

董事會謹此提呈截至二零零二年十二月三十一日止年度之年報及經審核財務報表。

根據於二零零二年七月二日舉行之股東特別大會上通過之特別決議案，本公司由South China Information and Technology Limited 易名為 Guorun Holdings Limited 國潤控股有限公司。

主要業務

本公司為投資控股公司，而其附屬公司之主要業務載於財務報表附註14。

根據於二零零二年六月完成之財務重組，本集團向本公司當時控股股東南華工業有限公司（「南華工業」）出售若干從事物業投資與發展及旅遊相關業務之附屬公司與聯營公司全部權益，與及多間從事資訊技術相關業務之附屬公司，代價為港幣239,000,000元。

業績

本集團截至二零零二年十二月三十一日止年度之業績載於第33頁之綜合收益賬。

本公司年內並無派付任何股息。

物業、廠房及設備

年內本集團物業、廠房及設備之變動詳情載於財務報表附註12。

The Directors present their annual report together with the audited financial statements for the year ended 31st December, 2002.

Pursuant to a special resolution passed at an extraordinary general meeting held on 2nd July, 2002, the name of the Company was changed from South China Information and Technology Limited to Guorun Holdings Limited 國潤控股有限公司.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Company's subsidiaries are set out in note 14 to the financial statements.

Pursuant to a financial restructuring completed in June, 2002, the Group disposed of its entire interest in certain subsidiaries and associates engaged in property investment and development and travel related businesses, and a number of subsidiaries engaged in the information and technology related businesses to South China Industries Limited ("SCI"), the then controlling shareholder of the Company, for a consideration of HK\$239,000,000.

RESULTS

The results of the Group for the year ended 31st December, 2002 are set out in the consolidated income statement on page 33.

No dividend was paid by the Company during the year.

PROPERTY, PLANT AND EQUIPMENT

Details of movements during the year in the property, plant and equipment of the Group and the Company are set out in note 12 to the financial statements.

投資物業

年內，本集團出售若干持有本集團全部投資物業之附屬公司。於出售該等附屬公司前，本集團之投資物業已由獨立專業物業估值師行第一太平戴維斯(香港)有限公司於二零零二年三月三十一日按公開市值基準進行重估。重估減值港幣1,882,000元已向收益賬扣除。

年內本集團投資物業之上述及其他變動詳情載於財務報表附註13。

股本及認股權證

年內本公司合併普通股、削減股本及其他股本變動詳情載於財務報表附註29。

年內並無任何認股權證獲行使，而所有尚未行使之認股權證均已於二零零二年三月二十七日失效。有關詳情載於財務報表附註30。

董事

年內及截至本報告日期之本公司董事如下：

執行董事：

賀學初先生	(於二零零二年六月二十八日獲委任)
顧衛軍先生	(於二零零二年六月二十八日獲委任)
周騰先生	(於二零零二年六月二十八日獲委任)
王興國先生	(於二零零二年六月二十八日獲委任)
徐興堯先生	(於二零零三年三月六日獲委任)
董顯銓先生	(於二零零三年四月三日獲委任)

INVESTMENT PROPERTIES

During the year, the Group disposed of certain subsidiaries which held all the investment properties of the Group. Prior to the disposal of these subsidiaries, the Group's investment properties were revalued at 31st March, 2002 by FPD Savills (Hong Kong) Limited, an independent firm of professional property valuers, on an open market value basis. The deficit arising on revaluation amounted to HK\$1,882,000 was charged to the income statement.

Details of these and other movements during the year in the investment properties of the Group are set out in note 13 to the financial statements.

SHARE CAPITAL AND WARRANTS

Details of the consolidation of ordinary shares, reduction in capital and other movements during the year in the share capital of the Company are set out in note 29 to the financial statements.

No warrant was exercised during the year and all unexercised warrants were lapsed on 27th March, 2002. Details are set out in note 30 to the financial statements.

