



ANHUI CONCH CEMENT COMPANY LIMITED

安徽海螺水泥股份有限公司

(Incorporated in the People's Republic of China with limited liability)

(Stock Code:0914)

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2004

NOTICE IS HEREBY GIVEN that the First Extraordinary General Meeting of Anhui Conch Cement Company Limited (the "Company") will be held at the registered office of the Company at 9:00 a.m. on Tuesday, 29 June 2004 for the following purposes:

1. to consider and approve the connected transactions made between the Group (the Company and its subsidiaries), and Shanghai Conch Construction Material International Trading Company Limited ("Shanghai Conch Trading") and Shanghai Conch Logistics Company Limited ("Shanghai Conch Logistics"). The following two connected transactions will be voted as separate resolutions respectively:

- (1) (a) sales of cement and clinker products to Shanghai Conch Trading;
 - (b) to appoint Shanghai Conch Trading as an export agent of the Group for overseas markets responsible for exports of cement and clinker products;
 - (c) to appoint Shanghai Conch Trading as an import agent of the Group to import clinker and production equipment from overseas suppliers (including accessories and spare parts);
- (2) to appoint Shanghai Conch Logistics to provide shipping transportation services for the Group.

Details of the above transactions please refer to announcement of connected transaction;

2. to consider and approve the amendments made to part of the provisions of the Articles of Association of the Company according to the regulations and requirements of the China Securities Regulatory Commission, The Stock Exchange of Hong Kong Limited and the relevant authorities:

2.1 to change the heading of the original Chapter 5:

to change the heading from "Chapter 5 Financial Assistance for the Acquisition of the Shares in the Company" to "Chapter 5 Guarantee to External Parties and Financial Assistance for the Acquisition of the Shares in the Company";

2.2 to insert an additional article as Article 38A immediately before Article 38 of Chapter 5 of the original Articles of Association before the amendments made by the Company hereby and to redesignate Article 38 as Article 38B.

The details of the newly inserted article are as follows:

"Article 38A The Company shall not offer guarantee in favour of the controlling shareholder, other connected parties with shareholding of less than 50% and any other non-legal person entities or individuals; nor shall the Company provide liability guarantee directly or indirectly to parties with a gearing ratio of over 70%, other than subsidiaries of the Company.

When giving any guarantee in favour of entities other than the subsidiaries of the Company ("Guarantee to External Parties"), counter indemnity shall be required to be provided by the parties guaranteed, and the party providing the counter indemnity must possess actual performing ability.

The aggregate amount of Guarantee to External Parties provided by the Company shall not exceed 50% of the net asset value as reported in the consolidated financial statements of the latest financial year and shall require approval given in writing from at least 2/3 of the board of directors, or approval by the general meeting of the shareholders.";

2.3 addition to Article 58 of the original Articles of Association:

(1) The original provision:

"Apart from the obligations imposed by laws, administrative regulations or the listing rules of the stock exchange(s) the shares of the Company are listed, a controlling shareholder, when exercising his rights as a shareholder, shall not, by the virtue of the exercising of his voting rights, cause a decision to be made in a manner prejudicial to the interests of the shareholders as a whole or of some part of the shareholders in connection with the following matters:

- (a) to relieve a director or supervisor of his duty to act honestly in the best interests of the Company;
- (b) to approve the expropriation by a director or supervisor (for his own benefit or for the benefit of another person) in any manner of the Company's assets including (but not limited to) any opportunities beneficial to the Company; or
- (c) to approve the expropriation by a director or supervisor (for his own benefit or for the benefit of another person) of the individual rights of other shareholders, including (but not limited to) rights to distributions and voting right, but not including proposals for the restructuring of the Company submitted to and approved by the shareholders in accordance with the Articles of Association."

(2) The following is inserted to the end of the Article 58 as the second paragraph of the article:

"If the listing rules of the stock exchange(s) where the shares of the Company are listed require any shareholder to abstain from voting in respect of any resolution or issue considered at the general meeting, or to vote for or against only for a particular resolution or issue, the vote of any shareholder or his proxy who violates this requirement or restriction shall not be counted to the results of the voting, and the said shareholder(s) shall be counted in the quorum of the general meeting for considering the relevant resolution.";

2.4 amendments to Article 98 of the original Articles of Association:

(1) The original provision:

"The Company has a board of directors, and the board of directors shall consist of 8 directors, comprising 1 chairman, 5 executive directors (including the chairman) and 1 non-executive director and 2 independent non-executive directors."

(2) The Article is hereby amended as follows:

"The Company has a board of directors, and the board of directors shall consist of 8 directors, comprising 1 chairman, 5 executive directors (including the chairman) and 3 independent non-executive directors.";

2.5 amendments to the second clause of Article 100 of the original Articles of Association:

(1) The original provision:

"(2) The written notice of the intention to propose a candidate for election as director and the acceptance of proposal by the candidate, shall be sent to the Company at least 7 days before but not more than 42 days before the date of the relevant general

meeting."

