

致：各位股東：

在二零零一年度中，本公司全體監事會成員（「本監事會」）本著對全體股東和本公司負責的精神，遵循《中華人民共和國公司法》、《香港聯合交易所有限公司之證券上市規則》及本公司章程等各項法律文件規定，認真履行了監事會的職責，為了提高本公司監事會成員的業務水平和監督職能，積極組織學習了相關的政文件政策和業務知識，參與中國普天公司組織的監事業務學習和本公司組織的新財務制度的業務培訓，對公司監事的業務水平，奠定了一個基礎。

為了更好地發揮監事會的監督職能，在日常工作中，監事會成員列席了本公司的董事會會議、公司行政辦公會議以及公司的重大決策會議，對本公司董事會的工作和經營管理層的經營決策，實施了例行監督，並對會議的議案提出監事會意見和建議，對公司的財務狀況及年度報告，認真聽取了財務負責人對本公司財務狀況及業績的匯報，並進行了認真審閱和分析陳述了本監事會的獨立意見：

1. 本公司依法運作情況

本監事會認為，二零零一年度，本公司能夠按照有關法規的規定運作，程序符合《公司法》、《上市規則》和《公司章程》。在本年度中，本公司本著強化管理的原則，進一步建立、完善了相應的管理規章制度，為公司的規範運作，健康發展做出了積極的努力，提高了公司治理的水平。

To Shareholders:

During 2001, all members of the Supervisory Committee ("the Supervisory Committee") of the Company carried out the duties of supervisory committee with diligence in accordance with relevant provisions of the Company Law of the PRC, Listing Rule of Hong Kong Stock Exchange Limited, the Articles of Associations of the Company and relevant laws and regulations and with the principle of being responsible for the Company and its shareholders. In order to improve the business standard of the members of the Supervisory Committee and enhance the supervision function, the Supervisory Committee studied relevant policy papers and relevant business knowledge, participated in supervision training initiated by CHINA PUTIAN and new financial system training organized by the Company. These have laid down a solid foundation for the Supervisory Committee's business standard.

To better exercise the supervisory function of the Supervisory Committee, in the daily course of work, members of the Supervisory Committee attended Board meetings, administrative meetings and decision-making meetings of the Company. The Committee performed routine monitoring on the work of the Board of Directors and operational decision of the management, provided opinions and suggestions regarding resolutions of those meetings, listened carefully to the report of the financial manager regarding the financial status and results. The Committee has also carefully reviewed and stated the Committee's independent opinion as follows:

1. Lawful Operation of the Company

The Supervisory Committee is of the opinion that in 2001 the Company has operated in accordance with the relevant laws and regulations, and the procedures have complied with the Company Law, the Listing Rules and the Articles of Association. During the Year, sticking to the principle of management enhancement, the Company further established and perfected its corresponding management rule and regulation system. The Company also made positive efforts for its standardised operation and healthy development, and upgraded its corporate governance standard.

2. 本公司董事、經理及其他高級管理人員履職情況

本監事會認為本公司董事、經理及其他高級管理人員在履行公司職務期間勤勉、務實、誠信，未發現有濫用職權，違反法律、法規、公司章程和侵犯、損害公司、股東及員工利益的不法行為。

3. 董事會工作報告

本監事會詳細審閱了董事會擬提交的本年度股東週年大會審議的董事會工作報告，認為報告客觀翔實地反映了公司在二零零一年所做的各項工作，是實事求是的，成效是顯著的。本監事會對本公司在本年度內所取得的工作成績感到滿意。

4. 本公司財務報告

本監事會詳細審核了董事會擬提交本年度股東週年大會審議的年度財務報告和利潤分配方案等資料，認為有關財務數據客觀、真實、全面地反映了公司的財務狀況、資產狀況和經營業績，會計核算和財務管理符合有關規定，尚未發現不確事項。本監事會已注意到在本公司的財務報告中所披露的廠房、機器及設備的減值虧損、應收帳款的壞賬準備、存貨準備及非上市證券之未變現虧損等項目，並表示關注，同時建議董事會及經營管理層應積極採取有效的措施，妥善處理有關事宜，盡量減少本公司損失的可能，並向監事會成員及時通報處理有關事宜的進展情況。

本公司的財務報告已經會計師事務所審計，並出具審計報告，本監事會認為該審計報告是客觀公正的，反映了本集團財務狀況的真實情況。

2. Performance of Directors, Managers and Other Senior Management of the Company

The Supervisory Committee considers that the directors, manager and other senior management have performed their duties diligently, pragmatically and faithfully. No abuse of rights, infringement of laws, regulations or the Articles of Association of the Company was found. No act detrimental to the interests of the Company, shareholders or staff was found.

