

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that an Annual General Meeting of Lianhua Supermarket Holdings Co., Ltd. (the "Company") for the year 2004 will be held at 10:00 a.m. on Wednesday, 8th June 2005 at the Conference Room, 15th Floor, 1666 Sichuan (North) Road, Shanghai, the People's Republic of China, to consider and, if thought fit, pass the following ordinary resolutions and special resolutions:

## ORDINARY RESOLUTIONS

1. To approve the report of the board of directors of the Company (the "Board") for the year ended 31st December 2004;
2. To approve the report of the supervisors committee of the Company for the year ended 31st December 2004;
3. To approve the consolidated audited financial statements of the Company and the report of the international auditors for the year ended 31st December 2004;
4. To approve the profit distribution proposal of the Company and the relevant declaration and payable of a final dividend of RMB0.07 per share of the Company for the year ended 31st December 2004;
5. To approve the re-appointment of Shanghai Certified Public Accountants as the Company's PRC auditors and PricewaterhouseCoopers as the Company's international auditors for the period from the conclusion of the Annual General Meeting for the year 2004 to the conclusion of the annual general meeting of the Company (the "Annual General Meeting") for the year 2005 and to authorise any two executive director of the Company to fix their respective remuneration;
6. To approve the appointment of Mr. Wang Zong-nan<sup>9</sup> as an executive director of the Company;
7. To approve the appointment of Mr. Liang Wei<sup>10</sup> as an executive director of the Company;
8. To approve the appointment of Ms. Xu Ling-ling<sup>11</sup> as an executive director of the Company;
9. To approve the appointment of Ms. Cai Lan-ying<sup>12</sup> as an executive director of the Company;
10. To approve the appointment of Mr. Lu Ming-fang<sup>13</sup> as a non-executive director of the Company;
11. To approve the appointment of Mr. Hua Guo-ping<sup>14</sup> as a non-executive director of the Company;
12. To approve the appointment of Mr. Tsunao Kijima<sup>15</sup> as a non-executive director of the Company;
13. To approve the appointment of Mr. Shi Zu-qi<sup>16</sup> as a non-executive director of the Company;
14. To approve the appointment of Mr. Wong Tak Hung<sup>17</sup> as a non-executive director of the Company;
15. To approve the appointment of Mr. Lee Kwok Ming, Don<sup>18</sup> as an independent non-executive director of the Company;
16. To approve the appointment of Mr. Zhang Hui-ming<sup>19</sup> as an independent non-executive director of the Company;
17. To approve the appointment of Mr. Xia Da-wei<sup>20</sup> as an independent non-executive director of the Company;
18. To approve the appointment of Mr. Wang Long-sheng<sup>21</sup> as a supervisor of the Company;
19. To approve the appointment of Mr. Shen Bo<sup>22</sup> as a supervisor of the Company;

20. To approve the annual remuneration package and incentive scheme for each independent non-executive director of the Company for the second Board, being RMB100,000 per year; and

21. To consider and approve other matters, if any.

### SPECIAL RESOLUTIONS

1. "THAT there be granted to the directors of the Company (the "Directors") an unconditional general mandate to issue, allot and deal with additional overseas listed foreign shares in the share capital of the Company with a Renminbi-denominated par value of RMB1.00 each which shares are subscribed for and traded in HK dollars ("H Shares"), and to make or grant offers, agreements and options in respect thereof, subject to the following conditions:

(A) such mandate shall not extend beyond the Relevant Period (as defined below) save that the Directors may during the Relevant Period make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

(B) the aggregate nominal amount of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company, or any securities which are convertible into ordinary shares of the Company; and (iii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of

shares or rights to acquire shares of the Company, shall not exceed the aggregate of 20% of the aggregate nominal amount of the H Shares in issue at the date of passing of this resolution; and

(C) for the purposes of this resolution:

"Relevant Period" means the period from the passing of this resolution until whichever is the earlier of:

(i) the conclusion of the next Annual General Meeting;

(ii) the expiration of the period within which the next Annual General Meeting is required by the articles of association of the Company or any applicable law to be held; and

(iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

"Rights Issue" means an offer of shares open for a period fixed by the Directors made to holders of shares of the Company or any class thereof on the register of members on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in, or in any territory outside, the Hong Kong Special Administrative Region of the People's Republic of China)."

