

Account of Annual General Meeting

ACCOUNT OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company for the year 1999 was held on 2nd June, 2000 at 23 Ciba Road, Kunming Yunnan Province, the PRC. Shareholders, authorized agents or representatives of shareholders who in aggregate held 178,899,399 shares, representing 73.02% percent of the total number of issued shares of the Company, intended to attend the meeting. And shareholders, authorized agents or representatives of shareholders who in aggregate held 120,007,400 shares, representing 48.98 percent of the total issued shares, actually attended the meeting. The following resolutions were approved unanimously by the shareholders in the Annual General Meeting by way of ordinary resolutions:

1. Approval of the report of the Directors of the Company for the year 1999;
2. Approval of the report of the Supervisory Committee of the Company for the year 1999;
3. Approval of the audited financial statements of the Company for the year 1999;
4. Approval of the Company's profit appropriation for the year 1999. The Company incurred a loss and no distribution was made;
5. Approval of the reappointment of Messrs. Deloitte Touche Tohmatsu and Messrs. Deloitte Touche Tohmatsu Shanghai Certified Public Accountants as the Company's auditors for the year 2000 and authorize the Directors to fix their remunerations.
6. Election of Mr. Gao Yangren as the Company's Director.