



安徽皖通高速公路股份有限公司
ANHUI EXPRESSWAY COMPANY LIMITED
(incorporated in the People's Republic of China with limited liability as a joint stock limited company)
(Stock code 995)

2006 Annual Results Announcement

The board of directors (the “Board”) of Anhui Expressway Company Limited (the “Company”) together with its subsidiaries (the “Group”) is pleased to present the audited results of the Group for the year ended 31 December 2006 prepared in accordance with Hong Kong Financial Reporting Standards, which has been reviewed by the Audit Committee of the Company, together with the comparative figures of 2005. They are as follows:

I. FINANCIAL HIGHLIGHTS

Consolidated income statement

(All amounts in Renminbi thousands unless otherwise stated)

| | Note | Year ended 31 December 2006 | 2005 |
|---------------------------------|------|--------------------------------|-----------|
| Revenues | 2 | 1,604,891 | 1,494,704 |
| Cost of sales | | (389,595) | (409,549) |
| Gross profit | | 1,215,296 | 1,085,155 |
| Other gains/(losses)-net | | 5,023 | (12,591) |
| Administrative expenses | | (91,831) | (129,254) |
| Operating profit | | 1,128,488 | 943,310 |
| Finance costs | 3 | (93,811) | (56,480) |
| Share of profit of associates | | 366 | 3,176 |
| Profit before income tax | | 1,035,043 | 890,006 |
| Income tax expense | 4 | (91,129) | (204,958) |
| Profit for the year | | 943,914 | 685,048 |

Attributable to:

| | | |
|-------------------------------|---------|---------|
| Equity holders of the Company | 931,424 | 686,103 |
| Minority interest | 12,490 | (1,055) |
| | 943,914 | 685,048 |

Basic earnings per share

| | | | |
|------------------------------|---|--------|--------|
| (expressed in RMB per share) | 6 | 0.5616 | 0.4137 |
|------------------------------|---|--------|--------|

Dividends

| | | | |
|--|---|---------|---------|
| | 5 | 414,653 | 464,411 |
|--|---|---------|---------|

Consolidated balance sheet

(All amounts in Renminbi thousands unless otherwise stated)

| | As at 31 December 2006 | 2005 |
|--|---------------------------|-----------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 6,688,818 | 6,322,781 |
| Land use rights | 575,267 | 476,950 |
| Intangible assets | 3,988 | 3,552 |
| Investment in associates | 6,455 | 5,733 |
| Deposit for acquisition of minority interest | — | 400,000 |
| Available-for-sale financial assets | 18,000 | 18,000 |
| | 7,292,528 | 7,227,016 |
| Current assets | | |
| Inventories | 2,873 | 2,866 |
| Trade and other receivables | 15,542 | 25,350 |
| Cash and cash equivalents | 400,453 | 580,964 |
| | 418,868 | 609,180 |
| Total assets | 7,711,396 | 7,836,196 |

EQUITY

Capital and reserves attributable to the

Company's equity holders

| | | |
|--------------------------|-----------|-----------|
| Share capital | 3,106,069 | 3,106,069 |
| Other reserves | (41,689) | 610,004 |
| Retained earnings | | |
| -Proposed final dividend | 414,653 | 464,411 |
| -Others | 1,917,318 | 1,448,212 |

Minority interest

| | | |
|--|-----------|-----------|
| | 5,396,351 | 5,628,696 |
| | 65,110 | 200,075 |

Total equity

| | | |
|--|-----------|-----------|
| | 5,461,461 | 5,828,771 |
|--|-----------|-----------|

LIABILITIES

Non-current liabilities

| | | |
|---|---------|-----------|
| Long-term payables to minority shareholders of subsidiaries | 281,770 | 754,656 |
| Deferred income tax liabilities | 200,523 | 316,582 |
| | 482,293 | 1,071,238 |

Current liabilities

| | | |
|--------------------------------|-----------|---------|
| Trade and other payables | 497,322 | 473,730 |
| Current income tax liabilities | 9,320 | 112,457 |
| Borrowings | 1,261,000 | 350,000 |
| | 1,767,642 | 936,187 |

Total liabilities

| | | |
|--|-----------|-----------|
| | 2,249,935 | 2,007,425 |
|--|-----------|-----------|

Total equity and liabilities

| | | |
|--|-----------|-----------|
| | 7,711,396 | 7,836,196 |
|--|-----------|-----------|

Net current liabilities

| | | |
|--|-------------|-----------|
| | (1,348,774) | (327,007) |
|--|-------------|-----------|

Total assets less current liabilities

| | | |
|--|-----------|-----------|
| | 5,943,754 | 6,900,009 |
|--|-----------|-----------|

Notes:

1. Basis of preparation

The financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRS). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, which are carried at fair value.

(a) *Amendments to published standards effective in 2006*

Hong Kong Accounting Standards (HKAS) 19 (Amendment), Employee Benefits, is mandatory for a company's accounting periods beginning on or after 1 January 2006. It provides the option of an alternative recognition approach for actuarial gains and losses. It may impose additional recognition requirements for multi-employer plans where insufficient information is available to apply defined benefit accounting. It also provides for certain new disclosure requirements. The amendment does not have significant impact to the Group and the adoption of this amendment only impacts the format and extent of disclosures presented in the accounts.

(b) *Standards and interpretations to existing standards that are not yet effective and have not been early adopted by the Group*

The following standards and interpretations to existing standards have been issued and will become mandatory for a company's accounting periods beginning on or after 1 May 2006 but which the Group has not early adopted:

HKFRS 7, Financial instruments: Disclosures, and the complementary Amendment to HKAS 1, Presentation of Financial Statements - Capital Disclosures. HKFRS 7 provides for new disclosures relating to financial instruments. This standard does not have any impact on the classification and valuation of the Group's financial instruments.

Hong Kong International Financial Reporting Interpretation Committee (HK(IFRIC))-Int 8, Scope of HKFRS 2 (effective for accounting periods beginning on or after 1 May 2006). HK(IFRIC)-Int 8 requires the consideration of transactions involving the issuance of equity instruments - where the identifiable consideration received is less than the fair value of the equity instruments issued as to whether they fall within the scope of HKFRS 2. The Group will adopt HK(IFRIC)-Int 8 from 1 January 2007, but it is not expected to have any impact on the Group's consolidated financial statements.

