



SIGNIFICANT EVENTS

During the period under review, the overhaul of 205 Tianchang Section was completed, which significantly improved the road condition and the traffic capacity.

According to the approval granted by the Ministry of Finance, Ministry of Communication and State-owned Asset Administration, Anhui Expressway Holding Corporation entered into State-owned Share Transfer Agreement on 21st January, 2001 with Huajian Communication and Economic Center. 376,860,000 on State-owned shares previously held by Anhui Expressway Holding Corporation were transferred to State-owned legal person shares and administered by Huajian Communication and Economic Center. Such share transfer was completed on 3rd April, 2001.

On 2nd April, 2001, the Company entered into an acquisition agreement with Anhui Expressway Holding Corporation for the acquisition of the entire section of Lianyungang to Huoerguosi Expressway in Anhui Province. Such acquisition is conditional upon, inter alia, the completion of the proposed A share issue as described in the paragraph headed “Actively Seeking To Issue Additional A Shares” above.

At the annual general meeting of the Company held on 28th April 2001, Mr. Zhang Wen Sheng and Ms. Chen De Hong were appointed as directors of the Company and Ms. Yan Hu Hong was appointed as a supervisor of the Company with immediate effect until 16th August, 2002.

On 24th May, 2001, Beijing Haiwei Investment Company Limited (“Haiwei”) was incorporated in Beijing with a registered capital of RMB 50 million, of which RMB 35 million, representing 70% equity interest, was contributed by the Company, RMB 14 million representing 28% equity interest, was contributed by Gaojie Company, and remaining RMB 1 million, representing 2% equity interest, was contributed by Wantong Science & Technology. Haiwei is mainly engaged in project investment, development of information business, technology services, transfer, consultation and training.

MATERIAL LITIGATION

During the period under review, neither the Company nor its directors, supervisors and senior management was involved in any material litigation or arbitration.

