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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)**

### **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HERE BY GIVEN** that the annual general meeting of China Shanshui Cement Group Limited (the “**Company**”) will be held at Dezhou Hall, 1st Floor, Conference Center, Shandong Hotel, No. 2-1, Ma’anshan Road, Jian, Shandong, PRC on 18 May 2012 at 9:00 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and auditors for the year ended 31 December 2011.
2. To declare a final dividend for the year ended 31 December 2011.
3. To re-elect the directors of the Company and authorise the board of directors of the Company to fix the directors’ remuneration.
4. To re-appoint the retiring auditors of the Company and authorise the board of directors of the Company to fix their remuneration.
5. As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions with or without modifications:

(1) “**THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers during or after the end of the Relevant Period be and is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of share capital allotted, issued or otherwise dealt with, or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with (whether pursuant to an option or otherwise), by the directors of the Company pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), or (ii) the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes or other securities issued by the Company, or (iii) the exercise of options granted under any option scheme or similar arrangement for the time being adopted for the grant or issue to eligible participants of the Company and/or any of its subsidiaries of rights to acquire shares of the Company, or (iv) any scrip dividend or similar arrangement providing for the allotment and issue 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 (the “**Articles of Association**”), or (v) a specific authority granted by the shareholders of the Company in general meeting, shall not exceed twenty per cent. (20%) of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this Resolution, and the said approval shall be limited accordingly; and
- (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; or
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or
  - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given under this Resolution; and

“Rights Issue” means an offer of shares or issue of options, warrants or other securities which carry a right to subscribe for or purchase shares of the Company open for a period fixed by the directors of the Company to holders of shares of the Company on the register of shareholders of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of the shares of the Company (or, where appropriate, such other securities) (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

- (2) **“THAT:**
- (a) subject to paragraph (b) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
  - (b) the aggregate nominal amount of shares of the Company which may be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution shall not exceed ten per cent. (10%) of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this Resolution, and the said approval shall be limited accordingly; and
  - (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;  
or
    - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or
    - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given under this Resolution.”
- (3) **“THAT** conditional upon the passing of Resolutions 5(1) and 5(2) set out in the notice convening this meeting, the general mandate granted to the directors of the Company pursuant to Resolution 5(1) set out in the notice convening this meeting and for the time being in force to exercise the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of

the shares of the Company purchased by the Company under the authority granted pursuant to Resolution 5(2) set out in the notice convening this meeting, provided that such extended amount shall not exceed ten per cent. (10%) of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this Resolution.”

6. As special business, to consider and, if thought fit, pass the following resolution as a special resolution with or without modifications:

(1) “**THAT** the memorandum of association of the Company (the “**Memorandum of Association**”) be amended in the following manner:

(a) by deleting the phrase “the Companies Law (2007 Revision)” and substituting therefor with the phrase “the Companies Law (2011 Revision)” in the heading on page 1 of the Memorandum of Association and in paragraphs 4, 6 and 7 of the Memorandum of Association.

(b) by deleting the words “Section 193” in paragraph 7 of the Memorandum of Association and substituting therefor the words “Section 174”.

(2) “**THAT** the Articles of Association be amended in the following manner:

(a) by deleting the phrase “the Companies Law (2007 Revision)” and substituting therefor with the phrase “the Companies Law (2011 Revision)” in the heading on page 1 of the Articles of Association and in the definition of “Companies Law” or “Law” under Article 2.2;

(b) by deleting the existing definition of “Associate” under Article 2.2 in its entirety and replacing it by the following definition of “Associate”:

“shall mean, in relation to any Director:

(i) his spouse and any of his or his spouse’s children or step-children, natural or adopted, under the age of 18 (together, the “**family interests**”);

(ii) the trustees, acting in their capacity as such trustees, of any trust of which he or any of his family interests is a beneficiary or, in the case of a discretionary trust, is (to his knowledge) a discretionary object;

(iii) any company in the equity capital of which he, his family interests, and/or any of the trustees referred to in paragraph (ii) above, acting in their capacity as such trustees, taken together are directly or indirectly interested (other than through their respective interests in the capital of the Company) so as to exercise or control the exercise

of 30% (or such other amount as may from time to time be specified in the HK Code on Takeovers and Mergers as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board and any other company which is its subsidiary; and

(iv) any other persons who would be deemed to be an “associate” of the Director under the Listing Rules.”