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive directors:

Mr. He Xuechu	(appointed on 28th June, 2002)
Mr. Ku Wai Kwan	(appointed on 28th June, 2002)
Mr. Zhou Teng	(appointed on 28th June, 2002)
Mr. Wong Hing Kwok	(appointed on 28th June, 2002)
Mr. Xu Xing Yao	(appointed on 6th March, 2003)
Mr. Dong Xing Quan	(appointed on 3rd April, 2003)

董事 (續)

執行董事：(續)

吳鴻生先生	(於二零零二年 六月二十八日辭任)
Richard Howard Gorges先生	(於二零零二年 六月二十八日辭任)
張賽娥女士	(於二零零二年 六月二十八日辭任)
吳旭榮女士	(於二零零二年 六月二十八日辭任)
張永雄先生	(於二零零二年 六月二十八日辭任)

獨立非執行董事：

李卓然先生	(於二零零二年 六月二十八日獲委任)
劉明輝先生	(於二零零二年 六月二十八日獲委任)
謝黃小燕女士	(於二零零二年 六月二十八日辭任)
楊捷健先生	(於二零零二年 六月二十八日辭任)

根據本公司之組織章程細則第99條，所有股東將於應屆股東週年大會任滿告退，惟符合資格並願膺選連任。

非執行董事(包括獨立非執行董事)並無固定任期，並須根據本公司之組織章程細則在本公司股東週年大會上輪流告退及膺選連任。

董事之服務合約

將於應屆股東週年大會膺選連任之董事概無與本公司或其附屬公司訂立任何本集團於一年內不付賠償(法定賠償除外)則不得終止之服務合約。

DIRECTORS (Continued)

Executive directors: (Continued)

Mr. Ng Hung Sang, Robert	(resigned on 28th June, 2002)
Mr. Richard Howard Gorges	(resigned on 28th June, 2002)
Ms. Cheung Choi Ngor, Christina	(resigned on 28th June, 2002)
Ms. Ng Yuk Mui, Jessica	(resigned on 28th June, 2002)
Mr. Cheung Wing Hung, Vincent	(resigned on 28th June, 2002)

Independent non-executive directors:

Mr. Lee Cheuk Yin, Dannis	(appointed on 28th June, 2002)
Mr. Liu Ming Hui	(appointed on 28th June, 2002)
Ms. Tse Wong Siu Yin, Elizabeth	(resigned on 28th June, 2002)
Mr. Yeung Chik Kin	(resigned on 28th June, 2002)

In accordance with Article 99 of the Company's Articles of Association, all directors retire from office at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

The non-executive directors (including the independent non-executive directors) have no fixed term of office and will be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Articles of Association.

DIRECTORS' SERVICE CONTRACTS

None of the directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

董事之股份權益

於二零零二年十二月三十一日，按本公司根據證券(披露權益)條例(「披露權益條例」)第29條存置之登記冊(「登記冊」)所記錄，各董事及其聯繫人士擁有之本公司或其相聯法團股本權益如下：

賀學初先生(附註) Mr. He Xuechu (Note)	—	—	2,500,000,000	—
顧衛軍先生(附註) Mr. Ku Wai Kwan (Note)	—	—	—	—
周騰先生(附註) Mr. Zhou Teng (Note)	—	—	—	—
王興國先生(附註) Mr. Wong Hing Kwok (Note)	—	—	—	—

附註：

該2,500,000,000股股份由英屬處女群島註冊成立之公司Proper Glory Holding Inc.(「Proper Glory」)持有。Proper Glory之已發行股本由賀學初先生、Fortune Door Investment Limited、Venture Link Assets Limited及王興國先生分別實益擁有32%、28%、25%及15%。Fortune Door Investment Limited為於英屬處女群島註冊成立之私人有限公司，其全部已發行股本由顧衛軍先生實益擁有。Venture Link Assets Limited為於英屬處女群島註冊成立之私人有限公司，其全部已發行股本由周騰先生實益擁有。

