

各位股東：

北京北辰實業股份有限公司監事會（「本監事會」）遵照《中華人民共和國公司法》、香港有關法律、法規及公司章程的規定，認真履行職權，維護股東權益，維護本公司利益，遵守誠信原則，恪盡職守，合理謹慎、勤勉主動的開展工作。

在本年度內監事會列席了報告期內的董事會會議及股東周年大會，並對本公司的經營及發展計劃向董事會提出合理的建議和意見，對本公司管理層的重大決策及具體決定是否符合國家法律法規以及本公司章程，是否維護股東及員工利益等，進行了嚴格有效的監督。

本監事會認真審閱並同意董事會擬提呈予本次股東年會的董事會報告，經審核的財務報告以及利潤分配方案，認為本公司董事會成員，總經理及其他高級管理人員，嚴格遵守誠信原則，工作克勤盡職，真誠地以股東最大利益為出發點行使職權。至今未發現董事，總經理及高級管理人員濫用職權，損害本公司利益及侵犯本公司股東和本公司員工權益之行為。

本監事會對本公司二零零四年度各項工作和取得的經濟效益表示滿意，對本公司未來的發展前景充滿信心。

在此，本人謹代表本監事會感謝全體股東對本監事會工作的支持和關心。

承監事會命

By Order of the Supervisory Committee

沈倚山

SHEN Yi-Shan

監事會主席

Chairman

中國·北京 二零零五年一月二十六日

Beijing, PRC, 26th January 2005

To the shareholders,

The Supervisory Committee of Beijing North Star Company Limited (the "Supervisory Committee"), in compliance with the provisions of the Company Law of the People's Republic of China (the "PRC Company Law"), the relevant laws and regulations of Hong Kong and the Articles of Association of the Company, under their fiduciary duty, took an active role to work reasonably and cautiously with diligence to protect the interests of the Company and its shareholders.

During the year, the Supervisory Committee attended the meetings of the Board and the AGM. It provided reasonable suggestions and opinions to the Board in respect of the operation and development plans of the Company. It also strictly and effectively monitored and supervised the Company's management in making significant policies and decisions to ensure that they were in compliance with the laws and regulations of the PRC and the Articles of Association of the Company, and in the interests of its shareholders and employees.

We have reviewed and agreed to the report of the directors, audited financial statements and profit appropriation proposal to be proposed by the Board for presentation at the forthcoming AGM. We are of the opinion that the directors, the general manager and other senior management of the Company were able to strictly observe their fiduciary duty, to act diligently and to exercise their authority faithfully in the best interests of the Company. Up till now, none of the directors, general manager and senior management staff had been found abusing their authority, damaging the interests of the Company and infringing upon the interests of its shareholders and employees.

The Supervisory Committee is satisfied with the achievement and cost-effectiveness of the Company in 2004 and has great confidence in the future of the Company.

Finally, I would, on behalf of the Supervisory Committee, like to thank all shareholders for their support and concern to the work of the Supervisory Committee.