

# Report of the Supervisory Committee

To the Shareholders,

During the year 2002, the Supervisory Committee of Sinotrans Limited (the “Company”) had adhered strictly to the stipulations of the Company Law of the PRC, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong, the Articles of Association of the Company and other relevant statutory requirements, and, on the principle of good faith, had discharged its rights and duties with diligence, pragmatism and prudence to safeguard the interest of the shareholders.

We attended meetings of the directors and general meetings, thereby enabling us to supervise and monitor effectively all major operating activities of the Company, the discharge of duties by the Directors and senior management and their compliance of related laws and regulations.

We are of the opinion that the Company had observed the stipulations of the various laws and regulations as well as the Articles of Association of the Company and had operated in conformity with all relevant requirements without any violation or misconduct. The Board of Directors had followed the procedures as required by relevant laws and the Articles of Association of the Company in

convening shareholders’ meetings of the Company in 2002. The resolutions carried at these meetings were within the requirements of relevant laws and regulations and the Articles of Association of the Company. No acts that are against the interests of the shareholders or the Company had been found.

The Board of Directors and senior management of the Company had discharged their duties with due care, diligence and innovation. They had made significant contributions to the development of the Company, thereby ensuring the best results for the Company. While discharging their duties, no violation of any laws and regulations and the Articles of Association of the Company had been committed.

We had reviewed conscientiously the auditors’ report of the Company as presented by PricewaterhouseCoopers and are of the opinion that the financial statements present fairly the financial position of the Company as at 31 December 2002, and operating results of the Company for the year then ended in all material aspects.

Mr. Li Jianzhang, member of the Supervisory Committee, will resign as supervisor after this supervisory meeting due to a change in his work responsibilities.

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The Company is pleased that Ms. Su Yi (蘇誼) has been nominated for election as a supervisor. Her biography is as follows:

Ms. Su Yi (蘇誼), 49, joined Sinotrans Group Company in December 1986. She has been appointed a divisional vice general manager and general manager. Since 1995, she has been appointed the general manager of Human Resources Department in Sinotrans Group Company.

The appointment of Ms. Su Yi as a member of the Supervisory Committee is subject to shareholders' approval in the Annual General Meeting to be held on 18 June 2003.

We will continue to supervise the operations of the Company as guided by the relevant PRC state laws and regulations as well as the Articles of Association of the Company to fulfill our duties as entrusted by the shareholders.

By Order of the Supervisory Committee

**Li Jianzhang**

*Chairman of the Supervisory Committee*

15 April 2003, Beijing, PRC