

## REPORT OF THE SUPERVISORY COMMITTEE

**Dear Shareholders,**

In 2000, members of the Supervisory Committee of the Company ( Supervisory Committee ) carried out their duties actively in accordance with the articles of association of the Company and relevant regulations to protect the shareholders interests and long-term development of the Company.

In 2000, the Supervisory Committee held a meeting on the subject of the financial statement which was submitted to 2000 Annual General Meeting by the Board of Directors. All members of the Supervisory Committee attended meetings of the Board and effectively monitored whether the strategic decisions of the Board were made in accordance with the relevant laws of the PRC, the long-term development of the Company and in shareholders interests. The Supervisory Committee also provided suggestions on the Company s operations, investment plans and development of new business plans.

In 2000, the Supervisory Committee recognized that the directors, general manager and senior and management have strictly followed the articles of association of the Company, and diligently carried out their duties. The Company s management overcome unfavourable market factors and to sustain consistent increases in total traffic, which contributed to the continuous development of the Company.

The Supervisory Committee has carefully reviewed the 2000 financial report and for the Annual General Meeting and the profit distribution scheme, and no questionable item was found. None of the directors or other senior management is aware of any information indicating that their actions are not in compliance with applicable PRC laws, administrative regulations, or the articles of association of the Company or are infringing the rights of the Company.

The Supervisory Committee is satisfied with the Company s achievements in 2000 and has confidence in the Company s prospects.

On behalf of the Supervisory Committee

**Li Wenxin**

*Chairman of the Supervisory Committee*

Shanghai, the PRC,  
9 April 2001