

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(1) CHANGE OF DIRECTOR, SUPERVISOR OR SENIOR MANAGEMENT

The term of office of the third board of directors of the Company expired on 15 June 2006. Members of a new board of directors were elected at the annual general meeting of the Company on 15 June 2006. Other than the new appointment of Mr. Tu Shutian and Ms. Zhang Rui as independent non-executive Directors and the retirement of Mr. Shi Zhongliang and Mr. Liu Xinxi, who had served as the independent non-executive Directors for two consecutive terms and cannot be re-appointed according to the relevant regulations, the other members of the third board of directors of the Company were re-elected as Directors of the new board of Directors.

The term of office of the third Supervisory Committee of the Company expired on 15 June 2006. Members of a new Supervisory Committee were elected at the annual general meeting of the Company on 15 June 2006. The members of the third Supervisory Committee, namely Mr. Wang Maoxian, Mr. Li Ping and Mr. Gan Chengjiu, were elected as members of the new Supervisory Committee. Mr. Li Baomin and Mr. Hu Faliang, the members of the third Supervisory Committee, were recommended as the members of the new Supervisory Committee as representatives of staff and workers which was confirmed at the annual general meeting.

(2) INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN SHARES

As at 30 June 2006, none of the Directors or supervisors or chief executives of the Company had any interests or short positions in any shares, any underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) as required to be recorded in the register of the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

(3) MOVEMENT TO SHAREHOLDINGS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

During the reporting period, there was no movement to shareholdings of the Company's Directors, supervisors or senior management.

(4) RIGHT TO PURCHASE SHARES OR DEBENTURES

During the six months ended 30 June 2006, none of the Directors, supervisors, chief executives of the Company, or their respective associates had been granted any rights to subscribe any shares or debt securities of the Company nor had exercised any of such rights.

At no time during the six months ended 30 June, 2006 was the Company, its holding company or any of its subsidiaries or fellow subsidiaries a party to any arrangements which would enable any of the Directors, supervisors or chief executive of the Company to acquire benefit by means of acquisition of shares in or debt securities of the Company or any other body corporates.