(2) The Article is hereby amended as follows:

"(2) The written notice of the intention to propose a candidate for election as director and the acceptance of proposal by the candidate shall be sent to the Company not less than 7 days of notification. The commencement date of the period of notification aforesaid shall not be earlier than the day immediately following the day of sending the notice of general meeting for considering the election of directors, and the expiry date of the period of notification aforesaid shall not be later than 7 days prior to the date of the relevant general meeting.";

2.6 addition to Article 139 of the original Articles of Association:

(1) The original provision:

"The director, supervisor, general manager and other senior management, who is in any way, whether directly or indirectly, interested in a contract or transaction or arrangement made or proposed to be made (excluding employment contract made by the Company with the director, supervisor, general manager and other senior management), no matter whether such interest(s) is/are required to be approved by the board of directors under normal circumstances, shall immediately disclose the nature and the extent of his interest(s) to the board of directors.

The Company may cancel such contract or transaction or arrangement, unless the director, supervisor, general manager and other senior management has already disclosed his interest(s) to the board of directors in accordance with the foregoing paragraph of this article, and he has not been counted in the quorum and has abstained from voting in the general meeting approved the relevant issue; except that the other party of the contract, transaction or arrangement is an bona fida party without knowledge of the breach of obligation of the said director, supervisor, general manager and other senior management.

If a person connected with a director, supervisor, general manager or other senior management is interested in a contract or transaction or arrangement, such director, supervisor, general manager and other senior management shall also be deemed interested therein."

(2) The following is inserted to the end of the Article 139 as the fourth paragraph of the article:

"'Relevant parties' referred in Article 139 and Article 136 shall include the "associates" within the meaning of the listing rules of The Stock Exchange of Hong Kong; interested directors shall not be counted in the quorum, nor exercise the voting right at the board meeting for considering to approve the relevant issues or proposals."

By order of the Board
Zhang Mingjing
Company Secretary
11 May 2004

Notes:

1. Persons entitled to attend the meeting

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 Friday, 28 May 2004 are entitled to attend this First Extraordinary General Meeting after completing the registration procedures for the meeting.

2. Registration for attendance at this First Extraordinary General Meeting

(1) Holders of H-shares who intend to attend this First Extraordinary General Meeting have to complete (without prejudice to their right of attendance) the reply slip attached 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 Wednesday, 9 June 2004. If proxies are appointed, shareholders shall also deposit the instrument of appointment 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 this First Extraordinary General Meeting on behalf of the shareholder and send a duplicate copy of the meeting attendance card to the shareholder by mail or by facsimile. Shareholders attending the meeting must produce the duplicate copies or facsimile copies of the meeting attendance cards and exchange them for formal meeting attendance cards.

3. Appointment of Proxies

(1) Every shareholder entitled to attend and vote at the General Meeting is entitled to appoint in writing one or more proxies (whether being a shareholder of the Company or not) to attend and vote at the meeting on his behalf.

(2) Proxies of the shareholders must be appointed in writing and the appointment must be signed by the shareholders or their agents who have been duly authorised in writing. If the instrument of appointment is signed by an agent of the shareholder, the power of attorney or other authority of the agent must be notarially certified. In order to be valid, the notarially certified copy of such power of attorney or other authority, together with the instrument of appointment, shall be deposited at the Company's registrar for H shares, Hong Kong Registrars Limited at the address given in Note 4 below, not less than 24 hours before the time of the commencement of this First Extraordinary General Meeting.

(3) If a shareholder appoints more than one proxy, his proxies may only exercise his appointor's voting rights if the resolution concerned is to be decided by poll.

4. The register of members of the Company will close from 4:00 p.m. on Friday, 28 May 2004 to Tuesday, 29 June 2004, both days inclusive. In order to qualify for attendance at this First General Meeting, transfers accompanied by share certificates and other appropriate documents must be lodged with the Company's share register and transfer office for H shares, Hong Kong Registrars Limited at Rooms 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by 4:00 p.m. on Friday, 28 May 2004.

5. The General Meeting is expected to take half a day. Shareholders or their proxies attending the meeting should bear their own lodging and travelling costs.

6. The votes approving resolution no.1 above must be taken by poll.

7. As at the date of this notice, the board of Directors comprises (i) Messrs Guo Wensan, Li Shuman, Yu Biao, Zhu Dejin and Guo Jingbin as executive directors, and (ii) Mr Wang Yanmou, Mr Kang Woon and Ms Xue Tongzu as independent non-executive Directors.