HK(IFRIC)-Int 10, Interim Financial Reporting and Impairment (effective to accounting periods beginning on or after 1 November 2006). HK(IFRIC)-Int 10 prohibits the reversal of impairment losses recognised in an interim period in respect of goodwill, investments in equity instruments and investments in financial assets carried at cost, at a subsequent balance sheet date. The Group will adopt HK(IFRIC)-Int 10 from 1 January 2007, but it is not expected to have significant impact on the Group's accounts.

(c) *Interpretations to existing standards that are not yet effective and not relevant to the Group's operations*

The following interpretations to existing standards have been issued and are mandatory for a company's accounting periods beginning on or after 1 March 2006 but are not relevant to the Group's operations:

HK(IFRIC)-Int 7, Applying the Restatement Approach under HKAS 29, Financial Reporting in Hyperinflationary Economies (effective from 1 March 2006). HK(IFRIC)-Int 7 provides guidance on how to apply requirements of HKAS 29 in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. As none of the Group's entities operates in a hyperinflationary economy, HK(IFRIC)-Int 7 is not relevant to the Group's operations;

HK(IFRIC)-Int 9, Reassessment of embedded derivatives (effective for accounting periods beginning on or after 1 June 2006). HK(IFRIC)-Int 9 requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment if required. As none of the Group's entities have changed the terms of their contracts, HK(IFRIC)-Int 9 is not relevant to the Group's operations.

(d) *Standards, amendments and interpretations effective in 2006 but not relevant to the Group's operations*

The following standards, amendments and interpretations are mandatory for accounting periods beginning on or after 1 January 2006 but are not relevant to the Group's operations:

- HKAS 21 Amendment — Net Investment in a Foreign Operation;
- HKAS 39 Amendment — Cash Flow Hedge Accounting of Forecast Intragroup Transactions;
- HKAS 39 Amendment — The Fair Value Option;
- HKAS 39 and IFRS 4 Amendment — Financial Guarantee Contracts;
- HKFRS 6, Exploration for and Evaluation of Mineral Resources;
- HKFRS 1 Amendment — First-time Adoption of International Financial Reporting Standards and IFRS 6 (Amendment), Exploration for and Evaluation of Mineral Resources;
- HK(IFRIC)-Int 4, Determining whether an Arrangement contains a Lease;
- HK(IFRIC)-Int 5, Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds; and
- HK(IFRIC)-Int 6, Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment.

2. Revenues

| | Note | Year ended 31 December 2006 | 2005 |
|--|------|--------------------------------|-----------|
| Toll income | | 1,617,898 | 1,538,017 |
| Rental income | | 14,043 | 8,607 |
| Service income from management of toll roads | | 13,933 | 2,319 |
| Service income from roads emergency assistance | | 7,820 | 7,635 |
| Other | | 1,875 | 726 |
| | | 1,655,569 | 1,557,304 |
| Tax related to revenue | (a) | (50,678) | (62,600) |
| Total Sales | | 1,604,891 | 1,494,704 |

(a) *Tax related to revenue*

The Group was originally subject to Business Tax (“BT”) at the rate of 5% of toll income and emergency assistance service income. Pursuant to the new business tax policy for toll income jointly issued by the Ministry of Finance and the State Administration of Taxation (Cai Shui 2005 No.77), the Group's BT rate of toll income was reduced to 3% effective from 1 June 2005.

In addition to BT, the Group is subject to the following turnover taxes:

- (i) City Development Tax — levied at 5%-7% of BT.
- (ii) Education Supplementary Tax — levied at 3% of BT.

3. Finance costs

| | Year ended 31 December 2006 | 2005 |
|---|--------------------------------|--------|
| Interest expenses on: | | |
| - bank borrowings | 56,844 | 12,639 |
| - long-term payables to minority shareholders of subsidiaries | 36,967 | 43,841 |
| | 93,811 | 56,480 |

4. Taxation

The amount of taxation charged to the consolidated income statement represents:

| | Year ended 31 December 2006 | 2005 |
|---|--------------------------------|---------|
| Current taxation- PRC Enterprise Income tax (“EIT”) | 207,188 | 202,031 |
| Deferred taxation | (116,059) | 2,927 |
| | 91,129 | 204,958 |

(a) *Hong Kong profits tax*

There were no Hong Kong profits tax liabilities as the Group has no assessable income which is subject to Hong Kong profits tax.

(b) *EIT*

The Company was registered in the Hefei High Technology Industry Development Zone and certified as a high-tech company. Pursuant to the relevant regulations on preferential policies on EIT issued by the Ministry of Finance and the State Taxation Bureau, the applicable EIT rate for the Company is at a reduced rate of 15%.

The subsidiaries and associated companies of the Company are subject to EIT levied at a rate of 33% on taxable income based on their audited financial statements prepared in accordance with the laws and regulations in PRC.

(c) *The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate for companies in PRC as follows:*

| | Year ended 31 December 2006 | 2005 |
|---|--------------------------------|---------|
| Profit before income tax | 1,035,043 | 890,006 |
| Weighted - average EIT rate | 18.93% | 22.38% |
| Tax calculated at the weighted-average tax rate | 195,954 | 199,186 |
| Reversal of deferred tax liability due to the acquisition of long-term payable to Anhui Expressway Holding (“AEHC”) | (75,894) | — |
| Effect of change of tax rate for the calculation of deferred taxation | (28,931) | — |
| Expenses not deductible for tax purposes | — | 5,772 |
| Tax Charge | 91,129 | 204,958 |

5. Dividends

The dividends paid during the year ended 31 December 2006 and 2005 were RMB464,410,800 (RMB 0.28 per share) and RMB165,861,000 (RMB 0.1 per share) respectively. A final dividend in respect of 2006 of RMB 0.25 per share, amounting to a total dividend of RMB 414,652,500 will be proposed at the Annual General Meeting on 11 May 2007. These financial statements do not reflect this dividend payable.

