

To all shareholders:

During the reporting period, the Supervisory Committee has strictly complied with the “Company Law of the People’s Republic of China”, the “Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited” and the “Articles of Association” in performing the supervisory duties under and exercising the rights conferred thereon by the Articles of Association has also in good faith safeguarded the shareholders’ interests in a diligent, pragmatic and serious manner.

Through attending Board meetings and general meetings, the Supervisory Committee performed its duties of supervisory inspection on the major operating activities of the Company, as well as the Directors and senior management officers.

The Supervisory Committee has reviewed the Report of the Board of Directors which the Board submitted to the general meeting, and considered that the report has fairly described the current position of the Company. In 2003, the Board as a whole and the senior management of the Company had duly exercised various powers conferred by the shareholders pursuant to the laws, performed various obligations, and used their best endeavours to make important contributions to the development of the Company.

The Supervisory Committee has also reviewed the financial statements as audited by PricewaterhouseCoopers, and considered that the statements had fairly reflected the financial state of affairs and operating results of the Company. The Company’s accounts are prepared accurately with clear records and complete information.

The Supervisory Committee is fully confident in the prospect of the Company. In 2004, the Supervisory Committee will continue to conduct itself strictly in accordance with the Articles of Association and the relevant requirements to safeguard shareholders’ interests.

By Order of the Supervisory Committee

**Wang Shouxin**

*Chairman of the Supervisory Committee*

Beijing, the PRC, 5 April, 2004