

BRIEF OF GENERAL MEETINGS

(I). INFORMATION OF ANNUAL GENERAL MEETING ("AGM")

1. The notice, convening and holding of the AGM

The Company held its 2003 AGM at the conference room of the Company at 40 South Fangcun Main Road, Guangzhou, the PRC on 25th June 2004. 14 shareholders including proxies attended the AGM and they held in aggregate 221,631,758 shares of the Company which represent approximately 44.80% of the total number of shares of the Company with voting right.

Pursuant to the reply slips received by the Company from shareholders up to 6th June 2004, the number of voting shares represented by shareholders who indicated their intention to attend the AGM (either in person or by proxies) was less than half of the total number of voting shares of the Company. Accordingly, the Company issued the second notice of the AGM on 9th June 2004. According to Article 59 of the Articles of Association of the Company, the AGM may be held on 25th June 2004 as scheduled after the Second Notice has been issued.

The AGM was witnessed by Ms. Zhang Zhenya, a lawyer from Guangdong Z&T Law Firm. Guangdong Z&T Law Firm issued its legal opinions.

At the 2003 AGM, connected shareholders abstained from voting on the resolution in relation to the framework agreement for connected transactions of an operating nature made between the Company and CSSC, and only independent shareholders and their associates holding a total of 10,817,178 shares voted on the resolution.

Accumulative voting system was adopted at the meeting for directors' election.

2. The resolutions pass at the AGM and publishing information

By way of ordinary resolutions:

- (1) To approve the report of the Board of Directors for the year 2003.
- (2) To approve the report of the Supervisory Committee for the year 2003.
- (3) To approve the audited financial statements for the year 2003.
- (4) To approve the reports of the auditors for the year 2003.

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- (5) To approve the proposal for profit distribution for the year 2003: no profit distribution or capital increment.
- (6) To approve the framework agreement for connected transactions of an operating nature made between the Company and CSSC on 19th April 2004.
- (7) To approve the resignation of Mr. Ye Peihua as an executive director of the Company.
- (8) To approve the resignation of Mr. Xu Guoqing as non-executive director of the Company.
- (9) To approve the resignation of Ms. An Xiaofei as non-executive director of the Company.
- (10) To approve the election of Mr. Hang Guangde as executive director of the Company, and to stipulate his annual basic salary during his term as RMB144,000.
- (11) To approve the election of Mr. Wang Yi as executive director of the Company, and to stipulate his annual basic salary during his term as RMB115,200.
- (12) To approve the election of Mr. Zhong Jian as non-executive director of the Company, and to stipulate his annual remuneration during his term as RMB40,000.
- (13) To approve the resignation of Mr. Fu Dexiang as supervisor of the Company.
- (14) To approve the resignation of Mr. Han Zineng as supervisor of the Company.
- (15) To approve the election of Mr. Wang Shusen as supervisor of the Company, and to stipulate his annual remuneration during his term as RMB96,000.
- (16) To approve the election of Mr. Liang Mianhong as supervisor of the Company, and to stipulate his annual basic salary during his term as RMB100,800.
- (17) To approve the re-appointment of Guangdong Yangcheng Certified Public Accountants Company Limited as the Company's PRC auditor for the year 2004, and to authorize the Board of Directors to stipulate its remuneration.
- (18) To approve the re-appointment of PricewaterhouseCoopers, Certified Public Accountants, as the Company's international auditor for the year 2004, and to authorize the Board of Directors to stipulate its remuneration.

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By way of a special resolution:

- (19) To approve the amendments of relevant items to the Articles of Association of the Company, and to authorize the Board of Directors to amend and or modify, if necessary, the wordings of the amendments in order to make them conform with the listing rules of the stock exchanges on which the shares of the Company are listed.

3. Change of directors and supervisors and election information:

The AGM approved the resignation as directors of Mr. Ye Peihua and Mr. Xu Guoqing for their age reason, and Ms. An Xiaofei for her job relocation. And elected Mr. Han Guangde, Mr. Wang Yi, and Mr. Zhong Jian as directors of the Company.

The AGM approved the resignation as supervisors of Mr. Fu Dexiang, Mr. Han Zineng, and elected Mr. Wang Shusen and Mr. Liang Mianhong as supervisors of the Company.

4. The resolutions passed at the 2003 AGM were announced on Shanghai Securities News and Hong Kong Commercial Daily and China Daily(overseas version) on 28th June 2004.

(II). INFORMATION OF 2004 EXTRAORDINARY GENERAL MEETING ("EGM")

1. The notice, convening and holding of the EGM

The Company held its 2004 EGM at the conference room of the Company at 40 South Fangcun Main Road, Guangzhou, the PRC on 26th March 2004. Eight shareholders including proxies attended the EGM and they held, in aggregate, 210,969,222 shares of the Company which represent 42.65% of the total number of shares of the Company with voting right.

As the number of voting shares represented by shareholders who had indicated their intention to attend the EGM was less than one half of the Company's total number of voting shares, the Company issued the Second Notice of EGM on 11th March 2004. According to article 58 of the Articles of Association of the Company, the EGM may be held as scheduled after the Second Notice has been issued.

Guangdong Z&T Law Firm issued a legal opinion.

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2. The resolutions pass at the EGM and publishing information

By way of ordinary resolutions:

- (1) The establishment of Emolument and Examination Committee.
- (2) The establishment of Nomination Committee.
- (3) The establishment of Audit Committee.
- (4) The establishment of Strategy Committee.
- (5) The proposal of revising certain provision of the Rules of Procedure for the Supervisory Committee.
- (6) The resignation of Ms. Zhang Zhenya from her position as independent supervisor of the Company.
- (7) The resignation of Mr. Chen Xiongyi from his position as independent supervisor of the Company.
- (8) To elect Mr. Wang Shiming to be the independent supervisor of the Company, and fix his annual remuneration as RMB40,000.
- (9) To elect Mr. Ye Weiming to be the independent supervisor of the Company, and fix his annual remuneration as RMB40,000.

By way of a special resolution:

- (10) To amend certain provisions of the Articles of Association of the Company.

3. Change of directors and supervisors and election information:

The EGM approved the resignation as independent supervisors of Ms. Zhang Zhenya and Mr. Chen Xiongyi, and elected Mr. Wang Shiming and Mr. Ye Weiming as independent supervisors of the Company.

4. The resolutions passed at the 2004 EGM were announced on Shanghai Securities News and Hong Kong Commercial Daily and China Daily(overseas version) on 29th March 2004.