

## Report of the Supervisory Committee

Dear Shareholders,

During the year ended 31 December 2004, the Supervisory Committee of Beijing Capital Land Ltd. (the "Supervisory Committee"), have diligently performed their duties in ensuring that the Company has observed and complied with the Listing Rules, the Company Law of the PRC, the Articles of Association of the Company and other relevant legislations and regulations which protect the interests of the Company and its shareholders.

During the year, the Supervisory Committee attended the meetings of the Board of Directors and the General Meetings to strictly and effectively monitor 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 the Company and its shareholders. It also provided reasonable suggestions and opinions to the Board of Directors in respect of the operation and development plans of the Company.

The Supervisory Committee has reviewed and agreed to the report of the directors, audited financial statements and profit appropriation proposal to be proposed by the Board of Directors for presentation at the forthcoming Annual General Meeting. The Supervisory Committee is satisfied that the Directors, and other senior management of the Company are committed to act honestly and to perform their duties diligently, so as to protect the best interests of the Company and its shareholders.

The Supervisory Committee has carefully reviewed the financial statements prepared by PricewaterhouseCoopers in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Institute of Certified Public Accountants and consider that the financial statements reflect a true and fair view of the financial position and results of operations of the Company and they comply with the regulations applicable to the Company.

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.

By order of the Supervisory Committee

**Yu Changjian**  
Chairman

Beijing, the PRC, 22 March 2005