| | Year ended 31 December 2006 | 2005 |
|---|--------------------------------|---------|
| Proposed final dividend of RMB 0.25 (2005: RMB 0.28) per ordinary share | 414,653 | 464,411 |

6. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. No diluted earnings per share is presented as the Company has no dilutive potential shares.

| | Year ended 31 December 2006 | 2005 |
|---|--------------------------------|-----------|
| Profit attributable to equity holders of the Company | 931,424 | 686,103 |
| Weighted average number of ordinary shares in issue (thousands) | 1,658,610 | 1,658,610 |
| Basic earnings per share (expressed in RMB per share) | 0.5616 | 0.4137 |

7. Impact of HKFRS adjustments on net profit and net assets

The Group has prepared a separate set of statutory accounts in accordance with PRC laws and financial regulations. The differences between PRC Accounting Standards and HKFRS in the reported balances of net assets and net profit of the Group are summarized as follows:

| | 2006 Shareholders' equities RMB'000 | Net profit RMB'000 | 2005 Shareholders' equities RMB'000 | Net profit RMB'000 |
|---|---|-----------------------|---|-----------------------|
| Amount reported in accordance with the PRC Accounting Standards | 4,920,872 | 749,302 | 4,636,192 | 659,248 |
| Adjustments made in accordance with HKFRS | | | | |
| 1. Fair value adjustment for long-term payables | 160,147 | (36,967) | 421,843 | (43,841) |
| 2. Valuation of toll roads and their depreciation | 890,817 | 57,266 | 833,551 | 60,519 |
| 3. Valuation of land use rights and their amortization | 27,007 | (1,400) | 28,407 | (1,400) |
| 4. Accounting for enterprise safety fund | 40,820 | 15,536 | 25,284 | 14,504 |
| 5. Accounting for goodwill | (442,790) | 31,628 | — | — |
| 6. Deferred taxation | (200,523) | 116,059 | (316,582) | (2,927) |
| Amount as reported in accordance with HKFRS | 5,396,350 | 931,424 | 5,628,695 | 686,103 |

II. FINAL DIVIDEND AND CLOSE OF SHARE TRANSFER

The Board proposes to declare a final dividend of RMB0.25 per share (Taxation included) for the year ended 31 December 2006 to all shareholders.

The final dividend is subject to the approval of shareholders at the 2006 Annual General Meeting.

III. BUSINESS REVIEW

(In accordance with the PRC Accounting Standard unless otherwise stated)

(I) Results summary

During the reporting period, the traffic volumes and toll income of all toll roads of the Group kept stable increase resulted from the good development situation of macro economy and steady improvement of expressway networks in the region. During the reporting period, the Group achieved revenue from principal operations of RMB1,617,898,000, representing an increase of 5.19% over the corresponding period of the previous year, profit for the year of RMB749,302,000, representing an increase of 13.66 % over the corresponding period of the previous year, earnings per share (fully diluted) of RMB0.4518, representing an increase of 13.66% over the corresponding period of the previous year.

P.2

| Composition of revenues was as follows: | | | |
|--|---------------------------------|--|---|
| Projects | Revenue in 2006 (RMB'000) | Percentage of total revenue (%) | Increase/ (decrease) over the corresponding period of the previous year (%) |
| Hening Expressway | 617,016 | 38.13 | 9.14 |
| New Tianchang Section of National Trunk 205 | 110,792 | 6.85 | 15.10 |
| Gaojie Expressway | 389,104 | 24.05 | 5.80 |
| Xuanguang Expressway | 273,517 | 16.91 | -8.19 |
| Lianhuo Expressway Anhui Section | 226,885 | 14.02 | 7.66 |
| Ninghuai Expressway Tianchang Section | 584 | 0.04 | Not applicable |
| Total | 1,617,898 | 100 | 5.19 |

(II) Operations of toll highways

During the reporting period, benefiting from rapid economic development of the region and the rapid increase of vehicle ownership number, the Group achieved the revenue from principal operations of RMB1,617,898,000, representing an increase of 5.19% over last year, the revenue from the business, which is toll roads operation, increased by 5.19% over last year.

1. Operation of various sections

| Name of toll roads | Length (km) | Number of lanes | Number of toll stations | Number of service areas | Commencement of operation | Remaining term of operation |
|--|----------------|--------------------|-------------------------------|-------------------------------|------------------------------|-----------------------------------|
| Hening Expressway | 134 | 4 | 8 | 3 | 1991 | 20 |
| New Tianchang Section of National Trunk 205 | 30 | 4 | 1 | — | 1997 | 21 |
| Gaojie Expressway | 110 | 4 | 3 | 4 | 1999 | 23 |
| Xuanguang Expressway | 84 | 4 | 4 | 1 | 1997 | 22 |
| Lianhuo Expressway Anhui Section | 54 | 4 | 5 | 1 | 2002 | 27 |
| Ninghuai Expressway Tianchang Section | 14 | 6 | 1 | 1 | 2006 | 3 |

Note: The toll collection period of Ninghuai Expressway Tianchang Section is tentatively granted as 3 years effective from the date of toll collection. The formal toll collection period will be determined by the government after further evaluation.

| Name of toll roads | Revenue from principal operations (RMB'000) | Costs from principal operations (RMB'000) | Gross profit margin (%) | Change in revenue from principal operations (%) | Change in costs from principal operations (%) | Change in gross profit margin (%) |
|--|---|--|----------------------------------|--|---|--|
| Hening Expressway | 617,016 | 147,727 | 73.01 | 9.14 | -0.52 | 4.64 |
| New Tianchang Section of National Trunk 205 | 110,792 | 25,584 | 73.86 | 15.10 | -2.35 | 7.11 |
| Gaojie Expressway | 389,104 | 123,711 | 65.06 | 5.80 | -8.49 | 10.23 |
| Xuanguang Expressway | 273,517 | 66,699 | 72.21 | -8.19 | -18.78 | 6.00 |
| Lianhuo Expressway Anhui Section | 226,885 | 88,297 | 58.03 | 7.66 | 9.23 | 0.40 |
| Ninghuai Expressway Tanchang Section | 584 | 2 | 96.75 | — | — | — |
| Total | 1,617,898 | 452,020 | 68.93 | 5.19 | -4.40 | 5.74 |
| Including: Related party transactions | — | 14,852 | — | — | — | — |

