

SUMMARY OF SHAREHOLDERS' MEETING

During the reporting period and up to the date of this report, the Board held one AGM and one EGM.

1. At the 11th meeting of the 2nd term of the Board held on 27 February 2002, a notice was issued to hold the 1st 2002 EGM. The notice of 1st 2002 EGM was published in China Securities, Shanghai Securities, Hong Kong Economic Daily and The Standard on 8 February 2002. In the morning of 27 March 2002, the 1st 2002 EGM was held at the conference room of the Company. Three shareholders and authorised representatives holding a total of 731,556,999 shares, representing 90.22% of the total issued share capital of the Company, were present and were sufficient to form a quorum for the meeting in accordance with the PRC Company Law and the Company's Articles of Association. The Company's Directors and Supervisors were present at the EGM. The 1st 2002 EGM passed the following resolutions:

- (a) the resignation of Mr. Chen Xiangzhi, as Director, and nominated Mr. Zhou Yuejin as his successor;
- (b) the establishment of a Remuneration and Evaluation Committee;
- (c) the implementation of a long-term incentive scheme.

The resolution notice of the EGM was disclosed in China Securities, Shanghai Securities, Hong Kong Economic Daily and The Standard on 28 March 2002.

2. At the 13th meeting of the 2nd term of the Board held on 4 April 2002, a notice was issued to hold the 2001 AGM. The notice of the 2001 AGM was disclosed in China Securities, Shanghai Securities, Hong Kong Economic Daily and The Standard on 8 April 2002. In the morning of 7 July 2002, the 2001 AGM was held at the conference room of the Company. Two shareholders and authorised representatives holding a total of 513,050,000 shares, representing 63.27% of the issued share capital of the Company, were present and were sufficient to form a quorum for the meeting in accordance with the PRC Company Law and the Company's Articles of Association. The Company's Directors and Supervisors were present at the AGM. The AGM passed the following resolutions:

- (a) the 2001 Directors' Report;
- (b) the 2001 Report of the Supervisory Committee;
- (c) the 2001 audited accounts;
- (d) the 2001 auditors' reports;
- (e) the re-appointment of Guangzhou Yangcheng Certified Public Accountants Co., Ltd. and PricewaterhouseCoopers as domestic and international auditors respectively, and granted mandate to the Board to determine auditors' remunerations.
- (f) the scheme of profit distribution and dividend payment for 2001;
- (g) authorised the Board to determine the remuneration of the Directors and Supervisors for 2002;
- (h) the implementation of a long-term incentive scheme for 2002;
- (i) the amendments to the Company's Articles of Association
- (j) the Rules of Shareholders' Meeting
- (k) authorised the Board to allot and issue new shares in accordance with the relevant rules and regulations during the relevant period and authorised the Board to make any necessary amendments to the Company's Articles of Association and to register such changes with the relevant authorities.

The resolution notice of the 2001 AGM was disclosed in China Securities, Shanghai Securities, Hong Kong Economic Daily and The Standard on 10 June 2002.