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HESHUN HOLDINGS COMPANY LIMITED

和順控股有限公司*

(Incorporated in Bermuda with limited liability)

PROPOSED CHANGE OF COMPANY'S NAME TO HESHUN SPECIALISED FIBRE HOLDINGS LIMITED

和順特種纖維控股有限公司*

The Board of Directors of the Company proposes to change the Company's name to "Heshun Specialised Fibre Holdings Limited" and, for the purpose of identification only, "和順特種纖維控股有限公司" as the new Chinese name of the Company in order to better reflect the main business activities of the Company and to enable the investors to have an easy recognition of the business of the Group.

A circular containing information on the proposed Change of Name together with a notice convening a special general meeting of the Company to consider and if thought fit to approve the Change of Name will be despatched to Shareholders of the Company as soon as possible.

The Board of Directors of the Company proposes that the name of the Company be changed to "Heshun Specialised Fibre Holdings Limited" ("Change of Name") subject to the passing of a special resolution by the Shareholders of the Company to approve the Change of Name at a special general meeting to be convened by the Company and the Registrar of Companies in Bermuda granting approval for the Change of Name. The proposed Change of Name is intended to better reflect the main business activities of the Company and to enable the investors to have an easy recognition of the business of the Group.

The effective date of the Change of Name will be the date on which the new name is entered by the Registrar of Companies in Bermuda on the register in place of the existing name. Upon the Change of Name becoming effective, all existing share certificates bearing the existing name of the Company will continue to be evidence of title to the ordinary shares of the Company and will continue to be valid for trading, settlement and registration purposes and the rights of the Shareholders in the Company will not be affected as a result of the proposed Change of Name. Should the Change of Name become effective, any issue of share certificates thereafter will be in the new company name and the securities of the Company will be traded on The Stock Exchange of Hong Kong Limited in the new name. A further announcement will be made should the proposed Change of Name become effective.

The Board of Directors has also resolved to adopt, for the purpose of identification only, "和順特種纖維控股有限公司" as the new Chinese name of the Company on the effective date.

A circular containing information on the proposed Change of Name together with a notice convening a special general meeting of the Company to consider and if thought fit to approve the Change of Name will be despatched to Shareholders of the Company as soon as possible.

By order of the Board
Heshun Holdings Company Limited
Chen Shunli
Chairman & Chief Executive Officer

Hong Kong, 5 November 2001

* For identification purpose only