

(1) MEETING OF THE SUPERVISORY COMMITTEE

During the reporting period, the supervisory committee has convened 4 meetings, details of which are as follows:

1. The 10th meeting of the 4th session of the supervisory committee was held on 15 April 2005 to review and approve the 2004 Supervisory Committee's Work Report, matters reviewed at board meetings, Supervisory Committee's explanation on designs of auditors' reports as well as to accept the application of Mr. Yuan Limin's resignation from the office of the shareholder the supervisory representing.
2. The 11th meeting of the 4th session of the Supervisory Committee was held on 26 April 2005 to review and approve the 2005 1st quarterly results announcement.
3. The 12th meeting of the 4th session of the Supervisory Committee was held on 10 August 2005 to review and approve the 2005 Interim Supervisory Committee's Work Report and matters reviewed at the board of meetings.
4. The 13th meeting of the 4th session of the Supervisory Committee was held on 27 October 2005 to review and approve the 2005 3rd quarterly results announcement.

(2) THE SUPERVISORY COMMITTEE PROVIDED INDEPENDENT OPINION ON THE RELATED MATTERS OF THE COMPANY

1. The Company's legal operation

The Supervisory Committee opines that during the reporting period, the Company has established a fairly comprehensive corporate governance framework and internal control system. Decision-making procedure of the Annual General Meeting and each of the board meeting are lawful. Directors, independent directors, managers and other senior management strictly observe the law in performing their duties. They had no acts in breach of discipline, law, Articles of Association nor had damaged interests of the Company.

2. The Company's financial status

The supervisory committee opines that during the reporting period, the financial department of the Company has established a sound internal control and management system to integrate operation and financial management, so as to protect interests of investors. The 2005 financial statements truly reflects the Company's financial status and operating results. The auditors report with a opinion qualified issued by Deloitte Touche Tohmatsu Huayong CPA is true and objective.

3. Asset acquisitions and disposals

The supervisory committee opines that no insider dealings was found during the course of asset acquisition and disposal, the act was open, fair, reasonable and in the interests of the listed company and shareholders as a whole. There had been no damage to minority interests or caused any loss to the Company's assets.

4. Connected transactions

The Supervisory Committee opines that the connected transactions of the Company are fair and reasonable and no insider dealings between the associates of the Company and connected transactions that damage the interests of some of the shareholders or the Company is found.

By order of the Supervisory Committee
Dong Lianshen

China, Shenyang
18 April 2006