full text of which is set out as resolution no. 3 in the notice of AGM, will be proposed to the Shareholders to grant to the Directors a general and unconditional mandate to allot, issue and deal with additional Shares not exceeding 20% of the total number of issued Shares of the Company as at the date of passing the proposed ordinary resolution (i.e. 675,828,048 Shares, based on the total number of issued Shares as at the Latest Practicable Date and subject to no Shares being issued or bought back by the Company during the period between the Latest Practicable Date and the date of the AGM).

At the AGM, an ordinary resolution, full text of which is set out as resolution no. 4 in the notice of AGM, will be proposed to the Shareholders to grant to the Directors a general and unconditional mandate to exercise all the powers of the Company to buy back issued Shares not exceeding 10% of the total number of issued Shares of the Company as at the date of passing the proposed ordinary resolution (i.e. 337,914,024 Shares, based on the total number of issued Shares as at the Latest Practicable Date and subject to no Shares being issued or bought back by the Company during the period between the Latest Practicable Date and the date of the AGM).

An explanatory statement in compliance with Rule 10.06(1)(b) of the Listing Rules relating to the Share Buy-back Mandate is set out in Appendix I to this circular.

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## LETTER FROM THE BOARD

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In addition, an ordinary resolution, full text of which is set out as resolution no. 5 in the notice of AGM, will be proposed at the AGM to authorise the extension of the General Issuance Mandate by adding to it the number of Shares subsequently bought back by the Company under the Share Buy-back Mandate.

### **3. PROPOSED GRANTING OF SPECIFIC MANDATE TO ISSUE SHARES**

In order to increase the public float of the Company and to enlarge the shareholder and capital base of the Company, a special resolution will be proposed at the AGM to approve the granting of a Specific Mandate to the Directors to issue, allot and deal with additional Shares. The Directors believe that the granting of the Specific Mandate will be in the interests of the Company and the Shareholders as a whole.

At the AGM, a special resolution, full text of which is set out as resolution no. 6 in the notice of AGM, will be proposed to the Shareholders to grant to the Directors a specific and unconditional mandate to allot, issue and deal with additional Shares not exceeding 10% of the total number of issued Shares of the Company as at the date of passing the proposed special resolution (i.e. 337,914,024 Shares, based on the total number of issued Shares as at the Latest Practicable Date and subject to no Shares being issued or bought back by the Company during the period between the Latest Practicable Date and the date of the AGM).

### **4. RE-ELECTION OF RETIRING DIRECTORS**

Pursuant to Article 16.18 of the Articles of Association, at every annual general meeting of the Company one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat.

Accordingly, Mr. CHANG Ming-cheng and Mr. LI Jianwei shall retire from office by rotation at the AGM. The above retiring Directors, being eligible, will offer themselves for re-election at the AGM.

Details of the above retiring Directors are set out in Appendix II to this circular.

### **5. APPOINTMENT OF NEW AUDITOR**

Reference is made to the Announcement in relation to the Appointment of New Auditor. The Board resolved to appoint Moore Stephens CPA Limited as the new auditor of the Company to fill the casual vacancy with effect from 10 August 2018 following the resignation of KPMG and to hold office until the conclusion of the next annual general meeting of the Company. The Board also resolved to propose the appointment of Moore Stephens CPA Limited to be approved by the Shareholders at the AGM until the conclusion of the next annual general meeting of the Company.

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## LETTER FROM THE BOARD

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### **6. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT**

The notice convening the AGM to be held at Meeting Room, 3/F, Shandong Shanshui Cement Group Company Limited, Shanshui Industrial Park, Gushan Town, Changqing District, Jinan City, Shandong Province, PRC on Friday, 31 August 2018 at 10:00 a.m. is set out on pages 12 to 18 of this circular.

Enclosed with this circular is the form of proxy for use at the AGM. Such form is also available at the websites of Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.en.sdsunnsygroup.com](http://www.en.sdsunnsygroup.com). Whether or not you are able to attend the AGM in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM (i.e. not later than 10:00 a.m. on 29 August 2018 (Hong Kong time)) or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof (as the case may be) should you so wish and in such event, the form of proxy shall be deemed to be revoked.

### **7. VOTE BY POLL**

Any vote in respect of the resolutions to be put forward for consideration at the AGM will be taken by poll in accordance with Rule 13.39(4) of the Listing Rules.

To the best information of the Directors after making reasonable enquiries, no Shareholder is required to abstain from voting on any resolutions proposed to be adopted at the AGM.

### **8. CLOSURE OF REGISTER OF MEMBERS**

The register of shareholders of the Company will be closed from Wednesday, 29 August 2018 to Friday, 31 August 2018, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Tuesday, 28 August 2018.



