

## An overview of the shareholders' general meetings

The Company held two shareholders' general meetings in 2001, including 2000 annual general meeting and 2001 extraordinary general meeting:

1. In respect of convening and holding of Annual General Meeting 2000, the Company published the time, place, resolutions to be considered and approved and other businesses together with the notice of general meetings by way of announcements on Shanghai Securities, Hong Kong Wen Wei Po and Hong Kong iMail. The notice of general meetings had also been sent by pre-paid post to the H Shares shareholders of the Company.

The Company held the Annual General Meeting 2000 at 2/F., Buckingham Palace Room, Tianjin Lizunde Hotel, 33 Taiyehuan Road, He Ping District, Tianjin, the PRC on 8th May 2001. There were 6 shareholders holding 1,167,359,100 shares, representing 87.77% of the total number of the Company's shares, present in person or by proxy at the AGM in compliance with the relevant provisions of the Company Law and Articles of Association. The General Manager, Ms Ma Baiyu, was the chairlady of the Meeting.

The Meeting passed the following resolutions by way of a show of hands:

- (1) The Report of Directors of the Company 2000 was considered and approved;
- (2) The Report of the Supervisory Committee 2000 was considered and approved;
- (3) The Accounts of the Company for 2000, as respectively audited by the PRC and international certified public accountants, were considered and approved;
- (4) The profits appropriation plan of the Company for 2000 was considered and approved;
- (5) The appointment of certified public accountants as auditors of the Company was considered and approved;
- (6) The 2001 development plan of the Company was considered and approved;
- (7) The amendments of the Articles of Association of the Company was considered and approved;
- (8) The authorization of the Board of Directors on allotment and issue of new (H) shares was considered and approved.

The resolutions of the Shareholders' General Meeting were published in Shanghai Securities, Hong Kong Wen Wei Po and Hong Kong iMail on 9th May 2001.

2. In respect of convening and holding of the Extraordinary General Meeting for 2001, the Company published the time, place, resolutions to be considered and approved and other businesses together with the Notice of Extraordinary General Meetings by way of announcements on Shanghai Securities on 25th September 2001, Hong Kong Wen Wei Po and Hong Kong iMail on 26th September 2001. The Notice of Extraordinary General Meeting had also been sent by pre-paid post to the H Shares shareholders of the Company.

The Company held the Extraordinary General Meeting for 2001 at the Conference Room, Level 2, Sheraton Tianjin Hotel, Zi Jin Shan Road, He Xi District, Tianjin, the PRC on 12th November 2001. There were 2 shareholders holding 840,282,750 shares, representing 63.18% of the total number of the Company's shares, present in person or by proxy at the extraordinary general meeting, in compliance with the relevant provisions of the Company Law and Articles of Association. The General Manager, Ms Ma Baiyu, was the chairlady of the Meeting.

The Meeting passed the following resolutions by way of a show of hands:

- (1) The execution of the Transfer Agreement for Beicang Sewage Treatment Plant (under construction) entered into between Tianjin Sewage Company and the Company on 24th September 2001 was considered and approved;
- (2) The execution of the Transfer Agreement for the expansion project of the Jizhuangzi Sewage Treatment Plant (under construction) entered into between Tianjin Sewage Company and the Company on 24th September 2001 was considered and approved;
- (3) The execution of the Transfer Agreement for Xianyanglu Sewage Treatment Plant (under construction) entered into between Tianjin Sewage Company and the Company on the 24th September 2001 was considered and approved;
- (4) The execution of (i) the agreement on the fees for the expansion project of the Sewage Treatment Plants entered into between Tianjin Sewage Company and the Company on 24th September 2001 and the annual caps for this ongoing connected transaction; and (ii) the revision to the Sewage Water Processing Agreement pursuant to the Sewage Water Plants fee Agreement and the annual caps for this ongoing connected transaction was considered and approved;
- (5) The replacement of original construction project contract after the transfer of construction-in-progress project of Sewage Water Plant Contract and the annual caps for this ongoing connected transaction was considered and approved;
- (6) The execution of the Agreement for the project management of the construction of Haihe Bridge entered into between the Company and Tianjin Municipal Investment Company Limited on 24th September 2001 and the annual caps for this ongoing connected transaction was considered and approved;
- (7) The Company's Ongoing Connected Transactions (including the Contractor Contracts, the Haihe Bridge Management Agreement and the Sewage Water Plants Fee Agreement) and their respective upper limits on the annual caps in any financial year under the waiver application was considered and approved;

- (8) The Directors were hereby authorized for and on behalf of the Company, among other matters, to sign, execute, perfect, deliver or to authorize signing, executing, perfecting and delivering all such agreements and contracts including but not limited to the Agreement on the fees for the expansion project of the Sewage Treatment Plants, Contractor Contracts and Haihe Bridge Management Agreement, and to do or authorize doing all such acts, matters and things as they may in their discretion consider necessary, expedient or desirable to give effect to and implement the Ongoing Connected Transactions pursuant to the Agreement on the fees for the expansion project of the Sewage Treatment Plants, Contractor Contracts and Haihe Bridge Management Agreement, and to waive compliance from or make and agree such variations of a non-material nature to any of the terms of any of the Agreement on the fees for the expansion project of the Sewage Treatment Plants, Contractor Contracts and Haihe Bridge Management Agreement as they may in their discretion consider to be desirable and in the interest of the Company;
- (9) The resolution of amendment on the Articles of Association of the Company was considered and approved.

The Announcement of Results of the Extraordinary General Meeting was published in Shanghai Securities, Hong Kong Wen Wei Po and Hong Kong iMail on 13th November 2001.

3. Election and change of directors and supervisors:

During the reporting period, Mr. Jing Shikui resigned as a Supervisor of the Company. The Company resolved to approve the resignation of Mr. Jing Shikui from the office of Supervisor and elected Mr. Zhang Mingqi as the Supervisor representing the Company staff on 19th September 2001 for a term of three years.