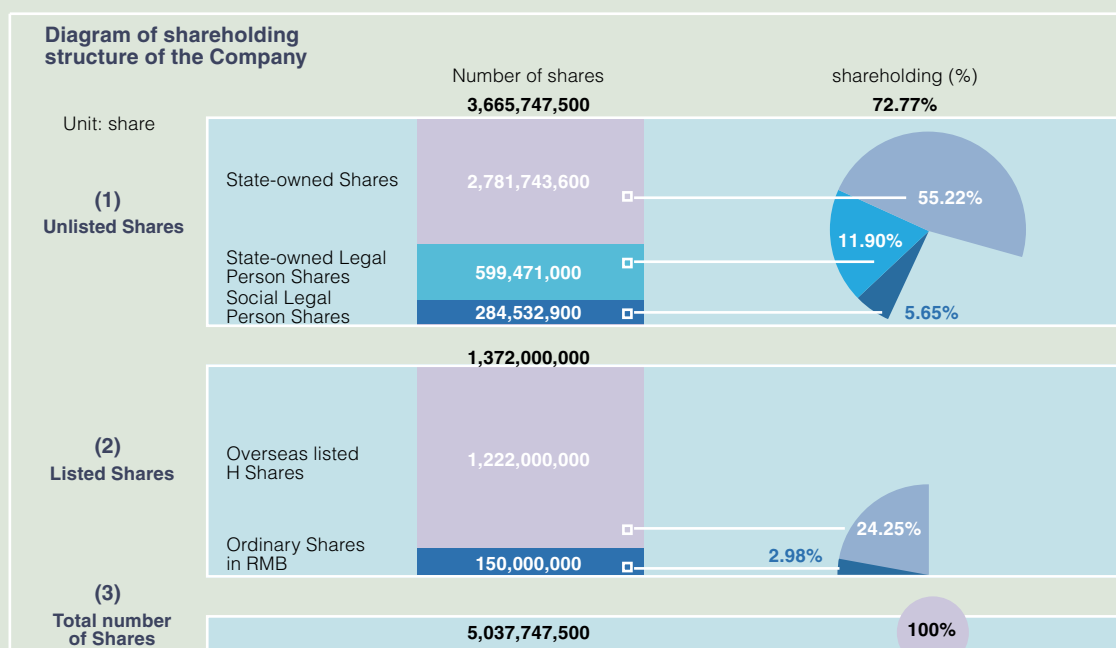


SHAREHOLDERS AND THE CHANGES IN SHARE CAPITAL

(1) SHAREHOLDING STRUCTURE



Notes: There has been no change in the total number of Shares or in the shareholding structure of the company during the reporting period.

SHAREHOLDERS AND THE CHANGES IN SHARE CAPITAL

(2) SHARE ISSUE AND LISTING AND USE OF PROCEEDS

1. Issue of H Shares and Use of Proceeds

The Company issued 1,222,000,000 H Shares at the issue price of HK\$3.11(RMB 3.33) per share which were listed on the Stock Exchange of Hong Kong Limited on 27th June 1997. Through the H Share Issue, the Company raised approximately RMB 4,069,000,000, and the net proceeds amounted to RMB 3,926,000,000. As at 31st December 2001, the proceeds from the H Share Issue were applied as set out in the prospectus in the following manners:

- (1) A sum of RMB 1,345,786,000 was used in the acquisition of the land use rights and the operating rights of Nanjing-Shanghai Class 2 Highway for a term of 15 years;
- (2) A sum of RMB 2,125,000,000 was used for the investment in and construction of Guangjing Expressway and Xicheng Expressway, in each case the Company holds 85% of interests. Both expressways were completed and opened to traffic on 28th September 1999. The Company has paid an amount of RMB 2,108,942,000 for the investment;
- (3) On the second half of 2001, upgrading construction projects have been completed on three major systems of Jiangsu section of Shanghai-Nanjing Expressway. The construction expenses amounted to RMB 178,700,000;
- (4) A sum of RMB 276,514,000 was used for the repayment of loans;
- (5) The balance of approximately RMB 16,058,000 was deposited in commercial banks in the PRC for paying the outstanding amount of construction projects of Guangjing Expressway and Xicheng Expressway.

2. Issue of A Shares and Use of Proceeds

The Company issued 150,000,000 social public shares (A Shares) to domestic investors at the issue price of RMB 4.20 per share. The issue of shares was successfully launched on 22nd to 23rd December 2000 by means of online pricing issue and placing to investors from the secondary market. Through the issue of A Shares, the Company raised approximately RMB 630,000,000 and the net proceeds amounted to approximately RMB 614,500,000. As at 31st December 2001, the proceeds from the A Shares Issue were applied as set out in the prospectus in the following manners:

- (1) A sum of RMB 472,670,218 was used to acquire 381,185,660 shares in Jiangsu Yangtze Bridge Co., Ltd. ("Yangtze Bridge Co.") on 29th December 2000, representing 17.83% of the total share capital of Yangtze Bridge Co..
- (2) The balance of proceeds of RMB 141,829,782 was used to acquire 188,650,000 shares of Yangtze Bridge Co. on 4th September 2001, representing 8.83% of the total share capital of Yangtze Bridge Co. The Shortfall of the consideration was paid from the capital of Yangtze Bridge Co..