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## LETTER FROM THE BOARD

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### 9. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### 10. RECOMMENDATION

The Directors believe that the granting of the General Issuance Mandate, the granting of the Share Buy-back Mandate, the extension of the General Issuance Mandate, the granting of the Specific Mandate, the re-election of retiring Directors and the Appointment of New Auditor are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend you to vote in favour of the relevant resolutions to be proposed at the AGM.

### 11. GENERAL

Your attention is drawn to additional information as set out in the Appendices.

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

*The following explanatory statement contains all the information required by the Listing Rules in connection with the Share Buy-back Mandate.*

## **1. LISTING RULES**

The Listing Rules permit companies with a primary listing on the Stock Exchange to buy back their shares on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

- (i) the shares to be bought back by a company must be fully paid-up;
- (ii) the company has previously sent to its shareholders an explanatory statement complying with the Listing Rules; and
- (iii) all on market buy-back of shares by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a specific approval in relation to specific transactions or by a general mandate to the directors of the company to make such buy-back, and a copy of such resolution together with the necessary documentation have been delivered to the Stock Exchange in accordance with the Listing Rules.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, the authorised share capital of the Company was US\$100,000,000 divided into 10,000,000,000 Shares of par value of US\$0.01 each and the number of Shares in issue was 3,379,140,240.

Subject to the passing of the ordinary resolution for approving the Share Buy-back Mandate at the AGM and on the basis that no further Shares will be issued or bought back prior to the AGM, the Company would be allowed under the Share Buy-back Mandate to buy back up to a maximum of 337,914,024 Shares during the period in which the Share Buy-back Mandate remains in force. Any Shares bought back pursuant to the Share Buy-back Mandate must be fully paid-up.

## **3. REASONS FOR SHARE BUY-BACK**

The Directors believe that the Share Buy-back Mandate is in the interests of the Company and the Shareholders as a whole. Such Share buy-back may, depending on the market conditions and funding arrangements, result in an increase in net assets and/or earnings per Share. The Directors are seeking the Share Buy-back Mandate to give the Company the flexibility to buy back Shares if and when appropriate. The Directors will decide the number of Shares to be bought back on each occasion and the price and other terms upon which the same are bought back at the relevant time having regard to the circumstances then pertaining.

**4. FUNDING AND IMPACT OF SHARE BUY-BACK**

It is envisaged that any Share buy-back would be funded out of funds legally available for such purpose under the Cayman Islands law and the Memorandum of Association and Articles of Association. Under the Cayman Islands law, the Shares so bought back will be treated as cancelled but the aggregate amount of authorised share capital will not be reduced. The working capital or gearing position of the Company may be adversely affected in the event that the proposed Share Buy-back Mandate were to be carried out in full at any time during the period which the Share Buy-back Mandate remains in force. However, the Directors do not propose to exercise the Share Buy-back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or gearing position of the Company as is from time to time appropriate.

**5. MARKET PRICES OF SHARES**

Trading in the Shares and debt securities of the Company has been suspended as from 16 April 2015.

**6. CONNECTED PERSONS AND DIRECTORS' UNDERTAKING**

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their close associates (as defined in the Listing Rules) have any present intention to sell Shares to the Company in the event that the Share Buy-back Mandate is granted by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Buy-back Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to buy back Shares pursuant to the Share Buy-back Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws of the Cayman Islands.

**7. EFFECT OF TAKEOVERS CODE**

If, as a result of a buy-back of Shares, a Shareholder's proportionate interest in the voting rights of the Company is increased, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

To the best knowledge of the Company, as at the Latest Practicable Date, Tianrui Group Company Limited, a substantial shareholder of the Company (as defined in the Listing Rules), was interested in 951,462,000 Shares representing approximately 28.16% of the total issued share capital of the Company. In the event that the Directors exercise the proposed Share Buy-back Mandate in full, the shareholding of Tianrui Group Company Limited would be increased to approximately 31.29% of the issued share capital of the Company.

The Directors consider that such increase in shareholding would give rise to an obligation to make a mandatory offer by Tianrui Group Company Limited under Rule 26 of the Takeovers Code. The Directors do not propose to exercise the Share Buy-back Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and/or result in the aggregate number of Shares held by the public Shareholders, falling below the prescribed minimum percentage required by the Stock Exchange.

**8. SHARE BUY-BACK MADE BY THE COMPANY**

No buy-back of Shares (whether on the Stock Exchange or otherwise) has been made by the Company during the six months preceding the Latest Practicable Date.

