

CORPORATE GOVERNANCE

SHAREHOLDERS AND GENERAL MEETINGS

The Company protects the interests of Shareholders. The Shareholders, being the owners of the Company, are entitled to the rights provided by the laws and administrative regulations, and shall assume corresponding obligations. All the Shareholders are treated equally and are encouraged to actively participate in corporate governance of the Company. Shareholders have privity and rights to decision-making in respect of significant matters of the Company. The general meeting is the power organ of the Company, which performs its duties in accordance with the laws. Shareholders who have interests in connected transactions shall abstain from voting at the general meeting approving such connected transactions.





“Zhejiang Expressway is one of the best managed companies of great renown in China yielding outstanding results.”

— Dr. Henry Hu Hung Lick former independent non-executive director of the Company, currently President of Hong Kong Shue Yan College

Three general meetings were held by the Company in 2002, including an annual general meeting and two extraordinary general meetings. Among these meetings, payment of an interim dividend and issue of corporate bonds of Rmb1 billion in the PRC were approved at two of the extraordinary general meetings respectively.

BOARD OF DIRECTORS

The Board of Directors of the Company represents the interests of all the Shareholders, and continues to lead the Company to success in operation. In addition to the obligation of enhancing shareholder value, the Board is also accountable to the community where the Company's clients, staff, suppliers and businesses are located.

The Board of Directors of the Company is composed of nine Directors, four of them are Executive Directors, whilst the remaining five are Non-executive Directors. Among the five Non-executive Directors, three of them are Independent Non-executive Directors, representing one-third of the Board of Directors.

Six meetings were held by the Board of Directors of the Company in 2002.

SUPERVISORY COMMITTEE

The Supervisory Committee is responsible to all the Shareholders. It supervises the financial state of affairs of the Company as well as the compliance of the Directors, general managers and other senior officers of the Company in performing their duties, and protects the legal interests of the Company and Shareholders.

The Supervisory Committee of the Company comprises five supervisors, among whom one acts as shareholders' representative, one as staff's representative and the other three are independent supervisors.

Two meetings were held by the Supervisory Committee of the Company in 2002 in order to review the financial statements of the Company. The Supervisory Committee was present at all meetings of the Board of Directors, and carried out a site visit to Shanghai-Hangzhou-Ningbo Expressway and Shangsang Expressway and management offices along the expressways.