

REPORT OF THE SUPERVISORY COMMITTEE

To : all Shareholders

In 2005, the Supervisory Committee aimed at the principle of honesty and trust in a proactive, practical and prudent manner in accordance with the Company Law of the People's Republic of China and the Articles of Association of the Company to protect the shareholders' interests and legalized equity of the Company and to perform its duties loyally. The principal report of work was as follows:

- (1) In attendance of board meeting and shareholders' meeting and in supervision of development plans, investments proposals, decisions on operating strategies, no circumstances of non-compliance with national law and no detriment to the Company's benefits and interests of shareholders were notified;
- (2) In reviewing the Company's financial statement, it was considered that the accounting audit and financial management of the Company complied with the relevant regulations of PRC. The cost of management was further under control with a well-established internal control system. No doubt was cast on the clear account of expenditure and revenue. The audit financial statements and auditing reports issued by Sichuan Jun He Accountants and Ernst & Young Certified Public Accountants were consented as it was considered that the actual financial status and operating results of the Company were reflected;
- (3) In supervising the operating and management activities of the Company, none of the senior management acted in breach of the laws and regulations and the Articles of Association of the Company in the course of business;
- (4) Saved as the connected transactions disclosed in Note 34 to the financial statements, the Company had no other connected transactions during the year;
- (5) No material litigation and investing activities of the Company occurred during the year.

Feng Bing
Chairman of Supervisory Committee

30 March 2006