

To our shareholders,

During the reporting period, the members of the Company's Supervisory Committee (the "Committee"), as abided by the Listing Rules, Company Law of the PRC, the relevant laws and regulation of Hong Kong and the Company's Articles of Association, have consciently exercised their functions and powers for the protection of the interests of the shareholders and the Company

The Committee currently consists of 5 members. During the reporting period, the Committee convened two Committee meetings.

During the second half of 2005, all members of the Committee conducted research and investigations over the group companies namely Shanghai Perth Property Company Limited, Shanghai Donghang Forte Property Development Co., Ltd. and Wuxi Forte Property Development Co., Ltd. and provided a special investigation report and recommendations for improvement.

The Committee carried out special day-to-day examination over the Company and supervision over the performance of the Board and senior management to ensure the continuous, stable and healthy development of the Group.

The Committee confirmed that it has reviewed and approved the Company's 2005 Annual Report, 2005 Annual Results Announcement and 2005 Annual Profits Allocation Resolution; and reviewed and approved (i) the 2005 financial statements and a preliminary draft of the audit report which were prepared in accordance with the PRC Generally Accepted Accounting Principles and (ii) the 2005 financial statements and a preliminary draft of the audit report which were prepared in accordance with the International Financial Reporting Standards. The Committee is of the view that the financial statements have been prepared in accordance with the relevant accounting standards, the accounting policies have been consistently applied and the statements truly and fairly reflects the financial condition and results of operations of the Company.

The Committee concluded that, during the reporting period, all members of the Board, the president and other senior management had, under the principles of diligence, fairness and honesty, duly performed the responsibilities stipulated in the Company's Articles of Association and faithfully acted on the principles of maximizing the Group's value as well as the shareholders' best interests. Neither had they breached any laws, regulations and the Articles of Association of the Company nor done any acts which would prejudice the interests of the shareholders.

In the coming year, the Committee shall broaden its scope of duties, put more efforts on strengthening its supervision, continue to explore new effective ways of supervision, and work for maximizing the Group's value and protecting all shareholders' best interests.

By order of the Supervisory Committee

Ma Suxiang

Chairman of the Supervisory Committee

Shanghai, the PRC

23 March 2006