

NOTES TO THE NOTICE OF THE GENERAL MEETINGS

Notes:

1. Eligibility for attending the AGM, H Shareholders EGM and Domestic Shareholders EGM

Shareholders of the Company whose names appear on the registers of shareholders of the Company at the close of business on Friday, 12th May 2006 shall have the right to attend the AGM after complying with the necessary registration procedures. Holders of H Shares of the Company whose names appear on the registers of the shareholders of the Company on the same date shall have the right to attend the H Shareholders EGM while the holders of the Domestic Shares of the Company whose names appear on the registers of the shareholders of the Company on the same date shall have the right to attend the Domestic Shareholders EGM. Holders of H Shares of the Company who intend to attend the AGM and the H Shareholders EGM must deliver all instruments of transfer, accompanied by the relevant share certificates, to the H Share Registrar of the Company, Hong Kong Registrars Limited, whose address is at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong on or before 4:00 p.m. on 12th May 2006.

2. Registration procedures for the General Meetings

- (a) A shareholder or his proxy should produce proof of identity when attending the general meetings;
- (b) Shareholders intending to attend the AGM, H Shareholders EGM and Domestic Shareholders EGM should return the reply slip to the Company on or before 23rd May 2006.
- (c) Shareholders of the Company may send the above reply slip to the Company's legal address in person, by post or by facsimile.

3. Proxy

- (a) A Shareholder of the Company eligible to attend the above general meetings is entitled to appoint one or more proxies to attend and vote on his behalf in accordance with the articles of association of the Company. A proxy need not be a shareholder of the Company;
- (b) A proxy shall be appointed by written instrument signed by the appointer or his attorney. If the form of proxy is signed by the attorney of the appointer, the power of the attorney or other authorization document(s) of such attorney should be notarized;
- (c) To be valid, the holders of domestic shares, the power of attorney or other authorization document(s) which have been notarized together with the completed form of proxy, must be delivered to the legal address of the Company not less than 24 hours before the time designated for the holding of the General Meetings or not less than 24 hours before the time appointed for taking the poll. In order to be valid, for holders of H Shares, the above documents must be delivered to Hong Kong Registrars Limited (46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) within the same period;
- (d) A shareholder of the Company who has appointed more than one proxy shall only vote on a poll.

4. Closure of Register of Members of the Company

The register of H Shares holders of the Company will be closed from 15 May 2006 to 13 June 2006 (both days inclusive), during which period no transfer of H Shares of the Company will be effected.

5. Dividends

For the year ended 31st December 2005, the Board of Directors of the Company has recommended the distribution of a final dividend of RMB0.6 cent per share, totaling RMB3,852,000 from the retained earnings. The final dividend for the year will be paid on 29th June 2006 to all the shareholders whose name appear in the registers of members of the Company at the close of business on 12th May 2006 subject to the approval by the shareholders at the 2005 Annual General Meeting. The register of H shares of the Company will be closed from 15th May 2006 to 13th June 2006 (both days inclusive). In order to qualify for the final dividend, all instruments of transfer, accompanied by the relevant share certificates must be delivered to the H Share Registrar of the Company, Hong Kong Registrars Limited, whose address is at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong on or before 4:00 p.m. on 12th May 2006. According to the Articles of Association of the Company, the dividend distributed to the shareholders of domestic shares will be paid in RMB. The dividend distributed to the shareholders of H shares will be paid in HKD by reference to the exchange rate, which is the average of the closing exchange rate for converting RMB into HKD quoted by the People's Bank of China for five working days preceding the day on which the final dividend is declared.

6. The 4th board of directors and the supervisory committee

As the term for the 3rd board of directors and the supervisory committee is due to expire on 13th June 2006, new directors, supervisor representing of the shareholders and independent supervisors will be elected in this AGM, and their remuneration and terms of service contracts will be determined.

Pursuant to Article 100 (2) of the Company's Articles of Association, other than a retiring Director and a person recommended by the Board for election to the office of Director, commencing on the second date after dispatch of the notice of the meeting appointed for election of director(s), a shareholder is entitled to lodge a notice in writing to the Company to nominate director(s), the period (during which the candidate is allowed to issue a notice to the Company acknowledging his intention to be elected) for lodgment of such notice shall be at least 7 days. In any event, the aforesaid period shall end seven days before the date of such meeting.

The following retiring Directors are nominated for re-election:

To re-elect Mr. Wu Guang Quan, Mr. Lai Wei Xuan, Mr. Sui Yong, Mr. Liu Rui Lin, Mr. Xu Dong Sheng, Mr. You Lei and Mr. Wang Bao Ying as the executive directors;

To re-elect Mr. Poon Chiu Kwok, Mr. Eugene Liu and Mr. Liu Xian Fa as the independent non-executive directors;

To re-elect Mr. Wang Bin Bin and Mr. Li Cheng Ning as the non-executive directors;

The Board recommended Mr. Cheng Bao Zhong as a candidate for executive director.

Details of the abovementioned candidates for election or re-election for directors are set out in the circular dated 28th April 2006.

The Company has nominated Mr. Huang Gao Jian, Mr. Chen Gang and Mr. Sheng Fan as the candidates for supervisors.

Details of the abovementioned candidates for election or re-election for supervisors are set out in the circular dated 28th April 2006.

7. The duration of the AGM, H Shareholders EGM and Domestic Shareholders EGM is expected not to last for more than half a day. Attendants who attend the above meetings shall arrange for travel, food and accommodation at their own cost.

Legal address of the Company:

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