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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 your stockbroker or other registered dealer in securities, 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 and the accompanying form of proxy to the purchaser or the 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)**

**GENERAL MANDATES
TO ISSUE SHARES AND TO REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM of China Shanshui Cement Group Limited to be held at Dezhou Hall, 1st Floor, Conference Centre, Shandong Hotel, Ma'anshan Road, Jinan, Shandong, PRC, on Friday, 5 June 2009 at 9:00 a.m. is set out on pages 11 to 17 of this circular. Whether or not you are able to attend the AGM 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 Rooms 1806-1807 18/F, 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 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.

22 April 2009

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DEFINITIONS

In this circular, except where the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be held at Dezhou Hall, 1st Floor, Conference Centre, Shandong Hotel, Ma’anshan Road, Jinan, Shandong, PRC, on Friday, 5 June 2009 at 9:00 a.m. or any adjournment thereof
“Articles”	the articles of association of the Company, as amended from time to time
“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 the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to allot, issue and deal with additional new Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the ordinary resolution in relation thereof and any Shares subsequently repurchased by the Company under the Repurchase Mandate
“Latest Practicable Date”	18 April 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to repurchase Shares up to 10% of the issued share capital of the Company as at the date of passing of the ordinary resolution in relation thereof

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary shares of US\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers and Share Repurchases, as amended from time to time

LETTER FROM THE BOARD



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)

Executive Directors:

ZHANG Caikui (*Chairman*)
LI Yanmin
DONG Chengtian
YU Yuchuan

Non-executive Directors:

Homer SUN
JIAO Shuge (alias JIAO Zhen)

Independent Non-executive Directors:

SUN Jianguo
WANG Yanmou
WANG Jian

Registered Office:

Offices of Maples Corporate
Services Limited
PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

*Registered Place of
Business in Hong Kong:*

3rd Floor
Queen's Road Centre
152 Queen's Road
Central
Hong Kong

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES
TO ISSUE SHARES AND TO REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

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 ordinary resolutions and special resolution to be proposed at the AGM which will be convened for the purpose of considering and, if thought fit, approving:

- (i) the grant of the Issue Mandate and the Repurchase Mandate to the Directors;

LETTER FROM THE BOARD

- (ii) the re-election of Directors; and
- (iii) the amendments to the existing Articles.

2. ISSUE MANDATE AND REPURCHASE MANDATE

Pursuant to the written resolutions passed by the Shareholders on 14 June 2008, general mandates were granted to the Directors to issue, allot and deal with additional Shares and to exercise all the powers of the Company to repurchase its own Shares. These general mandates will lapse at the conclusion of the forthcoming AGM. The Directors believe that renewal of these general mandates will be in the 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. 5(1) 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 540,197,200 Shares subject to no Shares are issued or repurchased by the Company during the period between the Latest Practicable Date and the date of the AGM, being 20% of the issued share capital of the Company as at the Latest Practicable Date. In addition, an ordinary resolution, full text of which is set out as resolution no. 5(3) in the notice of AGM, will be proposed at the AGM to authorise the extension of the Issue Mandate by adding to it the number of Shares subsequently repurchased by the Company under the Repurchase Mandate.

At the AGM, an ordinary resolution, full text of which is set out as resolution no. 5(2) 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 repurchase issued Shares up to a maximum of 10% of the Company's issued share capital as at the date of the passing of such ordinary resolution.

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

3. RE-ELECTION OF DIRECTORS

Pursuant to Article 16.18 of the Articles, at every annual general meeting of the Company one-third of the Directors for the time being shall retire from office by rotation. In this connection, Mr. ZHANG Caikui, Mr. JIAO Shuge and Mr. WANG Jian will retire from office by rotation at the AGM and, being eligible, will offer themselves for re-election at the AGM.

Particulars of Mr. ZHANG Caikui, Mr. JIAO Shuge and Mr. WANG Jian are set out in Appendix II to this circular.

LETTER FROM THE BOARD

4. PROPOSED AMENDMENTS TO THE ARTICLES

The Stock Exchange has amended the Listing Rules relating to, among other things, the use of websites for communication with Shareholders and notice period for general meetings. The amendments to the Listing Rules have come into effect on 1 January 2009.

