

REPORT OF THE SUPERVISORY COMMITTEE

Dear Shareholders,

During the year ended December 31, 2002, members of the Supervisory Committee of the Company (the "Supervisory Committee") have diligently performed their duties in ensuring that the Company has observed and complied with the Listing Rules, the Company Law of the PRC, the Articles of Association of the Company and other relevant legislations and regulations which protect the interests of the Company and its shareholders.

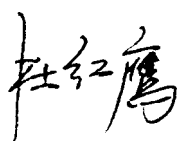
The Supervisory Committee convened two meetings during Year 2002 to monitor corporate governance of the Company. The Supervisory Committee also attended meetings of the Board of Directors (the "Board") to effectively monitor that the policies and decisions made by the Board are in compliance with the Listing Rules, relevant legislative and regulatory requirements of the People's Republic of China, the Articles of Association of the Company, and the interests of the Company and shareholders. The Supervisory Committee confirms that the Board and senior management of the Company adopted prudent development policies during the year, which resulted in a continuous growth in profits and provided satisfactory returns to shareholders. The Supervisory Committee is satisfied that the Directors and senior management of the Company are committed to act honestly and to perform their duties diligently, so as to protect the best interests of the Company and shareholders. The Supervisory Committee confirms that the report of the Board for the year ended December 31, 2002 reflected the actual operational circumstances of the Company.

The Supervisory Committee has carefully reviewed the financial statements prepared by PricewaterhouseCoopers in accordance with International Financial Reporting Standards and considers that the financial statements reflect a true and fair view of the financial position and results of operations of the Company and they comply with the regulations applicable to the Company.

The Supervisory Committee confirms that the Company has not been involved in any material litigation or proceedings or arbitration, and there is no litigation or claim of material importance pending or threatened by or against the Company.

In the opinion of the Supervisory Committee, the Company has achieved satisfactory results during the year and the Supervisory Committee has confidence in the Company's future prospects and development.

By Order of the Supervisory Committee



Chairman of the Supervisory Committee

March 14, 2003