

Expiry of the Deadline for completion of the proposed acquisition of 80 per cent interest in a natural gas transportation company in Jilin Province of the PRC

April 2000

Given the extended deadline for the fulfillment of the conditions of the Heads of Agreement has expired on 28 April 2000, the Heads of Agreement has lapsed and has no further effect accordingly.

Proposed investment projects acquisition of a telecommunications network company

Total earnest money amounting to HK\$20 million was paid for the proposed acquisition of a telecommunications network company in the Greater China region. This proposed acquisition has finally been terminated on 10 January 2001. A writ of summons was issued in the High Court against One Network for the Deposit of HK\$20M and interest thereon.

June 2000

Downsizing the trading activities

The coal trading business of the Group became dormant since July 2000.

July 2000

Disposal of subsidiaries

The Group has strategically close its loss-making freight related business through the disposal of two flagships, Oriental Union Aircargo Limited and Oriental Union Logistics Services Limited, and another 3 wholly-owned subsidiaries to third parties.

Sept & Nov 2000

Possible major transaction: Acquisition of 10% in an on-line application services provider for personal healthcare services for Chinese communities

Dec 2000

Shine Health Limited, a wholly-owned subsidiary of OUHL, proposed to acquire 10% equity interest in Health Tech, an on-line application services provider for personal healthcare services, for a consideration of HK\$17.85M and provision of a loan of HK\$17.85M for obtaining an option to acquire further 10 per cent interest of enlarged capital of Health Tech. The Heads of Agreement lapsed on 12 February 2001.

Mar 2001

Claims for compensation on shortfall in profit of Beijing Wemay.

The Company has issued a writ of summons against the vendor and Mr. Wong Po Kwong, Eric as guarantor for the shortfall between the audited net loss before taxation for the year ended 31 December 2000 of approximately HK\$15.2M and the warranted profit amount of HK\$2.1M as stated in the Agreement dated 6 September 1999.

Proposed acquisition of an interest in a company engaging in long distance professional educational services through satellite and internet in the PRC.

On 5 June 2001, the Company entered into a formal agreement in connection with the acquisition of 77.27 per cent interest in Oriental Express Development Limited ("Oriental Express"), principally engaging in long distance professional educational services through satellite and internet in the PRC. On 12 July 2001, the Company have entered into the Supplement Agreement in which the Company would acquire 20 per cent of the entire issued share capital of Oriental Express and has the call option to acquire all the 43.64 per cent of Oriental Express Shares from the Vendor. The aggregate consideration for the transaction amounts to HK\$35 million and will be settled as to HK\$5 million in cash, HK\$30 million to set off against the deposit previously paid upon completion.

June 2001