除上文所披露者外，各董事及其聯繫人士於本公司或其相聯法團(定義見披露權益條例)之證券中，概無擁有任何個人、家族、公司或其他權益。

DIRECTORS' INTERESTS IN SHARES

At 31st December, 2002, the interests of the directors and their associates in the share capital of the Company or its associated corporations as recorded in the register (the "Register") maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") were set out below:

所持普通股數目及權益性質			
Number of ordinary shares held and nature of interests			
個人權益 Personal interest	家族權益 Family interest	公司權益 Corporate interest	其他權益 Other interest
—	—	2,500,000,000	—
—	—	—	—
—	—	—	—
—	—	—	—

Note:

The 2,500,000,000 shares are held by Proper Glory Holding Inc. ("Proper Glory"), a company incorporated in the British Virgin Islands. The issued share capital of Proper Glory is beneficially owned as to 32% by Mr. He Xuechu, as to 28% by Fortune Door Investment Limited, as to 25% by Venture Link Assets Limited and as to 15% by Mr. Wong Hing Kwok. Fortune Door Investment Limited is a private company incorporated in the British Virgin Islands with limited liability and the entire issued share capital is beneficially owned by Mr. Ku Wai Kwan. Venture Link Assets Limited is a private company incorporated in the British Virgin Islands with limited liability and the entire issued capital is beneficially owned by Mr. Zhou Teng.

Save as disclosed above, none of the directors nor their associates had any personal, family, corporate or other interest in the securities of the Company or any of its associated corporations, as defined in the SDI Ordinance.

董事可收購股份或債券之權利

本公司、其控股公司、同系附屬公司及附屬公司之董事及僱員均可參與本公司之購股權計劃。該等計劃之詳情載於財務報表附註40。

- (i) 本公司於一九九七年十月十三日採納之購股權計劃(「原有計劃」)

年內原有計劃之本公司購股權變動如下：

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURE

The directors and employees of the Company, its holding companies and fellow subsidiary and its subsidiaries are entitled to participate in the share options schemes of the Company. Particulars of these schemes are set out in note 40 to the financial statements.

- (i) Share option scheme adopted by the Company on 13th October, 1997 ("Old Scheme")

Movements in the Company's share options under the Old Scheme during the year were as follows:

董事 Director	行使期 Exercisable period	行使價 Exercise price 港幣 HK\$	本公司股份數目 Number of Company's share			
			二零零二年 一月一日 尚未行使 Outstanding at 1.1.2002	年內失效 Lapsed during the year	年內授出 Granted during the year	二零零二年 十二月 三十一日 尚未行使 Outstanding at 31.12.2002
張賽娥 Cheung Choi Ngor, Christina	二零零一年二月二十三日 至二零零七年十月十二日 23.2.2001-12.10.2007	1.28	1,000,000	(1,000,000)	-	-
	二零零一年八月二十二日 至二零零七年十月十二日 22.8.2001-12.10.2007	0.51	16,000,000	(16,000,000)	-	-
吳旭榮 Ng Yuk Mui, Jessica	二零零一年二月二十三日 至二零零七年十月十二日 23.2.2001-12.10.2007	1.28	750,000	(750,000)	-	-
	二零零一年八月二十二日 至二零零七年十月十二日 22.8.2001-12.10.2007	0.51	16,000,000	(16,000,000)	-	-
張永雄 Cheung Wing Hung, Vincent	二零零二年五月二十二日 至二零零七年十月十二日 22.5.2002-12.10.2007	0.80	10,000,000	(10,000,000)	-	-

董事可收購股份或債券之權利 (續)

- (i) 本公司於一九九七年十月十三日採納之購股權計劃(「原有計劃」) (續)

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURE

(Continued)

- (i) Share option scheme adopted by the Company on 13th October, 1997 ("Old Scheme") (Continued)