Accordingly, the Directors propose to seek the approval of Shareholders by way of passing a special resolution to be proposed at the AGM for the proposed amendments to the Articles to ensure compliance with the several amended provisions of the Listing Rules. The effect of the proposed amendments are as follows:

- (i) Notices of general meetings and relevant documents shall be delivered to the shareholders sufficiently in advance of the meetings as required in the new provisions of the Listing Rules, subject to other longer period as may from time to time be required under other applicable laws and regulations; and
- (ii) The Company shall be allowed to use its website and other electronic means to send or make available notices or documents to the shareholders and to permit the Company to deem consent on the part of the shareholders to corporate communications being made available to them solely on the Company's website in the manner as prescribed in the Listing Rules.

5. AGM

The notice convening the AGM to be held at Dezhou Hall, 1st Floor, Conference Centre, Shandong Hotel, Ma'an Shan Road, Jinan, Shandong, PRC, on Friday, 5 June 2009 at 9:00 a.m. is set out on pages 11 to 17 of this circular.

Enclosed with this circular is the form of proxy for use at the AGM. Such form is also available at the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk. 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 Rooms 1806-1807, 18/F, 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 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.

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.

LETTER FROM THE BOARD

6. RECOMMENDATION

The Directors believe that the grant of the Issue Mandate, the grant of Repurchase Mandate, the extension of the Issue Mandate, the re-election of Directors and the proposed amendments to the Articles 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.

7. GENERAL

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

By Order of the Board
ZHANG Caikui
Chairman

22 April 2009

APPENDIX I EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE

The following explanatory statement contains all the information required by the Listing Rules in connection with the Repurchase Mandate.

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 US\$0.01 each and the number of Shares in issue was 2,700,986,000.

Subject to the passing of the ordinary resolution for approving the Repurchase Mandate at the AGM and on the basis that no further Shares will be issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase up to a maximum of 270,098,600 Shares during the period in which the Repurchase Mandate remains in force. Any Shares repurchased pursuant to the Repurchase Mandate must be fully paid-up.

REASONS FOR THE REPURCHASE

The Directors believe that the Repurchase Mandate is in the interests of the Company and the Shareholders as a whole. Such repurchases 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 Repurchase Mandate to give the Company the flexibility to repurchase Shares if and when appropriate. The Directors will decide the number of Shares to be repurchased on each occasion and the price and other terms upon which the same are repurchased at the relevant time having regard to the circumstances then pertaining.

FUNDING OF REPURCHASE

It is envisaged that any repurchase would be funded out of funds legally available for such purpose under the Cayman Islands law and the Company's memorandum and articles of association. Under the Cayman Islands law, the Shares so repurchased will be treated as cancelled but the aggregate amount of authorized share capital will not be reduced. The working capital or gearing position of the Company could be adversely affected (as compared with the position disclosed in the audited consolidated financial statements of the Company for the year ended 31 December 2008) in the event that the proposed Repurchase Mandate were to be carried out in full at any time during the period which the Repurchase Mandate remains in force. However, the Directors do not propose to exercise the Repurchase 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.

CONNECTED PERSONS AND DIRECTORS' UNDERTAKING

None of the Directors nor (to their best knowledge and having made all reasonable enquiries) any of their associates (as defined in the Listing Rules) presently intend to sell Shares to the Company in the event that the Repurchase Mandate is granted by the Shareholders.

APPENDIX I EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE

No connected persons (as defined in the Listing Rules) of the Company have notified the Company of a present intention to sell Shares to the Company and no such persons have undertaken not to sell any such Shares to the Company in the event that the Repurchase Mandate is granted 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 make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Articles and the applicable laws of the Cayman Islands.

EFFECT OF TAKEOVERS CODE

If, as a result of a share repurchase, 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 the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, China Shanshui Investment Company Limited beneficially held 871,736,400 Shares, representing approximately 32.27% of the existing issued share capital of the Company. In the event that the Directors exercise the Repurchase Mandate in full in accordance with the terms of the ordinary resolution to be proposed at the AGM and assuming no further Shares are issued by the Company, the increase in the shareholding of China Shanshui Investment Company Limited in the Company to approximately 35.86% will give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. Save as disclosed above, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of exercising the Repurchases Mandate in full. The Directors do not intend to exercise the Repurchase Mandate to an extent which would trigger a mandatory offer under Rules 26 and 32 of the Takeovers Code. In addition, the Directors do not intend to exercise the Repurchase Mandate to an extent which would result in the number of Shares in the hands of the public falling below 25% of the issued share capital of the Company.

