

Dear Shareholders,

During the year ended 31 December 2003, the members of the Supervisory Committee (the “Committee”) of Sinotrans Limited (the “Company”) has executed the function of monitoring to ensure that the Company adhered strictly to the stipulations of the Company Law of the PRC, the Listing Rules of the Stock Exchange of Hong Kong, the Articles of Association of the Company and other relevant statutory requirements, to safeguard the interests of the shareholders and the Company.

The Supervisory Committee attended meetings of shareholders, Board of Directors and Audit Committee to effectively monitor that the policies and decisions made by the Board and senior management were in compliance with the Listing Rules, relevant legislations and regulatory requirements of the People’s Republic of China, the Articles of Association of the Company, and the interests of the Company and shareholders. The Supervisory Committee confirms that the Board and senior management of the Company adopted prudent development policies during the year, which resulted in a continuous growth in profits and provided satisfactory returns to shareholders. The Supervisory Committee is satisfied that the Directors and senior management of the Company were committed to act honestly and to perform their duties diligently, so as to protect the best interests of the Company and shareholders. The Committee is of the opinion that the directors and senior management of the Company had observed the stipulations of the various laws and regulations as well as Articles of Association of the Company and had operated in conformity with all relevant requirements without any violation or misconduct. The Committee confirms that the report of the board of directors for the year ended December 31, 2003 reflected the actual operational circumstances of the Company.

The Committee has carefully reviewed the financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) as well as the Accounting Standards for Business Enterprises and the Accounting Systems for Business Enterprises of the People’s Republic of China and considers that the financial statements reflect a true and fair view of the financial position and results of operations of the Company and they comply with the regulations applicable to the Company.

In the opinion of the Committee, the Company has achieved satisfactory results during the year and the Committee has confidence in the Company’s future prospects and development.

The Committee will go on performing the duties of monitoring in accordance with relative regulations and the Articles of Association of the Company in an effective method to meet the shareholders’ expectation.

By Order of the Supervisory Committee
Su Yi
Chairman of the Supervisory Committee

Beijing, China
 March 29, 2004