

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 2002 Annual General Meeting of the Company will be held at Conference Room on 3/F, Angang Dong Shan Hotel, 108 Dong Feng Street, Tie Dong District, Anshan City, Liaoning Province, the People's Republic of China at 9:00 a.m. on 23 May 2003 for the purpose of considering and, if thought fit, passing the following resolutions:

1. to consider and approve the 2002 report of the board of directors of the Company;
2. to consider and approve the 2002 report of the supervisory committee of the Company;
3. to consider and approve the 2002 audited financial statements of the Company as at 31 December 2002;
4. to consider and approve the proposed profit distribution plan of the Company for 2002;
5. to determine the remuneration of the directors and the supervisors of the Company for 2002;
6. to consider and approve the appointment of the auditors for 2003 and to authorise the board of directors of the Company to determine their remuneration;
7. to consider and approve the election of the members of the third board of directors of the Company; and
8. to consider and approve the election of the members of the third supervisory committee of the Company.

By order of the Board

Fu Ji Hui

Company Secretary

Liaoning Province, the PRC

31 March 2003

Registered Office:

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

Notice of Annual General Meeting *(Continued)*

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 23 April 2003 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 24 April 2003 to 23 May 2003, 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 in respect of the shares actually held.
- (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, Hong Kong Registrars Limited of Rooms 1901-5, 19th Floor, Hopewell Centre, 183 Queen's Road East, 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 2002 annual report) to the Secretary's Office of the Company before 2 May 2003 personally or by mail, facsimile or cable. Failure to return the reply slip will not affect shareholders' rights to attend in person.
- (G) It is expected that the general meeting will last for half a day. The expenses for travelling and accommodation shall be borne by the shareholders.
- (H) The address of the Secretarial Office:

No. 396 Nan Zhong Hua Road
An Shan City
Liaoning Province
Peoples' Republic of China
Post Code: 114003
Tel: 0412-633 4292 / 633 4293
Fax: 0412-672 7772
Contact Persons: Chen Qishuang and Jiang Yucong