

Details of Shareholders' General Meeting

During the reporting period, the Company had held the annual general meeting for 2002 and an extraordinary general meeting for 2003. The details of these meetings are as follows:

On 1 April 2003, the Board of Directors of the Company issued an announcement convening the extraordinary general meeting for 2002. On 19 May 2003, the annual general meeting for 2002 was held at the Conference Room of the Company. The shareholders and proxies at the meeting represented a total of 220,009,900 shares with voting rights, which constitutes 48.891% of the total number of shares of the Company carrying voting rights. The meeting was held in compliance with requirement for the quorum according to the Articles of Association of the Company and the PRC Laws and was therefore valid.

Upon consideration at the Annual General Meeting, the following resolutions were considered and passed as ordinary resolutions:

1. The 2002 Report of the Board of Directors of the Company was passed and approved unanimously in voting by show of hands.
2. The 2002 Report of the Supervisory Committee of the Company was passed and approved unanimously in voting by show of hands.
3. The 2002 Audited Financial Statements of the Company were passed and approved unanimously in voting by show of hands.
4. The 2003 work plan of the Company was passed and approved unanimously in voting by show of hands.
5. The 2002 profit-after-taxation distribution plan of the Company, i.e. there will be neither distribution of profit nor any increase in share capital converted from capital reserve, was passed and approved unanimously in voting by show of hands.
6. The appointment of accountants of the Company for 2003 was passed and approved unanimously in voting by show of hands. It was resolved that Ho and Ho & Company, Certified Public Accountants and Shenzhen Pan-China Schinda, Certified Public Accountants be appointed as the international accountants and the PRC accountants of the Company respectively for 2003, and that the Board of Directors be authorised to fix the remuneration thereof.
7. Mr. Xie Songlin and Mr. Zheng Peimin were elected as independent directors of the fourth Board of Directors under cumulative voting system.

The announcement of the resolutions passed by the annual general meeting for 2002 was published on Shanghai Security Daily and China Security Post in the PRC, and Wen Wei Po, The Standard (English) in Hong Kong on 20 May 2003.

On 14 November 2003, the Board of the Company published a notice of 2003 Extraordinary General Meeting, and convened the said meeting at the Company's conference room on 30 December 2003. Seven of shareholders or authorized proxies attended the meeting, representing 234,174,105 shares in aggregation and 52.04% of the Company's total share capital, of which 14,172,105 shares were of independent shareholders (with voting rights), representing 6.16% of the total shares with voting rights. The meeting was in accordance with the requirements by PRC Company Law and Articles of Association of the Company.

Subject to the consideration at the general meeting and the poll of ordinary resolution by independent shareholders, the Service Agreement between DFEM and DFEW was passed and approved unanimously in voting.

The announcement of the resolutions passed by the extraordinary general meeting was published on Shanghai Security Daily and China Security Post in the PRC, and Wen Wei Po, The Standard (English) in Hong Kong on 31 December 2003.

