



REPORT OF THE SUPERVISORY COMMITTEE

I Meetings and the Resolutions of the Supervisory Committee During the Reporting Period

In 2005, all members of the Supervisory Committee have strictly complied with the requirements of the Company Law of the People's Republic of China, Listing Rules, the Articles of Association of the Company and the Standing Orders of the Supervisory Committee. Under the general principle of the faith, they performed their duties entrusted by the Articles of Association prudently and actively with an aim to protect the statutory interests of the shareholders and the Company.

In 2005, the Supervisory Committee held 5 meetings, and the three supervisors attended all the meetings, the notice, convening and resolutions of which were in accordance with the statutory procedures.

1. The ninth meeting of the third Supervisory Committee was held on 17 March 2005

The following items were considered and passed at the meeting: The report of the Supervisory Committee, the audited financial report, the profit appropriation proposal, the annual report, the results announcement and annual report summary of the Company for the year 2004.

2. The tenth meeting of the third Supervisory Committee was held on 27 April 2005

The following items were considered and passed at the meeting: The first quarterly report of the Company for the year 2005.

3. The first meeting of the fourth Supervisory Committee was held on 17 August 2005

The following item was considered and passed at the meeting: To elect the chairman of the fourth Supervisory Committee.

4. The second meeting of the fourth Supervisory Committee was held on 26 August 2005

The following items were considered and passed at the meeting: The interim report, the interim results announcement and the interim report summary of the Company for the year 2005.

5. The third meeting of the fourth Supervisory Committee was held on 28 October 2005

The following items were considered and passed at the meeting: The third quarterly report of the Company for the year 2005.

II Independent Opinion of the Supervisory Committee in 2005

1. Compliance with law in operations

During the reporting period, the Supervisory Committee has supervised the convening procedures and resolutions of the General Meeting and the Board of Director and the execution of resolutions passed at the General Meeting by the Board of Directors, and is of the view that, the Company's Board has worked in accordance with the requirements of Corporate Law, Securities Law, Listing Rules, Articles of Association and the relevant laws and regulations.



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The directors, general managers and other senior managements of the Company performed operation and management duties carefully and faithfully for the benefits of the Company. There was no reported breach of laws or regulations in the execution of their duties, nor was there any reported act that caused any damage to the interests of the Company and the shareholders

2. The inspection of financial conditions of the Company

The Supervisory Committee has thoroughly reviewed the financial statements and the profit appropriation proposal submitted to the 2005 Annual General Meeting. The Supervisory Committee considered the Company's financial statements had fairly reflected the financial conditions and operating results of the Company. The operating results achieved by the Company were factual

3. Assets Acquired or Sold by the Company

The Supervisory Committee was of the opinion that the Company had followed the resolutions passed in the General Meeting and complied with the Articles of Association strictly throughout the acquisition of AEHC's 49% interests in Gaojie Expressway. The transaction price was fair and reasonable. There was no reported breach of the resolutions passed at general meetings, nor was there any insider trading, which might have damaged the interests of the Company and shareholders and caused loss of assets of the Company, the acquisition procedures were in accordance with the law.

4. Connected Transactions of the Company

The Supervisory Committee was of the opinion that all contracts, agreements and other relevant documents pertaining to the connected transactions complied with the laws. These contracts and agreements were fair and reasonable, without prejudice to the interests of the Company and its shareholders. The connected transactions were conducted strictly in compliance with fair, partial and open principles. In order to safeguard the interests of the public shareholders, the Company processed the connected transactions of which its controlling shareholders are parties to it in accordance with applicable requirements. No act of which is damaging to the interests of the public shareholders was reported.

By Order of the Supervisory Committee

Kan Zhaorong

Chairman

Hefei, Anhui, the PRC

21 April 2006