

**DETAILS OF SHAREHOLDERS' MEETINGS**

During the reporting period, the Company's Directors held an Annual General Meeting ("AGM") and two Extraordinary General Meetings ("EGM"). Details of those meeting are as follows:

- 1 The twelfth meeting of the first term of the Board held on 14 March 2000 issued a notice to hold its 1999 AGM at the conference room of the Company on the morning of 26 May 2000. The notice of 2000 AGM was disclosed in the Hong Kong Economic Daily and the South China Morning Post on 27 March 2000. The Company's directors and supervisors were present at the meeting. Shareholders and three authorised representatives holding a total of 513,020,000 shares, which represented 70.01% of the issued share capital of the Company, were present at the 1999 meeting and were sufficient for the quorum of the meeting in accordance with the Company's Articles of Association. The 1999 AGM passed the following resolutions:
  - (a) approved the 1999 Directors' Report;
  - (b) approved the 1999 report of the Supervisory Committee;
  - (c) approved the 1999 audited accounts;
  - (d) approved the 1999 Auditor's report;
  - (e) approved the re-appointment of Guangzhou Yangcheng Certified Public Accountants Company Limited and PricewaterhouseCoopers as domestic and international auditors respectively, and authorised the Board to fix their remuneration;
  - (f) approved the scheme of profit distribution and dividend for 2000;
  - (g) fixed the remuneration of the directors and supervisors for 2000; and
  - (h) authorised the Board to allot and issue new shares in accordance with the relevant regulations during the relevant period and authorised the Board to make any appropriate and necessary amendments to the Company's Articles of Association and to register such amendments with the relevant authority.



## Summary of Shareholders' Meeting

The resolution notice of 1999 AGM was disclosed in the Hong Kong Economics Daily and the South China Morning Post on 27 May 2000.

- 2 The thirteenth meeting of the first term of the Board held on 4 August 2000 issued a notice to hold its first 2000 EGM at the conference room of the Company on the morning of 18 October 2000. The notice of first 2000 EGM was disclosed in the Hong Kong Economic Daily and the Hong Kong iMail on 4 September 2000. The Company's directors and supervisors were present at the meeting. Shareholders and one authorised representative of a shareholder holding a total of 513,000,000 shares, which represented 70% of the issued share capital of the Company, were present at the first 2000 EGM and were sufficient for the quorum of the meeting in accordance with the Company's Articles of Association. The first 2000 EGM passed the following resolutions:
- (a) elected new directors and new supervisors. The tenure of new directors and new supervisors is three years from the date of the first 2000 EGM;
  - (b) authorised the Board to fix the remuneration of each individual director and supervisor; and
  - (c) approved the amendment to Clauses 88 and 111 of the Company's Articles of Association.

The resolution notice of first 2000 EGM was disclosed in the Hong Kong Economic Daily and the Hong Kong iMail on 19 October 2000.

- 3 The fourteenth meeting of the first term of the Board held on 1 September 2000 issued a notice to hold its second 2000 EGM and the second 2000 EGM was held at the conference room of the Company on the morning of 18 October 2000. The notice of the second 2000 EGM was disclosed in the Hong Kong Economic Daily, the Hong Kong iMail, China Securities and Securities Times on 4 September 2000. The Company's directors and supervisors were present at the meeting. Shareholders and authorised representative holding a total of 513,000,000 shares, which represented 70% of the issued share capital of the Company, were present at the first 2000 EGM and were sufficient for the quorum of the meeting in accordance with the Company's Articles of Association. The second 2000 EGM passed the following resolutions:

- (a) approved the proposal of application for the issue of A shares;
- (b) approved the plan for the use of proceeds from the issue of A shares;
- (c) approved the details of the use of proceeds from the previous issue of shares;
- (d) approved the undistributed profit for the six months ended 30 June 2000 and the proposed scheme for distribution of the accumulated undistributed profit from 1 July 2000 to the date of the completion of the issue of A shares to the existing shareholders and the shareholders of the new issues; and
- (e) authorised the Board to proceed with the proposed new issue.

The resolution notice of second 2000 EGM was disclosed in the following newspapers: China Securities, Securities Times, Hong Kong Economic Daily and the Hong Kong iMail on 19 October 2000.

#### **INFORMATION REGARDING CHANGES IN DIRECTORS AND SUPERVISORS OF THE COMPANY DURING THE REPORT PERIOD**

The changes in directors and supervisors of the Company up to 31 December 2000 are as follows:

Directors: Xiao Cheng, Li Xinghua, Li Guoju, Liao Jingguang and Su Degui, and supervisors: Wen Xinmin and Mai Qije retired upon completion of their terms. Their retirement was approved in the second 2000 EGM on 18 October 2000.

The second term of the board of directors and Supervisory Committee was elected during the second 2000 EGM on 18 October 2000. The directors elected were: Cai Zhixiang, Li Yimin, Chen Xiangzhi, Feng Zansheng, Chu You Lin, Liu Jingxiang, Wu Zhang, Huang Buren. The supervisors elected were: Chen Canying, Tan Sima and Luo Jidong.