

**SUMMARY OF REPORT OF ACQUIRING THE SHARES IN  
SHENZHEN SEG SAMSUNG GLASS CO., LTD.**

Name of Listed Company:	Shenzhen SEG Samsung Glass Co., Ltd.
Listed Market:	Shenzhen Stock Exchange
Stock Short Name:	SSG
Stock Code:	000068
Name of Acquirer:	Samsung Corning (Malaysia) Sdn. Bhd.
Registered Address of Acquirer:	Lot 635 & 660, Kawasan Perindurian Tuanku Jaafar, 71450 Sungai Gadut, Negeri Sembilan Darul Khusus, Malaysia
Telephone of Acquirer:	606-677-9700
Contact Address of Acquirer	Lot 635 & 660, Kawasan Perindurian Tuanku Jaafar, 71450 Sungai Gadut, Negeri Sembilan Darul Khusus, Malaysia
Date of Execution:	January 28, 2003

***(This Report is prepared both in Chinese and English. If there is a conflict  
between the two versions, the Chinese version shall prevail.)***

In connection with this Acquisition (as defined hereinafter), the Acquirer (as defined hereinafter) hereby declares as follows:

- I. This Report is prepared by the Acquirer in accordance with *the Securities Law of PRC* (hereinafter referred to as the “**Securities Law**”), *the Administration Rules of Acquisition of Listed Companies* (hereinafter referred to as the “**Acquisition Rules**”) issued by CSRC (as defined hereinafter) on September 28, 2002, *the Rules of Contents and Formats of Information Disclosure of Public Companies No. 16* (hereinafter referred to as the “**Rules No. 16**”) issued by CSRC and effective as of December 1, 2002 and other related laws and regulations.

Pursuant to the provisions of the *Securities Law*, the *Acquisition Rules* and the *Rules No. 16*, this Report has fully disclosed the shares of SSG held or controlled by the Acquirer.

Except for the information of shareholdings disclosed herein, the Acquirer does not hold or control any shares of SSG by any other means as of the date that this Report is executed.

- II. The Acquirer has obtained all requisite authorizations and approvals to execute this Report, and its performance of this Report will not contravene or conflict with any provisions of the Acquirer’s Articles of Association or bylaws.

- III. This Acquisition is still subject to the following approvals:

1. The approval of the Ministry of Finance with respect to the administration of state-owned shares involved in this Acquisition, which shall be applied by the Transferor (as defined hereinafter);
2. The approval of the State Economic and Trade Commission with respect to the industrial policies and related matters involved in this Acquisition, which shall be applied by the Transferor;
3. The approval of the Ministry of Foreign Trade and Economic Cooperation with respect to the industrial policies of foreign investment and the change of the nature of the enterprise involved in this Acquisition, which shall be applied by SSG;
4. The approval of China Securities Regulatory Commission with respect to the exemption of obligation of general offering involved in this Acquisition, which shall be applied by the Acquirer; and
5. The approval of the Central Bank of Malaysia as required by laws of the Federation of Malaysia in which the Acquirer is located, which shall be applied by the Acquirer.

- IV. This Acquisition is carried out pursuant to and based on the information and materials covered herein. Except for the Acquirer, nobody is entrusted or authorized to provide any information other than those disclosed herein or to

interpret or explain this Report.

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**Definitions:**

Unless otherwise stipulated in the context, the terms herein shall have the meanings defined as follows:

“SCM”, or “the Samsung Corning (Malaysia) Sdn. Bhd., a company Acquirer” established and existing under the laws of the Federation of Malaysia.

“SSC” Samsung Corning Co., Ltd., a company established and existing under the laws of the Republic of Korea; SSC holds 70% of the shares of the Acquirer.

“SSG”, or “the Shenzhen SEG Samsung Glass Co., Ltd., a company limited Listed Company” by shares listed on Shenzhen Stock Exchange, with a Stock Code of 000068.