| Name of toll roads | Interests | Converted average daily traffic volumes for entire journey (vehicle) | | | Toll income per vehicle (RMB) | | |
|--|-----------|--|--------|--------|----------------------------------|------|--------|
| | | 2006 | 2005 | Change | 2006 | 2005 | Change |
| Hening Expressway | 100% | 14,695 | 12,479 | 17.76% | 115 | 124 | -7.26% |
| New Tianchang Section of National Trunk 205 | 100% | 15,544 | 14,716 | 5.63% | 19.5 | 18 | 8.33% |
| Gaojie Expressway | 100% | 8,291 | 7,446 | 11.35% | 128.5 | 135 | -4.81% |
| Xuanguang Expressway | 55.47% | 8,870 | 8,752 | 1.35% | 84.4 | 93 | -9.25% |
| Lianhuo Expressway Anhui Section | 100% | 8,723 | 7,632 | 14.31% | 71.2 | 76 | -6.32% |
| Ninghuai Expressway Tianchang Section | 100% | 4,457 | — | — | 9.36 | — | — |

The Ninghuai Expressway Tianchang section began its operation from 18 December 2006.

Hening Expressway

Hening Expressway is a 134-kilometer long dual carriageway four-lane toll expressway owned by the Company in Anhui Province linking Dashushan and Zhouzhuang. This expressway forms an integral part of the National Trunk Highway from Shanghai to Chengdu in Sichuan Province, which also forms part of the National Trunk 312 linking Shanghai and Yining in Xinjiang. It is currently a major source of profit and cash flow for the Company.

During the year, toll revenue amounted to RMB617,016,000, representing an increase of 9.14% over last year. The toll income per vehicle represented a decreased trend, which showed that the main power for the increase was the natural increase of traffic volumes.

Average daily traffic volume reached 14,695, representing an increase of 17.76% over last year, of which passenger vehicles grew by 25.59%, while goods vehicles grew by 7.76%.

With the development in economy, the increase in the number of vehicles, in particular small vehicles and the impact on goods vehicles from the implementation of toll rates on goods vehicles with reference to their weight, the growth in the traffic volumes of passenger vehicles is faster than that of goods vehicles of all highways operated by the Company.

The Bangning Section of Nanjing-Luoyang Expressway which opened to traffic in April 2006 is an expressway linking Bangbu in Anhui to Nanjing in Jiangsu, and linking with Jiefubang Expressway to the south. As it is a shortcut from Henan to Nanjing in Jiangsu in the south, which is shorter by 60 kilometers from the original road section from Bangbu to Hefei to Nanjing, the operation of the road section has certain impact on the traffic volume of Hening Road, in particular volumes of trucks, and the Company is paying close attention over this.

New Tianchang Section of National Trunk 205

The New Tianchang Section of National Trunk 205 is a dual carriageway four-lane vehicular highway of Class 1 standard of 30 kilometers long situated in Tianchang in Anhui Province. Tianchang Section is a part of National Trunk 205, which starts in Shanhaiguan, Hebei Province and ends in Guangzhou, Guangdong Province. This national trunk also forms part of the highway linking Lianyungang and Nanjing in Jiangsu Province.

During the year, toll revenue amounted to RMB110,792,000 representing an increase of 15.10% over last year, which was due to both the increase of traffic volumes and the substantial increase of toll income per vehicle after the implementation of toll collection on goods vehicles with reference to their weight.

Average daily traffic volumes reached 15,544, representing an increase of 5.63% over last year, out of which passenger vehicles increased by 7.21% and goods vehicles increased by 2.52%.

On 18 December 2006, Ninghuai Expressway Tianchang Section was opened to traffic. It is anticipated that the operation of this road section will diversify the traffic volumes of the new Tianchang Section of National Trunk 205. The actual impact is yet to be observed, but in view that the interests of Ninghuai Expressway Tianchang Section belongs to the Company, the diversification of the road section will not cause substantial impact on the Company's overall revenue.

Ninghuai Expressway Tianchang Section

Ninghuai Expressway Tianchang Section is an important road section of Ninghuai Expressway, with a whole length of 13.989 kilometers, and has the standard of dual carriageway six-lane expressway. It was completed and opened to traffic on 18 December 2006. The road runs through Tianchang city east of Anhui Province, starting from the terminal of the Jiangsu Nanjing Section of Ninghuai Expressway in Tianchang city, and ends at the Jiangsu Huaian Section of the Ninghuai Expressway. It is an important part in the key highway and national “7918” expressway network from Changchun to Shenzhen for the economic development of the eastern Anhui and the whole of northern Jiangsu, at the same time is also an important part in the key backbone in the trunk road network in Anhui Province. It directly or indirectly links various National Trunks of Hulong, Jinghu, Tongshan, Lianhuo, Ninghang and national key planned highway constructions of Jiayin to Nanping, Shanghai to Luoyang.

Currently, Ninghuai Expressway Tianchang Section is operating well, and from the date of its operation to 31 December 2006, toll incomes of the Tianchang Section of Ninghuai Expressway amounted to RMB584,000.

Gaojie Expressway

The Gaohe to Jiezdum Expressway, with a length of approximately 110 kilometers, is an existing dual carriageway four-lane expressway that forms part of the National Trunk System between Shanghai to Chengdu in Sichuan. The Expressway, originating from Gaohe Town, Huaining County, Anhui Province, links up with the Hening Expressway, operated by the Company, through the Heife-Anqing Highway and terminates at the border between Hunan and Anhui at Jiezdum, Susong County, Anhui Province. It further runs westward to link up with cities like Wuhan, Chongqing and Chengdu and is an important trunk road that links up the central and western region with the south-eastern coastal region.

During the year, toll revenue amounted to RMB389,104,000, representing an increase of 5.80% over last year. The toll income per vehicle represented a decreased trend, which showed that the main driver for the increase in toll revenue was the increase in traffic volumes

Average daily traffic volumes reached 8,291, representing an increase of 11.35% over last year, out of which passenger vehicles increased by 24.08% and goods vehicles increased by 4.96%.

