

Report of the Supervisory Committee

Dear Shareholders,

During the reporting period, all the members of the Supervisory Committee conscientiously performed their supervisory duties and earnestly safeguarded the interests of the shareholders and the Company in accordance with the requirements of the relevant laws and regulations such as the Company Law of the PRC and the Articles of Association of the Company.

During the reporting period, the Supervisory Committee held two meetings according to its annual work plan. At the third meeting of the second session of the Supervisory Committee held on 25 March 2010, the Supervisory Committee reviewed and approved five resolutions on the financial statements of the Company for 2009, the profit distribution proposal and dividends distribution plan, external auditors' report, the work report of the Supervisory Committee for 2009 and the work plan of the Supervisory Committee for 2010. At the fourth meeting of the second session of the Supervisory Committee held on 26 August of the same year, the Supervisory Committee reviewed and approved the resolutions on the interim financial statements for 2010, external auditors' report and the report on internal control and risk management of the Company for the first half of 2010. During the reporting period, members of the Supervisory Committee attended the meetings of the Board of Directors, the shareholders' general meeting and the meetings of the Audit Committee of the Company held in 2010, and supervised the major decisions of the Company and the performance of the members of the Board of Directors and senior management, and made relevant management recommendations with a serious and responsible attitude.

The Supervisory Committee is of the opinion that, by providing customer-oriented innovative services and vigorously expanding domestic non-operator customer market and overseas market in 2010, the Company has overcome difficulties such as the decrease of capital expenditure by domestic operators and a more competitive market, maintained a momentum of rapid growth in all its businesses with remarkable operating results, and achieved a double-digit growth both in terms of operating revenue and net profit.

The Supervisory Committee is of the opinion that, all members of the Board of Directors and senior management of the Company have complied with the laws and regulations, and earnestly performed their duties in accordance with the Articles of Association of the Company in 2010. In addition, they have also safeguarded the interests of the shareholders, earnestly carried out various resolutions of the shareholders' general meetings and the Board of Directors, and operated strictly in accordance with the regulatory requirements for a listed company. The Supervisory Committee was not aware of any violation of relevant national laws and regulations and the Articles of Association, or any acts which would violate the interests of the Company.

The Supervisory Committee carefully reviewed the financial statements of the Company for 2010 which were prepared in accordance with relevant requirements, audited by external auditors who have issued an unqualified opinion, and is intended to be submitted by the Board of Directors to the shareholders' general meeting, and other relevant information. The Supervisory Committee is of the opinion that the financial statements give an objective and true view of the Company's financial position and operating results.

In 2011, to safeguard the interests of the shareholders and the interests of the Company and pursue its supervisory duties diligently, the Supervisory Committee will continue to perform its duties in accordance with the Company Law of the PRC and the Articles of Association of the Company.

By order of the Supervisory Committee

Xia Jianghua

Chairperson of the Supervisory Committee

Beijing, PRC
24 March 2011