

## **Resolution of the Shareholders' Meeting of Shanghai Shining Biotechnology Co., Ltd.**

According to the business condition and specific situations of the company, the shareholders' meeting was held on August 10, 2005. Shareholders Song Jin'an, Yan Li, Huang Weida, Yan Yihong and the legal representative of Shanghai Shengyuan Real Estate Co., Ltd. attended the meeting, which complied with the quorum. The proposal of the meeting was: matters concerning the transfer of stock rights of the company, the change of the legal representative and the amendment of the Articles of Association. The following effective resolutions were approved in accordance with relevant articles of the Articles of Association of the company:

1. It was approved that all stock rights of all shareholders of Shanghai Shining Biotechnology Co., Ltd. were transferred to Sinosmart Group Inc. and the nature of enterprise was changed from a domestic-funded enterprise to a foreign-funded enterprise.

1) It was approved that 50% stock rights of Song Jin'an in the company were transferred to Sinosmart Group Inc. at the price of RMB9.16 million.

2) It was approved that 29.5% stock rights of Yan Li in the company were transferred to Sinosmart Group Inc. at the price of RMB5,404,400.

3) It was approved that 15% stock rights of Huang Weida in the company were transferred to Sinosmart Group Inc. at the price of RMB2,748,000.

4) It was approved that 5% stock rights of Yan Yihong in the company were transferred to Sinosmart Group Inc. at the price of RMB916,000.

5) It was approved that 0.5% stock rights of Shanghai Shengyuan Real Estate Co., Ltd. were transferred to Sinosmart Group Inc. at the price of RMB122,800.

2. It was determined that the business scope of the company would be changed from "production and sales of micro ecological capsule and health food (the above-mentioned do not contain drugs), the sales of chemical products (excluding dangerous goods), research and development of drugs, nonferrous metals, clothing, export of our own products and import of machines, parts, raw materials and auxiliary materials we need (except commodities and technologies restricted or prohibited by the state). The company includes our member enterprises held by the company." to "production of micro ecological capsule and functional food (the above-mentioned do not contain drugs), research and development of drugs, sales of our products and provision of relevant consultation services."

3. The original president of the company was Song Jin'an and the shareholders were Yan Li, Huang Weida, Yan Yihong, Wu Qineng, Hu Jinhua and Du Wenmin. They will continue to undertake their former positions of Shanghai Shining Biotechnology Co., Ltd. The term of office is three years and may be renewed if continuously elected.

4. According to specific situations of the company and the adjustment of relevant items this time, the Articles of Association will be reestablished by Sinosmart Group Inc.

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The page is only for signatures:

Signatures of shareholders present in the meeting:

Song Jin'an (Signed)

Yan Li (Signed)

Huang Weida (Signed)

Yan Yihong (Signed)

Signature of Legal Representative: Liu Jianshi (Signed)

Shanghai Shengyuan Real Estate Co., Ltd. (Seal)

Dated: August 10, 2005

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## Documents and Certificates Submitted for the Change of Registration of Business Type for Foreign-funded Enterprises

Serial no.	Name of documents and certificates
1	Application for the Change of Registration of Foreign-funded Enterprises signed by the legal representative (the form)
2	Approval documents and certificates by the approval authority (1 duplicate copy )
3*	Resolution of the board of directors
4	Amendment agreements of contracts and the Articles of Association
5*	Stock right transfer agreement, or the cooperation termination agreement between all parties of the joint venture
6	Statement of abandoning the priority of preemptive rights by other cooperative parties
7*	Legal permit for business and the certificate of credit standing
8	Business License in original and copy, IC card (Business License in electronic copy)
9	Other relevant documents and certificates

Code requirements:

1. The application form shall be filled in by a black or blue-black pen or sign pen in a clear way.
2. The documents above shall be submitted in original except those marked in copies.
3. If the documents above submitted are written in a foreign language, corresponding Chinese copies shall be submitted with the seal of the translation agency.
4. The same materials need to be submitted once when applying for a number of changes (for records).
5. The resolution of the board meeting in Item 3 shall comply with the regulations of the Articles of Association, the directors shall be consistent with that registered at the registration authority and the resolution contents shall be consistent with the item applied. The resolution of the shareholders' meeting shall be submitted if the company is a joint stock company.
6. For Item 7, Chinese investors shall submit a copy of the Business License with the seal of the enterprise as a legal permit for business; investors of foreign countries (areas) shall submit the legal permit for business in original or its copy authenticated by the notary organs of their countries (areas) or by our embassy or consular in their local places; foreign investors which are natural persons shall submit ID copies and present the originals for verification; the credit standing shall be issued by the opening banks of the investors.
7. Joint stock companies shall also submit (1) the records of the founding meeting; (2) the agreement of founders; (3) the financial and audit reports of the company in preparation; (4) the capital verification report issued by an investment verification authority; (5) joint stock companies set up in the mode of financing shall also submit the approval documents in original or their effective copies by the securities administrative departments of the State Council.

Original business type	Business type applied for change
Limited liability company (domestic joint venture)	Wholly foreign-owned

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3*	Resolution of the board of directors
4	Amendment agreements of contracts and the Articles of Association
5	Stock right transfer agreement
6	Statement of abandoning the priority of preemptive rights by other cooperative parties
7*	Legal permit for business and the certificate of credit standing
8	Business License in original and copy (with the seal of the enterprise), IC card (Business License in electronic copy)
9	Other relevant documents and certificates

Code requirements:

1. The application form shall be filled in by a black or blue-black pen or sign pen in a clear way.
2. The documents above shall be submitted in original except those marked in copies.
3. If the documents above submitted are written in a foreign language, corresponding Chinese copies shall be submitted with the seal of the translation agency.
4. The same materials need to be submitted once when applying for a number of changes (for records).
5. The resolution of the board meeting in Item 3 shall comply with the regulations of the Articles of Association, the directors shall be consistent with that registered at the registration authority and the resolution contents shall be consistent with the item applied. The resolution of the shareholders' meeting shall be submitted if the company is a joint stock company.
6. For Item 7, Chinese investors shall submit a copy of the Business License with the seal of the enterprise as a legal permit for business; investors of foreign countries (areas) shall submit the legal permit for business in original or its copy authenticated by the notary organs of their countries (areas) or by our embassy or consular in their local places; foreign investors which are natural persons shall submit ID copies and present the originals for verification; the credit standing shall be issued by the opening banks of the investors.
7. Upon verification and approval of the change, enterprises shall submit the Business License in original and copies for exchange for the new Business License.
8. In addition, enterprises restructured to foreign-funded enterprises shall submit:
  - (1) Approval documents of the superior competent authority (including the confirmation of the result of the overall evaluation report and the transfer price, debt treatment, employee settlement schemes, disposal of original stock assets and descriptions of assets ownership.);
  - (2) Asset protection certificate (issued by the bank);
  - (3) Resolution of shareholders;
  - (4) Resolution of the workers' congress.

Original investors and proportion of stocks in possession	Investors and proportion of stocks in possession applied for change
Song Jin'an      50%	Sinosmart Group Inc.      100%
Yan Li            29.5%	
Huang Weida    15%	
Yan Yihong      5%	
Shanghai Shengyuan Real Estate Co., Ltd.    0.5%	

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Registration of Business Type for Foreign-funded Enterprises**

Serial no.	Name of documents and certificates
1	Application for the Change of Registration of Foreign-funded Enterprises signed by the legal representative (the form)
2	Approval documents and certificates by the approval authority (1 duplicate copy )
3*	Resolution of the board of directors
4	Amendment agreements of contracts and the Articles of Association
5	Business License in original and copy, IC card (Business License in electronic copy)
6*	Preapproval documents or certificates
7	Other relevant documents and certificates