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2. "THAT the existing Clause 2 of Article 15 of the articles of association of the Company shall be replaced in its entirety by the following clause:

"The scope of operation of the Company includes: the expansion of retail outlets and selling of products in the supermarket industry (other than those with special license), electrical home appliances, regular home-use medical apparatus, food products, retailing of tobacco and alcohol, seafood products, secondary food products, purchasing of agricultural secondary products and also engaged in public convenience services such as the processing, categorizing, packaging, distribution, dining, insurance agency and consultation service for products related to supermarkets. Subsidiaries companies are set up (including for leasing and business solicitation purposes)."

3. "THAT the existing Articles 21-24 of the articles of association of the Company shall be replaced in its entirety by the following clause:

"The Company issued an aggregate of 622,000,000 Ordinary Shares, of which:

(1) 355,543,000 Domestic Shares and 59,457,000 Unlisted Foreign Shares were issued by the Company when incorporation and were acquired by the promoters of the Company entirely. Amongst which, Shanghai Friendship Stock Company owns 211,640,000 Domestic Shares, Shanghai Industrial Commercial Network owns 131,683,000 Domestic Shares, Mitsubishi Corporation owns 41,900,000 Unlisted Foreign Shares, Wong Sun Hing owns 17,557,000 Unlisted Foreign Shares and Shanghai Liding owns 12,220,000 Domestic Shares respectively;

(2) an aggregate of 207,000,000 Foreign Shares are listed outside the PRC."

4. "THAT the existing Article 25 of the articles of association of the Company shall be replaced in its entirety by the following clause:

"The registered capital of the Company is RMB622,000,000."

By order of the Board

**Wang Jian Mok Chung Kwan, Stephen**  
*Company Secretary*

Shanghai, the PRC, 19th April 2005

Notes:

- 1 The H shares share register of the Company will be closed from Monday, 9th May 2005 to Wednesday, 8th June 2005 (both days inclusive), during which no transfer of H shares of the Company will be effected. Any holders of H shares of the Company, whose names appear on the Company's Register of Members at the close of business on Friday, 6th May 2005, are entitled to attend and vote at the annual general meeting of the Company (the "Annual General Meeting") after completing the registration procedures for attending the meeting. In order to be entitled to attend and vote at the Annual General Meeting and to qualify for the final dividend, persons holding the H shares of the Company shall lodge share transfer documents and the relevant share certificates with the Company's H shares share registrar not later than 4:00 p.m. on Friday, 6th May 2005.

The address of the Company's share registrar for share transfer of H shares of the Company in Hong Kong is as follows:

Computershare Hong Kong Investor Services Limited  
Rooms 1712-1716  
17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

- 2 Holders of H shares and domestic shares of the Company, who intend to attend the Annual General Meeting, must complete the reply slips for attending the Annual General Meeting and return them to the Office of the secretary to the board of directors of the Company not later than 20 days before the date of the Annual General Meeting.

Details of the Office of the secretary to the board of directors of the Company are as follows:

11th to 15th Floors  
1666 Sichuan (North) Road  
Shanghai  
The PRC  
Tel: (8621) 6357 9324  
Fax: (8621) 6393 1318

- 3 Each holder of H shares of the Company who has the right to attend and vote at the Annual General Meeting is entitled to appoint in writing one or more proxies, whether a shareholder or not, to attend and vote on his behalf at the Annual General Meeting. A proxy of a shareholder of the Company who has appointed more than one proxy may only vote on a poll. Each shareholder of the Company who wishes to appoint one or more proxies should first review the annual report of the Company for the year ended 31st December 2004.
- 4 The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing. If that instrument is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign, or other documents of authorisation, must be notarially certified.
- 5 To be valid, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority, must be delivered to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time for holding the Annual General Meeting or any adjournment thereof in order for such documents to be valid.