3. Report of the Directors

The Supervisory Committee had a detailed review of the report of the directors to be submitted for consideration at the Annual General Meeting for the Year and considered that the report had objectively and thoroughly reflected the various work conducted by the Company in 2001 and was pragmatic and effective. The Supervisory Committee considers the results of the Company for the Year satisfactory and is confident in the development prospect of the Company.

4. Financial Report of the Company

After a detailed examination of the information including the financial report and profit distribution plan to be submitted for consideration at the Annual General Meeting for the Year by the Board of Directors, the Supervisory Committee considers that the relevant financial data objectively, truly and comprehensively reflected the financial position, assets position and operating results of the Company. Audit and financial management has conformed to the relevant regulations. No inaccurate matters have yet been found. The Supervisory Committee has noted items such as impairment losses on plant, machinery and equipment, provision for doubtful debts, provision for inventories and unrealised loss on unlisted equity securities as disclosed in the financial statements of the Company and has expressed concern. At the same time, the Supervisory Committee suggests that the Board of Directors and the management of the Company adopt positive and efficient measures and handle the relevant matters appropriately so as to minimize the possibility of loss to the Company. In addition, they are requested to promptly report the progress of the relevant matters to the Supervisory Committee.

The financial report of the Company was audited by certified public accountants and the auditors' report was given. The Supervisory Committee considers that the auditors' report is objective and fair and has reflected the true financial position of the Group.

5. 關連交易

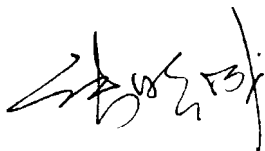
本監事會認為：本公司的關連交易均屬普通及一般交易，對股東而言是公平合理的，未損害本公司的利益。

6. 訴訟事項

本年度本公司未發生任何訴訟事項。

一年來，本公司在全體股東的大力支持和幫助下，在董事會和全體員工的共同努力下，確立了新的戰略發展方針，初步實現了調整發展的近期目標，成效是顯著的。在二零零二年度，希望董事會和經營班子進一步精心組織和運作，加強銷售管理和庫存的合理安排，加強應收賬款的確認和回收，包括對已計提壞賬準備的應收賬款的催收工作，盡可能降低壞賬損失；加強投資管理，包括在建工程和固定資產投資及對外投資的論證和監控，避免出現投資失誤；加強新產品開發力度，使公司保持持續的發展後勁。

本監事會將繼續以《公司法》和《公司章程》為指導，進一步規範監事會的工作，認真落實監督職責，為公司實現調整發展的遠期目標，從而實現本公司的再次騰飛而努力。



張曉成
監事會主席

二零零一年四月十八日

5. Connected Transactions

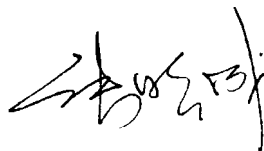
The Supervisory Committee considers that the connected transactions of the Company to be ordinary and general and are fair and reasonable as far as shareholders are concerned. It is not detrimental to the interests of the Company.

6. Litigation

There was no litigation during the Year.

During the Year, under the enthusiastic support and help from all shareholders together with the joint efforts of the Board of Directors and all the staff, the Company has formulated new development strategies. The short-term target of development adjustment has been preliminarily achieved and the effect was remarkable. It is hoped that the Board of Directors and the management of the Company will further enhance meticulous organisation and operation to strengthen sales management and proper stock arrangement, to improve the recovery of account receivables for which provision has been made so that loss from bad debts can be minimized; to enhance investment management, including assessing and monitoring constructions in progress, investments on fixed assets and external investments, so that investment mistakes can be avoided; to strengthen the dynamics of new products exploration so that the Company can have a sustaining development potential.

The Supervisory Committee will also continue to further standardise its work and perform its duties with due diligence pursuant to the Company Law and the Articles of Association of the Company so as to realize the Company's long term development goal and achieve another soaring.



Zhang Xiaocheng
Chairman of the Supervisory Committee

18 April 2002