

NOTICE IS HEREBY GIVEN that the annual general meeting of Shanghai Allied Cement Limited (the "Company") will be held at Plaza I-III, Lower Lobby, Novotel Century Hong Kong Hotel, 238 Jaffe Road, Wan Chai, Hong Kong on Thursday, 23rd May, 2002 at 9:30 a.m. for the following purposes:

- (1) To receive and consider the audited financial statements and the reports of the directors and of the auditors for the nine months ended 31st December, 2001;
- (2) To re-elect the retiring directors and to authorise the board of directors of the Company to fix the directors' remuneration;
- (3) To re-appoint auditors and to authorise the board of directors of the Company to fix their remuneration; and
- (4) As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as Ordinary Resolutions:

A. "THAT:

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (defined as below) of all powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited ("Stock Exchange") or on any other stock exchange recognised, for this purpose by the Securities and Futures Commission and the Stock Exchange, subject to and in accordance with all applicable laws and requirements, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which the Company is authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution and the said approval shall be limited accordingly; and

- (c) for the purpose of this Resolution:

“Relevant Period” means the period from the time of 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 laws to be held; and
- (iii) the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

B. “THAT:

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and otherwise deal with additional shares in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares, which would or might require the exercise of such powers during or after the end of the Relevant Period, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as defined below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) an issue of shares upon the exercise of subscription rights or conversion rights under any warrants of the Company or any securities of the Company which are convertible into shares of the Company; (iii) an issue of shares as scrip dividends pursuant to the Bye-laws of the Company from time to time; or (iv) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees or directors of the Company and/or any of its

subsidiaries of shares in the capital of the Company or rights, to acquire shares in the capital of the Company shall not exceed aggregate of (i) 20 per cent. of the nominal amount of the share capital of the Company in issue as at the date of this Resolution; plus (ii) in addition, subject to the passing of Resolution No. 4C below, all those number of shares which may from time to time be purchased by the Company pursuant to the general mandate granted under Resolution No. 4A above, and the said approval shall be limited accordingly; and

(d) for the purpose of this Resolution:

“Relevant Period” means the period from the time of passing of this Resolution until whichever is the earlier 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 laws to be held; and
- (iii) the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means the allotment, issue or grant of shares pursuant to an offer open for a period fixed by the directors of the Company to holders of shares or any class thereof on the register of members of the Company on a fixed record date pro rata to their then holdings of such shares or class thereof (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 of any stock exchange in, any territory outside Hong Kong).

- C. “THAT** conditional upon the passing of Resolution Nos. 4A and 4B above set out in the notice of the meeting of which this resolution forms part, the aggregate nominal amount of the shares which are repurchased by the Company pursuant to and in accordance with Resolution No. 4A above shall be added to the aggregate nominal amount of the shares which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with Resolution No. 4B above, provided that such additional amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution.”

- (5) As special business, to consider and, if thought fit, pass with or without modification, the following resolution as Ordinary Resolution:

"THAT subject to and conditional upon the Listing Committee of the Stock Exchange granting approval to the listing of and permission to deal in the shares (i.e. shares of HK\$0.01 each of the Company (the "Shares")) to be issued pursuant to the exercise of any option to be granted of under the 2002 Share Option Scheme of the Company (the "Scheme"), the rules of which are contained in the document marked "A" produced to the meeting and for the purposes of identification signed by the Chairman thereof, and the passing of the necessary resolutions to approve and adopt the Scheme by the shareholders of Tian An China Investments Company Limited ("Tian An") at the annual general meeting of Tian An to be held on 31st May 2002; and subject to such amendments to the Scheme as the Stock Exchange may request, the Scheme be approved and adopted to be the new share option scheme of the Company and that the board of directors of the Company be and is hereby authorised to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give effect to the Scheme notwithstanding that they or any of them may be interested in the same."

- (6) As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

"THAT the authorized share capital of the Company be and is hereby increased from HK\$400,000,000 to HK\$500,000,000 by the creation of additional 10,000,000,000 shares of HK\$0.01 each ranking pari passu in all respects with the existing shares of HK\$0.01 each in the share capital of the Company."

By Order of the Board
Doris Yang Yan Tung
Company Secretary

Hong Kong, 8th April, 2002

*Head Office and Principal Place
of Business in Hong Kong:*

Units 803-805A, 8th Floor,
Allied Kajima Building,
138 Gloucester Road,
Wan Chai,
Hong Kong

Notes:

- (1) Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
- (2) To be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority must be deposited at the Hong Kong Branch Share Registrar of the Company, Secretaries Limited, 5/F., Wing On Centre, 111 Connaught Road Central, Hong Kong not less than 48 hours before the time appointed for holding the meeting.
- (3) An explanatory statement containing details of Resolution Nos. 4A to 4C above will be sent to shareholders of the Company together with the Company's annual report for the nine months ended 31st December 2001.
- (4) With regards to Resolution 5, a circular setting out the terms and conditions of the Scheme will be sent to shareholders in due course.