- 6 Each holder of domestic shares of nominal value of RMB1.00 each in the share capital of the Company which are subscribed for or credited as paid up in Renminbi (the "Domestic Shares") and of unlisted foreign shares of nominal value of RMB1.00 each in the share capital of the Company which are subscribed for or credited as paid up in foreign currency (the "Unlisted Foreign Shares") is entitled to appoint in writing one or more proxies, whether a shareholder or not, to attend and vote on its behalf at the Annual General Meeting. Notes (3) to (4) also apply to holders of Domestic Shares and Unlisted Foreign Shares, except that the proxy form or other documents of authority must be delivered to the Office of the secretary to the board of directors of the Company, the address of which is set out in Note (2) above, not less than 24 hours before the time for holding the Annual General Meeting or any adjournment, thereof in order for such documents to be valid.
- 7 If a proxy attends the Annual General Meeting on behalf of a shareholder of the Company, he should produce his ID card and the instrument signed by the proxy or his legal representative, which specifies the date of its issuance. If the legal representative of a legal person share shareholder attends the Annual General Meeting, such legal representative should produce his ID card and valid documents evidencing his capacity as such legal representative. If a legal person share shareholder appoints a representative of the company other than its legal representative to attend the Annual General Meeting, such representative should produce his ID card and an authorization instrument affixed with the seal of the legal person share shareholder and duly signed by its legal representative.
- 8 The Annual General Meeting is expected to last for half a day. Shareholders of the Company attending the Annual General Meeting are responsible for their own transportation and accommodation expenses.
- 9 Mr. Wang Zong-nan, 50, a senior economist, is the chairman of the Company and the president and executive director of Shanghai Bailian. Mr. Wang is responsible for the overall management of the Group's operations and the formulation of business strategies of the Group. Mr. Wang studied education of politics at Shanghai Teachers' University in 1985, and studied law at East China University of Politics and Law in 1986. Mr. Wang attended a graduate program in international economics at East China Normal University in 1997. Mr. Wang previously worked in the Commercial Committee of Huangpu

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District of Shanghai(上海市黃浦區商業委員會), the People's Government of Huangpu District of Shanghai (上海市黃浦區人民政府) and Shanghai D&F Commercial Society. Mr. Wang joined the Group in January 1996. From 1996, he held the position of the chairman of the Company. In 1997, he was appointed as a director and the general manager of Shanghai Friendship Group and in 2000, he was appointed as the chairman of Shanghai Friendship Stock Company. From 1996 to 1997, Mr. Wang received the Eminent Entrepreneur of Shanghai (上海市優秀企業家) award from the Shanghai Commercial Enterprise Management Association for two consecutive years. In 2002, Mr. Wang was also awarded the Outstanding Performance Award in the PRC Retail Industry (中國連鎖業突出成就獎) by China Chainstore & Franchise Association, and the Pioneer Entrepreneur Award in the PRC Commercial Society (中國商業創業企業家) by China Commercial Enterprise Management Association. In 2003, Mr. Wang was awarded the Top Ten Persons for Mergers and Acquisitions Award in China (中國十大併購人物獎) by the Global Mergers and Acquisitions Research Centre. He was named as one of the Top Ten Influential Persons of the Retail Industry in China (中國零售十大風雲人物) by the PRC Retail Industry Fair in 2003. He was also named as one of the Top Ten Managers Against Difficult Times (十大逆勢而上經理人) by "China Business Post", "World Executives" and "finance.sina.com" and one of the Top Ten Outstanding Business Executive Leaders (中國十位最有價值的卓越商業領袖) by the business sector of "Manager" in the PRC. In 2004, he was awarded the Mundell World Executive Honorable Prize of 2003/2004 by the "World Executive Magazine" and the World Executive website. Mr. Wang is to stand for re-election as the executive director of the Company for a term of three years at the Annual General Meeting for the year 2004, subject however to the articles of association of the Company. He did not receive any director's fee during the year ended 31 December 2004 and the annual remuneration package and the incentive scheme for the year ended 31 December 2005 for Mr. Wang will be determined by the Board. As at the date of this Notice, Mr. Wang has no beneficial interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

