

To all Shareholders:

In 2002, pursuant to the Company Law of PRC and the articles of association of the Company (the "Articles"), in accordance with the principles of honesty and loyalty, all members of the Supervisory Committee of the Company (the "Committee") faithfully discharged their duties diligently and loyal to their responsibility in safeguarding the integrity of the Company and to optimise the shareholders' interest.

1. The Committee members attended board meetings in order to exercise effective supervision over whether the management decisions and development plans of the board of directors of the Company (the "Board") were in full compliance with relevant laws and regulations and the Articles, as well as being in the interests of its shareholders. During the year 2002, no action breaching state laws or regulations or harming the interests of the Company and its shareholders was found.
2. The Committee exercised supervision over directors, president and senior management of the Company in carrying out its duties. In the opinion of the Committee, the directors, president and senior management of the Company have fulfilled their responsibilities to faithfully protect the interests of the Company and its shareholders. No violation of laws, regulation or the Articles by the directors, president or senior management of the Company was found.
3. The Committee supervised and inspected the financial operations of the Company. Having reviewed the financial report and the financial statements for the year 2002, the Committee was of the opinion that the Company complied with integrated financial management rules and kept clear accounts. Further, that their accounting and financial management was in compliance with relevant regulations. No detrimental transactions, situations harming the interests of the shareholders or cases of asset loss of the Company were found. Connected transactions occurred were fair.
4. The Committee expects the Company to take the opportunities generated from the accession of China into the World Trade Organisation in 2003, and is well prepared for the challenges to be confronted in the IT market including increasing the profit and reducing the costs of the Company, enhancing management scale, aligning the Company's organisational structure with the Company's goals, accelerating technical improvement of its existing products and developing new products, and exploring and enhancing the international and domestic market. The Committee is optimistic about the prospects of the Company.

The Committee is confident about the Company's prospects.

The Supervisory Committee

Shenzhen, PRC

23 April 2003