

## Report of the Supervisory Committee

### 1. Main activities of Supervisory Committee

#### (1) The Supervisory Committee had called four meetings during the year.

The 11th meeting of the Second Supervisory Committee was held on 19th April 2000. The resolutions were published on Shanghai Securities News on 25th April 2000.

The 12th meeting of the Second Supervisory Committee was held on 25th August 2000. The resolutions were published on Shanghai Securities News on 26th August 2000.

The 13th meeting of the Second Supervisory Committee was held on 10th October 2000. The resolutions were published in Shanghai Securities News, Hong Kong's Wen Wei Po and Hong Kong iMail on 11th October 2000.

The 14th meeting of the Second Supervisory Committee was held on 20th December 2000. The resolutions were published in Shanghai Securities News, Hong Kong's Wen Wei Po and Hong Kong iMail on 21st December 2000.

The staff representatives meeting was held on 14th February 2001 and staff representative Jing Shikui was elected as a member of the Supervisory Committee for a 3-year term. An announcement was published on Shanghai Securities News, Hong Kong's Wen Wei Po and Hong Kong iMail on 15th February 2001.

#### (2) As part of the Supervisors' work, all members of the Supervisory Committee attended and performed the supervisory functions at the 11th meeting of the Second Board of Directors, the 12th meeting of the second Board of Directors, the 13th meeting of the second Board of Directors and the 14th meeting of the second Board of Directors.

#### (3) To carry out the duty of the Supervisory Committee, the Supervisors participated in the 8th general meeting and the extraordinary meeting of shareholders and also supervised the voting of directors and Supervisory Committee members.

#### (4) The Supervisory Committee strengthen the foundation of work by collecting and summarising related information, policy and regulations.

### 2. The Supervisory Committee verified the Chairman's statement, the Directors' Report, financial report and profit appropriation plan to be presented at the forthcoming annual general meeting 2000. The Supervisory Committee found no particular irregularities in all documents.

3. The Supervisory Committee found the Company's Directors, General Manager and senior management when carrying out their duties are acting in good faith and for the interests of the Company and shareholders and in accordance with the standard set out in the Company's Articles of Association, the listing rules of Shanghai Stock Exchange and the Hong Kong Stock Exchange and the Company Law of the PRC.
4. The Supervisory Committee found a series of measures implemented in 2000 to improve the business conditions including the asset exchange were reasonable.
5. The Supervisory Committee found a series of connected transactions taken place in 2000 were fair and did not harm the interest of the Company.
6. PricewaterhouseCoopers Zhong Tian Certified Public Accountants Co., Ltd. and PricewaterhouseCoopers issued their respective auditors' report with unqualified opinion.

The Supervisory Committee was satisfied with the annual report in 2000 and agreed with the Board of Directors' measures taken. The Committee will continue to observe the opportunities and challenges faced by the Company in the urban infrastructure and environmental protection businesses.

By order of the Supervisory Committee

**Yu Ruihua**

*Chairman of Supervisory Committee*

HKSAR, the PRC  
16th March 2001