

## Summary of Shareholders' Meeting

1. On 14 May 2004, the Company issued a notice to hold its 2003 AGM and the 2003 AGM was held at the Conference Centre of Yihua Hotel in Yizheng City, Jiangsu Province, PRC on 30 June 2004. Shareholders and their authorised representatives, holding 3,751,017,099 shares, representing 93.78% of the Company's total issued shares, were present at the 2003 AGM, the quorum of the meeting was formed in accordance with the Articles of Association of the Company and Company Law.

The 2003 AGM considered and passed the report of the Board for 2003, the report of the Supervisory Committee for 2003, the report of the Independent Supervisors, the audited financial statements and the report of the auditors of the Company for 2003, the scheme of profit distribution of the Company for 2003, the re-appointment of KPMG Huazhen and KPMG as domestic and international auditors of the Company respectively for 2004, and that the Board was authorised to fix the remuneration of the auditors, the resolution regarding amendments to the Rules of Proceedings for Shareholders' General Meetings; and there are two special resolutions: 1. amendments to the Company's Article of Association; 2. resolution regarding that the Company can place or publicly offer shares during the relevant period, representing not more than twenty per cent of the existing issued overseas listed foreign capital shares.

The resolution announcement of the 2003 AGM was disclosed in China Securities, Shanghai Securities News, Securities Times on 1 July 2004, Hong Kong Economic Times and South China Morning Post on 2 July 2004.

2. On 2 July 2004, the Company issued a notice of the EGM, which was held at the Conference Centre of Yihua Hotel in Yizheng City, Jiangsu Province, PRC on 26 August 2004. Shareholders and their authorised representatives, holding 3,751,761,099 shares, representing 93.79% of the Company's total issued shares, were present at the EGM, the quorum of the meeting was formed in accordance with the Articles of Association of the Company and the Company Law.

The EGM elected Mr. Shen Xi-jun, Cao Yong and Mr. Li Zhen-feng as Directors of the fourth term of the Board.

The resolution announcement of the EGM was disclosed in China Securities, Shanghai Securities News and Securities Times, Hong Kong Economic Times and South China Morning Post on, on 27 August 2004.