Xuanguang Expressway

The Xuanzhou to Guande Expressway is an existing dual carriageway four-lane expressway located in the south-eastern part of Anhui Province with total mileage of 84km constructed in two phases. Xuanzhou-guande section, which is about 67 kilometers long, was opened to traffic in September 1997. Xuanzhou south ring road is a 17km long expressway, which links Xuanguang Expressway near Shuangqiao, Xuanzhou, and was opened to traffic in July 2001 and merged into the Company in August 2003. This expressway starts from Xuanzhou in Anhui Province and ends near Jiepai, Guande in Anhui Province and forms part of the National Trunk 318 extending from Shanghai to Nielamu in Tibet. National Trunk 318 is a key transport artery, linking the coastal regions with the inland and the western boarder of the PRC.

During the year, toll revenue amounted to RMB273,517,000, representing a decrease of 8.19% over last year, which was mainly due to both the decrease of traffic volumes of goods vehicles and toll income per vehicle.

Average daily traffic volumes reached 8,870, representing an increase of 1.35% over last year, out of which passenger vehicles increased by 10.71% and goods vehicles decreased by 4.77%. The rate of increase was lower than that of other highways was mainly due to the reconstruction during the year. At present, the reconstruction was finished and the negative impact was gradually removed.

Lianhuo Expressway Anhui Section

Lianhuo Expressway Anhui Section is a 54-kilometer long dual carriage four-lane toll expressway, part of the highway between Lianyungang and Huoerguosi in Anhui Province. Connecting with the highways located in Henan and Jiangsu Province and the expressways between Beijing and Fuzhou, it plays an important role in China's politics, economy, military affairs and National Truck Networks.

During the year, toll revenue amounted to RMB226,885,000, representing an increase of 7.66% over last year, which was mainly due to the substantial increase in traffic volumes.

Average daily traffic volumes reached 8,723, representing an increase of 14.31% over last year, out of which passenger vehicles increased by 28.02% and goods vehicles increased by 9.41%.

2. Other businesses

Apart from toll roads, the Company's other revenue was mainly from the business operations of Kangcheng Pharmaceutical. During the reporting period, the new medicine of Kangcheng Pharmaceutical was in development without income, so there was no other operating income.

3. Operating conditions and results of principal subsidiaries and associates companies of the Company

(In accordance with the PRC Accounting Standards)

As at 31 December 2006, the Group's subsidiaries and associates were as follows:

| Name of companies | Interests held by Registered the Group capital | | Net Profit/ Assets loss | | Principal business |
|-----------------------------|--|---------|----------------------------|---------|--|
| | | | | | |
| Xuanguang Company | 55.47% | 111,760 | 1,361,785 | 114,827 | Construction, management and operation of Xuanguang Expressway |
| Kangcheng Pharmaceutical | 65% | 10,000 | 5,090 | -448 | Research, development and transfer of Western and Chinese medicine and scientific research results of medical apparatus and instruments |
| Expressway Advertisement | 38% | 3,800 | 25,485 | 695 | Design, making, release and agency of domestic advertisements Information Investment |
| Information Investment | 18% | 100,000 | 117,512 | 7,882 | Information infrastructure investment, information technology service, information engineering consultation and supervision |
| Expressway Real Estate | 20% | 12,000 | 61,545 | 510 | Development of Real Estate, Real Estate management, sales of construction, building and decorating materials. |

Notes: all the above companies are incorporated in the PRC

4. Principal customers and suppliers

As the principal customers of the Company are users of toll roads, whereas the principal suppliers of the Company are contractors of toll roads, there is no further information on principal customers and suppliers to be disclosed.

(III). Project Investment

1. The acquisition of 49% interests in Gaojie Company and its de-registration

On 4 March 2005, the Company entered into an agreement with AEHC to acquire the long term payables to AEHC and AEHC's 49% equity

interest in Gaojie Company for a total consideration of RMB 1,350,000,000(the “Transaction”). Pursuant to the agreement, the Company paid the consideration of RMB 400,000,000 and RMB 950,000,000 to AEHC on 28 December 2005 and 6 January 2006 respectively. Gaojie Company was de-registered and merged all of its assets and liabilities to the Company on 16 May 2006, when the Transaction was completed.

2. Reconstruction of Xuanguang Expressway

The reconstruction of Xuanguang Expressway was finished in October 2006. During the reporting period, RMB341 million was invested and the accumulated investment was RMB409 million.

3. Ninghuai Expressway Tianchang Section opens to traffic

Ninghuai Expressway Tianchang Section is a dual carriageway six-lane expressway with total mileage of 13.989 km. It was opened to traffic on 18 December 2006. During the reporting period, RMB182 million was invested with accumulated investment of RMB476 million.

4. Widening of four-lane to eight-lane of Hening Expressway

The widening of four-lane to eight-lane of Hening Expressway with the section of Dashushan to inter-connected interchange of Longxi commenced in August 2006. The widening works is to be completed within 3 years with a total length of 42.64 km. A plan of “Principally merging on both sides and partial segregation” is adopted for the widening works. During the widening works in process, Hening Expressway will be operated as usual. The total investment of the widening works is expected to be approximately RMB1,964 million.

As at 31 December 2006, RMB 134 million was invested in the widening works.

IV. MAJOR SHAREHOLDERS

As of 31 December 2006, the total number of shareholders of the Company was 31,130, out of which there were one state-owned shareholder, one state-owned legal person shareholder, 31,061 A shareholders and 67 H shareholders.