- 10 Mr. Liang Wei, 54, a senior economist, is the general manager of the Company. Mr. Liang is responsible for the management of the Group's operations. He graduated from Heilongjiang Business School (黑龍江商學院) in 1982 with a Bachelor's degree in business and economics. From 1982 to 1992, he worked in Shanghai Textile Company (上海紡織品公司) as a section chief and was responsible for business planning. From 1992 to 1994, he worked in United Trading as a manager and was responsible for foreign trade business. Mr. Liang joined the Group in November 1994. From 1994 to 1997, he was the deputy general manager of the Company, and since 2000, he has been the general manager of the Company. Mr. Liang has over 20 years' experience in managing different aspects of commercial enterprises. Mr. Liang was awarded with the title of "The Third Session of National Commercial Excellent Venture Entrepreneur" by the China Commercial Enterprise Management Association in 2004, and the title of "2003 Top Ten Outstanding Personnel in the National Commercial Service Industry" by the China Commercial Association. Mr. Liang is to stand for re-election as the executive director of the Company for a term of three years at the Annual General Meeting for the year 2004, subject however to the articles of association of the Company. He was paid RMB572,326 as director's fee (including remuneration, basic salary, bonus, pension and medical benefits) during the year ended 31st December 2004 and the annual remuneration package and the incentive scheme for the year ended 31 December 2005 for Mr. Liang will be determined by the Board. As at the date of this Notice, Mr. Liang has no beneficial interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.
- 11 Ms. Xu Ling-ling, 46, a senior certified public accountant and member of the International Institute of Certified Internal Auditors, a senior accountant is the chief financial officer of the Company. She is responsible for the overall financial management of the Group. Ms. Xu graduated from Shanghai Lixin Accounting Institute (上海立信會計學院) in 1987 with a Bachelor's degree in accounting. She graduated from the graduate school of the Shanghai Academy of Social Science in 2001, majoring in business administration. From 1975 to 1983, Ms. Xu was a supervisor in the second branch of

Shanghai Huangpu Tobacco and Wines Company Limited(上海黃浦煙酒公司), and from 1983 to 1996, she was the head of the finance department of Shanghai Wangbaohe Corporation Tongyuan Company (上海王寶和總公司同緣公司). She joined the Company in June 1996 as a manager of the audit division and was promoted to the chief financial officer in 1997, responsible for the Group's finance, auditing, statistics and investment. Ms. Xu has more than 20 years' experience in the finance and management of companies in the consumer industry. Ms. Xu is to stand for re-election as the executive director of the Company for a term of three years at the Annual General Meeting for the year 2004, subject however to the articles of association of the Company. She was paid RMB525,326 as director's fee (including remuneration, basic salary, bonus, pension and medical benefits) during the year ended 31st December 2004 and the annual remuneration package and the incentive scheme for the year ended 31 December 2005 for Ms. Xu will be determined by the Board. As at the date of this Notice, Ms. Xu has no beneficial interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

- 12 Ms. Cai Lan-ying, 52, a senior economist, is a deputy general manager of the Company and the chairman of Hangzhou Lianhua Huashang Group Company Limited, fully responsible for the overall management of the Company's operations in Zhejiang Province. Ms. Cai graduated from Hangzhou Commerce Technical College (杭州商業技工學校) with a diploma in non-staple goods studies in 1969 and studied economics at Central Party Correspondence School (中央黨校). Ms. Cai has more than 30 years' experience in the retail industry. She was a founding member of Hangzhou Huashang Group Co. Ltd. and assumed the post of general manager. She was appointed as the chairman of Hangzhou Lianhua Huashang Group Company Limited in July 2002. Ms. Cai was awarded the "Zhejiang Outstanding Entrepreneur" in 1990. She was also awarded "Outstanding Operator with Prominent Contribution in Business and Trading Enterprises for Hangzhou in 2004" in March 2005. Ms. Cai is to stand for re-election as the executive director of the Company for a term of three years at the Annual General Meeting for the year 2004, subject however to the articles of association of the Company. She was paid RMB525,326 as director's fee (including

remuneration, basic salary, bonus, pension and medical benefits) during the year ended 31st December 2004 and the annual remuneration package and the incentive scheme for the year ended 31 December 2005 for Ms. Cai will be determined by the Board. As at the date of this Notice, Ms. Cai has no beneficial interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

