

## Report of the Supervisory Committee

To: All shareholders

Pursuant to the Company Law of the People's Republic of China and the requirements of the Articles of Association of the Company, the Supervisory Committee of Jiangsu Expressway Company Limited has faithfully discharged its duties 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 have done an active job in respect of the management, operation, cost-effectiveness and development of the Company. We attended the Board meetings and the 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 implementation and procedure of decision-making and managerial behaviour of the Company's directors, general manager, senior management, as well as their protection of the interests of the Company and its shareholders. Besides regular, timely and independent analysis of the Company's operational and management aspects, we put forward opinions and recommendations in respect of the Company's management, toll collection, production operation, investment in new development projects and reform measures, for the information of its senior management, with a view to promotion of the logical decision-making and standardisation of management, and fostering a rapid growth of the Company's economic gains.

We have reviewed the 1997 financial statements, the Directors' report, and the dividend distribution scheme audited by the Board of Directors for distribution to its shareholders. We have not noticed anything that is in contravention of the relevant laws and regulations and provisions of the Articles of Association of the Company. These reports have reflected the 1997 results and the assets position of the Company in a true and fair manner.

We consider that the Company's directors, general manager and other senior management have all precisely complied with the requirements as stipulated in its Articles of Association and the Listing Rules, discharged their duties, and had a lawful operation in an active, cautious, and diligent manner, bearing in mind the full interests of the Company. We have found no acts of theirs in contravention with the laws and regulations and the provisions of the Articles of Association of the Company or infringing upon the interests of the Company or its shareholders.

We endorse the 1997 report of the Directors of the Company, and have full confidence in the prospects of the Company.

By order of the Supervisory Committee

**Zhong Zhang Wan**

*Chairman of the Supervisory Committee*

Nanjing, the PRC

16th April, 1998