



REVIEW OF MAJOR EVENTS

1. There is no material deviation between the actual corporate governance implemented by the Company and the rules and requirements of corporate governance required to be observed by listed companies in the PRC.
2. The Board did not recommend the payment of any interim dividend, nor any transfer from reserves to share capital, for the year 2006.
3. The Group was not involved in any material litigation or arbitration, whether pending or threatened during the reporting period.
4. There was no material purchase of assets or disposal of the Company's assets nor did any material mergers or acquisition involving the Company occur during this reporting period. Similarly, no transactions of such nature occurred during the last reporting period which has been carried over to this reporting period.
5. **Material Related Party Transactions**

The related party transactions of the Company are set out in Note 9 to the accounts of the Company ("Accounts") prepared in conformity with PRC accounting standards and Note 14 to the Accounts prepared in conformity with HKGAAP.
6. During this reporting period, there was no trust, subcontract and lease of the assets between the Company and other companies.
7. During this reporting period, there was no existing guarantee provided by the Company, nor has any new guarantee been provided by the Company.
8. The Company and its shareholders holding more than 5% of total number of issued shares of the Company have provided undertakings for information disclosure as follows:
 - (1) Within the period between the 36th to the 48th month from the listing date of the A Shares of the Company, SXP GC shall not sell any of its A shares of the Company on the SZSE at a price less than RMB4.8 per share (such price will be on an ex-rights basis if there is any declaration of dividends, bonus issues or capitalization of capital reserve during the period between the day of implementation of the revised share reform of the Company and sale of the shares by SXP GC), being 150% of the average of the closing prices of the listed A Shares as quoted on the SZSE in the thirty (30) trading days prior to the issuance date of the notice of relevant shareholders' meeting. Should SXP GC breach any of the undertakings, the proceeds resulting from such sale shall be transferred to the account of the Company and owned by the Company.
 - (2) As at 1 January 2006, SXP GC owed the Company the sum of RMB9,507,000 for non-business reasons. SXP GC has repaid the capital by 30 June 2006 by way of cash. SXP GC guaranteed not to occupy any capital of the Company starting from 1 January 2006 for non-business reasons.
9. **Purchase, Sales and Redemption of the Company's listed securities**

During this reporting period, neither the Company nor its subsidiaries purchased, sold or redeemed any of its securities.
10. **Management of Funds**

During this reporting period, the Company did not appoint any person for managing the Company's funds. No such appointment was made in the preceding reporting period which has been carried over to this reporting period.
11. **Important announced information index**

The announcement of "Announcement on the Share Reform Proposal" was published in the Hong Kong newspapers, Wen Wei Po and The Standard, the announcement of "Summary of Share Reform Proposal" was published in the PRC domestic newspaper, Securities Times page 27, on 21 March 2006.

The announcement of "2005 Annual Results" and the announcement of "Change of Chairman" were published in the Hong Kong newspapers, Wen Wei Po and The Standard, the announcement of "Summary of 2005 Annual Results" was published in the PRC domestic newspaper, Securities Times page A36, on 27 March 2006.

The announcement of "Postponement of Announcement of Share Reform Proposal and Continuation of Suspension of A Shares on the Shenzhen Stock Exchange" was published in the Hong Kong newspapers, Wen Wei Po and The Standard, the announcement of "Postponement of Announcement of Share Reform Proposal" was published in the PRC domestic newspaper, Securities Times page 120, on 29 March 2006.

The announcement of “Announcement on the Revised Share Reform Proposal, Resumption of Trading of A Shares and Meeting of A Shares Shareholders” was published in the Hong Kong newspapers, Wen Wei Po and The Standard, the announcement of “Announcement on the Revised Share Reform Proposal” was published in the PRC domestic newspaper, Securities Times page B9, on 7 April 2006.

The announcement of “Announcement on the Revised Share Reform Proposal and Suspension of Trading of A Shares” was published in the Hong Kong newspapers, Wen Wei Po and The Standard, on 21 April 2006.

The announcement of “The First Quarter Report of 2006” and the announcement of “The Notice of Annual General Meeting for the Year 2005” were published in the Hong Kong newspapers, Wen Wei Po and The Standard, and in the PRC domestic newspaper, Securities Times page C16, on 24 April 2006.

The announcement of “Results of A Shares Shareholders’ Meeting Regarding the Revised Share Reform “ was published in the Hong Kong newspapers, Wen Wei Po and The Standard, and in the PRC domestic newspaper, Securities Times page C6, on 28 April 2006.

The announcement of “Implementation of Revised Share Reform Proposal and Timetable for Resumption of Trading of A Shares” was published in the Hong Kong newspapers, Wen Wei Po and The Standard, and in the PRC domestic newspaper, Securities Times page A15, on 2 June 2006.

The announcement of “2005 Annual General Meeting Resolutions” and the announcement of “Director Resignation” were published in the Hong Kong newspapers, Wen Wei Po and The Standard, and in the PRC domestic newspaper, Securities Times page A16, on 12 June 2006.

The announcement of “The Distribution of dividend in respect of A Shares for the year 2005” was published in the PRC domestic newspaper, Securities Times page A6, on 14 June 2006.

The announcement of “Connected Transaction” was published in the Hong Kong newspapers, Wen Wei Po and The Standard, and in the PRC domestic newspaper, Securities Times page C10, on 23 June 2006.

The announcement of “The Controlling Shareholder has repaid the non-business capital” was published in the Hong Kong newspaper, Wen Wei Po and The Standard, and in the PRC domestic newspaper, Securities Times page A10, on 27 June 2006.