



Chapter VI General Meetings of Shareholders

During the reporting period, the Company had convened three general meetings.

An Extraordinary General Meeting, the notice of which was published in the China Securities Post, Securities Times, and Wen Wei Po and The Standard in Hong Kong on 7th February 2002, was held on the morning of 28th March 2002 at 701, First Shanghai Centre, 39 Liangmaqiao Road, Chaoyang District, Beijing, the PRC. 7 shareholders or their appointed proxies attended the meeting. This represents 399,293,513 shares or 66.13% of the Company's entire share capital. During the meeting, the following resolutions were passed: the acquisition from China Textile Machinery (Group) Company Limited its equity interests in Yichang Textile Machinery and Changde Textile Machinery, the acquisition of machines and equipment from the five subsidiaries of China Textile Machinery (Group) Company Limited, the establishment with China Textile Machinery (Group) Company Limited of two joint venture companies, Hongda Non-woven Fabric Engineering Technology Company Limited and Wuxi Textile Technology Testing Company Limited, the disposal of the Company's chemical fibre machinery and special components assets and businesses, and the signing of composite services contract, etc.

The relevant resolutions were published in the China Securities Post, Securities Times, and Wen Wei Po and The Standard in Hong Kong on 2nd April 2002.

The 2001 Annual General Meeting, the notice of which was published in the China Securities Post, Securities Times, and Wen Wei Po and The Standard in Hong Kong on 2nd April 2002, was held on the morning of 23rd May 2002 at 701, First Shanghai Centre, 39 Liangmaqiao Road, Chaoyang District, Beijing, the PRC. 4 shareholders or their appointed proxies attended the meeting. This represents 397,711,413 shares or 65.87% of the Company's entire share capital. During the meeting, the following resolutions were passed: the 2001 Directors' Report, the 2001 Supervisors' Report, the 2001 Audited Financial Report, the 2001 Profit Distribution Proposal, the re-appointment of PricewaterhouseCoopers and PricewaterhouseCoopers Zhong Tian as the international and PRC auditors of the Company for the year ended 31st December 2002, the approval for Messrs. Lu Yunliang and Li Shaoping to cease to be directors of the Company and the appointments of Messrs. Zhang Jie and Pan Shunqun as directors of the Company, the approval for Mr. Liu Shitong to cease to be a supervisor of the Company, the approval as a special resolution to generally authorize the board of directors to exercise power to allot and issue H Shares and the approval to change the scope of business as specified in Article 15 of the Articles of Association of the Company. The relevant resolutions were published in the China Securities Post, Securities Times, and Wen Wei Po and The Standard in Hong Kong on 24th May 2002.

An Extraordinary General Meeting, the notice of which was published in the Securities Times, and Wen Wei Po and The Standard in Hong Kong on 4th November 2002, was held on the morning of 24th December 2002 at 701, First Shanghai Centre, 39 Liangmaqiao Road, Chaoyang District, Beijing, the PRC. 6 shareholders or their appointed proxies attended the meeting. This represents 400,101,413 shares or 66.26% of the Company's entire share capital. During the meeting, the following resolutions were passed: the approval of the termination agreement for the establishment of Hongda Non-woven Fabric Engineering Technology Company Limited with China Textile Machinery (Group) Company Limited, the approval of the joint venture agreement entered into between the Company, Zhengzhou Textile Machinery Company Limited and Hongda Research Company Limited for the establishment of a non-woven fabric joint venture. The relevant resolutions were published in the Securities Times on 25th December 2002 and in Wen Wei Po and The Standard in Hong Kong on 27th December 2002.