

OTHER SIGNIFICANT EVENTS

I. Profit distribution proposal for the half year of 2006

The Board did not recommend an interim dividend for the six months ended 30 June 2006 or capitalisation of any capital reserve into share capital.

II. Implementation of the profit distribution proposal for the year 2005

It was resolved at the 2005 Annual General Meeting that the profit distribution proposal for the year 2005 was as follows: based on the total share capital of 2,558,060,000 shares as at the end of 2005, a cash dividend of RMB0.04 (inclusive of tax) per share would be distributed to all shareholders, with the dividend totalling RMB102,322,000.

On 17 June 2005, the said dividend was declared to those shareholders whose names appeared on the register of members of the Company as at 1 June 2006.

III. Disclosure of Interests

So far as the Company was aware as at 30 June 2006, none of the Directors, Supervisors or chief executive officer of the Company or their respective associates had any interests in shares, underlying shares and/or debentures (as the case may be) of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including such requirement of the SFO that was deemed or have interest or short positions held by Directors, Supervisors, chief executive officers or senior management), or interest required to be registered pursuant to Section 352 of the SFO, or which was otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors Listed Issuers.



IV. Material Acquisition and Sale

During the Period, the Company carried out an acquisition of the remaining interests in Chengya Company held by the other shareholders.

There was no material acquisition or disposal carried out by the Company and its subsidiaries and associates during the Period.

V. Employees and Their Remuneration and Training

As at 30 June 2006, the Company had 960 employees, of which management staff accounted for 24% (including 58.80% professional technicians) and toll collection staff accounted for 76%.

The revised “Measures for administration of employee’s wages” was passed by the Company in June 2005. Employees’ wages were composed of fixed wage (which consist of basic salary, and salaries determined by the position and period of service) and performance incentive. Employees’ salary is determined based on his position (i.e. the salary changes in accordance with the position of service) and performance as well as the operation efficiency of the Company with reference to the appraisal of employee’s overall performance.

The employees’ wages and salary totalled RMB37,401,000 for the Period.

The Company attaches much importance on employee training in order to improve the comprehensive quality and business standard through all-level training. During the Period, the Company organised various centralized training in respect of education and skills for the position, as well as training on specialized topics. A total of 221 employees participated in the training.

VI. Corporate Governance

1. Code on Corporate Governance Practices

During the Period, the Company has not set up a Remuneration Committee with specific statutory authority and obligations in accordance with relevant provisions of the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 to the Listing Rules. Until now, remunerations of Directors, Supervisors and senior management members of the Company are determined on the basis of related PRC policies or regulations, the Company’s operation and applicable percentage of per capita income of the working population of Chengdu, a place where the Company is situated, and is subject to approval of the general meeting. Save for the above, the Company has fully complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules during the Period.

2. Audit Committee

The Audit Committee comprises three independent non-executive Directors of the Company who are all professionals experienced in finance and transportation industries. The Audit Committee has reviewed the unaudited financial statements and interim results for the six months ended 30 June 2006.



3. **Model Code for Securities Transactions by Directors and Supervisors**

During the Period, the Company has adopted a code of conduct not less favourable than the standards stipulated in Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules for securities transactions carried out by directors and supervisors. Upon specific enquiries made to all Directors and Supervisors, it was confirmed that the Directors and Supervisors of the Company have complied with the Model Code in relation to securities transactions by the Directors and the standards of code of conduct and there was no violation to the Model Code.

VII. **Directors**

As at the date of this report, the Directors of the Company include Mr. Zhou Liming (Chairman), Mr. Zhang Zhiying (Vice-Chairman and General Manager), Mr. Zhang Wensheng (Vice-Chairman), Mr. Gao Chun, Mr. He Gang, Mr. Liu Mingli, Mr. Zhang Yongnian (Director and Company Secretary), Madam Zhang Yang, Madam Zang Dihua (Independent Non-executive Director), Mr. Yim Chung Wu (Independent Non-executive Director), Madam Luo Xia (Independent Non-executive Director), and Mr. Feng Jian (Independent Non-executive Director).

VIII. **Other Information**

All the Company's announcements are published in Hong Kong Economic Times/The Standard.

The Company's interim report and interim results announcement are referred to on the website of the Stock Exchange (www.hkex.com.hk).

By order of the Board

Zhou Liming

Chairman

Chengdu, Sichuan Province, the PRC

22 August 2006