

## Report of the Supervisory Committee

To all Shareholders,

Under the provisions of the Company Law of the PRC and the Articles of Association of the Company, the Supervisory Committee acted in the interests of shareholders and the Company and faithfully performed its supervisory duties in 2003 in a proactive, practicable and prudent manner on the basis of good faith. The main work is as follows:

1. We attended the Board meetings and general meetings with supervision over the decision-making on the Company's development plan, investment plan and operation plan. No practice violating the national laws and regulations and against the interests of the Company and shareholders was found.
2. We reviewed the Company's financial report and confirmed that the Company's accounting practice and financial management were in compliance with the relevant requirements of the State, the Company's internal control system was sound, and management expenses were further under control. The accounting records on income and payments were clear and no suspicious item was identified. We concur with the audited financial statements and the auditors reports prepared by Sichuan Jun He Accountants and Ernst & Young and are of opinion that they truly reflected the financial position and operating results of the Company.
3. We monitored the Company's operation and management activities. No practice of the senior management violating the laws, regulations and the Company's Articles of Association during the operation and management was found.
4. Save and except for the connected transactions disclosed in note 34 to the financial statements, the Company did not have any other connected transaction during the year;
5. The Company had no litigation and investment activities of material importance during the year.

*Supervisory Committee*  
**Sichuan Expressway Company Limited**

1 April 2004