As at 31 December 2006, so far is known to, or can be ascertained after reasonable enquiry by the Directors, the persons who were, directly or indirectly, interested or had short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the Securities of Futures Ordinance was directly or indirectly, to be interested in 5% or more of the nominal value of the issued share capital carrying rights to vote in all circumstances at general meeting of any member of the Group were set out as follows:

| Names | At end of period (shares) | Increases or decreases during period | Type of shares | As a % of total capital | Pledged or locked-up |
|--|------------------------------|--|---------------------------------------|-------------------------------|-------------------------|
| Anhui Expressway Holding Corporation | 518,581,000(L) | -20,159,000 | State-owned shares | 31.27% | No |
| Huajian Transportation Economic Development Center | 347,019,000(L) | -29,841,000 | State-owned legal person shares | 20.92% | No |

| Names | At end of period (shares) | Change | Type of shares | As a % of total H Shares | Pledged or locked-up |
|---|---|-------------|-------------------|-----------------------------------|-------------------------|
| Invesco Hong Kong Limited (previously known as Invesco Asia Limited) in its capacity as manager / adviser of various accounts | 28,800,000(L) | -12,756,000 | H Shares | 5.84% | Not clear |
| Commonwealth Bank of Australia | 83,856,000(L) | +44,428,000 | H Shares | 17.01% | Not clear |
| Sumitomo Life Insurance Company | 34,684,000(L) | Not clear | H Shares | 7.04% | Not clear |
| Colonial First State Group Ltd | 33,358,000(L) | Not clear | H Shares | 6.77% | Not clear |
| Colonial Holding Company (No.2) Pty Limited | 33,358,000(L) | Not clear | H Shares | 6.77% | Not clear |
| Colonial Holding Company Pty Ltd. | 33,358,000(L) | Not clear | H Shares | 6.77% | Not clear |
| Colonial Ltd. | 33,358,000(L) | Not clear | H Shares | 6.77% | Not clear |
| First State Investment Managers (Asia) Ltd | 33,358,000(L) | Not clear | H Shares | 6.77% | Not clear |
| First State Investments (Bermuda) Ltd | 33,358,000(L) | Not clear | H Shares | 6.77% | Not clear |
| The Colonial Mutual Life Assurance Society Ltd | 32,166,000(L) | Not clear | H Shares | 6.52% | Not clear |
| First State (Hong Kong) LLC | 30,712,000(L) | Not clear | H Shares | 6.23% | Not clear |
| First State Investments (Hong Kong) Limited | 30,608,000(L) | Not clear | H Shares | 6.21% | Not clear |
| First State Investments (Singapore) | 30,608,000(L) | Not clear | H Shares | 6.21% | Not clear |
| First State Investments Holdings (Singapore) Limited | 36,171,000 (Shares attributable to lend) | Not clear | H Shares | 7.34% | Not clear |
| JPMorgan Chase & Co. | | | | | |

V. SIGNIFICANT CONNECTED TRANSACTIONS

(In accordance with the PRC GAAP)

Connected transactions in relation to daily operations

| Unit: RMB'000 | | | | | |
|--|--|---|--|---|----------------------|
| Connected parties | Contents of connected transactions | Price-making principles of connected transactions | Amounts of connected transactions | Percentage to the similar transactions | Method of payment |
| AEHC | To provide with management service of Expressway Networking Toll System | Made by negotiations through fair principles with reference to its costs | RMB998 | 9.11% | Transfer accounts |
| Anhui Anlian Expressway Company Limited | To provide with management service of Expressway Networking Toll System | Made by negotiations through fair principles with reference to its costs | RMB498 | 4.55% | Transfer accounts |
| Anhui Kaiyuan | To pay for road maintenance expenses to Anhui Kaiyuan | Made by negotiations through fair principles with reference to its costs | RMB14,016 | 15.71% | Transfer accounts |
| Anlian Real Estate | To pay for providing agency of importing asphalt service to Anlian Real Estate | Made by negotiations through fair principles with reference to its costs | RMB836 | 100% | Transfer accounts |

Details please see Note 35 to the financial report prepared in accordance with HKPRS.

VI. CONFIRMATION BY THE INDEPENDENT DIRECTORS REGARDING CONNECTED TRANSACTION

The independent non-executive directors of the Company have reviewed the above connected transactions and confirmed that:

- 1. The transactions were carried out in the normal and usual course of business of the Company;
- 2. The transactions were carried out on normal commercial terms (as compared with transactions of similar nature carried out by the similar entities in the PRC) on terms that are fair and reasonable so far as the shareholders of the Company are concerned; and
- 3. The transactions were carried out in accordance with the terms of agreement governing such transactions.

VII. MATERIAL LITIGATION OR ARBITRATION

The Company was not involved in any material litigation or arbitration during the reporting period.

VIII. MATERIAL ACQUISITION AND DISPOSALS OF ASSETS AND MERGERS

The Company was not involved in any material acquisition and disposals of assets and mergers during the reporting period

IX. MATERIAL GUARANTEE

During the reporting period, the Company did not provide guarantee for shareholders, connected persons , holding companies and other companies.

X. FINANCIAL ENTRUSTMENT

During the reporting period, the Company was not involved in any financial entrustment.

XI. ENTRUSTED DEPOSIT AND OVERDUE FIXED DEPOSIT

During the reporting period, the Company did not have any entrusted deposit with financial institutions in the PRC, neither has the Company experienced any incident of not being able to withdraw fixed deposits when they became mature.

XII. BASIC MEDICAL INSURANCE

During the reporting period, the enterprises and institutions in Hefei should contribute the amount equal to 8% of the basic wages to its staff for medical insurance in accordance with No.82 Hefei People’s Government Order issued in November 2000 by Hefei, Anhui, where the Company is located. The Company contributed the said medical insurance starting from 2005, the insurance fees will be provided from the welfare funds of the staff and this will not exercise significant influence on the operating results of the Company. The Company will not be required to contribute medical insurance prior to 2005

XIII.HOUSING FUND

The Company does not own any staff quarters and does not plan to provide any staff quarters. During the period under review, the Company contributed an amount equal to 20% to the basic wages of its staff (being approximately RMB3,780,000) to the Housing Fund in accordance with the society insurance scheme implemented by Anhui Provincial Government. There is no further obligation of the Group apart from contributions to the Housing Fund.

XIV. PENSION SCHEME

The Group has participated in the pension scheme organized by the government since 1997, pursuant to which a contribution shall be made based on 23% to 27% of the basic salary of the employees (as to which 20% to 23% contributed by the Group and the remaining contributed by the employees). This constituted the sole responsibility of the Group to the pension scheme. Such pension scheme shall undertake the responsibility to pay pension fund to the retired employees. For the year ended 31 December 2006, the Group contributed RMB4,343,000 to the scheme.