“SSH” SSH Limited, formerly, Shum Yip Tamy Limited, a company established and existing under the laws of Hong Kong; SSC holds 60% of the shares of SSH.

“SEG Group”, or “the Transferor” Shenzhen Electronic Group Co., Ltd., a limited liability company established and existing under the laws of the PRC.

“CSRC” China Securities Regulatory Commission of the PRC.

“SETC” State Economic and Trade Commission of the PRC.

“MOFTEC” Ministry of Foreign Trade and Economic Cooperation of the PRC.

“This Acquisition” The transaction that SCM purchases 110,749,679 state-owned shares from SEG Group.

“This Report” The Report of Acquiring the Shares in Shenzhen SEG Samsung Glass Co., Ltd. executed on January 28, 2003.

“Share Transfer Agreement” The Share Transfer Agreement relating to Purchasing SSG’s Shares entered into by and between SEG Group and SCM on January 28, 2003.

“PRC” The People’s Republic of China, and for the purpose of this Report, excluding Hong Kong, Macao and Taiwan.

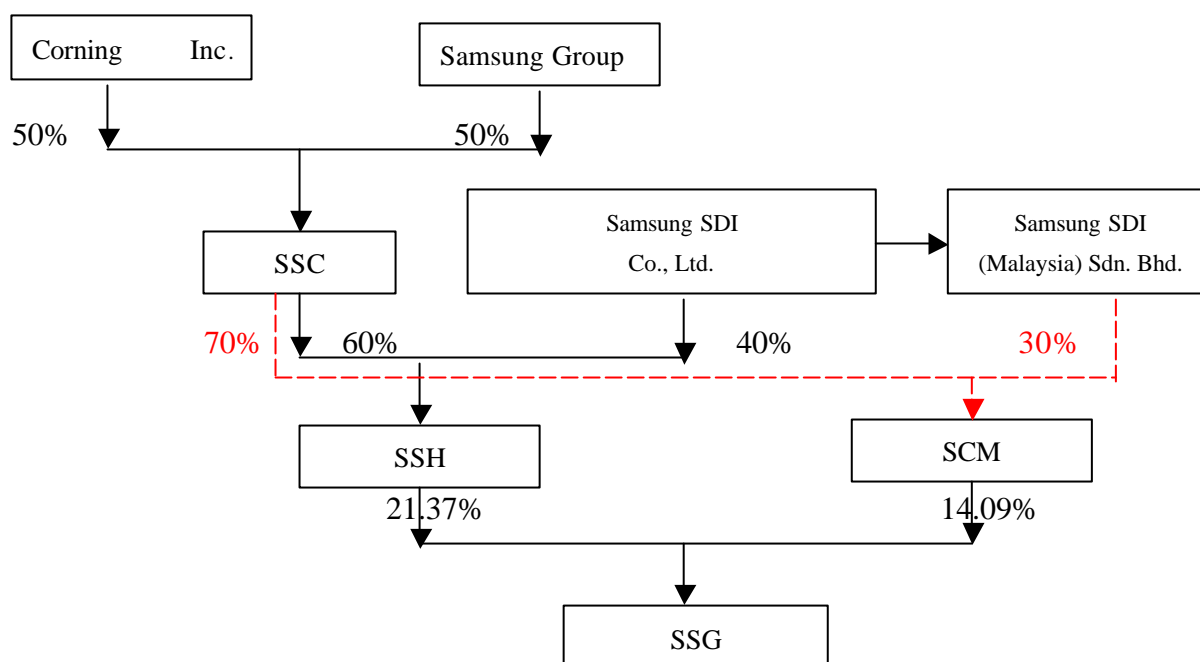
## I. INFORMATION OF THE ACQUIRER

### A. Basic Information of the Acquirer

1. Name: Samsung Corning (Malaysia) Sdn. Bhd.
2. Registered Address: Lot 635 & 660, Kawasan Perindurian Tuanku Jaafar, 71450 Sungai Gadut, Negeri Sembilan Darul Khusus, Malaysia
3. Business Registration Certificate: 214444-W
4. Type of Enterprise: Company limited by shares
5. Scope of Business: Manufacture and sale of polished television and monitor panels and funnels.
6. Names of Shareholders: SSC (70%), Samsung SDI (M) Sdn. Bhd. (30%)
7. Contact Address: Lot 635 & 660, Kawasan Perindurian Tuanku Jaafar, 71450 Sungai Gadut, Negeri Sembilan Darul Khusus, Malaysia
8. Tel: 606-677-9700
9. Fax: 606-677-1903

### B. The Ownership Structure and Controlling Relationship of the Acquirer

#### 1. SCM's Ownership Structure



SSC holds 70% shares of the Acquirer, and holds 60% shares of SSH. As of the date of the execution of this Report, SSH holds 167,957,704 shares in SSG,

representing 21.37% of the issued and outstanding shares of SSG

### **C. Related Penalties and Significant Litigations or Arbitrations**

The Acquirer has not been involved in any administrative penalties (except for those unrelated to securities transactions or market), criminal liabilities or significant civil litigations or arbitrations related to economic disputes within the past five years.

### **D. Basic Information of the Acquirer's High Level Officers**

#### 1. Brief Information of the Acquirer's Directors

No.	Name	ID No.	Permanent Address	Nationality	Residence Permit in Other Country or Region (if any)
1	Lee Byung Rai	MA0006586	The Republic of Korea	The Republic of Korea	None
2	So Jang Young	MA0006890	The Republic of Korea	The Republic of Korea	None

Other than the above two directors, the Acquirer has no other high level officers.

