

Notice of the 2002 Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Anhui Conch Cement Company Limited (the “Company”) in respect of the financial year ended 31 December 2002 will be held at the registered office of the Company at 9:00 a.m. on Friday, 16 May 2003 for the following purposes:

1. to consider and approve the report of the Board of Directors for the year ended 31 December 2002;
2. to consider and approve the report of the Supervisory Committee for the year ended 31 December 2002;
3. to consider and approve the audited financial statements prepared in accordance with the PRC accounting standards and the International Financial Reporting Standards respectively for the year ended 31 December 2002;
4. to consider and approve the proposal for the appropriation of profits for the year 2002 (details of which are set out in item No. 5 “Profit appropriation proposal” of the “Report of the directors” in this Annual Report);
5. to consider and approve the grant of a general mandate to the Board of Directors to declare the payment and fix the amount of the interim dividends for the financial year ending 31 December 2003;
6. to consider and approve the appointment of the PRC and international auditors of the Company and to authorise the Board of Directors to fix their remuneration;
7. to consider and approve the following resolution as an ordinary resolution:

To approve the investment by Anhui Tongling Hailuo Cement Company Limited (“Tongling Hailuo”), a non-wholly owned subsidiary of the Company, in the technological upgrading and expansion of two large-scale dry process clinker production lines with a daily production capacity of 10,000 tonnes each (the “Tongling Expansion Project”), the total planned investment for which will be approximately RMB2,000 million by applying Tongling Hailuo’s internal resources (which is approximately RMB726,130,000) and bank borrowings. (please see note 8 below);

8. to consider and approve the following resolution as a special resolution:
 - (a) That, subject to the limitations imposed by (c) and (d) below and in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Company Law, and other applicable rules and regulations of the PRC (in each case as amended from time to time), a general unconditional mandate be and it is hereby granted to the Board of Directors to exercise once or more than once during the Relevant Period (as defined below) all the powers of the Company to allot and issue new shares on such terms and conditions the Board of Directors may determine and that, in the exercise of their power to allot and issue shares, the authority of the Board of Directors shall include (without limitation):
 - (i) the determination of the class and number of the shares to be issued;
 - (ii) the determination of the issue price of the new shares;

- (iii) the determination of the opening and closing dates of the new issue;
 - (iv) the determination of the class and number of new shares (if any) to be issued to the existing shareholders;
 - (v) to make or grant offers, agreements and options which might require the exercise of such powers; and
 - (vi) in the case of an offer or allotment of shares to the shareholders of the Company, excluding shareholders who are resident outside the People's Republic of China or the Hong Kong Special Administrative Region on account of prohibitions or requirements under overseas laws or regulations or for some other reasons which the Board of Directors consider expedient;
- (b) upon the exercise of the powers pursuant to paragraph (a) above, the Board of Directors may during the Relevant Period make and grant offers, agreements and options which might require the shares relating to the exercise of the authority thereunder being allotted and issued after the expiry of the Relevant Period.
- (c) the aggregate amount of the overseas foreign listed shares to be allotted or conditionally or unconditionally agreed to be allotted and issued (whether pursuant to the exercise of options or otherwise) by the Board of Directors of the Company pursuant to the authority granted under paragraph (a) above (excluding any shares which may be allotted and issued upon the conversion of the capital reserve fund into capital in accordance with the Company Law of the PRC or the Articles of Association of the Company) shall not exceed 20% of the aggregate amount of the overseas foreign listed shares of the Company in issue as at the date of passing of this Resolution;
- (d) the Board of Directors of the Company in exercising the mandate granted under paragraph (a) above shall (i) comply with the Company Law, other applicable laws and regulations of the PRC, and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (in each case, as amended from time to time) and (ii) be subject to the approval of the China Securities Regulatory Commission and relevant authorities of the PRC;
- (e) for the purposes of this Resolution:
- “Relevant Period” means the period from the date of the passing of this Resolution until whichever is the earlier of:
- (i) the conclusion of the next annual general meeting of the Company; and
 - (ii) the date on which the mandate granted by this Resolution is revoked or varied by a special resolution of the shareholders in general meeting;

