

# BRIEF OF 2002 ANNUAL GENERAL MEETING

## (I) RELEVANT INFORMATION OF ANNUAL GENERAL MEETING

The 2002 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 20th June 2003. 6 shareholders and proxies of shareholders attended this meeting, who hold valid shares represent shares which have the right to vote of the Company, 354,641,579 shares in person or by proxy, representing 71.69% of the total share capital of the Company.

The shares voted for and against all resolutions are 210,815,580 and 0 respectively, representing 59.44% and 0.00% of the valid votes respectively. The abstained votes for each of the above resolutions represent 143,830,999 shares. The resolutions were considered and approved at the meeting are as follows,

1. The report of the Board of Directors for the year of 2002.
2. The report of the Supervisory Committee for the year of 2002.
3. The audited accounts for the year of 2002.
4. The reports of auditors for the year of 2002.
5. The proposal for profit distribution for the year of 2002: no profit distribution or capital increment.
6. The total reward of RMB140,800 for the executive directors and interior supervisors of the Company for the year of 2002.
7. The re-appointment of Yangcheng Certified Public Accountants Company Limited as the Company's PRC auditors for the year of 2003, and the authorization of the Board to fix its remuneration.
8. The re-appointment of PricewaterhouseCoopers Certified Public Accountants as the Company's international auditors for the year of 2003, and the authorization of the Board to fix its remuneration.
9. The cessation of Mr. Huang Gang to be director of the Company due to job relocation.
10. The cessation of Mr. Yu Mingsheng to be director of the Company due to job relocation.
11. The election of Ms. An Xiaofei as director of the Company, at an annual remuneration of RMB40,000 during her term.
12. The election of Mr. Miao Jian as director of the Company, at an annual remuneration of RMB40,000 during his term.

(II) The resolutions passed at the AGM were announced on *Shanghai Securities News* and *Hong Kong Commercial daily* and *China Daily* on 23rd June 2002.

(III) The AGM approved the cessation of Mr. Huang Gang and Mr. Yu Mingsheng to be directors of the Company and elected Ms. An Xiaofei and Mr. Miao Jian as directors of the Company.