

To our shareholders,

During the reporting period, the members of the Company's Supervisory Committee (the "Committee"), has conscientiously exercised its supervisory duties to protect the interests of the shareholders and the Company, and to ensure that the Company complies with the Listing Rules of the Stock Exchange, Company Law of the PRC, relevant laws and regulation of Hong Kong, and the Articles of Association.

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

During the second half of 2006, all members of the Committee conducted research and investigations of some of the Group's subsidiaries, namely, Shanghai Yuyuan Shangcheng Haoting Property Development Co., Ltd. and Chongqing Runjiang Real Estate Co., Ltd. The Committee issued an investigation report and recommendations for improvement after the investigations.

The Committee ensures the continuous, stable and healthy development of the Group by carrying out day-to-day examination over the Company and regular review over the performance of the Board and the senior management.

The Committee confirmed that it has reviewed and approved the Company's 2006 Annual Report, 2006 Annual Results Announcement and 2006 Annual Profits Allocation Resolution; and has reviewed and approved (i) the 2006 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 2006 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 reflect 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 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 or the Articles of Association nor done any acts which would prejudice the interests of the shareholders.

In the coming year, the Committee shall further broaden its mind, make more efforts to strengthen its supervision, and continue to explore new effective ways of supervision, so as to maximize the Group's value and protect the shareholders' best interests.

By order of the Supervisory Committee

Ma Suxiang

Chairman of the Supervisory Committee

Shanghai, the PRC

10 April 2007