



Report of the Supervisory Committee

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

In 2006, all members of the Supervisory Committee have strictly complied with the requirements of the “Corporate Law”, “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 2006, the Supervisory Committee held four meetings, the notice, convening and resolutions of which were in accordance with the statutory procedures. The Supervisory Committee attended all the Board meetings and effectively supervised the management behaviors of Directors, the Management and the Senior Management and the decision-making situations of the Company.

1. The fourth meeting of the fourth Supervisory Committee was held on 21 April 2006

The following items were considered and passed at the meeting: The 2005 annual report of the Supervisory Committee, the 2005 annual report (including: the results announcement, summary of annual report and the audited financial report), the 2006 first quarterly report and the 2005 profit appropriation proposal of the Company.

2. The fifth meeting of the fourth Supervisory Committee was held on 18 August 2006

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 2006.

3. The sixth meeting of the fourth Supervisory Committee was held on 7 September 2006

To consider and pass the proposal of supervisor’s resignation at the meeting, agree Mr. Kan Zhaorong, the chairman of the Supervisory Committee, to resign for his retirement.

4. The seventh meeting of the fourth Supervisory Committee was held on 27 October 2006

The following items were considered and passed at the meeting: The 2006 third quarterly report and the election of Mr. Li Huaijie as the chairman of the Supervisory Committee.

II Independent Opinion of the Supervisory Committee

1. Compliance with law in operations

During the reporting period, the Supervisory Committee conducted supervisions on the procedures for convening shareholders' general meetings and Board meetings, matters to be resolved, implementation of resolutions of general meetings by Directors, and implementation of Board resolutions by the management, and considered that the procedures for the Company's establishment of various systems were regularized, and system implementations and daily operation and management activities were operated in accordance with the laws and regularized operations. The Company made timely amendments to the relevant provisions of the Articles of Association as required, thereby making the contents of the Articles to be more reasonable and upgraded.

The Directors and senior management of the Company were able to comply with the laws and regulations, seriously discharged their duties, and strictly complied with the principles of fidelity, and actively, prudently and diligently performed their duties for the overall benefits of the Company. The procedures of decisions were legal and valid, and there were no actions in violation of the laws and regulations, and no abuse of powers or actions which might harm the benefits of the Company and the interests of the shareholders and the staff.

2. Financial situation of the Company

The Group's domestic and overseas auditors have audited the Company's 2006 financial reports based on the PRC GAAP and HKFRS respectively, and have issued standard and unqualified opinions on the audited reports. Having made reviews, the Supervisory Committee considered that the consolidated financial statements were objective, true, and fairly reflected the financial situation, operation results and cash-flow of the Company.

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 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.



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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.

The Supervisory Committee will abide with its prudent and diligent style, conscientiously implementing the duties of the Supervisory Committee and protect the legal interests of shareholders.

By Order of the Supervisory Committee

Li Huaijie
Chairman

Hefei, Anhui, the PRC
23 March 2007