The aforesaid persons have not been involved in any administrative penalties (except for those clearly unrelated to securities transactions or market), criminal liabilities or significant civil litigations or arbitrations related to economic disputes within the past five years.

### **E. Brief Information of the Acquirer's Holdings or Controlling of More Than 5% of the Issued Shares of Other Listed Companies**

The Acquirer does not hold any shares of any company listed in any exchange markets within China as of the date of the execution of this Report.

## **II. Information on Shareholdings of the Acquirer**

### **A. The Acquirer's Shareholdings in SSG**

#### **1. The Acquirer's Current Shareholdings in SSG**

Based on the Shareholders Registry issued on November 29, 2002 by Shenzhen Branch of China Securities Registry and Settlement Corporation, as of November 29, 2002, the Acquirer has not held any shares in SSG; SSH holds 167,957,704 shares in SSG, representing 21.37% of the issued and outstanding shares of SSG

Except for the above shares held by SSH, a related party of the Acquirer, SSH, the Transferor and its related parties (including Shenzhen SEG Co., Ltd. ("SEG") and SEG Storage and Transportation Co., Ltd. ("SEG Storage")) entered into a shareholder agreement ("Shareholder Agreement") on July 26, 1998, making the following arrangement with respect to the exercising of voting rights of SSG shares:

##### **1) Board of Directors**

The Board of Director of SSG shall consist of nine (9) members: four (4) members nominated by SSH and five (5) members nominated by the Transferor and its related parties (e.g., SEG and SEG Storage). The Chairman shall be nominated by the Transferor and its related parties (e.g., SEG and SEG Storage); the Vice-Chairman shall be nominated by SSH. The parties to the Shareholder Agreement should vote their respective shares in SSG to support such nomination.

##### **2) General Managers**

SSH, the Transferor and its related parties (e.g., SEG, and SEG Storage) shall cause the board of directors to (i) appoint one general manager nominated by SSH; (ii) appoint one executive deputy general manager nominated by the Transferor and its related parties (e.g., SEG, and SEG Storage); and (iii) appoint one (1) deputy general manager nominated by SSH. The executive deputy general manager nominated by the Transferor and its related parties (e.g., SEG and SEG Storage) would be responsible for SSG's production, technology, technology renovation and facilities expansion; the deputy general manger nominated by SSH would be responsible for SSG's planning, finance and (domestic and export) marketing; and the deputy general manager nominated by the Transferor and its related parties (e.g., SEG and SEG Storage) would be responsible for SSG's human resources and procurement.

