

# REPORT OF THE SUPERVISORY COMMITTEE

Dear Shareholders,

During the year 2000, members of the Supervisory Committee of PetroChina Company Limited (the “Company”) carried out their duties conscientiously and in accordance with the relevant laws and regulations of the State and the articles of association of the Company to effectively protect the shareholders’ interests. The Supervisory Committee has attended meetings of the board of directors and, through the combination of general inspections and specific inspections, off-site supervision and on-site supervision, supervised and inspected major operating activities of the Company, the performance of the board of directors and members of the senior management in discharging their duties and complying with relevant laws. The Supervisory Committee has submitted six written opinions or proposals to the board of directors and senior management with respect to issues which the Supervisory Committee has identified in the course of its supervision and inspection and which it considers necessary to be brought to the attention of the board of directors and the senior management. As a result, the Supervisory Committee put greater emphasis on the effect of supervision in carrying out its duties in 2000.

## **1 Meetings of the Supervisory Committee**

The second, third and fourth meeting of the first Supervisory Committee were held on April 27, May 30 and August 28, 2000 respectively (an extraordinary meeting was held on December 13, 2000, deliberating and passing the following resolutions:

1. Resolution regarding the 1999 financial report and results announcement of the Company;
2. Resolution regarding the 1999 report of the Supervisory Committee of the Company;
3. Resolution regarding the continued appointment of Price Waterhouse Da Hua and PricewaterhouseCoopers as the respective domestic and international auditors of the Company for 2000;
4. Resolution regarding the approval of the 2000 interim financial report and results announcement of the Company;
5. Resolution regarding the approval of the preliminary 2000 interim profit distribution plan of the Company;
6. Resolution regarding the approval of the work report of the Supervisory Committee for the first six months of 2000.

The following resolutions were also passed in the form of written resolutions:

- (1) Approval of the “Work Summary of the Supervisory Committee for 2000”;
- (2) Approval of the “Work Programme of the Supervisory Committee for 2001”.

## **2 Inspection of the Company's Financial Position**

The Supervisory Committee has reviewed the unqualified audit report of PricewaterhouseCoopers prepared on the basis of International Accounting Standards and is of the opinion that the report gives a true and comprehensive view of the Company's financial positions and operating results and that the comments of the report on the relevant matters are fair and objective.

## **3 Operation of the Company in Compliance with the Law**

In 2000, the Company operated in strict compliance with the Company Law of the People's Republic of China, the articles of association of the Company and relevant laws and regulations of the State and was not in breach of the law in any way. The shareholders' meeting and meetings of the board of directors held by the Company in 2000 were held in compliance with the law and the procedures stipulated in the articles of association of the Company. Resolutions passed at such meetings were in compliance with applicable laws and regulations and the articles of association of the Company. There are no matters which have come to the attention of the Supervisory Committee that would prejudice the interests of the Company or its shareholders.

## **4 Fulfilment of Duties by Directors and Senior Management of the Company**

The directors and the senior management of the Company have worked diligently and with innovations in fulfilling their duties. They have persistently contributed to the development of the Company and have complied with applicable laws, regulations and the articles of association of the Company in fulfilling their duties.

In 2001, the Supervisory Committee will continue to explore new mechanisms to fulfil its inspection duties effectively and in compliance with the Company Law of the PRC and the articles of association of the Company, so as to meet the expectations of all shareholders.

By Order of the Supervisory Committee  
Li Kecheng  
*Chairman of the Supervisory Committee*  
Beijing, the PRC  
April 23, 2001