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Anhui Expressway Company Limited

Rules of Procedures of Supervisory Committee

CHAPTER 1 GENERAL PROVISIONS

- Article 1** To ensure that the supervisory committee of Anhui Expressway Company Limited (the “Company”) will lawfully exercise its authority to supervise the management’s behaviors, to supervise the production, operations and management activities of the Company, to give full play to the supervising functions of the supervisory committee, and to regulate the working procedures and methods of the supervisory committee, these Rules are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Articles of Association of Anhui Expressway Company Limited (the “Articles”) and other relevant laws and regulations.
- Article 2** The Company shall establish a supervisory committee in accordance with the laws. The supervisory committee shall independently exercise its supervising authority on the Company in a lawful manner, so as to protect the legitimate rights and interests of the shareholders, the Company and the employees.

CHAPTER 2 SUPERVISORY COMMITTEE AND SUPERVISORS

Section 1 Supervisory Committee

- Article 3** The supervisory committee is a supervising organization established by the Company in accordance with the laws and shall be accountable and report to the general meeting.
- Article 4** The supervisory committee shall consist of three supervisors, including two shareholder representatives who shall be elected and removed by the general meeting and one employee representative who shall be elected democratically by the employees of the Company, with the election results reported to the general meeting.
- Article 5** Meetings of the supervisory committee are divided into regular meetings and extraordinary meetings to be convened and presided by the chairman of the supervisory committee. Regular meetings of the supervisory committee shall be held once every six months. In case of any of the following circumstances, the supervisory committee shall convene an extraordinary meeting within ten days:
- (1) if it is proposed by any supervisor to convene a meeting;
 - (2) if a resolution in violation of laws, rules and regulations, the provisions and requirements of the regulatory departments, the Articles, the resolutions of general meeting or other relevant provisions is passed at a general meeting or at a board meeting;
 - (3) if the misconduct of a director and senior management may cause material damage to the Company or may have adverse impact on the market;
 - (4) if a shareholder commences a legal action against the Company, a director, a supervisor or a senior management;

- (5) if the Company, a director, a supervisor or a senior management is penalized by the securities regulatory authorities or is publicly censured by the Shanghai Stock Exchange;
- (6) if it is convened as required by the securities regulatory authorities;
- (7) other circumstances as specified in the Articles.

Article 6 The supervisory committee shall have a chairman, who shall serve a term of three years and may seek re-election upon expiry of the said term.

Article 7 The supervisory committee shall formulate a work plan for the year at the beginning of each year and make an annual work report to the general meeting at the end of the year.

Section 2 Supervisors

Article 8 A supervisor shall serve a term of three years and may seek re-election upon expiry of the said term.

Article 9 If elected, the supervisors shall sign and submit the “Declaration and Undertaking of Supervisors” in accordance with the listing rules of the stock exchanges.

Article 10 Within 15 days after the supervisors are elected, the Company shall notify the stock exchanges, the China Securities Regulatory Commission (CSRC) and other relevant departments in writing of the election of the supervisors and file personal particulars of the supervisors elected with the relevant departments.

Article 11 The supervisors shall not be removed by the general meeting or their appointing party without any reason before expiry of their term of office.

Article 12 The supervisors may tender letters of resignation stating reasons thereof to the supervisory committee. The resignation shall become effective upon approval by the supervisory committee. Suitable candidates shall be recommended by the original recommending party to fill the casual vacancy in accordance with the prescribed procedures.

Article 13 The stock exchanges and CSRC shall be notified of any resignation or change of the supervisors as soon as possible.

Article 14 Directors, managers and other senior management (including but not limited to financial controller) of the Company shall not serve as supervisors concurrently. Civil servants shall not serve as supervisors of the Company concurrently.

Chapter 3 Qualifications

Article 15 The basic qualifications for being supervisors are as follows:

- (1) Abide by national laws and regulations and have good moral character and decent work style;

- (2) Be principled, incorruptible, impartial and honest in performing duties with a positive attitude and a sense of responsibility;
- (3) Protect the rights and interests of shareholders, the Company and employees in accordance with the Company Law and the Articles;
- (4) Have the working experience suitable for serving as a supervisor;
- (5) Have the time and will to discharge the duties as a supervisor, and can ensure timely attendance of supervisory committee meetings and other activities thereof;

Article 16 Supervisors nominated by corporate shareholders shall in general have been working in the original nominating shareholder for more than one year, and shall have working experience of three years or above in one or more of the following professional areas: accounting, finance, audit, law, economics or corporate management.