##### **3) Board of Supervisors**

The Board of Supervisors of SSG shall consist six (6) members, including two (2) members nominated by SSH, two (2) members nominated by the Transferor and its related parties (e.g., SEG, SEG Storage), and the others elected by SSG's employees.

Except for the above, the Acquirer has no other arrangement with respect to the exercising of voting rights of SSG shares.

#### **2. The Acquirer's Shareholdings in SSG upon the Completion of this Acquisition**



When this Acquisition is approved by the related authorities and completed, according to the Share Transfer Agreement, SCM will hold 110,749,679 shares of SSG transferred by SEG Group, representing 14.09% of the issued and outstanding shares of SSG.

## **B. Authorizations and Approvals of This Acquisition**

### 1. Authorizations

On January 27, 2003, SCM convened an interim meeting of the board of directors in accordance with its Articles of Association, convening the extraordinary general meeting to be held to approve this Acquisition.

### 2. Approvals

This Acquisition is still subject to the following approvals:

- (1) Pursuant to the *Notice of MOF on Issues Concerning Administration of State-owned Shares of Companies Limited by Shares* (Cai Guan Zi [2000] No. 200) issued by MOF on May 19, 2000, SEG Group shall apply for the approval of MOF for the administration of state-owned shares involved in this Acquisition;
- (2) Pursuant to the *Notice on Issues Concerning Transferring State-owned Shares or Legal Person Shares of a Listed Company to Foreign Investors* issued by CSRC, MOF and SETC on November 1, 2002, SEG Group shall apply for the approval of SETC for the administration of the industrial policies and related issues involved in this Acquisition.
- (3) Pursuant to the *Provisional Regulations on Issues Concerning Establishment of Foreign Invested Companies Limited by Shares* issued by MOFTEC on January 10, 1995 and the *Notice on Issues Concerning Strengthening Administration of Approvals, Registrations, Foreign Exchange and Taxes of Foreign Invested Enterprises* (Wai Jing Mao Fa Fa [2002] No. 575) issued by MOFTEC, State General Tax Bureau, State Administration for Industry and Commerce, State Administration of Foreign Exchange on December 30, 2002, SSG shall obtain the approval of MOFTEC for the industrial policies of foreign investment and the change of enterprise nature involved in this Acquisition.
- (4) Pursuant to Article 14 of the *Acquisition Rules*, the Acquirer shall obtain the general offer waiver of CSRC to waive its obligation of general offering.
- (5) The approval of the Central Bank of Malaysia is required by the laws of the Federation of Malaysia in which the Acquirer is located.

## **C. Share Transfer Agreement**

### 1. Background of the Execution of the Share Transfer Agreement

Since 1998, the Acquirer started to communicate with the related governmental authorities of PRC to discuss the feasibility of acquiring shares of the Listed Company in China. In July 2002, the Acquirer started to contact the Transferor to discuss the share transfer. In October 2002, the negotiation entered into a substantive stage, and the parties conducted thorough communications and negotiations regarding the related issues involved in the share transfer. On January 28, 2003, the parties entered into the Share Transfer Agreement.

