

Report of the Supervisory Committee 監事會報告書

I herein report that the Supervisory Committee of the Company has executed the function of monitoring and protected the legal interests of the shareholders and the Company in accordance with the duties stipulated in the Company Law of the PRC and the Articles of Association of the Company during the year ended 31 December 2001.

1. To exercise the functions of monitoring the directors, general manager and other senior officers. In 2001, there was no report or discovery of the violation of the Articles of Association, the laws and regulations and actions that infringed upon the interests of the Company by the directors, general manager and other senior officers of the Company in the opinion of the Supervisory Committee, they could carry out their duties honestly, comply with the laws and protect the interests of all the shareholders.

During the year, the Company had no material litigation nor did the Supervisory Committee have any negotiation with the Directors or bring any action against them on behalf of the Company.

2. To review the operation and financial position of the Company. The Supervisory Committee considers that the financial statements of the Company for the year 2001 which has been audited by an international accounting firm reflects a true and fair view of the operating results and assets of the Company in such year.
3. To check the financial statements and the proposal of profit distribution, which were proposed to the general meeting by the Directors. The Supervisory Committee considers that the above statements and the proposal have complied with the provisions of relevant laws and regulations and the Articles of Association.
4. In accordance with the Articles of Association of the Company, the Supervisors attended the Directors' meetings and monitored the matters resolved by the Board of Directors.

By order of the Supervisory Committee
Liu A Nan
Chairman of the Supervisory Committee

Luoyang, the PRC
26 April 2002

本人呈報本公司截至二零零一年十二月三十一日止年度內依照《中華人民共和國公司法》及《公司章程》賦予的職權，履行監督職能，維護股東和本公司的合法權益之工作。

1. 履行對董事、總經理及其它高級管理人員的監督職能。在二零零一年度，未接到舉報或發現本公司現任董事、總經理及其它高級管理人員有違反《公司章程》、法律、法規以及損害本公司利益的行為。監事會認為他們能夠忠於職守，遵章守法，維護全體股東利益。

本年度本公司未發生重大訴訟事項而監事會亦沒有代表本公司向董事交涉或對董事起訴。

2. 檢查本公司的經營及財務狀況。監事會認為，經國際會計師事務所審核後的二零零一年度本公司財務報告，真實公允地反映了本公司該年度經營業績和資產狀況。
3. 核對董事會提交給股東大會的財務報告及利潤分配方案之建議。監事會認為，上述報告和方案符合有關法律、法規和《公司章程》的規定。
4. 依照《公司章程》，監事會列席了董事會會議，對董事會討論決定的事項進行了監督。

承監事會命
劉阿南
監事會主席

中國·洛陽
二零零二年四月二十六日