Article 17 Supervisors democratically elected by the employees should not be a member of senior management specified in the Articles (that is, the general manager, deputy general manager, financial controller and secretary of the board of directors of the Company), nor should they be the person-in-charge of main aspects of business under supervision such as finance, accounting, audit, corporate management and business decision-making.

Article 18 The occurrence of any one of the following events shall disqualify a person from being a supervisor of the Company:

- (1) lacking capacity in taking civil action or such capacity being restricted;
- (2) being convicted of committing corruption, bribery, misappropriation or embezzlement of properties or violating social and economic order, and not more than five years have elapsed since the expiration of the enforcement of the punishment; or being deprived of political rights due to conviction and not more than five years have elapsed since the expiration of the enforcement period;
- (3) being the legal representative of a company or enterprise of which the business license has been revoked as a result of the contravention of the laws and in which he shall be personally liable, and not more than three years have elapsed since the date of revocation of the business license of such company or enterprise;
- (4) having relatively large amount of personal indebtedness which has become due but has not yet been settled;
- (5) being under investigation by judicial authorities in respect of contravention of criminal laws, and such investigation has not yet been finalized;
- (6) not being a natural person;
- (7) being determined by the relevant supervisory authorities of contravention of the provisions of relevant securities regulations which involved fraud or dishonest acts and not more than five years have lapsed since the date of such determination;
- (8) being prohibited by laws or administrative regulations to act as a supervisor.

Article 19 The nomination and election of supervisors by the Company in contravention of Article 18 herein shall be void.

Article 20 In addition to the eligibility requirements for being supervisors, the chairman of the supervisory committee shall also have following qualities:

- (1) being familiar with corporate operations, with profound knowledge and seasoned experience in the fields of accounting, finance, investment, law, etc.;
- (2) being possessed with advanced problem-solving skills;
- (3) being an impartial, principled, responsible and practical person with an ability to lead the team.

Article 21 The appointment and removal of the chairman of the supervisory committee shall be determined by more than two-thirds (including two-thirds) of all the supervisors.

CHAPTER 4 POWERS AND DUTIES

Section 1 Powers of Supervisory Committee

Article 22 The supervisory committee shall be accountable to the general meeting and shall exercise the following functions and powers according to law:

- (1) to examine the financial situation of the Company; for the financial information such as the Company's monthly, quarterly and annual financial statements provided by the executive arm of the supervisory committee to the supervisors and the financial reports, profit distribution plans, etc. which are proposed to be submitted to the general meeting by the board of directors, the supervisory committee may require the audit department of the Company or appoint a registered accountant or practising auditor to re-examine the same;
- (2) to supervise the Company's decisions on material operational activities and their implementation procedures, such as project investment, assets reorganization, lending and borrowing, loans and security, pledging of assets, construction tender, acquisition and transfer of assets, etc., and to supervise whether all contracts signed in respect thereof are in accordance with laws, regulations and reasonableness, and whether connected transactions are conducted on terms which are fair and reasonable to the shareholders;
- (3) to supervise the acts of the directors and senior management of the Company when they have acted in contravention of the laws, administrative regulations or the Articles in discharging their duties;
- (4) if the conduct of a director or senior management is prejudicial to the interests of the Company, to require him to rectify such conduct;
- (5) upon unanimous approval of all the supervisors, to propose to the general meeting change of directors or to the board of directors removal of senior management when such directors or senior management commit illegal acts and material misconducts in their work;

- (6) to propose the convening of board meetings or extraordinary general meetings upon approval by a resolution of the supervisory meeting;
- (7) to request the board of directors to review and re-consider the resolutions passed by the board of directors upon unanimous approval of all the supervisors;
- (8) to exercise other functions and powers conferred by the Articles and the general meeting;
- (9) to obtain any necessary information to exercise the aforesaid functions and powers.

Article 23 The supervisory committee shall scrutinize and make proposals on the following aspects, and request the relevant parties to make improvements:

- (1) whether the board of directors, managers and other senior management fully and accurately carry out the resolutions of the general meeting;
- (2) whether corresponding systems and work flows are established and implemented in major important aspects and steps of works.

Article 24 All reasonable expenses incurred in respect of the employment of professionals such as lawyers, registered accountants and practising auditors as required by the supervisory committee in the discharge of its duties shall be borne by the Company.

Section 2 Functions and Powers of the Chairman of the Supervisory Committee

Article 25 The chairman of the supervisory committee shall exercise the following functions and powers:

- (1) to convene and chair the supervisory meeting;
- (2) to monitor and supervise the implementation of the resolutions passed by the supervisory committee;
- (3) to report on the work of the supervisory committee at the general meetings on its behalf;
- (4) in the event of a lawsuit occurs between directors or managers and the Company, the chairman of the supervisory committee shall conduct litigation on behalf of the Company with the directors or managers;
- (5) to exercise other functions and powers approved or conferred by the general meeting or the Articles.

