



ACTIVELY SEEKING TO ISSUE ADDITIONAL A SHARES

According to the Administration Measures for the Issuance of New Shares by the Listed Companies promulgated by China Securities Regulatory Commission in March 2001, the Company is qualified for the offering of Renminbi-denominated ordinary shares (A Shares) to the public in the securities market of the PRC. The Company has made its application to China Securities Regulatory Commission to raise funding for its future investment and development. On 19th May 2001, the class meeting for the A shareholders and the H shareholders of the Company and the first extraordinary general meeting in 2001 were held. The resolution to issue an addition of not more than 250,000,000 A Shares was approved thereon. The proceeds from the issue will be used to acquire and construct the entire section of Lianyungang to Huoerguosi Expressway in Anhui Province. China Securities Regulatory Commission is now reviewing the Company's application to issue additional A Shares.

The Company expects the issue of A Shares to complete in the latter half of this year. The Company intends to achieve an organic integration of internal resources with external funding, thereby extending the scope of the Company.

AUDIT COMMITTEE

The Audit Committee of the Company held its meeting on 20th August 2001 and reviewed the interim financial statements of the Group for the six months ended 30th June, 2001.

CODE OF BEST PRACTICE

The Board is not aware of any matter that does not comply with the "Code of Best Practice" as set out in Appendix 14 of the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited during the period under review.