

Report of the Supervisory Committee

To the shareholders:

Pursuant to the Company Law of the People's Republic of China, the Listing Rules of HKEX, Listing Rules of Shanghai Stock Exchange, 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 2003. By adhering to the principle of integrity, the Supervisory Committee fulfilled its responsibilities and duties strictly by carrying out the activities enumerated in the *Rules on the Operation of the Supervisory Committee* and were committed to serving the interests of the Company and the shareholders with prudent and active endeavours.

The Company has disposed a Secretary to the Supervisory Committee, as a part of Company Secretariat, to manage the daily affairs and help the communication between the Supervisory Committee and the Company management. The Supervisory Committee convened four meetings in 2003, all members attended these meetings. The procedures of the notice, quorum and resolutions made by the Supervisory Committee are in compliance with the relevant regulations. During the meetings, the report of the Supervisory Committee for the year 2002 was considered and passed; the Chairman of the Supervisory Committee was elected; the work plan for 2003 was made; and the financial report for year 2002, the financial report for the six months ended 30th June 2003, the first and the third quarterly reports in 2003 were reviewed. Furthermore, The Supervisory Committee reviewed all resolutions signed by the Directors entitled to vote on it and oversaw the tenders of the Nanping Project and Yanpai Project.

During the year, all members of the Supervisory Committee attended all eight board meetings and the two shareholders' general meetings, monitoring the procedure, resolutions of the Board and the general meetings and the Board's execution of the resolutions of the general meetings. It considers that the Board's activities in 2003 were carried out in strict compliance with the Company Law of the People's Republic of China, the Securities Laws, the Listing Rules of HKEX, the Listing Rules of the Shanghai Stock Exchange, and the articles of association of the Company; and that a good internal control system has been established. It considers that the Board executed the resolutions of the shareholders' general meetings with a serious attitude, and all Directors, General managers and other senior management have adhered to the principle of integrity with a prudent attitude when they performed their duties. They have also acted sincerely for the maximum interest of the Company without any violation of the law and regulations. There have been no abuse of authority and no harmful act against the interests of the Company, its shareholders or employees.

The members of the Supervisory Committee have also reviewed the accounts and other accounting information of the Company carefully. They consider that the accounts are clear, and the auditing and financial management is in line with relevant regulations. They do not notice anything that is in contravention of relevant laws and regulations. PricewaterhouseCoopers Certified Public Accountants and Shenzhen Tianjian Xinde Certified Public Accountants have audited the financial reports of the Company for year 2003 prepared in accordance with the Hong Kong accounting standards and PRC accounting standards, respectively and issued unqualified audit reports. The Supervisory Committee considers that those audit reports have reflected the Company's financial position and operating results on a true basis, and they are fair, objective, true and reliable.

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There have been neither disputes between any Supervisors representing the Company and any of the directors nor litigation instituted against any of the directors.

The Supervisory Committee consents to the work report of the Board of Directors for year 2003, and believes that with the correct decisions of the Board of Directors and the positive efforts of the senior management, the Company will grow and expand continuously.

By Order of the Committee

Wang Ji Zhong

Chairman of the Supervisory Committee

Shenzhen, the PRC, 5th March 2004