

Report of the Supervisory Committee

The Supervisory Committee has carried out its duties in accordance with the Company's Articles of Association. It has performed effective supervision, through the inspection of relevant documents and information of the Company and attending meetings of the Board of Directors, on the performance by the Board of Directors and the senior management of their statutory duties and their duties under the Company's Articles of Association, and on whether their acts were beneficial to and in the best interests of the shareholders, thus safeguarding the interests of the Company and its shareholders.

The Supervisory Committee is of 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. Save as otherwise disclosed in this Annual Report, the Supervisory Committee is not aware that the directors and the senior management of the Company acted in breach of any laws and regulations, the Listing Rules of the Stock Exchange and the Articles of Association of the Company or against the interests of the shareholders.

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 Company, having duly fulfilled its disclosure obligations in accordance with the requirements of the Listing Rules since its listing on The Stock Exchange of Hong Kong Limited, thus ensured the openness and transparency of the operational information of the Company.

The Supervisory Committee has reviewed the Company's 2005 financial statements and considers that the financial statements give a full, true and fair view of the operating results and financial position of the Company and the Group for the year and that the unqualified opinion and auditors' report by Ernst & Young, the auditors of the Company, are objective and fair.

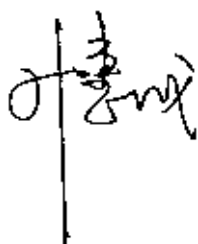
The Supervisory Committee is of the opinion that the connected transactions between the Company and the Group and their connected persons have been conducted at fair market price and on transaction terms, and is not aware of any circumstances prejudicial to the interests of the Company, the Dongfeng Motor Group or the Shareholders.

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The Supervisory Committee has seen the operating results and assets position of the Company in 2005 to its satisfaction. It is expected that the Company will continue seeking continuous revenue growth and exercising improved cost control and risk management, so as to consolidate on its solid foundation for steady and continuous development.

In 2006, the Supervisory Committee will continue to comply strictly with laws and the Company's Articles of Association and, while bearing in mind the missions and duties conferred by the shareholders, perform its duties in safeguarding the interests of the shareholders, the Company and the Dongfeng Motor Group.

By Order of the Supervisory Committee

A handwritten signature in black ink, appearing to be 'Ye Huicheng', written over a vertical line that extends downwards from the signature.

Ye Huicheng

Chairman of the Supervisory Committee

Wuhan, the PRC
19 April 2006