- 13 Mr. Lu Ming-fang, 48, a senior economist, is the deputy chairman of the Company. Mr. Lu graduated from Fudan University in 1996 with a Master's degree in economics majoring in enterprise management. He obtained a Master's degree in accounting from the Chinese University of Hong Kong in 2004. Prior to joining the Group in April 1997, Mr. Lu worked in Shanghai Medicine Material Company (上海市藥材公司), Shanghai Municipal Medicines and Drugs Administrative Bureau (上海市醫藥管理局), Wenhui Daily Newspaper (文匯報社), and Shanghai Wanguo Securities Company (上海萬國證券公司) (currently known as Shenyin Wanguo Securities Company Limited). In July 1995, he worked in Shanghai Industrial Investment (Holdings) Company Limited in Hong Kong. Between 1995 and 2001, he was the standing deputy general manager of the Board of SIAMCL, managing director of Shanghai Industrial United and assistant president and general manager of planning and finance division of Shanghai Industrial Investment (Holdings) Company Limited. From January 2002, he has held the position of vice president of Shanghai Industrial (Group) Company Limited and executive director and chief executive officer of Shanghai Industrial Holdings Limited. Mr. Lu is to stand for re-election as the non-executive director of the Company for a term of three years at the Annual General Meeting for the year 2004, subject however to the articles of association of the Company. He did not receive any director's fee during the year ended 31 December 2004. He did not receive any director's fee during the year ended 31 December 2004 and the annual remuneration package and the incentive scheme for the year ended 31 December 2005 for Mr. Lu will be determined by the Board. As at the date of this Notice, Mr. Lu has no beneficial interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.