		本公司股份數目 Number of Company's share				二零零二年 十二月 三十一日 尚未行使
行使期 Exercisable period	行使價 Exercise price 港幣 HK\$	Outstanding at 1.1.2002	年內失效 Lapsed during the year	年內授出 Granted during the year	Outstanding at 31.12.2002	
僱員 Employees	二零零一年四月十四日 至二零零七年十月十二日 14.4.2001-12.10.2007	1.28	500,000	(500,000)	-	-
	二零零一年九月十八日 至二零零七年十月十二日 18.9.2001-12.10.2007	0.80	2,700,000	(2,700,000)	-	-
	二零零二年二月十五日 至二零零七年十月十二日 15.2.2002-12.10.2007	0.80	300,000	(300,000)	-	-
	二零零二年二月十九日 至二零零七年十月十二日 19.2.2002-12.10.2007	0.80	200,000	(200,000)	-	-
	二零零二年二月二十六日 至二零零七年十月十二日 26.2.2002-12.10.2007	0.80	240,000	(240,000)	-	-
	二零零二年六月一日 至二零零七年十月十二日 1.6.2002-12.10.2007	0.80	330,000	(330,000)	-	-
	二零零二年六月七日 至二零零七年十月十二日 7.6.2002-12.10.2007	0.80	290,000	(290,000)	-	-
			<u>48,310,000</u>	<u>(48,310,000)</u>	<u>-</u>	<u>-</u>

原有計劃已於二零零二年五月三十一日終止。

The Old Scheme was terminated on 31st May, 2002.

董事可收購股份或債券之權利 (續)

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURE

(Continued)

- (ii) 本公司於二零零二年五月三十一日採納之購股權計劃(「新計劃」)

- (ii) Share option scheme adopted by the Company on 31st May, 2002 ("New Scheme")

自採納新計劃以來，並無根據新計劃授出或行使購股權。

No share options have been granted or exercised under the New Scheme since its adoption.

- (iii) 南華工業於一九九二年八月十日採納之購股權計劃

- (iii) Share option scheme adopted by SCI on 10th August, 1992

董事 Director	授出月份 Month of grant	行使期 Exercise period	行使價 Exercise price 港幣 HK\$	南華工業股份數目 Number of SCI's shares		
				二零零二年 一月一日 尚未行使 Outstanding at 1.1.2002	二零零二年 十二月三十一日 年內失效 Lapsed during the year	二零零二年 十二月三十一日 尚未行使 Outstanding at 31.12.2002
吳鴻生先生 Mr. Ng Hung Sang, Robert	一九九四年十二月 December 1994	一九九四年十二月二十三日 至二零零二年八月九日 23.12.1994 to 9.8.2002	1.18	13,000,000	(13,000,000)	-
張賽娥女士 Ms. Cheung Choi Ngor, Christina	一九九四年十二月 December 1994	一九九四年十二月二十三日 至二零零二年八月九日 23.12.1994 to 9.8.2002	1.18	13,000,000	(13,000,000)	-
Richard Howard Gorges先生 Mr. Richard Howard Gorges	一九九四年十二月 December 1994	一九九四年十二月二十三日 至二零零二年八月九日 23.12.1994 to 9.8.2002	1.18	13,000,000	(13,000,000)	-
				39,000,000	(39,000,000)	-

- (iv) 南華工業於二零零二年五月三十一日採納之購股權計劃

- (iv) Share option scheme adopted by SCI on 31st May, 2002.

自採納該計劃以來，並無根據該計劃授出或行使購股權。

No share options have been granted or exercised under this scheme since its adoption.

董事可收購股份或債券之權利 (續)

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURE

(Continued)

(v) 前最終控股公司 South China Holdings Limited (「南華集團」) 於一九九二年七月二十九日採納之購股權計劃

(v) Share option scheme adopted by South China Holdings Limited ("SCH"), a former ultimate holding company, on 29th July, 1992

