

(一) 監事會的工作情況

1. 第一次監事會於2005年3月17日在本公司會議室召開。
 - (1) 對2005年初公司經營形勢進行分析；
 - (2) 研究2005年監事會重點工作。
2. 第二次監事會於2005年4月12日在本公司會議室召開，(1)審議通過了本公司2004年度監事會工作報告；(2)審議通過了本公司2004年度報告正文和摘要；(3)審議通過了本公司2004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2004年度利潤分配預案。
3. 第三次監事會於2005年4月26日在本公司會議室召開，審議通過了本公司2005年一季度報告。
4. 第四次監事會於2005年6月8日在本公司會議室召開，選舉肖茂林先生為第五屆監事會監事長。
5. 第五次監事會於2005年8月25日在本公司會議室召開，(1)審議通過了公司2005年上半年度報告及摘要；(2)對公司上半年生產經營情況進行分析。
6. 第六次監事會於2005年10月25日在本公司會議室召開，審議通過了本公司2005年度第三季度報告。
7. 第七次監事會於2005年12月13日在本公司會議室召開，討論公司“十一五”規劃。

(I) WORK OF THE SUPERVISORY COMMITTEE

1. The 1st meeting of the Supervisory Committee was held at the Conference Hall of the Company on 17 March 2005.
 - (1) analyze the operation of the Company at the beginning of 2005;
 - (2) study the key work of the Supervisory Committee during 2005.
2. The 2nd meeting of the Supervisory Committee was held at the Conference Hall of the Company on 12 April 2005 at which (1) the 2004 Work Report of the Supervisory Committee was considered and approved; (2) the 2004 Annual Report of the Company and its summary were considered and approved; (3) the 2004 audited financial statements and the provision for impairment loss proposed by the Board were considered and approved; and (4) the 2004 Profit Distribution Plan was considered and approved.
3. The 3rd meeting of the Supervisory Committee was held at the Conference Hall of the Company on 26 April 2005, at which the 2005 First Quarterly Report was considered and approved.
4. The 4th meeting of the Supervisory Committee was held at the Conference Hall of the Company on 8 June 2005, at which Mr. Xiao Maolin was elected as the Chairman of the fifth Supervisory Committee.
5. The fifth meeting of the Supervisory Committee was held at the Conference Hall of the Company on 25 August 2005, at which: (1) the 2005 Interim Report and its summary was considered and approved; (2) production and operation of the Company in the first half year was analyzed.
6. The 6th meeting of the Supervisory Committee was held at the Conference Hall of the Company on 25 October 2005, at which the 2005 Third Quarterly Report was considered and approved.
7. The 7th meeting of the Supervisory Committee was held at the Conference Hall of the Company on 13 December 2005 at which the “Eleventh Five-Year” Plan of the Company was considered.



監事會報告

SUPERVISORY COMMITTEE'S REPORT

二、監事會對本公司2005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2005年度的工作嚴格遵照《公司法》、《證券法》、證券上市規則、《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2005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 RELEVANT MATTERS OF THE COMPANY IN 2005

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 meetings, the resolutions passed thereat and the implementation of the resolutions passed at the shareholders' general meeting by the Board. The Supervisory Committee is of the view that the work of the Board in 2005 strictly complied with the provisions of Company Law, Securities Law, the Listing Rules, Articles of Association of the Company 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 behavior 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 2005 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

2005年度，公司出售(收購)資產交易合理，沒有發現內幕交易，沒有損害部分股東的權益或造成公司資產流失。

5、公司關聯交易情況

報告期內公司無重大關聯交易情況。

2005年度監事會全體成員列席了公司全部6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

2006年4月20日

3. Use of the last raised proceeds

The last proceeds of the Company were raised at the end of 2002 and 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 assets of the Company

During 2005, the Company's disposal (acquisition) of assets was fair and reasonable. There has been no insider dealing which would harm the interests of shareholders or cause loss of the Company's assets.

5. Connected transactions of the Company

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

Members of the Supervisory Committee attended 6 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 needing negotiated by supervisors on behalf of the Company with the Board nor proceedings against the directors.

Xiao Maolin
Chairman of the Supervisory Committee

20 April 2006

