

Report of the Supervisory Committee

To the shareholders of the Company:

According to the duties given by the Articles of Association, the PRC Company Law, and the PRC Securities Law, the Supervisory Committee performed its supervisory functions to protect the interests of shareholders and the Company during the reporting period.

The committee members participated in the meetings of the Board during year 2006 and examined the Company's legitimate and operational situation, business decision process, financial situation and the performance of duties and compliance with law by its senior management.

The financial situation of the Company was reviewed and the financial reports and profit distribution plan to be submitted to the annual general meeting by the Board were verified by the committee members who agree on such financial reports and profit distribution plan. In our opinion, members of the Board, the CEO and senior management all complied with the good faith doctrine, exercised their duties with diligence to maximize the value of shareholders. We have not discovered any abuse of authority or, any act which were conducted by Directors, CEO or senior management, which resulted in damage of corporate interests and infringement of the interests of shareholders and employees.

We confirmed that the Company's accounting books, financial management and accounting verification work complied with the PRC Accounting Law, and the regulations set out in the accounting system promulgated by the Ministry of Finance of the PRC. The financial statements of the Company truly reflected the financial position and operation results of the Company. We are satisfactory with the Company's performance for the year 2006 and are confident with the future developmental outlook of the Company.

We believe that the Listing realized the diversified capital structure of the Company and internationalization, created conditions for enhancing and perfecting the corporate governance structure and brought new opportunities to facilitate the Company's business development. In the coming year, the Supervisory Committee will strictly exercise its duties, protect the Company's and its shareholders' interests, and assure the maximization of the Company's and shareholders' interests.

By order of the Supervisory Committee

Wang Xingze

Chairman of the Supervisory Committee

20 April 2007