SHAREHOLDERS AND THE CHANGES IN SHARE CAPITAL

(3) PROFILE OF SHAREHOLDINGS OF MAJOR SHAREHOLDERS

1. Number of Shareholders at the End of the Reporting Period

As at 31st December 2001, there were a total of 55,129 domestic shareholders whose names appeared on the share register of the Company.

2. Shareholdings of Major shareholders

(1) As at 31st December 2001, shareholdings of the top ten shareholders of the Company:

No.	Name of Shareholders	Number of Shares held at the End of the Period	Changes in shareholding during the period (+/ -)	Shareholding proportion to the Total Share capital (%)	Shares pledged or subject to moratorium	Category of the Shares
1	Jiangsu Communications Holding Company Ltd.	2,781,743,600		55.22		State-owned Shares
2	Huajian Transportation Economic Development Centre	597,471,000		11.86		State-owned Legal Person Shares
3	The Capital Group Companies, Inc	154,696,000	(57,516,000)	3.07		H Shares
4	Galaxy Securities Co., Ltd.	19,410,270	19,410,270	0.39		A Shares
5	Huaxia Securities Company	16,660,000		0.33		Social Legal Person Shares
6	Shenyin Wanguo Securities Stock Company Limited	14,450,000		0.29		Social Legal Person Shares
7	Winner Glory Development Ltd	12,000,000		0.24		H Shares
8	Jiangsu Xinsu Investment Management Company	8,484,000	(86,000)	0.17		Social Legal Person Shares
9	融證投資	7,115,836	7,115,836	0.14		A Shares
10	Jiangsu Huiyuan Real Estate Development Industrial Company	6,200,000		0.12		Social Legal Person Shares

Notes: Connection between the top ten shareholders:

- So far as the Company is aware, the top ten shareholders of the Company are not connected to one another;
- During the reporting period, the Company has not been notified of any pledge or moratorium of the Shares held by legal person shareholders holding more than 5 percent of the Shares;
- During the reporting period, none of the connected parties, strategic investors or general legal persons has become one of the ten largest shareholders of the Company as a result of the placing of the new Shares.

SHAREHOLDERS AND THE CHANGES IN SHARE CAPITAL

(2) As at 31st December 2001, persons having an interest in 10 percent or more of the share capital of the Company as recorded in the register maintained under Section 16 of the Securities (Disclosure of Interest) Ordinance were as follows:

(a) Controlling shareholders - Jiangsu Communications Holding Co., Ltd.

Pursuant to document SuZhengFu 2000 No. 132, Approval by Provincial Government on Establishment of Jiangsu Communications Holding Co., Ltd., the original controlling shareholders of the Company, Jiangsu Communications Investment Corp., was changed to Jiangsu Communications Holding Co., Ltd. ("Communications Holding"), on 15th September 2000. Communications Holding held 2,781,743,600 shares of the Company, representing 55.22% of the total share capital of the Company.

Communications Holding was incorporated with the capital from the provincial government, which authorized it as an operating unit of investment nature with state-owned assets and an investment entity. Its legal representative is Mr. Shen Chang Quan. Its registered capital amounted to RMB 4,600,000,000. To such extent as authorized by the provincial government, the Company is engaged in operation and management of State-owned assets; investment construction, operation and management of communications infrastructure, transport and related sectors; industrial investment and domestic trading (for specific projects to be operated upon submission and having been approved by the State).

(b) shareholder holding 10 percent or more domestic shares - Huajian Transportation Economic and Development Centre

Huajian Transportation Economic and Development Centre ("Huajian Centre") holds 597,471,000 Company shares, representing 11.86% of the total share capital of the Company and is the second largest shareholders of the Company.

Huajian Centre was incorporated on 18th December 1993 as a State-owned enterprise. Its legal representative is Mr. Zhu Yao Ting. Its registered capital amounted to RMB 500,000,000. Its core businesses is the comprehensive development and contractual construction of roads, docks, ports channels; research and development and sale of new technologies, new products and new materials related to transport infrastructure; and non-core businesses as in the distribution of construction materials, electromechanical equipment, automobile (sedan cars excluded) and parts, hardware and appliances and articles of daily use; consultancy of financial information; manpower training.

(c) Shareholder holding 10% or more H Shares - The Capital Group Companies, Inc.

The Capital Group Companies, Inc. holds 154,696,000 H Shares of the Company, representing 3.07% of the Company's total issued share capital and 12.66% of the Company's total issued H shares, being the third largest shareholder of the Company.

The Capital Group Companies, Inc. is a company with registered office in California, the U.S.A..

SHAREHOLDERS AND THE CHANGES IN SHARE CAPITAL

3. Shareholding interests of the Company's Directors, Supervisors and Senior Management

As at 31st December 2001, none of the directors, supervisors, senior management and their respective associates had any beneficial interests in the Company or any of its associates' issued share capital, which are required to be recorded on the register of the Company.

At no time during the year was the Company or its associates a party to any arrangement to enable the directors, supervisors, senior management and their respective associates to acquire benefits by means of the acquisition of shares or debentures, of the Company or any of its associates.

4. Purchase, Sale and Repurchase of Shares of the Company

As at 31st December 2001, the Company has not purchased, sold or repurchased any shares of the Company.