

Chairman's Statement



Capitalising on Opportunities Securing

“Year 2002 was a gratifying year. It saw the Group securing growth in its operating results six years in a row on the back of increasing traffic flow registered by its road and bridge assets as the Group continued to capitalise on various business opportunities.”



Continued Growth



Jiangsu Expressway Company Limited



Chairman's Statement



Mr. Shen Chang Quan
Chairman

Dear Shareholders,

Year 2002 was a gratifying year. It saw the Group securing growth in its operating results six years in a row on the back of increasing traffic flow registered by its road and bridge assets as the Group continued to capitalise on various business opportunities. Net operating revenues for the year amounted to RMB2,272,515, profit after tax amounted to RMB816,833,308 and earnings per share was RMB0.162 under PRC Accounting Standards, an increase of 4.58% over the previous year. According to HKGAAP, profit after taxation amounted to RMB854,445,000 and earnings per share was RMB0.1696, both an increase of 1.57% over the previous year.

The directors and management of the Company believe that it is their top priority to ensure continued growth in shareholders' value. For this purpose, we are constantly seeking new bases for profit growth, and the successful acquisition of Sujiahang Expressway underscores another positive

expansion of the Company's assets. The decision of the directors and management to acquire this asset has been vindicated by the rapid growth in traffic flow on the expressway since it became operational.

While reinforcing our core business, the Group is also actively exploring business opportunities in industries related to toll road operations, in a move to expand the scope of our investment by leveraging the strengths of our resources. During the year, the Group set up an investment company to invest in China Transportation HEAD New technology (Shanghai) Co. Ltd. ("HEAD") and Jiangsu Provincial Leasing Company Limited, which were expected to enhance the growth prospects of the Group.

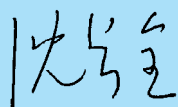
The establishment of the Level-1 ADR programme marked the Company's entry into the US capital market, following its listing in Hong Kong and China stock markets. It also means that the Company would henceforth be governed by the US as well as Hong Kong and China securities regulatory authorities. Building on ongoing efforts to regulate its operations, the Company is prepared to meet more demanding regulatory standards with a view to gearing up itself for developing into a major international corporation so as to capitalise on any future business opportunities in the international arena.

The Company is developing towards a sophisticated and comprehensive system of corporate governance after years of deliberate efforts. The introduction of Independent Directors has further ensured fair and prudent decision-making at the board level, while the establishment of special committees under the Board of Directors has enhanced the rationalised and effective operation of the Board. I am sure that the new Board of Directors to be elected in 2003 will be able to take the Company to a new high and ensure even greater return for both shareholders and employees.

A sound operating system and regulated corporate governance ensure adaptability in face of an ever-changing environment and help keep the Company on-track in achieving its goals. This year, the Company was included in the “Top 50 Companies Listed in Shanghai/Shenzhen” named by the Shanghai Stock Exchange with an overall 10th ranking. We ranked 14th in the “Best 100 Asia Pacific Companies — 2002” named by *CFO Asia* magazine and third among all Chinese companies included in this category. Such honours are a tribute to our dutiful Board members, dedicated management team and not the least, our employees who have devoted the best of their efforts.

In future, we shall work even harder to grow into a successful company with continued expansion in operations, strong growth in profitability, incessant enhancement in efficiency and stable growth in shareholder return.

By Order of the Board



Shen Chang Quan

Chairman

Nanjing, the PRC
20th March 2003