董事 Director	授出月份 Month of grant	行使期 Exercise period	行使價 Exercise price 港幣 HK\$	南華集團股份數目 Number of SCH's shares		
				二零零二年 一月一日 尚未行使 Outstanding at 1.1.2002	二零零二年 十二月三十一日 年內失效 Lapsed during the year	二零零二年 十二月三十一日 尚未行使 Outstanding at 31.12.2002
				吳鴻生先生 Mr. Ng Hung Sang, Robert	一九九三年七月 July 1993	一九九三年七月二十九日 至二零零二年七月二十八日 29.7.1993 to 28.7.2002
	一九九六年七月 July 1996	一九九六年七月二十二日 至二零零二年七月二十八日 22.7.1996 to 28.7.2002	0.88	3,000,000	(3,000,000)	-
張賽娥女士 Ms. Cheung Choi Ngor, Christina	一九九三年七月 July 1993	一九九三年七月二十九日 至二零零二年七月二十八日 29.7.1993 to 28.7.2002	1.36	13,792,000	(13,792,000)	-
	一九九六年七月 July 1996	一九九六年七月二十二日 至二零零二年七月二十八日 22.7.1996 to 28.7.2002	0.88	3,000,000	(3,000,000)	-
Richard Howard Gorges先生 Mr. Richard Howard Gorges	一九九三年七月 July 1993	一九九三年七月二十九日 至二零零二年七月二十八日 29.7.1993 to 28.7.2002	1.36	13,792,000	(13,792,000)	-
	一九九六年七月 July 1996	一九九六年七月二十二日 至二零零二年七月二十八日 22.7.1996 to 28.7.2002	0.88	3,000,000	(3,000,000)	-
				50,380,000	(50,380,000)	-

董事可收購股份或債券之權利 (續)

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURE

(Continued)

- (vi) 南華集團於二零零二年五月三十一日採納之購股權計劃

- (vi) Share option scheme adopted by SCH on 31st May, 2002.

自採納該計劃以來，並無根據該計劃授出購股權。

No share options have been granted under this scheme since its adoption.

- (vii) 前同系附屬公司南華證券有限公司(「南華證券」)於一九九三年七月十二月採納之購股權計劃

- (vii) Share option scheme adopted by South China Brokerage Company Limited ("SCB"), a former fellow subsidiary, on 12th July, 1993.

南華證券股份數目

Number of SCB's shares

董事 Director	授出月份 Month of grant	行使期 Exercise period	行使價 Exercise price 港幣 HK\$	南華證券股份數目 Number of SCB's shares		
				二零零二年 一月一日 尚未行使 Outstanding at 1.1.2002	二零零二年 十二月三十一日 年內失效 Lapsed during the year	二零零二年 十二月三十一日 尚未行使 Outstanding at 31.12.2002
吳鴻生先生 Mr. Ng Hung Sang, Robert	一九九三年八月 August 1993	一九九三年八月十五日 至二零零三年七月十一日 15.8.1993 to 11.7.2003	0.180	100,000,000	-	100,000,000
張賽娥女士 Ms. Cheung Choi Ngor, Christina	一九九三年八月 August 1993	一九九三年八月十五日 至二零零三年七月十一日 15.8.1993 to 11.7.2003	0.180	100,000,000	-	100,000,000
Richard Howard Gorges先生 Mr. Richard Howard Gorges	一九九三年八月 August 1993	一九九三年八月十五日 至二零零三年七月十一日 15.8.1993 to 11.7.2003	0.180	50,000,000	-	50,000,000
				250,000,000	-	250,000,000

- (viii) 南華證券於二零零二年五月三十一日採納之購股權計劃

- (viii) Share option scheme adopted by SCB on 31st May, 2002.

自採納該計劃以來，並無根據該計劃授出購股權。

No share options have been granted under this scheme since its adoption.