SHARE PURCHASES MADE BY THE COMPANY

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

APPENDIX I EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE

MARKET PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the calendar months preceding the Latest Practicable Date since the listing of the Shares on the Stock Exchange in July 2008 and up to that date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2008		
July	3.36	2.74
August	3.14	2.70
September	2.91	1.50
October	2.13	0.76
November	1.65	1.14
December	1.92	1.48
2009		
January	2.15	1.73
February	2.64	2.09
March	3.03	2.10
April (up to and including the Latest Practicable Date)	3.29	2.71

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

Mr. ZHANG Caikui, aged 58, has been appointed as our Chairman, Executive Director, General Manager and is the founder of our Group. Mr. Zhang was appointed the head of Shandong Cement Factory Co. Ltd. in 1986. With over 35 years of experience in the cement industry, Mr. Zhang is primarily responsible for the overall strategic planning and management of our Group. He has been the executive director and General Manager of Shandong Shanshui Cement Group Company Limited since its establishment in August 2001. Over the years, Mr. Zhang has held a number of honorary titles, including the Head of the Jinan Municipal Bureau (Association) of Building Materials from November 1995 to August 2004; the Vice President of the China Cement Association since October 2002 and the Routine Director of the China Entrepreneur Association since September 2003. He graduated from the University of Nankai with a Master's degree in Business Administration in December 2005 and is also the Jinan deputy of the Tenth National People's Congress. Mr. Zhang is the father of Mr. Zhang Bin, our senior management staff and one of our joint company secretaries.

Mr. JIAO Shuge (alias JIAO Zhen), aged 43, has been appointed as our Non-executive Director. He joined our Group on November 30, 2005. He is currently a managing director of CDH China Fund L.P., a non-executive director of China Yurun Food Group Company Limited, a company listed on the Hong Kong Stock Exchange (stock code 1068) and China Mengniu Dairy Company Limited, a company listed on the Hong Kong Stock Exchange (stock code 2319). From December 1995 to August 2002, Mr. Jiao was the deputy general manager of the direct investment department of China International Capital Corporation Limited. From September 1989 to January 1995, he was a researcher with Beijing Information and Control Research Institute. In addition to directorships in listed companies, Mr. Jiao has also been a director of various private companies. Mr. Jiao received a Bachelor's degree in Mathematics from Shandong University in 1986 and a Master's degree in Engineering from the Ministry of Space Industry Institute in 1989.

Mr. WANG Jian, aged 53, has been appointed as our Independent Non-executive Director since 13 June 2008. Mr. Wang is a senior accountant and a certified public accountant in the PRC. From 1996 to 2000, he was the chief accountant of Shandong Shengli Company Limited (stock code 407), or Shandong Shengli, a company listed on the Shenzhen Stock Exchange. From 2000 to 2003, he was the deputy general manager of Shandong Shengli. Mr. Wang left Shandong Shengli and joined a private company, Qilu Real Estate Company Limited in May 2003.

Save as disclosed above, each of the above Directors has no relationship with any other Directors, senior management or substantial shareholders or controlling shareholders of the Company. Besides, each of the above Directors, other than Mr. ZHANG Caikui, has no interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance. As at the Latest Practicable Date, Mr. ZHANG Caikui was interested, within the meaning of Part XV of the Securities and Futures Ordinance, in 871,736,400 Shares. The appointment of each of the above Directors is for a term of one year commencing from 1 July 2008, and shall continue thereafter subject to a maximum of three years unless terminated by the Company or the Director giving at least one month's notice in writing. The annual fee for each of the above Directors is RMB100,000.

Save as disclosed above, there is no information to be disclosed pursuant to Rule 13.51(2)(h) to (w) of the Listing Rules and there is no other matter relating to the re-election of the above Directors that needs to be brought to the attention of the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING



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 HEREBY GIVEN that the annual general meeting of China Shanshui Cement Group Limited (the “Company”) will be held at Dezhou Hall, 1st Floor, Conference Centre, Shandong Hotel, Ma’anshan Road, Jinan, Shandong, PRC, on Friday, 5 June 2009 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 2008.
2. To declare a final dividend for the year ended 31 December 2008.
3. To re-elect the retiring 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

NOTICE OF ANNUAL GENERAL MEETING

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 the Company, 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 the Company 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

NOTICE OF ANNUAL GENERAL MEETING

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 the Company 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 numbered 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 numbered 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 numbered 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.”

