

Shareholder's General Meeting

A. The Company convened the first 2007 Extraordinary General Meeting (“EGM”) at its headquarters on 3 April 2007. The notice of the EGM was published in the China Securities Journal, Shanghai Securities News, Hong Kong Ta Kung Pao and The Standard on 16 February 2007. A total of 29 shareholders of the Company or duly authorized proxies attended the meeting, representing 578,664,251 shares or 88.34% in the Company’s total share capital, which was in compliance with the regulations of the Company Law of the PRC and the Articles of Association.

(1) The following resolutions were passed at the EGM as ordinary resolutions:

The proposed Continuing Connected Transactions between the Group and PEGL and its subsidiaries (for purpose of the Annual Report, excluding the Group) (the “PEGL Group”) and their Annual Caps for the years 2007 to 2009 were considered and approved; and the Directors were authorized to take all steps necessary to give effect to and implement the Continuing Connected Transactions.

(2) The EGM was witnessed by Mr. Jing Zhong of Jiangsu FD Yongheng Law Firm and a legal opinion was issued certifying the meeting was legally and validly held.

The announcement of the above resolutions was published in the China Securities Journal, Shanghai Securities News, Hong Kong Ta Kung Pao and The Standard on 4 April 2007.



Shareholder's General Meeting

B. The Company held its AGM on 12 June 2007 at its headquarters. The notice of the AGM was published in China Securities Journal, Shanghai Securities News, Hong Kong Ta Kung Pao and The Standard on 26 April 2007. A total of 32 shareholders of the Company and duly authorized proxies attended the meeting, representing 575,857,020 shares or 87.92% of the Company's total share capital, which was in compliance with the regulations of the Company Law of the People's Republic of China and the Articles of Association of the Company.

1. The following resolutions were passed at the AGM as ordinary resolutions:

- (1) The Report of the Board for the year 2006 of the Company was approved.
- (2) The Report of the Supervisory Committee for the year 2006 of the Company was approved.
- (3) The audited financial report for the year 2006 of the Company was approved.
- (4) The Company's proposed profit appropriation plan (after tax) for the year 2006 was approved, that the Company resolved neither profit appropriation nor capitalisation of capital reserve for the year 2006 would be made.
- (5) The re-appointment of Horwath Hong Kong CPA Limited and Yue Hua Certified Public Accountants Company Limited as the Company's international and PRC auditors respectively for the year 2007 was approved, and the Board was authorized to fix their remuneration.
- (6) The election of Mr. Li Anjian, Mr. Xu Guofei, Ms. Liu Ailian, Mr. Zhu Lifeng, Mr. Shi Qiusheng and Mr. Lu Qing as Directors of the Sixth Board of the Company and the election of Mr. Cai Lianglin, Mr. Ma Chung Lai, Lawrence and Mr. Tang Yousong as Independent Directors of the Sixth Board of the Company, all with a term of three years, were approved. The Board was authorised to fix the remuneration of Directors and Independent Directors of the Sixth Board of the Company, subject to an aggregate limit of not more than RMB2,600,000.
- (7) The election of Ms. Zhang Zhengping as Supervisor of the Sixth Supervisory Committee of the Company and the election of Mr. Wu Shiyuan and Ms. Sun Suhua as Independent Supervisors of the Sixth Supervisory Committee of the Company, all with a term of three years, were approved. The Supervisory Committee was authorised to fix the remuneration of Supervisors and Independent Supervisors of the Sixth Supervisory Committee of the Company, subject to an aggregate limit of not more than RMB500,000.

2. The AGM was witnessed by Mr. Xu Guojie of Jiangsu FD Yongheng Law Firm that issued a legal opinion certifying the meeting was legally and validly held.

The announcement of the above resolutions was published in the China Securities Journal, Shanghai Securities News, Hong Kong Ta Kung Pao and The Standard on 13 June 2007.