(c) by inserting the following new definitions in Article 2.2 in alphabetical order:

“business day” shall mean a day on which the Exchange generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Exchange is closed for business of dealing in securities in Hong Kong on a day by reason of a Number 8 or higher typhoon signal, black rainstorm warning or other similar event, such day shall for the purpose of these Articles be counted as a business day.

“rights issue” shall mean an offer by way of rights to existing holders of securities of the Company which enables those holders to subscribe for securities in proportion to their existing holdings.

(d) by deleting the existing definition of “Management Shareholders” under Article 2.2 in its entirety and replacing it by the following:

“Management Shareholders” shall mean Zhang Caikui, Dong Chengtian, Li Maohuan, Yu Yuchuan, Zhao Liping, Zhao Yongkui, Mi Jingtian and Wang Yongping.

(e) by deleting “Article 13.12” and substituting therefor with “Article 13.10” in the existing definition of “ordinary resolution” under Article 2.2.

- (f) by deleting the existing definition of “recognised clearing house” under Article 2.2 in its entirety and replacing it by the following:

“recognised clearing house” shall have the meaning ascribed thereto in Part I of Schedule 1 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefore.

- (g) by deleting the existing definition of “special resolution” under Article 2.2 in its entirety and replacing it by the following:

“special resolution” shall have the same meaning as ascribed thereto in the Law and shall include an unanimous written resolution of all members: for this purpose, the requisite majority shall be not less than three-fourths of the votes of such members of the Company as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given.

- (h) by deleting the existing Article 2.6 in its entirety and replacing it by the following:

“2.6 Sections 8 and 19 of the Electronic Transactions Law shall not apply.”

- (i) by inserting the words “or the Listing Rules” immediately after the words “not prohibited by any law” in the first sentence of Article 3.6 and deleting the words “all or” immediately after the words “or otherwise acquire” in the first sentence of Article 3.6;

- (j) by adding the following new Article 3.7 immediately after the existing Article 3.6:

“3.7 The Board may accept the surrender for no consideration of any fully paid share.”

and the existing Articles 3.7 to 3.14 shall be renumbered accordingly.

- (k) by inserting “, if any,” immediately after the words “the Board shall specify the certificate(s) thereof” in the existing Article 3.11 (to be renumbered Article 3.12 pursuant to paragraph (2)(j) of this Resolution);
- (l) by adding the following new Article 4.5 and Article 4.10 immediately after the existing Article 4.4 and Article 4.8, respectively:

“4.5 For so long as any shares are listed on the Exchange, title to such listed shares may be evidenced and transferred in accordance with the Listing Rules that are or shall be applicable to such listed shares. The register of members maintained by the Company in respect of such listed shares (whether the principal register or a branch register) may be kept by recording the particulars required by Section 40 of the Law in a form otherwise than legible (provided it is capable of being reproduced in a legible form) if such recording otherwise complies with the Listing Rules that are or shall be applicable to such listed shares.”

“4.10 In lieu of, or apart from, closing the register pursuant to other provisions in these Articles, the Board may fix in advance a date as the record date for any such determination of members entitled to receive notice of, or to vote at any general meeting of the members or any adjournment thereof, or for the purpose of determining the members entitled to receive payment of any dividend or distribution, or in order to make a determination of members for any other purpose.”

and the existing Articles 4.5 to 4.13 shall be renumbered accordingly.

