



REPORT OF THE SUPERVISORY COMMITTEE

To all shareholders,

Since the incorporation of the Company in September 2004, the Supervisory Committee has carried out its duties in accordance with the Company's Articles of Association and relevant requirements. It has performed effective supervision, through the inspection of relevant documents and attending meetings of the Board of Directors, on resolutions made by the Board of the Directors to ensure that they are in compliance with the relevant laws and regulations and in the best interests of the Company and shareholders. Such resolutions are made in a manner to ensure the shareholders' interests and long-term development of the Company.

The Supervisory Committee is in the opinion that the decision-making process of the Company is in compliance with the Company's Articles of Association and relevant norms. The directors and the senior management of the Company observed their fiduciary duties and worked diligently and legally. The Supervisory Committee is not aware that the Directors and the senior management of the Company acted in breach of the laws and regulations and the Articles of Association of the Company or against the interests of the Company.

The Supervisory Committee considers that the Company's 2004 financial statements reflected a true and fair view of the financial position and operating results of the Company. The unqualified opinion expressed in the auditors' report issued by Ernst & Young is objective and fair.

The Supervisory Committee is of the view that the use of proceeds from the Company's recent initial public offering is in accordance with the

disclosure in the Company's prospectus and such use of proceeds has not been changed for other purposes.

The Supervisory Committee is of the opinion that the connected transactions between the Company and its connected persons were conducted at fair market price without prejudice to the interests of the Company and its minority Shareholders.

In the opinion of the Supervisory Committee, the Company has achieved satisfactory results in 2004. It is expected that the Company will spare more efforts in getting continuous revenue growth, exercising better cost control and risk management. In 2005, the Supervisory Committee will continue to perform its duties in safeguarding the interests of the shareholders of the Company in accordance with the Company's Articles of Associations and relevant requirements.

By Order of the Supervisory Committee

A handwritten signature in black ink, appearing to read '张宪林' (Zhang Xianlin).

Zhang Xianlin

Chairman of the Supervisory Committee

Beijing, PRC
April 12, 2005