NOTICE OF ANNUAL GENERAL MEETING

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

“**THAT** the Articles of Association of the Company be and are hereby amended by:

- (a) adding the new entries in the following form to Article 2.2:

“electronic” shall have the meaning given to it in the Electronic Transactions Law;

“Electronic Transactions Law” means the Electronic Transactions Law (2003 Revision) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;

“electronic means” includes sending or otherwise making available to the intended recipients of the communication in electronic format;

“published on the Exchange’s website” shall mean published in English and Chinese on the Exchange’s website in accordance with the Listing Rules;

- (b) adding the following new Article 2.6: “Section 8 of the Electronic Transactions Law shall not apply.”
- (c) deleting the existing Article 4.7 in its entity and replacing it by the following: “The register may, on the Company giving at least 14 days’ notice 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 this Article with a certificate under the hand of the Secretary stating the period for which, and by whose authority, it is closed.”
- (d) deleting the existing Article 6.5 in its entity and replacing it by the following: “In addition to the giving of notice in accordance with Article 6.3, notice of the person appointed to receive payment of every call and of the times and places appointed for payment may be given to the members affected by notice 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.”

NOTICE OF ANNUAL GENERAL MEETING

- (e) deleting the existing Article 7.8 in its entirety and replacing it by the following: “The registration of transfers may, on the Company giving at least 14 days’ notice 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).”
- (f) adding “(or such longer period as may from time to time be required under the applicable laws and regulations, including without limitation to the Listing Rules)” immediately after the words “not less than 21 days’ notice in writing” in the second line of Article 12.4, and immediately after the words “not less than 14 days’ notice in writing” in the third line of Article 12.4;
- (g) adding “(or such longer period as may from time to time be required under the applicable laws and regulations, including without limitation to the Listing Rules)” immediately after the words “not less than 21 days” in the second line of Article 28.5;
- (h) adding “(or such longer period as may from time to time be required under the applicable laws and regulations, including without limitation to the Listing Rules)” immediately after the words “not less than 21 days” in the fifth line of Article 28.6; and
- (i) deleting the existing Article 30.1 in its entirety and replacing it by the following: “Except as otherwise provided in these Articles, any notice or document may be served by the Company and any notices may be served by the Board on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register or, to the extent permitted by the Listing Rules and all applicable laws and regulations, by electronic means, including but not limited to electronic mail number or address or website supplied by the member to the Company or by making it available for examination by the member using electronic means, including the posting of such notice or document on the Company’s websites or web pages, provided that if any such notice or document is to be sent or made available to any member by using electronic means, the Company and the Board must first have received from the relevant member (a) a written confirmation or (b) the member’s deemed consent, in the manner specified in the Listing Rules that the member wants to receive or to have made available to him such notice or document by the electronic means that the Company and the Board have suggested or (in the case of notice) by advertisement published in the manner prescribed under the Listing Rules. In the case of joint holders of a share, all notices shall be given to that holder for the time being one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders.”

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- (j) deleting the existing Article 30.4 in its entirety and replacing it by the following: “A member shall be entitled to have notice served on him at any address within Hong Kong. The Company shall give notice sufficient to enable members, whose registered addresses are in Hong Kong, to exercise their rights or comply with the terms of the notice. Any member who has not given an express positive confirmation in writing to the Company or is not deemed to have given an express confirmation in the manner specified in the Listing Rules to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by electronic means and whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to be his registered address. A member who has no registered address in Hong Kong shall be deemed to have received any notice which shall have been displayed at the transfer office and shall have remained there for a period of 24 hours and such notice shall be deemed to have been received by such member on the day following that on which it shall have been first so displayed, provided that, without prejudice to the other provisions of these Articles, nothing in this Article 168 shall be construed as prohibiting the Company from sending, or entitling the Company not to send, notices or other documents of the Company to any member whose registered address is outside Hong Kong.”

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 aforesaid amendments to the existing Articles of Association by the Company.”

By Order of the Board
ZHANG Caikui
Chairman

Hong Kong, 22 April 2009

Notes:

- (i) The register of shareholders of the Company will be closed from Tuesday, 2 June 2009 to Friday, 5 June 2009, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed dividends, 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 Rooms 1806-1807, 18/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Monday, 1 June 2009.
- (ii) 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.

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- (iii) 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.
- (iv) 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 Rooms 1806-1807, 18/F, 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.
- (v) As at the date hereof, the board of directors of the Company comprises 4 executive directors, namely ZHANG Caikui (Chairman and General Manager), LI Yanmin, 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.