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- 14 Mr. Hua Guo-ping, 42, graduated from Tongji University in 1986 with a Bachelor's degree in electrical appliances automation. In 1989, he graduated from Tongji University with a Master's degree in industrial enterprise engineering management. Mr. Hua was the deputy general manager of Shanghai Industrial United in 2000. Between 1993 and 1997, Mr. Hua worked for Hong Kong Tak Shun Investment Consultancy Company Limited (香港德信投資諮詢公司), Shanghai Pudong State-owned Assets Investment Management Co. Ltd. (上海浦東國有資產投資管理公司) and Shanghai Dong Shen Economic Development Co. Ltd. (上海東申經濟發展有限公司). From 1997 to 1999, he worked for SIAMCL as deputy general manager. From 2001, he has been the managing director of Shanghai Industrial Commercial Network. Between May 2000 and the end of 2003, Mr. Hua was a director of the Company. He was also the deputy general manager of the Company commencing from August 2003 until the end of 2003. He is the deputy general manager of Shanghai Bailian Supermarket Merchandising Business since 2004. Mr. Hua is to stand for election as the non-executive director of the Company for a term of three years at the Annual General Meeting for the year 2004, subject however to the articles of association of the Company. The annual remuneration package and the incentive scheme for the year ended 31 December 2005 for Mr. Hua will be determined by the Board. As at the date of this Notice, Mr. Hua has no beneficial interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.
- 15 Mr. Tsunao Kijima, 57, graduated from Keio University (慶應義塾大學) in Japan in 1971 with a Bachelor's degree majoring in economics. He joined Mitsubishi Corporation in 1971 and has been working in the food products sector. He is an executive officer of Mitsubishi Corporation and the department head of the food products division. Mr. Kijima joined the Group in April 1997, and he has over 30 years experience in food industry. Mr. Tsunao is to stand for re-election as the non-executive director of the Company for a term of three years at the Annual General Meeting for the year 2004, subject however to the articles of association of the Company. He did not receive any director's fee during the year ended 31 December 2004 and the annual remuneration package and the incentive scheme for the year ended 31 December 2005 for Mr. Kijima will be determined by the Board. As at the date of this Notice, Mr. Kijima has no beneficial interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.
- 16 Mr. Shi Zu-qi, 29, graduated from Fudan University in 1997 with a Bachelor's degree majoring in corporate management. From July 1997 to March 1998, he worked in the asset management department of SIAMCL. Since August 1998, Mr. Shi has been the secretary for the board of directors of Shanghai Industry United, and since June 2002, Mr. Shi has been the assistant general manager of Shanghai Industrial United. He joined the Group in December 2001. Mr. Shi is to stand for re-election as the non-executive director of the Company for a term of 3 years at the Annual General Meeting for the year 2004, subject however to the articles of association of the Company. He did not receive any director's fee during the year ended 31 December 2004 and the annual remuneration package and the incentive scheme for the year ended 31 December 2005 for Mr. Shi will be determined by the Board. As at the date of this Notice, Mr. Shi has no beneficial interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.
- 17 Mr. Wong Tak Hung, 52, is the president of Wong Sun Hing. From 1970 to 1978, Mr. Wong was the manager of Sun Hing Textile Factory (新興毛紡織造廠), and from 1978 to 1990, Mr. Wong was the managing director of Wong Sun Hing Limited Company (王新興有限公司). Since 1990, he has been the president of Wong Sun Hing Group. Mr. Wong joined the Group in April 1997, and he has over 30 years of business experience. Mr. Wong is to stand for re-election as the non-executive director of the Company for a term of three years at the Annual General Meeting for the year 2004, subject however to the articles of association of the Company. He did not receive any director's fee during the year ended 31 December 2004 and the annual remuneration package and the incentive scheme for the year ended 31 December 2005 for Mr. Wong will be determined by the Board. As at the date of this Notice, Mr. Wong has no beneficial interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

- 18 Mr. Lee Kwok Ming, Don, aged 47, is a consultant to Tom Group Ltd. ("Tom. com"), a company listed on the Main Board of the Stock Exchange. Prior to this, Mr. Lee was the chief financial officer and an executive director of Tom. com, and was previously the chief financial officer of T Holdings Limited, an incubator company for technology-related projects, whose shareholders include Cheung Kong (Holdings) Limited, Hutchison Whampoa Limited and Cranwood Company Limited. Prior to joining T Holdings Limited, he was the former chief financial officer, company secretary and executive vice president of Guangdong Kelon Electrical Holdings Company Ltd. He is a fellow of the Hong Kong Society of Accountants, an associate of the Chartered Institute of Management Accountants in the United Kingdom, and an associate of the Institute of Certified Management Accountants in Australia. He holds a Master of Science degree in business administration from the University of Bath. Mr. Lee has more than 21 years of financial management experience and extensive experience in mergers and acquisitions, as well as corporate finance. He joined the Group in May 2003. Mr. Lee is to stand for re-election as the independent non-executive director of the Company for a term of three years at the Annual General Meeting for the year 2004, subject however to the articles of association of the Company. He was paid RMB100,000 as director's fee during the year ended 31st December 2004 and the proposed director's fee for the year ended 31 December 2005 for Mr. Lee will be RMB100,000. As at the date of this Notice, Mr. Lee has no beneficial interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.
- 19 Professor Zhang Hui-ming, 48, is the head of the enterprise research institute at Fudan University and the vice chairman of the Shanghai Economic Restructuring Research Committee. Professor Zhang graduated from Fudan University with a Bachelor's degree in economics in 1982, a master's degree in economics in 1985, and a doctorate in economics in 1995. He began teaching at Fudan University in 1984 and he was promoted to the position of Professor in 1996. Since 1997, he has been a lecturer for the doctorate programme on enterprise theory and practice. Professor Zhang has published six books and over 200 research papers in various national magazines. He is an independent director of Shanghai New Huangpu