In addition to the above pension plans, the employees of the Group also entered into a supplementary pension scheme on a voluntary basis. The Group is required to make an annual contribution to an independent fund management company equivalent to the basic monthly salary, subject to certain ceiling, in respect of its employees. The Group is also required to pay RMB230 every month to those employees, who have retired or will retire before 31 December 2015. As at 31 December 2006, the retired employees of the Group was 15.

XV.SHAREHOLDINGS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

As at 31 December 2006, none of the Directors and chief executives of the Company had or was deemed to have any interests or short positions in any shares, or underlying shares or debentures of the Company and any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (including interests which he was taken or deemed to have under such provisions of the Securities and Futures Ordinance) or which were required, pursuant to section 352 of the Securities and Futures Ordinance, to be entered in the register referred to therein or which were required to be disclosed herein pursuant to the Model Code for Securities Transactions by Directors of Listed Companies and the Takeovers Code.

XVI.PURCHASE, SALE AND REDEMPTION OF LISTED SHARES

During the reporting period, the Company had not redeemed any of its listed shares, nor had it purchased or re-sold any listed shares of the Company.

XVII. CODE OF BEST PRACTICE

The Directors are of the opinion that the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities formulated by The Stock Exchange of Hong Kong Limited during 2006.

XVIII. AUDIT COMMITTEE

The Audit Committee was set up in August 1999 by the Company. It consists of 3 directors, of which 2 are independent directors The Audit Committee is mainly responsible for supervising the Company’s internal control system and its execution, evaluating financial information and related disclosure, reviewing the internal control system, auditing major connected transactions and also communicating, supervising and investigating the Company’s internal and external audits.

In 2006, the Audit Committee convened 4 meetings, which reviewed the annual, interim and quarterly financial statements of the Company. After evaluating these financial statements with regard to their integrity,

accuracy and fairness, the members unanimously confirmed that the financial status of the Company was accurately revealed with a complete disclosure of related information in the financial statements.

XIX. REVIEW AND OUTLOOK

Looking forward, China is expected to maintain a high increasing and low inflation economy. National economy will continue to grow steadily at about 8%. The active economy in China will continue to provide a favorable atmosphere for the development of the Company.

With the continued implementation of the “Vitalising the Middle” strategy of the State, and based on the abundant natural resources and great geographical location, in cooperating with the fine environment provided by Yangtze Rider delta industrial shifting, Anhui province will have huge potential for economic development, which will be the main driving force for the Company’s future development.

In the past five years, the number of vehicles in China maintained at a rapid growth of over 15%, and at the end of 2006, the number of vehicles in Anhui was 946,000, an annual growth of 17.5% compared with the corresponding period last year. The continued increase in the number of vehicles in the society has added to the demands for expressways, providing the most direct driving force for traffic growth of expressways.

During the whole “China’s Eleventh Five-year Plan” period, national expressway mileage will reach 65,000 kilometers. Anhui Province will invest billions to finish the construction of national expressway network within the Anhui section by building 2,000 kilometers of new expressways in order to accomplish the “Three Verticals and Seven Horizontals” from the future layout of “Four Verticals and Eight Horizontals” expressway network, which will provide plenty of project resources for the Company’s sustained development.

The sustained healthy economy in China and the industrial sound development trend have provided broad developing space for the Company. However, the Company also faced with the following problems: increase in the difficulty of project acquisitions, the possible diversification to be faced to the existing projects with the developing highway networks and competitions with other transportations such as express railways. Therefore, with the supports of the major shareholders, the Company will continuously acquire road assets, expand asset base and maintain the core competitiveness of the principal operations, at the same time, make efforts to enhance the level of the Company’s operation and control, and realize the steady enhancement in profitability through the continuous exploration of growth potentials in existing road sections, reduce operating costs through toll management, enhancement in road maintenance, capability of protection against risks through upgrading corporate governance structure and regularized management, so as to realize the sustained and stable development of the Company, thereby maintaining the Company’s edges and create better results in the intensifying competition environment.

By order of the Board
Wang Shui
Chairman

Hefei, Anhui, the PRC
23 March 2007

As at the date of this announcement, the Board comprises of: Wang Shui, Li Yungui, Tu Xiaobei, Zhang Hui, Zhang Wensheng, Li Zhanglin, Leung Man Kit, Li Mei and Guo Shan

Details containing all the materials as required by the paragraphs 1 to 3 of Article 45 of Appendix 16 of the Rules governing the listing of Securities on the Stock Exchange of Hong Kong Limited will be announced on the web site of Hong Kong Stock Exchange: <http://www.hkex.com.hk>



安徽皖通高速公路股份有限公司

ANHUI EXPRESSWAY COMPANY LIMITED

(Incorporated in the People’s Republic of China with limited liability as a joint-stock limited company)

(Stock code 995)

Notice of the Annual General Meeting

Notice is hereby given that the 2006 Annual General Meeting of Anhui Expressway Company Limited (the Company) will be held at 9: 00 a.m. on 11 May 2007 (Friday) at the conference room of the Company at 520 Wangjiang West Road, Hefei, Anhui, the PRC.

The following matters will be dealt with in forthcoming Annual General Meeting

1. To consider and approve the working report of the Board of Directors for the year 2006; (Ordinary resolution)

2. To consider and approve the working report of the Supervisory Committee for the year 2006; (Ordinary resolution)

3. To consider and approve the audited financial report for the year 2006; (Ordinary resolution)

4. To consider and approve the profit appropriation proposal for the year 2006; (Ordinary resolution)

2006 profit appropriations of the Company: Net profit as shown on the 2006 consolidated financial statements amounted to RMB749,302,455.39, with transfers of RMB86,412,895.69 to statutory surplus reserve. The profit attributable to shareholders was RMB1,469,035,640.62. Pursuant to relevant regulations of the State, the profit attributable to shareholders should be the lower of that calculated in accordance with the Hong Kong Accounting Standards and the PRC Accounting Standards. Accordingly, the profit attributable to shareholders for the year 2006 amounted to RMB1,469,035,640.62. The Board of the Company recommended the payment of a final dividend of RMB414,652,500 on the basis of RMB2.5 for every 10 shares (tax included) based on the total share capital outstanding at the end of 2006 of 1,658,610,000 shares;

