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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)

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHANGE OF BOARD COMMITTEES MEMBERS

The board (the “**Board**”) of directors (the “**Directors**”, each a “**Director**”) of China Shanshui Cement Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that with effect from 4 September 2018:

- (1) Mr. Hsu You-yuan is appointed by the Company as an independent non-executive Director;
- (2) Mr. Hsu You-yuan is appointed as a member of each of the audit committee and the remuneration committee of the Board and Mr. Chang Zhangli, the chairman of the Board, is appointed as the chairman of the nomination committee of the Board; and
- (3) Each of Mr. Chang Ming-cheng and Mr. Li Jianwei is removed as a member of the executive committee of the Board.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board is pleased to announce that Mr. Hsu You-yuan has been appointed by the Company as an independent non-executive Director with effect from 4 September 2018.

Mr. Hsu You-yuan, aged 63, has been the chairman and president of DCH Solargiga GmbH since February 2018 and a non-executive director of Solargiga Energy Holdings Limited (Stock Code: 757) (“**Solargiga**”) since June 2016. He was the CEO of Solargiga from February 2007 to September 2015 and an executive director of Solargiga from February 2007 to June 2016. Mr. Hsu was the managing director of Wafer Works Corp. (“**WWX**”) from February 1998 to June 2003 and later became the vice-chairman of the board of WWX in June 2003. WWX is a manufacturer of silicon wafer for the semiconductor industry and is listed on the Gre Tai Securities Market in Taiwan with stock code 6182 since May 2002. He was the managing director of Silicon Technology Investment (Cayman) Corp. and was appointed as the chief executive officer of Solar Technology Investment (Cayman) Corp., responsible for overseeing, amongst others, WWX’s investment in the solar energy industry. In March 2006, he was appointed as a director and he was subsequently appointed as the chairman of the board of Jinzhou Youhua Silicon Materials Co., Ltd. in September 2006. Mr. Hsu’s previous work credentials also include acting as deputy general manager of Mosel Vitelic Inc., a company listed on the Taiwan Stock Exchange with stock code 2342 and as a member of the board of directors and executive vice-president of Mosel Vitelic (Hong Kong) Limited, a subsidiary of Mosel Vitelic Inc. Mr. Hsu had also made contributions to non-commercial sectors in the past. He served as a researcher, a deputy director, and the director of business department of the Executive Yuan Development Fund of Taiwan (Executive Yuan Development Fund is now known as National Development Fund, Executive Yuan). He was also a lecturer of Statistics and Managerial Mathematics for the business administration department at the Chinese Culture University.

Mr. Hsu obtained his bachelor’s degree in Statistics from National Cheng Kung University in 1978 and his master’s degree in International Business Administration from Chinese Culture University in 1980.

Mr. Hsu has confirmed that he meets the independence criteria as set out in Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Mr. Hsu has entered into a letter of appointment with the Company for a term of three years commencing from the effective date of his appointment, subject to retirement and re-election provision in the articles of association of the Company (the “**Articles**”) pursuant to which he shall retire from office at the next general meeting of the Company following his appointment and shall then be eligible for re-election. Thereafter, he shall retire from office by rotation at the annual general meeting of the Company. As mentioned in the Company’s announcement dated 31 August 2018, the shareholders of the Company at the annual general meeting of the Company held on 31 August 2018 (the “**AGM**”) resolved to adjourn the AGM until such time and place (the “**Adjourned AGM**”) as may be determined by the Board following preparation of the audited accounts of the Group for the year ended 31 December 2017 (the “**Audited Accounts**”) and directors’ and auditors’ reports in relation to the Audited Accounts. In accordance with the Articles, Mr. Hsu will retire from office and will then be subject to re-election at the Adjourned AGM. Such resolution to re-elect Mr. Hsu will be included in the notice of the reconvening of the adjourned AGM, the supplemental circular and the corresponding form of proxy.

The director's remuneration of Mr. Hsu as an independent non-executive Director under his appointment letter is not exceeding RMB1 million per annum. The emoluments of Mr. Hsu are determined with reference to salaries paid by comparable companies, his experience, his responsibilities and his performance.

As at the date of this announcement, Mr. Hsu does not have any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Saved as disclosed above, Mr. Hsu has confirmed that he does not hold (i) any other position with the Company or other members of the Group; (ii) any directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iii) any other major appointments and professional qualifications.

Mr. Hsu has confirmed that, apart from being an independent non-executive director of the Company, he does not have any relationship with any Director, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed herein, the Board is not aware of any other information relating to Mr. Hsu which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other matter which needs to be brought to the attention of the Shareholders of the Company.

The Company would like to express its warmest welcome to Mr. Hsu in joining the Board.

CHANGE OF BOARD COMMITTEES MEMBERS

The Board is pleased to announce that (1) Mr. Hsu has been appointed as a member of each of the audit committee and the remuneration committee of the Board with effect from 4 September 2018; and (2) Mr. Chang Zhangli, the chairman of the Board, has been appointed as the chairman of the nomination committee of the Board with effect from 4 September 2018.

The Board also announces that each of Mr. Chang Ming-cheng and Mr. Li Jianwei has been removed as a member of the executive committee of the Board with effect from 4 September 2018.

CONTINUED SUSPENSION OF TRADING

Due to the failure to meet the minimum public float requirement and the failure to address the audit issues concerning 2015 and 2016 annual results/report of the Company, trading in the Shares and debt securities of the Company on the Stock Exchange will remain suspended until further notice.

Shareholders of the Company and potential investors should exercise caution when dealing in the Shares or other securities of the Company.

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

Hong Kong, 4 September 2018

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. CHANG Zhangli and Ms. WU Ling-ling; and three independent non-executive Directors, namely Mr. CHANG Ming-cheng, Mr. LI Jianwei and Mr. HSU You-yuan.