

REPORT OF THE SUPERVISORY COMMITTEE

(I) Supervisory Committee Meeting during the Report Period

The Company held the 1st session of the Third Supervisory Committee Meeting on 25th May 2000 at Jiangsu Communications Building, 69 Shigu Road, Nanjing. Attendances include Mr. Zhong Zhang Wan, Jia Da Kang, Geng Liu Yu, Wu Zan Ping and Xing Guo Qiang, Supervisors of the Company and Mr. Yao Yong Jia, Company Secretary of the Company.

All Supervisors attending the meeting unanimously resolved to elect Mr. Zhong Zhang Wan as the Third chairman of the Supervisory Committee to supervise the routine work of the Supervisory Committee.

(II) Report of the Supervisory Committee

To: All shareholders

Pursuant to the Company Law of the People's Republic of China and the Articles of Association of the Company, the Supervisory Committee of Jiangsu Expressway Company Limited has faithfully discharged its duties during the year 2000 in respect of the management, operation, cost-effectiveness and development of the Company as prescribed by the Articles of Association of the Company for the purpose of safeguarding the lawful interests of the Company and its shareholders, within the framework as laid down by the laws and regulations and the Listing Rules. We attended Board meetings and work meetings of the General Manager, took part in major activities of the Company and exercised to the fullest and widest extent effective supervision on the management behavior of the Company's directors, management and senior executives as well as the decision-making practices of the Company. We put forward our independent opinions to the following matters:

1. Operating status according to laws and regulations

We consider the Company's directors and senior management have complied with the requirements as stipulated in relevant laws and regulations, the Company's Articles of Association and the Listing Rules in their daily management practices, discharged their duties, complied with relevant requirements of Shanghai Stock Exchange, Stock Exchange of Hong Kong and CSRC, established

comprehensive internal control system, and had operated in an active, cautious and diligent manner, bearing in mind the best interests of the Company. We also consider the Company's process of decision-making is lawful and effective.

During the year, the Company was not involved in any material litigation or proceedings. All directors and managers had operated in strict compliance with practices governing listed companies and their management practices are in line with national laws and regulations, the Articles of Association of the Company and the interests of its shareholders. We have found none of their acts in breach of the laws and regulations and the provisions of the Articles of Association of the Company or infringing the interests of the Company or its shareholders when discharging their duties.

2. Financial conditions of the Company

We have reviewed the director's report and Report of General Manager, as well as the 2000 financial statements and the dividend distribution scheme submitted to the general meeting for approval. We are of the view that the financial payments position and operating results of the Company are fairly and correctly reflected and that all the expenses are reasonable. The distribution of dividend is in the interest of local and overseas shareholders as well as the long-term development of the Company and is made after the allocation of surplus and public welfare fund according to relevant laws, regulations and the Articles of Association of the Company. We are satisfied with the results of the year 2000.

The Supervisory Committee endorsed the 2000 Audit Report of the Company and the Group by Arthur Andersen & Co. for submission to the general meeting. The financial data in the Report fairly and correctly reflected the true situation of the Company.

3. Use of proceeds

We consider that the Company has been actively involved in the acquisition of shares in Yangtze Bridge as set out in the prospectus, after A share issue was successfully launched. As at 31st December 2000, RMB472,670,218 was used to acquire 17.83% equity interest in Yangtze Bridge, while the balance will be further used to acquire 2.17% equity interest in Yangtze Bridge. We have not noticed any of the proceeds being utilized for any other investment project or the any change to the amount. The acquisition procedures were undertaken in compliance with laws and regulations.

4. Acquisition and disposal of assets

We believe that the acquisition of shares in Yangtze Bridge is in strict compliance with resolutions of the general meeting and is not in breach of any resolution nor prejudices interests of any shareholder or asset of the Company.

5. Connected Transactions

We consider that all contracts, agreements and other documents relating to connected transactions during the year have been properly disclosed by the Company. Such contracts and agreements are at arm's length and in compliance with requirements of laws without prejudicing interests of the Company or its shareholders. The signing and approving procedures also comply with requirements of laws. With respect to any connected transaction of which the controlling shareholder of the Company or Communications Department of Jiangsu Province (the previous direct investor of the Company) is a party, the Company has taken necessary actions as required by Regulations Governing Connected Transactions accordingly so as to protect the interests of minority shareholders.

The members of Supervisory Committee understanding the significant events and management operation of the Company well, making timely operation and management analysis as well as providing reasonable proposals on management, operation, new projects development and various reform measures for strategic consideration of the Company's senior management, thus ensuring the scientific and systemized policy decision of the Company to enhance the Company's economic benefits.

The Supervisory Committee would like to express the sincere thanks to the concern and support which the shareholders have been giving to the Company, and to the trust towards the Supervisory Committee. The members of Supervisory Committee pledge to conscientiously render our duties and effectively supervise the Company for the benefit of the Company to protect the interests of shareholders, and to provide satisfactory returns to the shareholders.

By order of the Supervisory Committee

Zhong Zhang Wan

Chairman of the Supervisory Committee

Nanjing, the PRC

12th April 2001