- (m) by deleting the words “Article 4.8” and substituting therefor with the words “Article 4.9” in the existing Article 4.5 (to be renumbered Article 4.6 pursuant to paragraph (2)(l) of this Resolution);
- (n) by deleting the words “Article 4.5” and substituting therefor with the words “Article 4.6” in the existing Article 4.6 (to be renumbered as Article 4.7 pursuant to paragraph (2)(l) of this Resolution);
- (o) by deleting the existing Article 4.7 (to be renumbered Article 4.8 pursuant to paragraph (2)(l) of this Resolution) in its entirety and replacing it by the following:

“4.8 The register may, on 14 days’ notice (or on 6 business days’ notice in the case of a rights issue) being given by advertisement published on the Exchange’s website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be

served by the Company by electronic means as herein provided or by advertisement published in the newspapers, be closed at such times and for such periods as the Board may from time to time determine, either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year). The Company shall, on demand, furnish any person seeking to inspect the register or part thereof which is closed by virtue of these Articles with a certificate under the hand of the Secretary stating the period for which, and by whose authority, it is closed. In the event that there is an alteration of book closure dates, the Company shall give at least 5 business days' notice in accordance with the procedures set out in this Article."

- (p) by deleting the words "the relevant time limit as prescribed in the Law" in first sentence of the existing Article 4.9 (to be renumbered Article 4.11 pursuant to paragraph (2)(l) of this Resolution) and substituting therefor the words "any relevant time limit prescribed in the Law".
- (q) by adding the following new Article 7.3 immediately after the existing Article 7.2:

"7.3 Notwithstanding Articles 7.1 and 7.2, transfers of shares which are listed on the Exchange may be effected by any method of transferring or dealing in securities permitted by the Listing Rules and which has been approved by the Board for such purpose."

and the existing Articles 7.3 to 7.8 shall be renumbered accordingly.

- (r) by deleting the existing Article 7.8 (to be renumbered Article 7.9 pursuant to paragraph (2)(q) of this Resolution) in its entirety and replacing it by the following:

"7.9 The registration of transfers may, on 14 days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided or by advertisement published in the newspapers, be suspended and the register closed at such times for such periods as the Board may from time to time determine, provided always that such registration shall not be suspended or the register shall not be closed for more than 30 days in any year (or such longer period as the members may by ordinary resolution determine provided that

such period shall not be extended beyond 60 days in any year). In the event that there is an alteration of book closure dates, the Company shall give at least 5 business days' notice before the announced closure, or the new closure, whichever is earlier. If, however, there are exceptional circumstances (e.g. during a Number 8 or higher typhoon signal and black rainstorm warning) that render the giving of such publication of advertisement impossible, the Company shall comply with these requirements as soon as practicable.”

- (s) by deleting the existing Article 13.6 in its entirety and replacing it by the following:

“13.6 At any general meeting a resolution put to the vote of the meeting shall be decided on a poll.”

The margin note to the existing Article 13.6 shall be changed from “Right to demand a poll and what is to be evidence of the passing of a resolution where poll not demanded” to “Vote by poll”.

- (t) by deleting the following existing Article 13.7 in its entirety:

“13.7 Unless a poll is so required or demanded and, in the latter case, not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Company’s book containing the minutes of proceedings of meetings of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.”

- (u) by deleting the following existing Article 13.9 in its entirety:

“13.9 The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.”

The existing Articles 13.8, 13.10, 13.11 and 13.12 shall be renumbered pursuant to paragraph (2)(t) and this paragraph 2(u) of this Resolution accordingly.

- (v) by deleting the existing Article 13.8 (to be renumbered Article 13.7 pursuant to paragraph (2)(u) of this Resolution) in its entirety and replacing it by the following:

“13.7 A poll shall (subject as provided in Article 13.8) be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was taken as the Chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was taken.”

- (w) by deleting the existing Article 13.10 (to be renumbered Article 13.8 pursuant to paragraph (2)(u) of this Resolution) in its entirety and replacing it by the following:

“13.8 Any poll on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.”

- (x) by deleting the existing Article 13.11 (to be renumbered Article 13.9 pursuant to paragraph (2)(u) of this Resolution) in its entirety and replacing it by the following:

“13.9 In the case of an equality of votes, the Chairman of the meeting at which the poll is taken shall be entitled to a second or casting vote.”

- (y) by deleting the existing Article 14.1 in its entirety and replacing it by the following:

“14.1 Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote for each share registered in his name in the register. A member entitled to more than one vote is under no obligation to cast all his votes in the same way. For the avoidance of doubt, where more than one proxy is appointed by a recognised clearing house (or its nominee(s)), each such proxy is under no obligation to cast all his votes in the same way.”

