

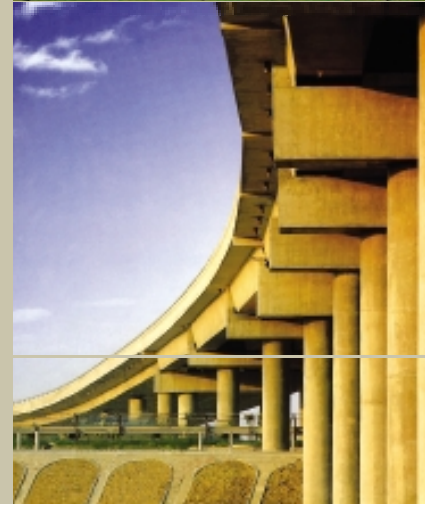


CHAIRMAN'S STATEMENT

Exploring the Future

THE KEY TO SUCCESS

We make use of
NEW TECHNOLOGY
NEW CONCEPT, AND
NEW MECHANISM
to turn our vision into reality



CHAIRMAN'S STATEMENT

Mr. Shen Chang Qiang



Chairman

To all Shareholders:

The continued development of the regional economy has created a favourable operating environment for the Company. In 2001, the Group continued to maintain the profit growth for the fifth year since the expressway was open to traffic, and has attained an operating revenue of RMB 1,919,781,000 for the year, a profit after tax of RMB 780,864,000 under the PRC Accounting Standards, an increase of 12.93% over 2000, and achieved a profit after taxation of RMB 841,240,000 under the IAS, an increase of 22.22% over 2000, for which I am very much delighted.

Looking back at the days over the past five years, the Company has completed the first stage of development following the completion of the Shanghai-Nanjing Expressway, and has successfully transformed the Company's operations from management of engineering works into management of investment and operations, and as the first expressway operating enterprise in Jiangsu Province, it made initial efforts to explore and then formed an operation and management model with a lot of management experience accumulated. The Company has completed the acquisition of and participation in some projects with value-added prospects such as Yangtze Bridge and Suzhou-Jiading-Hangzhou Expressway, so as to guarantee the sustainable growth of the Company's results.

Starting from this year, the Company will enter the next stage of development. It will effect a modernization of its corporate system across the board, whereby the scale of operation will be expanded and its scope of operation will be explored, so that the Company will be further expanded and strengthened. For this purpose, not only will the Company seek more opportunities to develop within the industry, but it will also explore other infrastructure sectors and the possibility of cross-industry development, so as to move towards a broader horizon for the sustainable development of the Company.

CHAIRMAN'S STATEMENT

In complementing the long-term strategic development of the Company and in ensuring that the Company's strategic development is on the right track, the Company will continue to enhance corporate governance. In 2002, the Company's Board of Directors will propose two additional candidates for independent directors, and will set up the Strategic Committee, the Nominating, Salary and Review Committee and the Audit Committees, upgrade various rules of procedure, gradually improve the Company's organization structure, strengthen its internal management, so as to ensure that its decision making is scientific and rational.

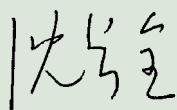
The Company will also focus on the establishment of the Company's corporate culture, whereby harmonious interpersonal relationships are forged and modern corporate image and brand-name of the Company will be built up to better serve the society. In 2002, the Company will complete the design, positioning and publicity of its corporate image, and will complete the sophistication, nurturing and promoting of its corporate spirit, so that a common value is established among all the staff, thereby reflecting the convergence and team spirit of the Company for the promotion of the Company's development. We also hope that by creating a favourable and harmonious environment, we can attract, nurture and retain versatile people who are suitable for the future development of the Company.

Looking forward, it is anticipated that the economy of the PRC will continue to develop healthily, in particular, after the official accession of the PRC to the WTO, coastal cities will be the first to profit from it. The rapid economic growth and adjustments to the tariffs will stimulate the rapid growth in ownership of vehicles, thereby providing a very favorable condition for the growth of traffic volume and toll revenue of the highways operated by the Company, all the more pointing to the strengths of the projects operated by the Company.

At the same time, Jiangsu is at a time of a new round of transportation construction represented by its promotion of expressway networking. By the end of 2001, the mileage of expressways which have been opened to traffic in the province exceeded 1,300 kilometers, and it is anticipated that it will reach 3,500 kilometers by 2010, indicating that the Company has plenty of room for development. The Company will fully utilize the capital market and will actively identify investment opportunities which meet our criteria on investment returns and growth, and will continue to optimize the allocation of resources and implement a sustainable development strategy.

Last but not least, we would like to express our appreciation of the Company's management and all the staff for their dedication and efforts for the development of the Company, and of shareholders for their strong support to the Company. The Board is confident, and is able to integrate the resources that can be made use of in the economy through new technology, new concept and new mechanism to turn our vision into reality.

By Order of the Board



Shen Chang Quan
Chairman

Nanjing, the PRC

8th April 2002

27 >

Jiangsu
Expressway
Company
Limited