Section 3 Rights of the Supervisors

Article 26 The supervisors enjoy the following rights:

- (1) to attend and exercise their voting rights on relevant resolutions at the supervisory meeting;
- (2) to irregularly or regularly inspect and review all accounting statements prepared by the board of directors in each financial year;
- (3) to attend the Company's board meetings, meetings of the general manager's office, meetings concerning corporate development planning, annual business plans, investment plans and financial plans, meetings concerning major investment project feasibility discussions, meetings concerning half-yearly or annual economic activity analysis and meetings concerning annual work conclusion and other important meetings on the development and reform of the Company;
- (4) to request the chairman of the supervisory committee to convene extraordinary supervisory meetings for proper reasons and purposes;
- (5) to inquire and inspect on site the Company's investment projects, construction projects and subsidiaries;
- (6) when discharging their duties, to obtain full assistance without rejection, prevarication or obstruction from all departments, subsidiaries, employees and other standing and non-standing organizations of the Company.

Section 4 Obligations and Duties of the Supervisors

Article 27 Each supervisor is under the duty, in the discharge of his duties, to abide by the principle of fiduciary and not to place himself in a position where his own interests or the interests of his appointing parties may be in conflict with any obligations assumed by him. This principle includes (but is not limited to) the discharge of the following obligations:

- (1) to treat shareholders of the same class (shareholders holding shares of the same class) equally and to treat shareholders of different classes (holders of domestic shares and holders of overseas listed foreign shares) fairly;
- (2) to act honestly in the best interests of the Company;
- (3) to exercise powers within the scope of his powers and not to act beyond such scope;
- (4) to exercise personally the discretion vested in him and not to allow himself to act under the direction of another person and, unless and to the extent permitted by law or administrative regulations or with the informed consent of shareholders given in general meeting, not to transfer the exercise of his discretion to others;
- (5) to adhere to the principle of fairness when discharging his duties;

- (6) except otherwise provided for in the Articles or with the informed consent of shareholders given in general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (7) without the informed consent of shareholders given in general meeting, not to use in any manner the Company's property for his own benefit;
- (8) not to exploit his position and official powers in the Company to accept bribes or other unlawful income, and not to expropriate in any manner the Company's property including (without limitation) opportunities beneficial to the Company;
- (9) without the informed consent of shareholders given in general meeting, not to accept commissions in connection with the Company's transactions;
- (10) to comply with the Articles, to perform honestly his duties and protect the interests of the Company and not to exploit his position and official powers to advance his own private interests;
- (11) without the informed consent of shareholders in general meeting, not to compete with the Company in any manner;
- (12) not to misappropriate the Company's funds or to advance such funds to any other person, not to open any bank account in his own name or in another person's name for the purpose of depositing any of the Company's assets, and not to use the Company's assets to provide any security for any debt of any shareholder of the Company or any other individual(s);
- (13) without the informed consent of shareholders in general meeting, not to disclose any confidential information related to the Company acquired by him during his term of office; not to use such information other than for the purpose of furthering the interests of the Company; provided that he may disclose such information to a court or other governmental regulatory authorities under the following circumstances, that is to say, if:
 1. required by law;
 2. required in the interests of the public;
 3. required in the interests of such supervisor.

Article 28 A supervisor of the Company shall not cause the following persons or organisations (the "connected persons") to undertake any activity which the supervisor is prohibited from undertaking:

- (1) the spouse or minor child of that supervisor;
- (2) a person acting in the capacity of trustee of that supervisor or any person referred to in paragraph (1) above;
- (3) a person acting in the capacity of partner of that supervisor or any person referred to in paragraphs (1) or (2) above;

- (4) a company over which that supervisor alone has de facto control or a company over which the persons referred to in paragraphs (1), (2) or (3) above or other directors, supervisors and senior management of the Company, together with that supervisor have de facto common control; or
- (5) a director, supervisor or senior management of a company referred to in paragraph (4) above.

Article 29 The fiduciary duties of a supervisor do not cease upon the termination of his term of office. The duty of confidentiality in relation to trade secrets of the Company survives the termination of his term of office. Other duties may continue for such period as fairness may require depending on the time elapsed between the termination of his term of office and the occurrence of the relevant event and the circumstances and terms under which his relationship with the Company was terminated.

Article 30 The supervisors shall not give instructions on or interfere with the daily affairs of the Company beyond the scope of power or not in the manner permitted under the Articles and these Rules, and shall not in private raise any requirement for or give any opinion on the work of the functional departments of the Company directly.

