
INTRODUCTION OF 2001 ANNUAL GENERAL MEETING

On 26 March 2002, the Company issued an announcement in "Wen Wei Po" and "The Standard" in Hong Kong, notifying shareholders of the time and venue of the 2001 AGM and the resolutions to be approved in the AGM.

The Company held its 2001 AGM on 28 May 2002, and the resolutions passed at the AGM were announced on 29 May 2002. Members of the Company or their proxies representing 2,920,702,298 shares were present. A due quorum was formed in accordance with the Articles of Association of the Company. After consideration by the shareholders at the AGM, the following resolutions were passed:

As ordinary resolutions:

1. the 2001 report of the Board was approved;
2. the 2001 report of the supervisory committee of the Company was approved;
3. the 2001 audited financial report of the Company was approved;
4. the proposed profit distribution plan of the Company for 2001 was approved;
5. the remuneration of the directors and supervisors of the Company for 2002 was determined;
6. the reappointment of Shanghai Zhonghua Huyin C.P.A. and Ernst & Young as the domestic and international auditors of the Company for 2002 respectively was approved, and the Board was authorised to determine their remuneration;

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(Continued)

7. the resignation of Zhang Denghui as a director of the Company, and the appointment of Yan Zhichong as a director of the Company (with effect immediately after the AGM) was approved, whereby Mr. Yan's term of office shall be the same as the term of office of directors of the current Board;
8. the resignation of Liu Guoxiong as a supervisor of the Company, and the appointment of Wang Xiangyun as a supervisor of the Company (with effect immediately after the AGM) was approved, whereby Mr. Wang's term of office shall be the same as those of the current supervisors of the Company; and
9. the proposal in respect of the adjustment on remaining housing allowance and provident fund reserve was approved.

The resolution relating to the proposal to grant to the directors of the Company a general unconditional mandate to allot, issue and deal with additional H shares of Rmb1.00 each in the capital of the Company, not exceeding 20% of the aggregate nominal amount of the H Shares, was not passed.