Code requirements:

1. The application form shall be filled in by a black or blue-black pen or sign pen in a clear way.
2. The documents above shall be submitted in original except those marked in copies.
3. If the documents above submitted are written in a foreign language, corresponding Chinese copies shall be submitted with the seal of the translation agency.
4. The same materials need to be submitted once when applying for a number of changes (for records).
5. The resolution of the board meeting in Item 3 shall comply with the regulations of the Articles of Association, the directors shall be consistent with that registered at the registration authority and the resolution contents shall be consistent with the item applied. The resolution of the shareholders' meeting shall be submitted if the company is a joint stock company.
6. For Item 6, contents in the business scope which are not required for preapproval needn't be submitted.

Original business scope	Business scope applied for change
Production and sales of micro ecological capsule and health food (the above-mentioned do not contain drugs), the sales of chemical products (excluding dangerous goods), research and development of drugs, nonferrous metals, clothing, export of our own products and import of machines, parts, raw materials and auxiliary materials we need (except commodities and technologies restricted or prohibited by the state). The company includes our member enterprises held by the company..	Production of micro ecological capsule and functional food (the above-mentioned do not contain drugs), research and development of drugs, sales of our products and provision of relevant consultation services.

**Resolution of the Board of Directors on  
the Change of Business Scope of Shanghai Shining Biotechnology Co.,  
Ltd.**

In view that all shareholders of Shanghai Shining Biotechnology Co., Ltd. transferred all stock rights to Sinosmart Group Inc., the business nature of the company has changed from a domestic-funded enterprise to a foreign-funded enterprise.

In accordance with the regulations of the Articles of Association of the company, the board meeting was held on August 17, 2005 and hosted by the President Song Jin'an. Shareholders Yan Li, Huang Weida, Yan Yihong, Wu Qineng, Hu Jinhua and Du Wenmin attended the meeting, which complied with the quorum. The following effective resolutions were made in accordance with relevant articles of the Articles of Association of the company:

1. It was determined that the business scope of the company would be changed from "production and sales of micro ecological capsule and health food (the above-mentioned do not contain drugs), the sales of chemical products (excluding dangerous goods), research and development of drugs, nonferrous metals, clothing, export of our own products and import of machines, parts, raw materials and auxiliary materials we need (except commodities and technologies restricted or prohibited by the state). The company includes our member enterprises" to "production of micro ecological capsule and functional food (the above-mentioned do not contain drugs), research and development of drugs, sales of our products and provision of relevant consultation services."

2. The original president of the company was Song Jin'an and the shareholders were Yan Li, Huang Weida, Yan Yihong, Wu Qineng, Hu Jinhua and Du Wenmin. They will continue to undertake their former positions of Shanghai Shining Biotechnology Co., Ltd. The term of office is three years and may be renewed if continuously elected.

(There is no text below)

The page is only for signatures:

Signatures of shareholders present in the meeting:

Song Jin'an (Signed)

Yan Li (Signed)

Huang Weida (Signed)

Yan Yihong (Signed)

Wu Qineng (Signed)

Hu Jihua (Signed)

Du Wenmin (Signed)

Dated: August 17, 2005

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**Shanghai Shining Biotechnology Co., Ltd.**

**Resolution of the 6<sup>th</sup> Board Meeting in 2005**

Time: June 17, 2005

Place: the meeting room of the company

Attendants: Song Jin'an, Huang Weida, Yanli and Yan Yihong

Contents:

In view of the acquisition of Shanghai Shining Biotechnology Co., Ltd. by a foreign investor, the board of directors decided to recruit and entrust Shanghai Changxin Assets Evaluation Co., Ltd. to make an overall evaluation of assets for the company. The base day of evaluation is: June 30, 2005.

Seal:

Song Jin'an (Signed)

Huang Weida (Signed and sealed)

Yan Li (Signed and sealed)

Yan Yihong (Signed)

Dated: June 17, 2005