Article 31 Apart from the oral advice given in formal and organized occasions e.g. meetings, advice of the supervisory committee shall be made to the Company in written forms such as written resolutions of the supervisory committee.

Article 32 The supervisors shall seriously participate in the meetings and various activities convened and arranged by the supervisory committee in accordance with their duties as well as the time, place and other particulars specified the supervisory committee.

Article 33 If any material damage is caused to the interests of the Company, shareholders or employees as a result of any failure of the supervisors to discharge their duties, the supervisors shall be held accountable in accordance with the relevant laws and regulations based on their respective seriousness of errors. The general meeting or the appointing unit may remove the supervisors from office in accordance with the stipulated procedures. If the case is serious, criminal liability shall be pursued in accordance with law.

CHAPTER 5 SUPERVISORY PROCEDURE OF THE SUPERVISORY COMMITTEE

Section 1 Meeting of the Supervisory Committee

Article 34 The meetings of the supervisory committee shall be convened by the chairman of the supervisory committee or held at the request of the supervisors.

Article 35 The chairman of the supervisory committee may determine whether an extraordinary supervisory meeting shall be convened if so requested by the supervisors. However, if more than one-third of the supervisors so request, the extraordinary supervisory meeting must be convened.

Article 36 Each supervisor shall attend the supervisory meeting at least once a year, or the supervisory committee shall have the right to recommend the general meeting or employee representatives' meetings to replace such supervisors.

- Article 37** All discussion topics to be considered at the supervisory meeting shall be proposed by the chairman of the supervisory committee or the supervisors.
- Article 38** Written notice of supervisory meetings shall be dispatched to all supervisors by personal delivery, facsimile or mail, etc. 10 days in advance. The notice shall clearly state the time, venue, topics to be discussed and attendees of the meeting.
- Article 39** The chairman of the supervisory committee is responsible for assigning relevant personnel of the executive arm of the supervisory committee to prepare the necessary information for the meeting.
- Article 40** Whenever necessary, the supervisory committee may invite the chairman, directors, general manager or other senior management to be present at the meeting.
- Article 41** A supervisory meeting shall only be held if all the supervisors are present. If special circumstances arise which require the holding of an extraordinary supervisory meeting, and if some supervisors are outside the territory of the PRC, the quorum for such a meeting shall be two thirds of the supervisors.
- Article 42** The supervisors shall attend the supervisory meeting in person. Supervisors who are unable to attend the meeting for reason may submit prior written opinions/resolutions or appoint in writing other supervisors to attend the meeting on their behalf. The proxy form shall set out the scope of authorisation. The acts of the attending proxies shall be valid only if they act within the scope of authorisation granted to them. Supervisors who are absent from the meeting without reasons and fail to submit written opinions or resolutions are deemed to have agreed to the resolutions passed by the supervisory committee in the meeting.
- Article 43** Supervisors attending the supervisory meeting shall sign on the specimen signatures. Directors and senior management present at the supervisory meeting shall sign on the specimen signatures for attendees as well.
- Article 44** The secretary of the supervisory meeting shall record the details of the meeting and compile the resolutions passed in the meeting into a minute which shall be signed by the attending supervisors and secretary.

Section 2 Resolution of the Supervisory Committee

- Article 45** A resolution of the supervisory committee shall be valid if passed by more than two-thirds of all the supervisors. The supervisors shall vote in their names for the resolutions.
- Article 46** The supervisors are liable for the resolutions passed at the supervisory meeting. If a resolution of the supervisory committee contravenes the laws, administrative regulations or the Articles causing the Company to sustain losses, the supervisors involved in passing such resolutions shall be liable to indemnify the Company unless the supervisors can prove that they made an objection against such resolutions during the voting and the same has been recorded in the minutes of the meeting.

Article 47 The resolutions passed by the supervisory committee shall be executed by the supervisors or executed under supervision of the supervisory committee. Resolutions on substantive supervisory matters, for example the examination on the Company's financial affairs, etc. shall be executed by the supervisors. For resolutions of constructive proposal on supervisory matters, for example, request for rectification when the directors or managers have acted in prejudice to the interests of the Company, the supervisors shall supervise their implementation.

Article 48 The supervisory committee shall develop a system to record the execution of the resolutions passed in the meeting. Every resolution passed shall specifically dictate a supervisor to execute. Such supervisor shall record the execution details, and report the final results to the supervisory committee.

