

Internal Control System Execution Status

Statement of Internal Control

The self-assessment of Ichia's internal control was conducted for the year ended December 31, 2003 based on Ichia's internal control system. The results are described as follows:

1. Ichia acknowledges that the Board of Directors and the management are responsible for establishing, executing and maintaining a sufficient internal control system, which has been already set up. The purposes of the internal control system are to provide a reasonable assurance of achieving the goals of efficiency and effectiveness of the operations, such as profitability, performance and the safeguard of the assets, the reliability of the financial reports and the compliance with the applicable laws and regulations.
2. The internal control system has its inherent constraints. No matter how impeccable the system is. It can only provide reasonable assurance of achieving the three goals mentioned above no matter how well it has been designed.. The effectiveness of the internal control system could be changed due to changes of the environment and the situations. Ichia has established an internal control system with the function of self-monitoring which could undertake corrective actions whenever a shortcoming is identified.
3. Ichia's assessment of the effectiveness of the design and execution of the internal control system is based on the Standards governing the establishment of internal control system by public companies (the Standards). The Standards are covered by the guidelines for establishing the public company's internal control system issued by the Securities and Futures Commission of the Ministry of Finance, which specify the judgement items for evaluating the effectiveness of internal control. The internal control is divided into five components, based on the process of management control, according to the judgement items for internal control employed by the Standards, such as: (1) Control Environment, (2) Risk Assessments, (3) Control Activities, (4) Information and Communication, and (5) Monitoring. Each component consists of certain items, which could be referred to the Standards.
4. Ichia has employed the judgement items mentioned above to evaluate the effectiveness of the design and execution of the internal control system.
5. Ichia believes that the effectiveness of the design and execution of its internal control system (including subsidiaries) during the above mentioned assessment period provides reasonable assurance of achieving the goals of acknowledging the efficiency and effectiveness of operations, the reliability of financial reports and the compliance with applicable laws and regulations.
6. The Statement of Internal Control will be an integral part of Ichia's annual report and prospectus that are open to the public, and within which any illegal acts, such as misstatement or concealment, would be subject to the legal liabilities of Articles 20, 32, 171 and 174 of the Securities Exchange Laws.
7. Ichia's Board of Directors has approved the Statement of Internal Control (the Statement) on March 23, 2004. Five directors attended and agreed and 0 director disagreeing with the content of the Statement.

Benny Huang
Chairman
March 3, 2004

Benny Huang
CEO