

# REPORT OF THE SUPERVISORY COMMITTEE

*To the shareholders:*

Pursuant to the Company Law of the People's Republic of China, the Listing Rules of The Stock Exchange of Hong Kong Limited ("Listing Rules") and the articles of association of the Company, the Supervisory Committee of Shenzhen Expressway Company Limited (the "Company") has performed faithfully its duties as prescribed by the articles of association of the Company during the year ended 31st December 2000. By adhering to the principle of good faith, we have contributed our efforts in our work with prudent and active endeavor to safeguard the interests of the Company and the shareholders.

During the year, the Supervisory Committee convened three meetings. Its members attended all the Board meetings, visited road projects of the Company and put forward recommendations to the Board in respect of the operation, management and investment of the Company. It has monitored effectively various decisions made by the Board of Directors to ensure such decisions are in compliance with the laws and regulations of the State and the articles of association, the resolutions of Annual General Meeting of the Company, and are in the interests of the shareholders. The members have also reviewed the accounts and other accounting information of the Company on time, and we do not notice anything that is in contravention of relevant laws and regulations. During the year, the Company was not involved in any material litigation or proceedings. There have been neither disputes between any Supervisors representing the Company and any of the Directors nor litigation instituted against any of the Directors during 2000. All the business activities were conducted in its ordinary and normal manners, and the terms of which were fair and reasonable to our shareholders.

The Supervisory Committee has examined the Directors' Report, 2000 accounts and the profit distribution scheme to be proposed in the Annual General Meeting. In our opinion, these reports have reflected the 2000 results and the assets position of the Company on a true and fair basis. We also consider that the directors, general managers and other senior management have adhered to the articles of association of the Company, Listing Rules and the principle of good faith in a prudent manner when they performed their duties. They have also acted sincerely for the benefit of the Company without any violation of the law and regulations. There have been no abuse of authority and no harmful act against the benefit of the Company or the interests of the shareholders and staff.

The Supervisory Committee consents to the report of the Board of Directors for the year 2000 and has confidence in the future prospects of the Company.

By Order of the Supervisory Committee

**Wang Ji Zhong**

*Chairman*

Shenzhen, the PRC, 18th January 2001