

REPORT OF THE SUPERVISORY COMMITTEE

Meetings of the Supervisory Committee

The Supervisory Committee held four meetings during the reporting period, details of which are as follows:

- (1) The first meeting of the third session of the Supervisory Committee of the Company was held at its office on 15 January 2004. 7 Supervisors should have voted at the meeting, and all of them or their authorized representatives have voted. The meeting was legal and valid, and was conducted in compliance with the relevant requirements of Company Law of the People's Republic of China and the Articles of Association of the Company.

The resolution considered and approved the proposal to elect a convener to the third session of the Supervisory Committee, Mr. Zhang Taifeng was elected as convener of the third session of the Supervisory Committee.

The announcement of the resolution of the Supervisory Committee was published in China Securities Journal, Securities Times, and Shanghai Securities News on 16 January 2004.

- (2) The second meeting of the third session of the Supervisory Committee of the Company was held at its office on 7 April 2004. 7 Supervisors should have voted at the meeting, and all of them or their authorized representatives have voted. The meeting was legal and valid, and was conducted in compliance with the relevant requirements of Company Law of the People's Republic of China and the Articles of Association of the Company. The resolutions considered and approved at the meeting are as follows:

- (a) the 2003 Report of the Supervisory Committee of the Company;
- (b) full text of the 2003 annual report of the Company together with its summary;
- (c) the 2003 financial report and profit distribution plan of the Company; and
- (d) the 2004 connected transactions framework agreements proposed to be entered into by the Company.

The announcement of the resolutions of the Supervisory Committee was published in China Securities Journal, Securities Times, and Shanghai Securities News on 10 April 2004.

- (3) The third meeting of the third session of the Supervisory Committee of the Company was held at its office on 28 May 2004. 7 eligible Supervisors should have voted at the meeting, and 6 of them have voted. The meeting was legal and valid, and was conducted in compliance with the relevant requirements of Company Law of the People's Republic of China and the Articles of Association of the Company. The resolutions considered and approved at the meeting are as follows:

- (a) offering and listing of H shares;
- (b) distribution and use of proceeds from the offering of H shares;
- (c) description on the status of the use of proceeds from previous capital raising; and
- (d) amendments to the Articles of Association of the Company.

The announcement of the resolutions of the Supervisory Committee was published in China Securities Journal, Securities Times, and Shanghai Securities News on 29 May 2004.

- (4) The fourth meeting of the third session of the Supervisory Committee of the Company was held at its office on 27 August 2004. 7 eligible Supervisors should have voted at the meeting, and all of them or their authorized representatives have voted. The meeting was legal and valid, and was conducted in compliance with the relevant requirements of Company Law of the People's Republic of China and the Articles of Association of the Company. The resolutions considered and approved at the meeting are as follows:

- (a) full text of the 2004 interim report of the Company together with its summary; and
- (b) the financial analysis report of the Company for the first half of 2004.

The announcement of of resolutions of the Supervisory Committee was published in China Securities Journal, Securities Times, and Shanghai Securities News on 31 August 2004.