Article 49 The supervisory committee may by resolutions request the board of directors to review and reconsider board resolutions which are in breach of the laws, the Articles or which are prejudicial to the interests of the shareholders, the Company and employees. If the board of directors refuses to adopt such request or maintains the said resolutions upon review and reconsideration, the supervisory committee is obliged to report to the corporate shareholders until the convening of the extraordinary general meeting is proposed to resolve such issue.

Article 50 The supervisors and the supervisory committee are not liable to the resolutions passed by the board of directors. However, if the supervisors or the supervisory committee fail(s) to request the board of directors to review and reconsider the board resolutions or report such circumstance under these Rules, the supervisors or the supervisory committee shall be liable for such breach of supervisory duty in accordance with laws.

Article 51 Both resolutions passed in ordinary and extraordinary supervisory meetings are resolutions of the supervisory committee and shall carry the same effect.

Section 3 Lawful Supervision

Article 52 The supervisory committee shall supervise whether the acts of the directors and senior management of the Company are damaging the Company's interests or breaching the laws, administrative regulations or the Articles in discharging their duties.

Article 53 The supervisory committee shall supervise whether the decision-making organizations of the Company have made decisions in accordance with laws and procedures without commenting on the correctness of the decisions made. The supervisory committee shall supervise whether the executing departments, units and employees of the Company if they have carried out the executing matters in accordance with the requirements. The supervisory committee shall keep the supervision records as the basis for future assessment and evaluation.

Article 54 The supervision of the supervisory committee on the Company's financial position shall consist of routine supervision, semi-annual supervision and annual supervision.

- Article 55** For routine supervision, with the assistance for interpretation of and provision of convenience for work by the audit and financial departments of the Company, the supervisory committee may analyse, review and carry out random checking based on the monthly financial statements, quarterly analysis report etc., provided by the executive arm of the supervisory committee. In the event that any problem is found, the supervisory committee shall convene a meeting for discussion in a timely manner and put forward suggestions.
- Article 56** Semi-annual supervision and annual supervision mainly include review of the financial budgets passed in the general meetings and the review of the financial reports, working reports and profit distribution plans etc. to be submitted to the general meetings by the board of directors. Relevant specific works may be carried out through the audit department of the Company.
- Article 57** The executive arm of the supervisory committee shall promptly report to the supervisory committee all matters within the scope of the supervisory committee relating to the decision-making or implementation of decisions of the directors and senior management of the Company. The Company shall provide to the supervisory committee corresponding information, or enquire with the supervisory committee whether the supervisory committee will participate in such matters, so as to enable the supervisory committee to supervise the process and grasp the affairs of the Company and spot out problems of the Company in a timely manner.
- Article 58** The supervisory committee shall prepare and submit a report on the assessment and evaluation of directors by the relevant committees of the board of directors for the reference of the general meeting; shall prepare and submit the report on the assessment and evaluation of senior management for the board of directors' reference.

Chapter 6 Miscellaneous

- Article 59** The executive arm of the supervisory committee is responsible for preparing resolutions and minutes of the meeting of the supervisory committee, as well as reports for its other activities.
- Article 60** The executive arm of the supervisory committee is responsible for keeping the minutes of the meetings of the supervisory committee together with the signatures of the supervisors attending the meetings and the proxy forms.
- Article 61** Copies of the meeting documents and work reports of the supervisory committee shall also be sent to the board of directors for filing.
- Article 62** The supervisory committee is a non-permanent body, and the Company does not have full-time supervisors. The working organization of the supervisory committee is set up in the secretariat of the board of directors of the Company. The secretariat of the board of directors is responsible for the general administrative logistics of the supervisory committee and assists the communication between the supervisory committee and the Company's management.
- Article 63** The supervisory committee shall establish good communication with the audit committee of the board of directors and disciplinary organization of the Company, share information of mutual interest and handle intersecting jobs jointly with them.

Article 64 Within the scope of powers as provided by law and taking into account the actual situation of the Company, the supervisory committee shall deliver distinguishing and effective work performance by accurately aiming at the starting points and key points of every work, as well as setting the priority of works according to the relative importance of every work duties in every stage of the Company.

Article 65 The Company shall provide the necessary office conditions and operation activity funds to the supervisory committee. Expenditures of the supervisory committees shall be accounted for in accordance with the relevant financial stipulations.

Chapter 7 Supplementary Provisions

Article 66 Any matters not covered by these Rules shall be governed under the provisions of the Company Law, the Articles and other related laws and regulations. In these Rules, the phrase “more than” is inclusive of the figure itself.

Article 67 In case of any inconsistencies or conflicts between these Rules and the Articles, the Articles shall prevail.

Article 68 These Rules shall come into force after being approved by the general meeting of the Company, and shall be subject to the interpretation and amendment by the supervisory committee of the Company.