

監事會工作報告

SUPERVISORY COMMITTEE'S REPORT

報告期內，公司監事會依照《公司法》、《證券法》、《公司章程》及國家有關法律法規規定，遵守誠信原則，忠實履行了有關法律、法規及《公司章程》所賦予的職責，竭誠維護公司及股東的利益。

(一) 報告期內，監事會共召開了五次會議，分別就有關事項做出決議，具體情況如下：

- 1、2002年4月5日，監事會召開會議，應到監事3人，實到監事3人。經審議，一致通過以下決議：1、審議通過了本公司2001年度監事會工作報告；2、審議通過了本公司2001年度報告；3、審議通過了本公司2001年度經審核的財務報告；4、審議通過了本公司2001年度利潤分配預案和2002年度利潤分配意向；5、提出了本公司《監事會議事規則》草案；6、審議通過了提交股東大會討論的第四屆監事會監事候選人提名預案。
- 2、2002年4月25日，監事會召開會議，應到監事3人，實到監事3人。1、對公司2002年第一季度財務狀況及主要經濟指標完成情況進行了分析；2、審議通過了修改的本公司《監事會議事規則》。
- 3、2002年6月11日，監事會召開會議，應到監事3人，實到監事3人。經與會監事一致選舉肖茂林先生為本公司第四屆監事會監事長，任期3年，任職日期為2002年7月14日至2005年7月13日止。
- 4、2002年8月9日，監事會召開會議，應到監事3人，實到監事3人。會議審議通過了公司2002年中期年報。
- 5、2002年11月5日，監事會召開會議，應到監事3人，實到監事3人。1、聽取了本年度公司技術改造工作計劃執行情況的匯報；2、分析了公司1—3季度經濟運營狀況。

During the reporting period, in accordance with the Company Law, Securities Law, the Company's Article of Association and the state's relevant legislation, the Supervisory Committee complied with the principle of honesty and good faith and discharged its duties as assigned under relevant legislation and the Company's Articles of Association, and maintained the interests of the Company and its shareholders.

(I) During the period, the Supervisory Committee held five meetings to resolve on the following matters. The details are as follows:

- 1) At the meeting of 5 April 2002, three supervisors should attend and all three were present. The meeting considered and approved the following resolution: 1) the 2001 Supervisory Committee's Report; 2) the Company's 2001 Annual Report; 3) 2002 audited financial report; 4) 2001 Profit Distribution Plan and Proposed 2002 Profit Distribution; 5) Proposal of Rules of Procedure for Supervisory Committees' Meetings; 6) Candidates for the fourth Supervisory Committee to be submitted to General Meeting.
- 2) At the meeting of 25 April 2002, three supervisors should attend and all three were present. 1) The meeting carried out a thorough analysis of the financial status and completion of economic targets achieved in the first quarter of 2002; 2) considered and approved the Rules of Procedures for Supervisory Committees' Meetings.
- 3) At the meeting of 11 June 2002, three supervisors should attend and all three were present. The meeting unanimously elected Mr. Xiao Maolin as the Chairman of the fourth Supervisory Committee with a term of three years from 14 July 2002 to 13 July 2005.
- 4) At the meeting of 9 August 2002, three supervisors should attend and all three were present. The meeting considered and approved the Company's 2002 Interim Report.
- 5) At the meeting of 5 November 2002, three supervisors should attend and all three were present. 1) The meeting discussed the report on implementation of the Company's technological innovation plan; 2) analysed the operation of the Company for the first three quarter of 2002.

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- (二) 報告期內，監事列席了公司全部的董事會會議，並對董事會所做出的各項決議是否符合國家的法律、法規及《公司章程》，是否符合公司股東的合法權益進行了監督。監事會也對公司的生產經營、技術改造及投資計劃等事項積極參與，並提出了良好建議。

監事會認為公司所有董事及其他高級管理人員能夠按照法律、法規及《公司章程》的規定，以公司整體利益、股東權益為重，謹慎、勤勉的履行職責。公司決策程序合法，並建立了較完善的內部控制制度。未發現董事、經理及其他高級管理人員有違反國家法律、法規、《公司章程》、損害公司和公司股東權益的違規違法行為。

公司經香港德勤·關黃陳方會計師行和德勤華永會計師事務所審計的財務報告真實的反映了公司的財務狀況與經營成果。

- (三) 公司收購、出售資產交易價格均按公平、公正、公開之原則，未發現任何內幕交易，亦無損害部分股東的權益或造成公司資產損失的行為。
- (四) 公司關聯交易皆按公平合理之原則訂立，得到公司獨立非執行董事的確認，並未有任何損害本公司利益的行為。

監事會認為：公司全體董事和經理班子在激烈的市場競爭中採取了一系列積極有效的措施，加快新產品的開發推廣，深化公司內部改革，加強財務管理，使公司的經營業績取得明顯增長，並保持了良好的發展勢頭。監事會對董事會一年來的工作表示滿意，並對公司未來發展充滿信心。

肖茂林
監事長

2003年4月10日

- (II) During the reporting period, members of the Supervisory Committee attended all of the Board of Directors meetings and during the meetings exercised its supervisory rights by playing its proper supervisory role regarding the compliance of the board resolutions with the Company Law, the State's legislation and the Company's Articles of Association and the interests of shareholders of the Company. The Committee also actively participated in the production, operation, technological innovation, investment of the Company by providing constructive opinions.

It was the opinion of the Supervisory Committee that the Company's directors and senior management were strictly conscientious in carrying out their duties in accordance with legislation and the Company's Articles of Association in the interest of the Company and shareholders, decision making was legal and the Company has set up a quite complete internal control system. There have been no instances of behaviour which was either illegal, contrary to regulations or the Company's Articles of Association or detrimental to the interests of the Company or shareholders.

The financial statements of the Company presented by Deloitte Touche Tohmatsu Certified Public Accountants and Deloitte Touche Tohmatsu (Hua Yong) Certified Public Accountants reflected the financial and operating situation of the Company.

- 3) The price of the Company's acquisition and sale of assets was open, fair and reasonable, there was no insider dealing, there were no losses to parts of shareholders rights or to the Company's assets.
- 4) For the Company's connected transactions, the price was fair and reasonable and approved by the Company's independent non-executive directors and did not harm Company's interests.

It was the opinion of the Supervisory Committee that given the competitiveness of the market, the measures adopted by the Company's directors and management were effective in terms of facilitating development of new products, strengthening internal reform and improving financial management. The Company's operating results grew substantially. We were satisfied with the work of the Board of Directors for the past year and very confident in the future development of the Company.

Xiao Maolin
Chairman of the Supervisory Committee

10 April 2003