

(一) 監事會的工作情況

1. 第一次監事會於2004年3月30日在本公司會議室召開：
 - (1) 審議通過了本公司2003年度監事會工作報告；
 - (2) 審議通過了本公司2003年度報告正文和摘要；
 - (3) 審議通過了本公司2003年度經審核的財務報告，並同意董事會決議的公司計提減值準備事項；
 - (4) 審議通過了本公司2003年度利潤分配預案。
2. 第二次監事會於2004年4月29日在本公司會議室召開，審議通過了本公司2004年一季度報告。
3. 第三次監事會於2004年5月14日在本公司會議室召開，對公司一季度的生產經營情況進行分析。
4. 第四次監事會於2004年7月29日在本公司會議室召開，審議通過了本公司2004年上半年度報告。
5. 第五次監事會於2004年8月19日在本公司會議室召開，對公司上半年生產經營情況進行分析。
6. 第六次監事會於2004年10月26日在本公司會議室召開，審議通過了本公司2004年度第三季度報告。
7. 第七次監事會於2004年11月17日在本公司會議室召開，對公司1-3季度生產經營狀況進行分析。

(II) WORK OF THE SUPERVISORY COMMITTEE

1. The first meeting of the Supervisory Committee was held at the Conference Hall of the Company on 30 March 2004, at which:
 - (1) The 2003 Work Report of the Supervisory Committee was considered and approved;
 - (2) The 2003 Annual Report of the Company and its summary was considered and approved;
 - (3) The 2003 audited financial statements and the provision for impairment loss proposed by the Board of Directors were considered and approved;
 - (4) The 2003 Profit Distribution Plan was considered and approved.
2. The second meeting of the Supervisory Committee was held at the Conference Hall of the Company on 29 April 2004 to consider and approve the 2004 First Quarterly Report.
3. The third meeting of the Supervisory Committee was held at the Conference Hall of the Company on 14 May 2004 to analyze the production and operation of the Company in the first quarter.
4. The fourth meeting of the Supervisory Committee was held at the Conference Hall of the Company on 29 July 2004 to consider and approve the 2004 Interim Report.
5. The fifth meeting of the Supervisory Committee was held at the Conference Hall of the Company on 19 August 2004 to analyze the production and operation of the Company for the first half year.
6. The sixth meeting of the Supervisory Committee was held at the Conference Hall of the Company on 26 October 2004 to consider and approve the 2004 Third Quarterly Report.
7. The seventh meeting of the Supervisory Committee was held at the Conference Hall of the Company on 17 November 2004 to analyze the production and operation of the Company for the first three quarters.

(二) 監事會對本公司2004年度有關事項的獨立意見

1. 公司依法運作情況

報告期內，監事會對公司股東大會、董事會的召開程序、決議事項、董事會對股東大會決議的執行情況進行了監督。認為公司董事會2004年度的工作嚴格遵照《公司法》、《證券法》、上市規則、《公司章程》及其他有關法規制度進行規範運做，認真勤勉工作，公司的董事、總經理及其他高級管理人員均能認真的履行其職責，嚴格遵守誠信原則，以公司最大利益為出發點行事，沒有違反法律、法規的行為，亦無濫用職權及損害本公司的利益的行為。

2. 檢查公司財務情況

監事會認真審閱了公司的財務報表和其他會計資料，認為本公司的財務收支賬目清楚，會計核算和財務管理均符合有關規定，並無發現問題。德勤關黃陳方會計師行和德勤華永會計師事務所分別按香港會計準則和中國會計準則對公司2004年度財務報告進行了審計，並出具了無保留意見的審計報告，監事會認為該審計報告真實反映了公司的財務狀況、經營成果及現金流量情況，審計報告公正、客觀、真實、可靠。

(II) INDEPENDENT OPINION OF THE SUPERVISORY COMMITTEE ON THE RELEVANT MATTERS OF THE COMPANY IN 2004

1. Operating in compliance with laws

During the reporting period, the Supervisory Committee exercised surveillance over the procedures for convening of the shareholders' general meetings and the Board of Directors' meetings, the resolutions passed thereat and the implementation by the Board of Directors of the resolutions passed at the shareholders' general meeting. The Supervisory Committee is of the view that the work of the Board of Directors in 2004 strictly complied with the provisions of the Company Law, the Securities Law, the Listing Rules, the Company's Articles of Association and other relevant laws and regulations, and the Board of Directors worked in a diligent manner. The directors, the general manager and other senior management members of the Company were able to carry out their duties earnestly, in strict compliance with the principle of honesty and in the best interests of the Company. There had been no violation of the laws, regulations nor abuse of rights in performing their duties or behaviour in detrimental to the interests of the Company.

2. Review of the Company's financial position

The Supervisory Committee has diligently reviewed the Financial Statements and other accounting data of the Company and is of the opinion that the income and expenditure were cleared stated in the accounts of the Company, and that accounting and accounting management complied with the relevant provisions, and there was no problems found. Deloitte Touche Tohmatsu, Certified Public Accountants and Deloitte Touche Tohmatsu, Shanghai, Certified Public Accountants have audited the Financial Report of the Company for 2004 in accordance with HK GAAP and PRC accounting standards and issued their respective auditors' report with unqualified opinion. The Supervisory Committee considers that the auditors' reports give true view on the financial status, operating results and cash flows conditions of the Company and that the auditors' reports are fair, objective, true and reliable.

3. 公司最近一次募集資金的使用情況

公司最近一次募集資金是2002年底，截止到2003年3月31日已全部投入完畢。所投入的項目與承諾投入項目一致，沒有變更。

4. 公司收購、出售資產情況

報告期內公司無收購、出售資產情況。

5. 公司關聯交易情況

報告期內公司無重大關聯交易情況。

2004年度監事會全體成員列席了公司全部8次董事會會議和出席1次股東會議，對公司董事會、股東大會的召開與做出決議的程序性、合法性進行了監督，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、是否符合股東大會決議及股東的合法權益等進行了監督，認為公司董事會能夠認真履行股東大會的有關決議。

報告期內本公司未發生監事代表公司向董事交涉或對董事起訴的事項。

肖茂林
監事長

2005年4月12日

3. Use of the last raised proceeds

The last proceed of the Company was raised at the end of 2002, and was used up as at 31 March 2003. The actual projects financed by the proceeds were consistent with the undertaken investment projects without change.

4. Acquisition and disposal of asset of the Company

The Company had no acquisition or disposal of assets during the reporting period.

5. Connected transactions of the Company

The Company had no material connected transactions during the reporting period.

Members of the Supervisory Committee attended 8 Board of Directors' meetings and 1 shareholders' general meeting in the year of 2004, and during the meetings exercised supervision over whether the resolutions of the Board and the general meetings complied with the laws, regulations of the PRC and the Company's Articles of Association and whether in the lawful interests of shareholders of the Company. The Supervisory Committee considers that the Company's Board of Directors was strictly conscientious in carrying out their duties in accordance with the resolutions passed at the general meetings.

During the reporting period, there has been no matter needed to be negotiated by supervisors on behalf of the Company with the Board of Director nor proceedings against the Directors.

Xiao Maolin
Chairman of the Supervisory Committee

12 April 2005