

1. Shareholding of Directors and Supervisors

As at 30th June 2002, records show that none of the directors, supervisors, key officers of the Company or their respective associates held any interest in the registered share capital of the Company or its associate companies.

During the period, neither the Company nor its associate companies had any arrangement pursuant to which its directors, supervisors, key officers or their respective associates could obtain any benefits through subscribing the shares or debentures in the Company or its associate companies.

2. Appointments and Resignations of Directors, Supervisors and Senior Management

According to the “Guiding Opinions on the Establishment of a System of Independent Directors by Listed Companies” issued by the China Securities Regulatory Commission (“CSRC”), the Company has adjusted the composition of the Board of Directors during the reporting period. At the ninth meeting of the third session of the Board of Directors, which was held on 8th April 2002, it was proposed that Mr. Wang Guo Gang and Mr. Yang Xiong Sheng be appointed as Independent Directors of the Company; it was resolved that the resignations of Mr. Li Da Peng and Mr. Liu Bu Cun from their offices as Directors be accepted; it was resolved that the resignation of Mr. Zhu Yao Ting from his office as a Director be accepted; and it was proposed that Mr. Zhang Wen Sheng be appointed as a Director of the Company.

At the sixth meeting of the Third Session of the Supervisory Committee, which was held on 8th April 2002, it was resolved that the resignation of Mr. Du Wen Yi from his office as a Supervisor due to change of work be accepted, and it was proposed that Mr. Zhang Cheng Yu be appointed as a Supervisor of the Company.

The changes of the above Directors and Supervisors were approved at the 2001 Annual General Meeting of the Company, which was held on 28th May 2002, and announcements were published in the China Securities, Shanghai Securities, Hong Kong Economic Times and South China Morning Post on 29th May 2002. Relevant procedures relating to the appointments and resignations of Directors and Supervisors were completed.