5. To consider and approve the appointment of the auditors for the year 2007 and to authorize the Board of Directors in determining their remuneration; (Ordinary resolution)

6. To consider and approve the following resolutions as special resolutions:

(A) Subject to paragraphs (C) and (D) below, and in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Company Law of the People’s Republic of China (as amended from time to time), the exercise by the Board of Directors of the Company of all the powers of the Company to allot or issue new shares, either separately or concurrently during the Relevant Period, and the exercise of the powers by the Board of Directors to determine the terms and conditions for the allotment or issue of new shares including the following terms are hereby generally and unconditionally approved:

(a) Class and amount of the new shares to be issued;

(b) The issue price of new shares;

(c) The starting and closing dates for the issue;

(d) Class and amount of the new shares to be issued to existing shareholders; and

(e) To make or grant offers, agreements and options, which might require the exercise of such powers;

(B) The approval in paragraph (A) shall authorize the Board of Directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might be exercised after the end of the Relevant Period;

(C) The aggregate nominal amount of overseas listed foreign shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Board of Directors of the Company pursuant to the approval in paragraph (A), otherwise than pursuant to issue of shares by conversion of the statutory common reserve into capital in accordance with the Company Law of the People’s Republic of China and the Articles of the Company, shall not exceed 20% of the existing issued overseas listed foreign shares of the Company on the date when this resolution is approved;

(D) The Board of Directors of the Company shall comply with the Company Law of the People’s Republic of China and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) and to obtain the approval of the China Securities Regulatory Committee and other relevant authority of the People’s Republic of China upon exercising the powers pursuant to paragraph (A) above;

(E) For the purpose of this resolution, “relevant Period” means the period from the passing of this Resolution until whichever is earlier of:

(a) The conclusion of the next annual general meeting of the Company; and

(b) The revocation or variation of the authority given under this Resolution by a special resolution of the shareholders in general meeting.

(F) The Board of Directors of the Company, subject to the approval of the relevant authority and in accordance with the Company Law of the People’s Republic of China, be authorized to increase the registered share capital of the Company to the respective amount upon the exercising of the powers pursuant to paragraph (A) above, but the registered share capital shall not exceed RMB1,990,332,000;

(G) Subject to the approval of the listing of and permission to deal with the H Shares in the share capital of the Company, which are intended to be issued by the Company, by the Listing Committee of the Stock Exchange of Hong Kong Limited, and subject to the approval of China Securities Regulatory Committee to issue the said shares, the Board of Directors be authorized to make appropriate and necessary amendments to the Article 23, Article 24 and Article 27 of the Articles of the Company as to reflect the alteration of the share capital of the Company.

By Order of the Board

Xie Xin Yu

Secretary of the Board

23 March 2007

Notes:

1. **Eligibility for attending the Meeting**

Persons who hold Shares of the Company at the close of trading 10 May 2007 (Thursday) and whose names appear on the register of Hong Kong Registrars Limited shall have the right to attend the Annual General Meeting upon completion of the registration procedures.

II. **Registration procedures for attending the Annual General Meeting**

1. Holders of Shares who wish to attend the Meeting must lodge their duly completed return slips attached, together with the copies of transfer instruments, share certificates or share transfer receipts and the copies of their own identity cards with the Company at operational address before 20 April 2007 (Friday) (but without prejudice to their rights of attending).

2. The methods by which all necessary instruments for registration required to be sent to the Company at its business address by the shareholder may either be in person, by mail, or by fax.

III. **Appointment of proxy**

1. Any shareholder who is eligible to attend the Annual general Meeting and to vote thereat shall have the right to appoint in writing one or more persons (who may not be a member) as his proxy to attend the Meeting and to vote at the Meeting. The proxy may attend the Meeting and vote at the Meeting after filling in the instrument and returning to the Company.

In case of more than one proxy appointed by a shareholder, such proxies may exercise their voting rights only when the relevant resolution is put to the vote on a poll.

2. The appointment of proxy shall be made by signing an instrument by the client (shareholder) or by the authorized agent. In the event that a person authorized by the client signs such instrument, an authorization or other authority that authorizes such signatory shall be notarized. To be valid, such notarized authorization or other authority together with the instrument shall be deposited at the Company 24 hours before the time for holding the Annual General Meeting.

IV. It is expected that the Annual General Meeting will take half a day. The shareholders and any proxy who attend the Annual General Meeting may incur accommodation and traveling expenses at their own costs.

V. The register of the holders of H shares of the Company will be closed from 10 April 2007 (Tuesday) to 10 May 2007 (Thursday), (both days inclusive). Dividends of H shares will be paid to the holders of H shares whose names appeared on the register of the Company on 10 April 2007 (Tuesday). The holders of H shares who wish to attend the Annual General Meeting and receive the dividends for the year must lodge their transfer instruments and share certificates with Hong Kong Registrars Limited, the H shares registrar of the Company, on or before 4:00 p.m. on 9 April 2007 (Monday). Upon passing of the profits appropriation proposal for the year 2006 of the Company at the Annual General Meeting, payments of H shares dividends will be made in Hong Kong dollars converted at the average closing exchange rate of Renminbi to Hong Kong dollars as quoted by the People’s Bank of China for the five working days prior to the Annual General Meeting. Checks for dividend payments are expected to be mailed to the holders of H shares on or before 31 May 2007 (Tuesday). The A Shareholders’ equity registration date and the methods and date of dividend payments will be promulgated later.

The address of the H Share registrar, Hong Kong branch:

Hong Kong Registrars Limited

Rooms 1712-16

17th Floor

Hopewell Center

183 Queen’s Road East

Wanchai

Hong Kong

VI. Contact address: 520 Wangjiang West Road, Hefei, Anhui, the PRC

Tel: 86-551-5338697 (direct)

86-551-5338699 (general)

Fax: 86-551-5338696

Contact person: Han Rong, Ding Yu

As at the date of this announcement, the Board comprises of: Wang Shui, Li Yungui, Tu Xiaobei, Zhang Hui, Zhang Wensheng, Li Zhanglin, Leung Man Kit, Li Mei and Guo Shan