- (z) by deleting the existing Article 14.5 in its entirety and replacing it by the following:

“14.5 A member in respect of whom an order has been made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote by any person authorised in such circumstances to do so, and such person may vote by proxy”

- (aa) by deleting the words “On a poll votes” in the beginning of the second sentence of the existing Article 14.8 and substituting therefor the word “Votes”.

- (bb) by deleting the words “to demand or join in demanding a poll and” in the existing Article 14.12.

- (cc) by deleting the words “including the right to vote individually on a show of hands,” in the existing Article 14.15.

- (dd) by deleting the following paragraph (c) of the existing Article 16.22 in its entirety:

“(c) any proposal concerning any other company in which the Director or any of his Associates is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or any of his Associates is/are beneficially interested in the shares of that company, provided that, the Director and any of his Associates is/are not, in aggregate, beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his interest or that of any of his Associates is derived) or of the voting rights;”

and the existing paragraphs (d) and (e) of the existing Article 16.22 shall be renumbered accordingly.

- (ee) by deleting Article 20.13 in its entirety and replacing it by the following:

“20.13 Unless required otherwise by the Listing Rules, a resolution in writing signed by each and every one of the Directors (or their respective alternates pursuant to Article 16.9) shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held and may consist of several documents in like form each signed by one or more of the Directors or alternate Directors. Notwithstanding the foregoing, a resolution in writing shall not be valid and effective if the resolution relates to any matter

or business in which a substantial shareholder of the Company (as defined in the Listing Rules from time to time), or a Director, has an interest conflicting with that of the Company which the Board determines, prior to the passing of such resolution, to be material.”

- (ff) by adding the following sentence immediately after the first sentence of the Article 29.2:

“The removal of an Auditor before the expiration of his period of office shall require the approval of an ordinary resolution of the members in general meeting.”

and the existing marginal note to the existing Article 29.2 shall be deleted in its entirety and replaced by the following:

“Appointment, removal and remuneration of Auditors”

- (gg) by adding the following new Articles 36 and 37 immediately after Article 35:

“36 Transfer by Way of Continuation

The Company shall, subject to the provisions of the Companies Law and with the approval of a special resolution, have the power to register by way of continuation as a body corporate under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.”

“37 Mergers and Consolidations

The Company shall, with the approval of a special resolution, have the power to merge or consolidate with one or more constituent companies (as defined in the Law), upon such terms as the Directors may determine.”

- (3) **THAT** subject to passing of Resolution 6 set out above, a new set of Memorandum of Association and Articles of Association consolidating all of the proposed amendments referred to in Resolution 6 and all previous amendments made thereto pursuant to resolutions passed by the shareholders of the Company at general meetings in the form produced to the meeting, a copy of which has been produced to this meeting and marked “A” and signed by the chairman of this meeting for identification purpose, be and is hereby approved and adopted as the amended and restated Memorandum of Association and Articles of Association in substitution for and to the exclusion of the existing Memorandum of Association and Articles of Association with immediate effect;

and **THAT** any director of the Company be and is hereby authorized to take such further actions as he/she may in his/her sole and absolute discretion thinks fit for and on behalf of the Company to implement the adoption of the amended and restated Memorandum of Association and Articles of Association.”

By Order of the Board  
**ZHANG Caikui**  
*Chairman*

Hong Kong, 11 April 2012

*Notes:*

- (i) The register of shareholders of the Company will be closed from 15 May 2012 to 18 May 2012, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending the annual general meeting, 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 14 May 2012.
- (ii) In relation to proposed resolution numbered 2 above, the register of shareholders of the Company will be closed from 24 May 2012 to 28 May 2012, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, 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 28 May 2012.
- (iii) 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. A proxy need not be a shareholder of the Company.
- (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 or any adjourned meeting thereof. Delivery 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.
- (vi) As at the date hereof, the board of directors of the Company comprises 4 executive directors, namely ZHANG Caikui (Chairman), Zhang Bin (Vice Chairman and General Manager), DONG Chengtian and YU Yuchuan; 2 non-executive directors, namely Homer SUN and JIAO Shuge; and 3 independent non-executive directors, namely SUN Jianguo, WANG Yanmou and WANG Jian.