## 2. Basic Information of Share Transfer Agreement

- (1) Parties: SCM and SEG Group;
- (2) Number of shares to be transferred: 110,749,679;
- (3) Ratio of shares to be transferred: 14.09%;
- (4) Nature of shares to be transferred: State-owned share;
- (5) Price of shares to be transferred: the purchase price for the shares to be transferred shall be RMB 2.1415 per share with a total value of RMB 237,170,438.00;
- (6) Date of Execution: January 28, 2003;
- (7) Preconditions to Effectiveness:
  - (a) the execution by legal representatives or authorized representatives of the Parties on, affixing of official chops on and delivery of the Share Transfer Agreement, the Amendment to Technology Transfer and License Agreement and the First Amendment to the Shareholder Agreement (the “Project Documents”); and
  - (b) the Project Documents shall have been duly approved and consented by, and registered and filed in, all relevant and necessary corporations, shareholders and governmental authorities in the PRC and the Central Bank of Malaysia, as required by the laws of the PRC and the Federation of Malaysia, respectively. The approvals in the PRC include, but not limited to, (i) the approval of this Agreement by SETC, if necessary; (ii) the approval of this Agreement by MOFTEC and consent by MOFTEC of the conversion of SSG into a foreign-invested company limited by shares; (iii) the approval of this Agreement by MOF; (iv) the absence of objection from CSRC regarding the acquisition report submitted by SCM; (v) the receipt by SCM and/or its related parties of the general offer waiver, and such approval, consent, registration and filing shall be in full force and effect.
- (8) Special Provisions: SCM and SEG Group make the following agreements on the conditions to the closing of this Acquisition, including:
  - (a) fulfillment of the preconditions to effectiveness;

- (b) no material adverse change, other than those caused by ordinary operation of SSG, after the base date of the accounts, in the business, operations, properties, prospects, assets or conditions of SSG, shall have occurred;
  - (c) the Parties have received an opinion of the board of directors of SSG and a separate opinion from the independent directors of SSG as to the possible effect of the transaction as contemplated by the Share Transfer Agreement on SSG as required by the *Acquisition Rules*;
  - (d) SSG shall have complied in all material respects with its covenants and obligations relating to the Project Documents;
  - (e) the shareholders of SSG at an extraordinary general shareholder's meeting to be held on or before the completion date, having (i) adopted the Amendment to the Articles, and (ii) adopted other resolutions that are necessary for SSG's performance of Project Documents to which SSG is a party as required by applicable Chinese laws and regulations,
  - (f) all requisite government or regulatory approvals, consents, registrations, filings and expiration of required waiting periods shall have been received, obtained or satisfied for the SSG's expansion plan;
  - (g) the appraisal or audit report of Shenzhen SEG Samsung Industry Co., Ltd. prepared by an accounting firm with PRC securities qualification appointed by the board of directors of SSI which shows that the net asset value of SSI is zero (0) or slightly above zero (0) has been received by the Parties; and
  - (h) SEG Group (or its nominees) and SCM (or its nominees) shall assume respectively the related guarantee obligations for SSG Loans.
- (9) Approvals of this Acquisition: this Acquisition is subject to the following approvals:
- (a) the Transferor shall obtain the approval of MOF with respect to the administration of state-owned shares involved in this Acquisition;
  - (b) the Transferor shall obtain the approval of SETC with respect to the industrial policies and related matters involved in this Acquisition;
  - (c) SSG shall obtain the approval of MOFTEC with respect to the industrial policies of foreign investment and the change of the nature of the enterprise involved in this Acquisition; and
  - (d) the Acquirer shall obtain the approval of CSRC with respect to the general offer waiver involved in this Acquisition.
- (10) Other Arrangements

Except for the above provisions in the Share Transfer Agreement, the Acquirer, SSH, SEG Group, SEG and Shenzhen Storage executed the Amendment No. 1 to Shareholder Agreement on January 28, 2003 to amend the Shareholders Agreement. The Shareholder Agreement and the Amendment No. 1 to Shareholder Agreement make the following arrangements with respect to the exercising of voting rights of SSG shares held by the aforesaid parties:

