

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 2000 Annual General Meeting of the Company will be held on 16th May, 2001, at Angang Dong Shan Hotel, 108 Dong Feng Street, Tie Dong District, Anshan City, Liaoning Province, the People's Republic of China for the purpose of considering and, if thought fit, passing the following ordinary resolutions:

AS ORDINARY RESOLUTIONS

1. to consider and approve the 2000 report of the board of directors of the Company;
2. to consider and approve the 2000 report of the supervisory committee of the Company;
3. to consider and approve the audited financial statements of the Company as at 31st December, 2000;
4. to consider and approve the proposed profit distribution plan of the Company for 2000;
5. to determine the remuneration of the directors and the supervisors of the Company for 2001; and
6. to consider and approve the appointment of KPMG (Certified Public Accountants in Hong Kong) and KPMG Peat Marwick Huazhen (Registered Accountants in the People's Republic of China (excluding Hong Kong)) as the Company's international and domestic auditors, respectively, for 2001, to hold office until the conclusion of the 2001 Annual General Meeting, and to authorise the board of directors of the Company to determine their remuneration.

By Order of the Board

Fu Ji Hui

Company Secretary

Anshan City, Liaoning Province, the PRC

21st March, 2001

The Registered Office:

No. 396, Nan Zhong Hua Lu,
Anshan City, Liaoning Province,
The People's Republic of China.

Notes:

- (A) Holders of the Company's H shares whose names appear on the register of members of the Company at the close of business on 12th April, 2001 are entitled to attend the Annual General Meeting with their passports or other identity papers.
- (B) The register of members of the Company will be closed from 17th April, 2001 to 16th May, 2001, both days inclusive, during which time no share transfer will be effected.
- (C) Each shareholder who has the right to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies, whether they are shareholders or not, to attend and vote on his behalf at the Annual General Meeting.
- (D) A proxy of a shareholder who has appointed more than one proxy may only vote on a poll.
- (E) The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorised in writing. If that instrument is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign, or other documents of authorisation, must be notarially certified. To be valid, the notarially certified power of attorney, or other documents of authorisation, and the form of proxy must be delivered to the Company's registrar, HKSCC Registrars Limited of 2nd Floor, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong not less than 24 hours before the time appointed for the holding of the Annual General Meeting.
- (F) Shareholders intending to attend the Annual General Meeting should return the reply slip (which will be despatched to the shareholders with the Company's 2000 annual report) to the Secretary's Office of the Company before 25th April, 2001 personally or by mail, cable or facsimile. Failure to return the reply slip will not affect shareholders' rights to attend in person.

(G) The Annual General Meeting is expected to last half a day. Shareholders attending the Annual General Meeting are responsible for their own transportation and accommodation expenses.

(H) The details of the Secretary's Office of the Company are as follows:-

No. 396, Nan Zhong Hua Lu
Anshan City, Liaoning Province
The People's Republic of China
Postal Code : 114003
Tel : 0412-633 4292
Fax : 0412-672 7772