

# Brief of 2001 Annual General Meeting

## 1. Relevant Information of Annual General Meeting

The 2001 Annual General Meeting (the "AGM") of the Company was held at the conference room of the Company, 40 South Fangcun Main Road, Guangzhou, PRC, in the afternoon of 14th June 2002. 6 shareholders and proxies of shareholders attended this meeting, who hold valid shares represent shares which have the right to vote of the Company, 210,815,580 shares in person or by proxy, representing 210,815,580 shares that accounts for 42.62% of the total share capital of the Company.

For the total shares represented by the shareholders (including proxies) who planed to attend the AGM didn't reach the half of the total shares which have voting right of the Company, the Company issued "Supplementary Announcement of the 2001 Annual General Meeting" on 6th June 2002, and hold the AGM as scheduled in accordance with term 57 of the articles of association of the Company.

The shares voted for all resolutions are 210,815,580, representing 100% of the valid votes. Five resolutions were considered and approved at the meeting,

- (1) The report of the Board of Directors for the year of 2001;
  - (2) The report of the Supervisory Committee for the year of 2001;
  - (3) The audited Financial Reports for the year of 2001;
  - (4) The report of the Auditors at the end of year;
  - (5) The profit distribution for the year of 2001 – non-profit distribution and non-conversion to shares;
  - (6) The rules of procedure of The Annual General Meeting;
  - (7) The rules of procedure of the Board of Directors meeting;
  - (8) The rules of procedure of the Supervisory Committee meeting;
  - (9) Mr. Hu Guoliang, Mr. Yu Baoshan, Mr. Ye Peihua, Mr. Xu Guoqing, Mr. Huang Gang, Mr. Li Junfeng, Mr. Yu Mingsheng, Mr. David Hon To, Yu, Mr. Philip Pat Yiu, Yuen, Mr. Bo Miaojin, and Mr. Wu Fabo were elected as members of the fourth term of the Board of Directors. Mr. Fu Dexiang, Mr. Han Zineng, Mr. Chen Jinqi, Mr. Chen Xiongyi and Ms. Zhang Zhenya were elected as members of the fourth term of the Supervisory committee.
- Mr. Guan Xuezhong, Mr. Li Guanghui, Mr. Shun Guangming and Mr. Wang Xiaoxu won't be Directors of the Company. Mr. Ji Anqin won't be Supervisor of the Company.
- (10) The total basic emoluments for all members of the fourth term Board of Directors for the first year of the term is RMB576,000 and HKD120,000. The total basic emoluments for all members of the fourth term Supervisory Committee for the first year of the term is RMB368,000. The remuneration for individual Director and Supervisor was decided in accordance with their service contract with the Company in the term respectively.

## Brief of 2001 Annual General Meeting

- (11) The re-appointment of Yangcheng Certified Public Accountants Company Limited as the Company's PRC auditors for the year of 2002, and the authorization of the Board to determine their remuneration.
- (12) The re-appointment of PricewaterhouseCoopers Public Accounts Company as the international auditors for the year of 2002, and the authorization of the Board to determine their remuneration.
- (13) Approval of buying liability Insurance for Directors and Supervisors.
- (14) Special resolutions: amendment of the articles of association of the Company, and the authorization of the Board to revise suitable wording according to requirement of relevant state authorities (if any).

**2. The resolutions passed at the Annual General Meeting were announced on *Shanghai Securities News* and *Hong Kong Commercial Daily* and *Hongkong iMail* on 17th June 2002.**