

Disclosure of Major Events

I. SIGNIFICANT LITIGATION OR ARBITRATION

The Group had no significant litigation or arbitration during the Reporting Period.

II. SIGNIFICANT DISPOSAL OF ASSETS, OR MERGER AND ACQUISITION

During the Reporting Period, there is no significant disposal of assets, or merger and acquisition activities occurred in the Company, its subsidiaries or associated companies.

III. CONNECTED TRANSACTIONS

On 27 April 2005, the Company and GPL entered into a revised agreement which governs the daily purchases and sales between both parties. The agreement and the transactions contemplated thereunder was considered and approved at the Board meeting held on 27 April 2005 and the 2004 AGM held on 30 June 2005 respectively.

The announcement of the continuing connected transaction was published on Shanghai Securities in the PRC on 1 July 2005, Hong Kong Economic Times and The Standard in Hong Kong on 4 July 2005 respectively.

All of the above connected transactions have been considered and passed at Board meetings of the Company, and the independent directors of the Company have issued independent opinions thereon. In addition, those connected transactions have been considered and passed at AGM of the Company. All of the connected transactions mentioned above have complied with the relevant laws and regulations and relevant procedures have been completed.

Details of the connected transactions were set out on page 44.

IV. MAJOR CONTRACTS AND THEIR PERFORMANCE

1. During the Reporting Period, the Group did not hold on trust, sub-contract or rent assets of other companies or vice versa, which generated profit that accounted for 10% or more of the total profits for the Year.
2. The Company did not provide any guarantee in favor of any third parties during the Reporting Period.

Save as the aforementioned, the Company was not involved in other major contracts.

V. DURING THE REPORTING PERIOD, THE COMPANY HAS NOT HAD ANY TRUSTED FUND MANAGEMENT ACTIVITIES.

Disclosure of Major Events

- VI. DURING THE REPORTING PERIOD, THE COMPANY AND ITS SHAREHOLDERS, HOLDING MORE THAN 5% OF SHARES OF THE COMPANY, HAVE NOT DISCLOSED ANY UNDERTAKINGS IN DESIGNATED NEWSPAPERS AND WEBSITES.**

According to the relevant rules and regulations of the CSRC, the Company has been engaging in the share reform. The Company announced the Share Reform Plan proposed by its non-circulating shareholders on 15 March 2006, and the relevant work relating to the Share Reform Plan is expected to be completed by the first half of 2006.

- VII. AS AT 31 DECEMBER 2005, THE CONSTRUCTION AND EQUIPMENT COMMITMENTS THAT WERE CONTRACTED BY THE GROUP BUT NOT PROVIDED FOR BY THE COMPANY WAS RMB61,448,000. THE LEASE COMMITMENTS THAT WERE CONTRACTED BUT NOT PROVIDED FOR BY THE COMPANY AMOUNTED TO RMB84,928,000.**

- VIII. DURING THE REPORTING PERIOD, THE COMPANY HAS PAID AUDITOR'S REMUNERATION OF RMB900,000 AND RMB2,400,000 TO GUANGDONG YANGCHENG CERTIFIED PUBLIC ACCOUNTANTS CO., LTD., AND PRICEWATERHOUSECOOPERS RESPECTIVELY. OF THE AMOUNT PAID TO GUANGDONG YANGCHENG CERTIFIED PUBLIC ACCOUNTANTS CO., LTD., RMB800,000 WAS FOR 2004 ANNUAL AUDIT, RMB100,000 WAS FOR THE 2005 INTERIM REVIEW. AN AMOUNT OF RMB2,040,000 PAID TO PRICEWATERHOUSECOOPERS WAS FOR THE 2004 ANNUAL AUDIT AND RMB360,000 WAS FOR THE 2005 INTERIM REVIEW. BOTH THE DOMESTIC AND INTERNATIONAL AUDITORS HAVE PROVIDED AUDIT SERVICES TO THE COMPANY FOR 8 YEARS.**

- IX. NO PUNISHMENT WAS IMPOSED ON THE COMPANY OR ANY OF ITS DIRECTORS, SUPERVISORS OR SENIOR MANAGEMENT BY THE REGULATORY BODIES DURING THE REPORTING PERIOD.**

- X. SAVE AS THOSE DISCLOSED ABOVE, THE GROUP DID NOT HAVE ANY OTHER SIGNIFICANT EVENT DURING THE REPORTING PERIOD.**