

RESIGNATION OF DIRECTORS AND ELECTION OF NEW DIRECTORS AND SUPERVISORS

On 29 May 2001, the Company convened its 2001 Annual General Meeting of Shareholders, at which the resignation of Mr. Wang Zhanyi as independent non-executive director of the Company; the election of Ms. Zang Dihua as independent non-executive director of the Company; the election of Mr. Zhang Wensheng and Ms. Zhang Yang as executive directors of the Company; and, the election of Ms. He Kun as supervisor of the Company were considered and approved. On the same date, the Company held its Directors' meeting, at which the election of Mr. Zhang Wensheng as Vice-chairman of the second Board of Directors of the Company was considered and approved.

On 20 June 2001, Mr. Chen Yongde, the Company's executive director, tendered to the Company his written resignation from executive director of the Company with effect from the same date.