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- (f) the Board of Directors shall, subject to the relevant approvals being obtained from the relevant authorities and to the compliance with the Company Law and other applicable laws and regulations of the PRC, increase the Company's registered share capital corresponding to the relevant number of shares allotted and issued upon the exercise of the mandate given pursuant to paragraph (a) of this Resolution, provided that the registered share capital of the Company shall not exceed 120% of the amount of registered capital of the Company as at the date of passing of this Resolution;
- (g) subject to the Listing Committee of The Stock Exchange of Hong Kong Limited granting listing of, and permission to deal in, the H shares of the Company's share capital proposed to be issued by the Company and to the approval of the China Securities Regulatory Commission for the issue of shares being granted, the Board of Directors be and they are hereby authorised to amend, as they may deem appropriate and necessary, Articles 23, 24 and 27 of the Articles of Association of the Company to reflect the change in the share capital structure of the Company in the event of an exercise of the authority granted under paragraph (a) to allot and issue new shares (please see note 6 below).

By order of the Board
Zhang Mingjing
Company Secretary

6 March 2003

Notes:

1. Persons entitled to attend

Holders of H shares whose names appear on the register of members of the Company maintained by Hong Kong Registrars Limited at 4:00 p.m. on Wednesday, 16 April 2003 are entitled to attend the Annual General Meeting after completing the registration procedures for the meeting.

2. Registration for attendance at the Annual General Meeting

- (1) Holders of H shares who intend to attend the Annual General Meeting have to complete (without prejudice to their right of attendance) the reply slip below and deposit the same, together with copies of the transfers, share certificates or receipts of share transfer and their identity cards, at the legal address of the Company by Saturday, 26 April 2003. If proxies are appointed, shareholders shall also deposit the instrument of appointment of the proxy and a photocopy of the proxy's identity card with the Company.
- (2) Shareholders may deliver the documents required for registration to the registered office of the Company in person, by mail or by facsimile (86-553-311 4550). Upon receipt of the requisite documents, the Company will complete the registration procedures for attendance at the Annual General Meeting on behalf of the shareholder and send a duplicate copy of the meeting attendance

8. In order to capitalise to a greater extent on the rich and quality limestone resources attributable to Tongling Hailuo and the waterway and railway transportation advantages along Yangtze River, and to further expand the production scale of Tongling Hailuo, to enhance the degree of integration as well as to strengthen the market competitiveness of the Group, it is proposed that Tongling Hailuo will invest in the Tongling Expansion Project in accordance with the master development plan of the Company.

Upon completion of the Tongling Expansion Project, the total annual production capacity of clinkers by Tongling Hailuo will reach 9 million tonnes, which will not only significantly raise the Company's production scale in clinkers, but also effectively meet the demands for the Company's high quality clinkers in the Eastern China market. Upon commencement of production of the Tongling Expansion Project, the clinkers so produced will primarily be supplied to the Company's existing or proposed grinding mills. Any surplus clinker will be supplied to other grinding mills in the Eastern China region. Apart from certain key equipment (such as vertical grinds and clinker kilns) and components and technology that have to be imported, locally manufactured equipment will be purchased for the rest of the Tongling Expansion Project. Construction of the Tongling Expansion Project is planned to be completed in 18 months.

The total planned investment for the Tongling Expansion Project is approximately RMB2,000 million, of which approximately RMB726,130,000 and approximately RMB1,273,870,000 will be funded by internal resources and by bank borrowings respectively. It is estimated that the annual sales revenue will be increased by approximately RMB1,049,240,000. The Company and the other shareholders of Tongling Hailuo will not rule out the possibility of, after taking account of the construction progress and capital requirements of the Tongling Expansion Project, making additional capital injection in Tongling Hailuo in order to ensure that the Tongling Expansion Project will proceed smoothly.

The Tongling Expansion Project is subject to the approvals of the shareholders of the Company at the Annual General Meeting and the relevant PRC government departments. (The first announcement in respect of the Tongling Expansion Project is set out in the *Shanghai Securities Journal*, the *China Securities Journal*, *Hong Kong Commercial Daily* and *The Standard* on 22 November 2002.)