

SALE OF STAFF QUARTERS

1. Deferred expenses on disposal of staff quarters have been dealt with in the financial report for the year 2000 of the Company.
2. The Company introduced an approved programme for raising funds from its employees to construct staff quarters during 2001 and the Period respectively. As at 30 June 2001, the total amount of deposits received from the staff in respect of such programme amounted to RMB3,910,000. Upon completion of the programme for raising fund, the Company will transfer all the titles of the staff quarters to its staff.