- (a) Directors: after the completion of the share transfer, the Acquirer, SSH, the Transferor and its related parties (i.e., SEG and SEG Storage) shall exercise their voting rights to procure that the board of directors of SSG shall consist of 3 directors collectively nominated by the Acquirer and SSH, 3 directors collectively nominated by the Transferor and its related parties (i.e., SEG and SEG Storage) and 3 independent directors;
- (b) General Managers: SSH, the Transferor and its related parties (i.e., SEG and SEG Storage) shall cause the board of directors to (i) appoint a general manager nominated by the Acquirer and SSH (ii) appoint one executive deputy general manager collectively nominated by the Transferor and its related parties (i.e., SEG and SEG Storage); and (iii) appoint one deputy general manager nominated by the Acquirer and SSH. The executive deputy general manager nominated by the Transferor and its related parties (i.e., SEG and SEG Storage) would be responsible for SSG's production, technology, technology renovation and facilities expansion; the deputy general manager nominated by the Acquirer and SSH would be responsible for SSG's planning, finance and (domestic and export) marketing; and the deputy general manager nominated by the Transferor and its related parties (i.e., SEG and SEG Storage) would be responsible for SSG's human resources and procurement.
- (c) Supervisors: the board of supervisors of SSG shall consist of 6 members, including 2 members nominated by SSH, two 2 members nominated by the Transferor and its related parties (i.e., SEG and SEG Storage), and the others elected by SSG's employees;
- (d) The Share Transfer: before any of the Transferor and its related parties (i.e., SEG and SEG Storage), on the one hand, or any of the Acquirer and SSH, on the other hand, pledges any of its shares in SSG, it shall notify one of the other Parties in writing. After one of the two parties (the "Affected Parties") pledges any of their shares in SSG, if any breach occurs as a result of which the pledgee could possibly exercise its pledge right, the Affected Parties should notify the other Parties (the "Non-affected Parties") in writing within three (3) business days after the occurrence of the breach, and when the Non-affected Parties are willing to purchase the pledged shares, shall make its best efforts to assist the Non-affected Parties to negotiate with the pledgee to purchase such pledged shares. Within three (3) business days after any one of the Parties learns that any of its shares in SSG are frozen by a court or any

authorities exercising similar rights or are going to be auctioned to any third party or otherwise disposed of by a court or any authorities exercising similar rights, it shall notify any of the other Parties in writing. If the other Parties are willing to purchase such shares, it shall use its best efforts to facilitate the other Parties to negotiate with the creditor and the court or the relevant authorities to purchase such shares;

- (e) SSG's Expansion: the Transferor and its related parties (i.e., SEG and SEG Storage), the Acquirer and SSH have reached an agreement on SSG's expansion, and agree to jointly procure SSG to submit to relevant banks applications for loans to fund the expansion plan in a timely manner.

### **III. WAIVER OF GENERAL OFFER**

As SSH, an affiliate of the Acquirer, has already held 21.37% of the shares in SSG before this Acquisition, the Acquirer and SSH will hold collectively more than 30% of the shares in SSG after this Acquisition. The Acquirer believes that this Acquisition will bring additional competitiveness into SSG and international management experience, enhance SSG's competition capacity and help promoting the investors' legitimate interests. Pursuant to the *Acquisition Rules*, the Acquirer shall tender the offer of purchase to all SSG's shareholders. To avoid this, the Acquirer will submit an application for general offer waiver to CSRC.

#### **IV. STATEMENTS OF ACQUIRER'S LEGAL REPRESENTATIVES**

##### **A. SCM**

I, as well as the institution I represent, undertake that this Summary do not contain any fraudulent, or misleading statement or material omission, and will be responsible for, jointly and severally, the truthfulness, accuracy and integrality of this Summary.

SAMSUNG CORNING (MALAYSIA) SDN BHD

By: \_\_\_\_\_

Name: Byung Rai Lee

Title: Director of SCM

Dated: January 28, 2003

##### **B. SSH**

I, as well as the institution I represent, undertake that this Summary do not contain any fraudulent, or misleading statement or material omission, and will be responsible for, jointly and severally, the truthfulness, accuracy and integrality of this Summary.

SSH LIMITED

By: \_\_\_\_\_

Name: Yong-Ro Song

Title: Authorized Representative

Dated: January 28, 2003