

# Report of the Supervisory Committee

Dear Shareholders,

The Supervisory Committee has carried out its duties in accordance with the Company's Articles of Association. It has performed 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 Company.

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 Supervisory Committee is not aware of any acts by the directors and the senior management of the Company in breach of any laws and regulations, the Listing Rules and the Articles of Association of the Company or against the interests of the shareholders.

The Supervisory Committee is of the opinion that the Company has 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.

The Supervisory Committee has reviewed the Company's 2006 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.

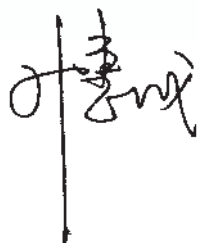
The Supervisory Committee is of the opinion that the connected transactions between the Company and the Group and their connected persons have been conducted at fair market price and on transaction terms, and is not aware of any circumstances prejudicial to the interests of the Company, the Group and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

The Supervisory Committee has seen the operating results and assets position of the Company in 2006 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 its solid foundation for steady and continuous development.

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In 2007, 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 and the Company.

By Order of the Supervisory Committee



**Ye Huicheng**

*Chairman of the Supervisory Committee*

Wuhan, the PRC

18 April 2007