

WORK OF SUPERVISORY COMMITTEE

During the reporting period, the Supervisory Committee held two meetings.

On 16 March 2001, the third meeting of the second Supervisory Committee was held on the Conference Room, 13th floor, the Company's office building. This meeting was convened by Mr. Wang Zhenkun, Chairman of the Supervisory Committee. Five supervisors should have attend the meeting and four supervisors attended the meeting, which complied with relevant provisions in Articles of Associations of the Company. This meeting considered and approved the following resolutions: 2000 Annual Report, 2000 Report of the Supervisory Committee and appointment of Madam Yang Mingzie as the vice director of audit section of the Supervisory Committee. This meeting reviewed the financial report and profit appropriation plan to be submitted to the General Meeting by the Board of Directors.

On 27 August 2001, the fourth meeting of the second Supervisory Committee was held on the Conference Room, 13th floor, the Company's office building. This meeting was convened by Mr. Wang Zhenkun, Chairman of the Supervisory Committee. Five supervisors should have attend the meeting and four supervisors attended the meeting. This meeting reviewed the Company's 2001 Interim Report.

During the reporting period, the Supervisory Committee attended the fourth and sixth meeting of the second Board of Directors, 2000 General Meeting and first and second Extraordinary General Meeting in 2001.

INDEPENDENT OPINION OF THE SUPERVISORY COMMITTEE REGARDING RELEVANT MATTERS OF THE COMPANY

The Supervisory Committee carried out their duties in according to the Company Law and the Company's Articles of Associations. During the reporting period, the Supervisory Committee carefully reviewed and monitored the Company's financial management, internal control system, execution of resolutions of General Meeting, operating policies and decisions by directors and managers. The Supervisory Committee provided the following independent opinion:

Legal Operation of the Company

The Company's internal control system is complete and its decision making procedure is in accordance with law. Directors and managers did not take any actions violating laws, regulations and the Company's Articles of Associations or harming the Company's interests when performing their duties as such.

Review of the Company'S Financial Status

The Supervisory Committee is of the opinion that the 2001 audit report prepared by the auditors has truthfully reflected the Company's financial status and operating results.

The proceeds was received and deposited into the Company's account on 28 December 2001. As at the end of the year, such proceeds was not utilized.

The Company did not have any substantial events regarding purchase or disposal of assets.

Connected transactions of the Company were fair and open. There have been no events of harming interests of the listing company.

Chairman, Supervisory Committee
Wang Zhenkun

Jiangxi, the PRC
11 April 2002