董事可收購股份或債券之權利 (續)

除上文所披露者外，於年內任何時間，本公司、其控股公司、同系附屬公司或附屬公司並無訂立任何安排，致使本公司董事可藉購入本公司或任何其他法人團體之股份或債券而獲益，而各董事、其配偶或未滿18歲之子女亦無獲授或行使任何可認購本公司或任何其他法人團體股本或債務證券之權利。

董事之重大合約權益

年內本集團與賀學初先生控制之其他公司進行之交易詳情載於財務報表附註41。

除上文所披露者外，本公司或其任何附屬公司並無參與訂立本公司董事直接或間接擁有重大權益且於年終或年內任何時間仍然生效之重大合約。

關連交易

年內，本集團進行若干關連人士交易，而根據香港聯合交易所有限公司證券上市規則（「上市規則」），該等交易亦屬關連交易。該等交易之詳情載於財務報表附註41。

主要股東

於二零零二年十二月三十一日，除上文「董事之股份權益」一節所披露由Proper Glory持有之股份外，並無其他人士擁有根據披露權益條例第16(1)條須登記於權益登記冊之本公司已發行股本10%或以上之登記權益。

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURE

(Continued)

Save as disclosed above, at no time during the year was the Company, or any of its holding companies, fellow subsidiaries or subsidiaries, a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the directors or any of their spouses or children under the age of 18, was granted any right to subscribe for the equity or debt securities of the Company or any other body corporate nor had exercised any such right.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Details of transactions between the Group and other companies under the control of Mr. He Xuechu during the year are set out in note 41 to the financial statements.

Save as disclosed above, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

CONNECTED TRANSACTIONS

During the year, the Group entered into certain related party transactions which also constitute connected transactions under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules"). Details of these transactions are set out in note 41 to the financial statements.

SUBSTANTIAL SHAREHOLDERS

At 31st December, 2002, no other persons had registered an interest of 10% or more in the issued share capital of the Company that was required to be recorded in the register of interests pursuant to Section 16(1) of the SDI Ordinance, other than the shares held by Proper Glory as disclosed in the section headed "Directors' interests in shares" above.

購買、出售或贖回上市證券

本公司或其任何附屬公司於截至二零零二年十二月三十一日止年度內並無購買、出售或贖回本公司之上市證券。

優先購買權

本公司組織章程細則或開曼群島法例並無任何有關優先購買權之規定，使本公司須按比例向現有股東發售新股。

主要客戶及供應商

本集團五大客戶及供應商之銷售額及採購額分別佔年內本集團總銷售額及採購額不足30%。

企業監管

本公司於截至二零零二年十二月三十一日止整個年度一直遵守上市規則附錄14所載之最佳應用守則（「守則」）。

審核委員會

本公司已根據守則之規定成立審核委員會，以審閱及監督本集團財務申報程序及內部監控。審核委員會之成員包括本公司獨立非執行董事李卓然先生及劉明輝先生。

結算日後事項

結算日後發生之重大事項詳情載於財務報表附註42。

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31st December, 2002.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association, or the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of sales and purchases attributable to the Group's five largest customers and suppliers, respectively, is less than 30% of the Group's total sales and purchases for the year.

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31st December, 2002 with the Code of Best Practice (the "Code") as set out in Appendix 14 of the Listing Rules.

AUDIT COMMITTEE

The Company has an audit committee which was established in accordance with the requirements of the Code for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises Mr. Lee Cheuk Yin, Dannis and Mr. Liu Ming Hui, who are the independent non-executive directors of the Company.

POST BALANCE SHEET EVENTS

Details of the significant events occurred after the balance sheet date are set out in note 42 to the financial statements.

核數師

年內，於過往兩年擔任本公司核數師之安達信公司辭任，而德勤·關黃陳方會計師行獲委任為本公司核數師。於安達信公司獲委任前，羅兵咸永道會計師事務所曾擔任本公司之核數師。應屆股東週年大會上將提呈有關續聘德勤·關黃陳方會計師行之決議案。

代表董事會

賀學初
主席

二零零三年四月二十五日

AUDITORS

During the year, Messrs. Arthur Andersen & Co, who acted as auditors of the Company for the previous two years resigned and Messrs. Deloitte Touche Tohmatsu were appointed as auditors of the Company. Messrs. PricewaterhouseCoopers were auditors of the Company prior to the appointment of Messrs. Arthur Andersen & Co. A resolution will be submitted to the forthcoming annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu.

On behalf of the Board

He Xuechu
Chairman

25th April, 2003