Property Company Limited (上海新黃浦置業股份有限公司). He joined the Group in January 2003. Professor Zhang is to stand for re-election as the independent non-executive director of the Company for a term of three years at the Annual General Meeting for the year 2004, subject however to the articles of association of the Company. He was paid RMB50,000 as director's fee during the year ended 31st December 2004 and the proposed director's fee for the year ended 31 December 2005 for Mr. Zhang will be RMB100,000. As at the date of this Notice, Professor Zhang has no beneficial interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

- 20 Mr. Xia Da-wei, 52, is a supervisor for doctorate candidate, President of Shanghai National Accounting Institute and secretary-general of the executive secretary unit of APEC Finance and Development Program. He is presently deputy chief of China's Association of Industrial Economics Research and Development, vice president of China Accounting Society, committee member of academic committee of Industrial Economics Research Association, part-time researcher of China Center for Economic Studies of School of Economics of Fudan University, part-time professor of School of Management of Fudan University, principal member of Shanghai Industrial Economics Research Committee and member of Research Council for Listed Companies of Shanghai Stock Exchange Committee. He joined the Group in September 2004. Mr. Xia is to stand for re-election as the independent non-executive director of the Company for a term of three years at the Annual General Meeting for the year 2004, subject however to the articles of association of the Company. He was paid RMB25,000 as director's fee during the year ended 31st December 2004 and the proposed director's fee for the year ended 31 December 2005 for Mr. Xia will be RMB100,000. As at the date of this Notice, Mr. Xia has no beneficial interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.



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21 Mr. Wang Long-sheng, 52, a senior economist, graduated from Shanghai East China Normal University in 1998 in decision-making management. Between 1986 and 2001, Mr. Wang worked in the senior management of Shanghai Friendship Antique & Curio Store (上海友誼古玩商店), Shanghai Hongqiao Friendship Shopping Centre, Shanghai Friendship Overseas Chinese Joint Stock Company Limited, China Tour Souvenir Head Company, Shanghai Friendship Group Decoration Company (上海友誼集團裝潢總匯) and Homemart Decoration Materials Company Limited. Mr. Wang was appointed as a standing deputy general manager of Shanghai Friendship Stock Company in February 2001. Mr. Wang was then appointed as a director of Shanghai Joint Stock Company and Securities Research Society (上海股份制與證券研究會) in March 2001. He joined the Group in December 2001. Mr. Wang is to stand for re-election as the supervisor of the Company for a term of three years at the Annual General Meeting for the year 2004, subject however to the articles of association of the Company. He did not receive any supervisor's fee during the year ended 31st December 2004 and the annual remuneration package and incentive scheme for the year ended 31 December 2005 for Mr. Wang will be determined by the Board. As at the date of this Notice, Mr. Wang has no beneficial interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

22 Mr. Shen Bo, 32, a registered public accountant in the PRC, graduated from Shanghai Construction Material College majoring in Accounting in July 1996, and obtained a Bachelor degree. From July 1996 to May 2000, he was the deputy manager of the Financial department of Shanghai Jinling Company Limited (上海金陵股份有限公司), and was the financial controller of Shanghai Jinling Taike Information Technology Development Company Limited (上海金陵泰克信息科技發展股份有限公司) from June 2000 to December 2000. He was appointed as the deputy financial controller of Shanghai Enterprise United Group Limited (上海實業聯合集團股份有限公司) in May 2001, and joined the Company in May 2004. Mr. Shen is to stand for re-election as the supervisor of the Company for a term of three years at the Annual General Meeting after the year 2004, subject however to the articles of association of the Company. He did not receive any supervisor's fee during the year ended 31st December, 2004 and the annual remuneration package and the incentive scheme for the year ended 31 December 2005 for Mr. Shen will be determined by the Board. As at the date of this Notice, Mr. Shen has no beneficial interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.