*Information as required to be disclosed under the Listing Rules on the Directors proposed to be re-elected at the AGM are set out as follows:*

**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).

Mr. CHANG Ming-cheng does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company. Mr. CHANG Ming-cheng does not have interests in any Shares within the meaning of Part XV of the SFO. The director's remuneration of Mr. CHANG Ming-cheng as an independent non-executive Director under his appointment letter is not exceeding RMB1 million per annum. The emoluments of Mr. CHANG Ming-cheng are determined with reference to salaries paid by comparable companies, his experience, his responsibilities and his performance.

**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).

Mr. LI Jianwei does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company. Mr. LI Jianwei does not have interests in any Shares within the meaning of Part XV of the SFO. The director's remuneration of Mr. LI Jianwei as an independent non-executive Director under his appointment letter is not exceeding RMB1 million per annum. The emoluments of Mr. LI Jianwei are determined with reference to salaries paid by comparable companies, his experience, his responsibilities and his performance.

Save as disclosed herein, none of the above Directors holds any position with the Company or any other member of the Group, or any directorship in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Save as disclosed in this circular, there are no other matters concerning the retiring Directors that need to be brought to the attention of the shareholders of the Company nor any information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an annual general meeting of China Shanshui Cement Group Limited (the “**Company**”) will be held at Meeting Room, 3/F, Shandong Shanshui Cement Group Company Limited, Shanshui Industrial Park, Gushan Town, Changqing District, Jinan City, Shandong Province, PRC on Friday, 31 August 2018 at 10:00 a.m. for the following purposes:

1. (a) To re-elect Mr. CHANG Ming-cheng as an independent non-executive director of the Company.
  - (b) To re-elect Mr. LI Jianwei as an independent non-executive director of the Company.
  - (c) To authorise the board of directors of the Company to fix the respective director’s remuneration.
2. To approve the appointment of Moore Stephens CPA Limited as auditors of the Company to hold office until the conclusion of the next annual general meeting and authorise the board of directors of the Company to fix their remuneration.



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## NOTICE OF ANNUAL GENERAL MEETING

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3. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company during the Relevant Period (as defined below) to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers;
- (b) the mandate in paragraph (a) above shall authorise the directors of the Company to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
  - (i) a Rights Issue (as defined below);
  - (ii) the exercise of options under a share option scheme of the Company; and
  - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be issued under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and

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## NOTICE OF ANNUAL GENERAL MEETING

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(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“**Right Issue**” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

4. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to buy back its shares in accordance with all applicable laws, rules and regulations;
- (b) the total number of shares of the Company to be bought back pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be bought back under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and

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## NOTICE OF ANNUAL GENERAL MEETING

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(c) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions set out in items 3 and 4 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 3 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors of the Company pursuant to such general mandate of the number of shares bought back by the Company pursuant to the mandate referred to in the resolution set out in item 4 of the Notice, provided that such amount shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution.”

6. To consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

“**THAT:**

- (a) subject to paragraph (c) below, a specific mandate be and is hereby given to the directors of the Company during the Relevant Period (as defined below) to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers;
- (b) the mandate in paragraph (a) above shall authorise the directors of the Company to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;

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## NOTICE OF ANNUAL GENERAL MEETING

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(c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:

- (i) a Rights Issue (as defined below);
- (ii) the exercise of options under a share option scheme of the Company; and
- (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be issued under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and

(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

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“**Right Issue**” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

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

Hong Kong, 10 August 2018

*As at the date of this notice, the board of directors of the Company comprises two executive directors, namely, Mr. CHANG Zhangli and Ms. WU Ling-ling; and two independent non-executive directors, namely, Mr. CHANG Ming-cheng and Mr. LI Jianwei.*

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

- (i) All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Listing Rules. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
- (ii) The register of shareholders of the Company will be closed from Wednesday, 29 August 2018 to Friday, 31 August 2018, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Tuesday, 28 August 2018.
- (iii) A shareholder of the Company who is entitled to attend and vote at the annual general meeting covered by the above notice is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not to be a shareholder of the Company but must attend in person to represent the shareholder. A shareholder of the Company who is the holder of two or more shares is entitled to appoint one or more person(s) as his proxy/proxies to attend and, on a poll, vote instead of him. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (iv) Where there are joint holders of any share of the Company, any one of such joint holders may vote at the annual general meeting, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the annual general meeting, then one of the said persons so present whose name stands first on the register of shareholders of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (v) To be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be deposited at the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the annual general meeting (i.e. not later than 10:00 a.m. on 29 August 2018) or any adjourned meeting thereof (as the case may be). Completion and return of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the annual general meeting or at any adjourned meeting thereof (as the case may be).
- (vi) References to time and dates in this notice are to Hong Kong time and dates.