SHENZHEN EXPRESSWAY CORPORATION LIMITED

AUDIT COMMITTEE
WORKING REGULATIONS

		Page
Chapter 1	General Provisions	**3.2.1**
Chapter 2	Composition of Members	**3.2.1**
Chapter 3	Authority and Responsibilities	**3.2.2**
Chapter 4	Rules of Procedure	**3.2.9**
Chapter 5	Supplementary Provisions	**3.2.11**

* This document is originally prepared in Chinese and this English version is for reference only. In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.

Chapter 1 General Provisions

Article 1 In order to better perform its duties and improve efficiency of its procedures, the board (the "Board") of directors of Shenzhen Expressway Corporation Limited (the "Company") has established the Audit committee (the "Committee") in accordance with the Company Law of the People's Republic of China ("the Company Law"), the Code of Corporate Governance for Listed Companies (《上市公司治理準則》), the Articles of Association, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and other relevant regulations, and formulated these working regulations for the Audit Committee (the "Working Regulations").

Article 2 The Committee is a specialised committee under the Board and exercises the powers and functions of the Supervisory Board as prescribed by the Company Law. The main responsibilities of the Committee are to communicate, supervise, and review of internal and external audits, review the Company's financial information and disclosures, and supervise and evaluate the Company's internal controls.

Article 3 The Committee shall perform its duties in accordance with the Working Regulations, exercising the powers granted by the Company Law and the Articles of Association.

Chapter 2 Composition of Members

Article 4 The chairman and members of the Committee shall be appointed by the Board. The composition of the Committee shall meet the following requirements:

1. the Committee shall consist of three to five members, and the majority of the members shall be independent directors;
2. members shall not serve as senior management personnel or executive directors of the Company
3. the Committee shall have one chairman, who shall be an accounting professional meeting the requirements of the China Securities Regulatory Commission and the Stock Exchange of Hong Kong Limited, and shall be selected from among the independent directors.

Article 5 Members shall be familiar with the business characteristics and operational model of the Company, possess the professional knowledge, work experience, and high standard of professional ethics required to fulfil their duties, and ensure they have sufficient time and energy to carry out their responsibilities. Members shall be diligent and conscientious, effectively supervising and evaluating the Company's internal and external audit work, promoting the establishment of effective internal controls, and ensuring the provision of true, accurate, and complete financial reports.

Article 6 The nomination, composition, and adjustment of the chairman and members of the Committee shall be proposed by the Chairman of the Board after consultation with the relevant directors, and shall become effective upon review and approval by the Board.

Article 7 The Committee shall appoint a secretary to assist communications and coordination between the Committee and the Board, other specialised committees and the relevant departments of the Company, and to assist the Committee to obtain information necessary for its performance of duties. The department that provides work support to the Committee is the audit department. Unless otherwise appointed by the Board or the Committee, the general manager of the Company's audit department shall act as the secretary of the Committee.

Article 8 The term of office for Committee members shall be the same as that of other directors, and each term shall not exceed three years. Upon expiration, members may be reappointed, but independent directors may not serve consecutive terms for more than six years. If a member resigns or ceases to serve as a director of the Company for any other reason during the term, he or she shall automatically resign from the Committee at the same time.

If a member's resignation results in the Committee having fewer members than the required minimum number of members or accounting professional, the original members shall continue to perform their duties until new members are appointed.

Article 9 Members of the Committee shall continuously strengthen their learning and training in areas such as law, accounting, and regulatory policies to constantly enhance their ability to perform their duties.

Article 10 The Company shall provide the Committee with the necessary working conditions and sufficient resources, and assign dedicated personnel or institutions to undertake the Committee's routine work, including liaison, meeting organisation, material preparation, and records management.

When the Committee performs its duties, the Company's management and relevant departments must cooperate. Directors and senior management shall truthfully provide relevant information and materials to the Committee and shall not obstruct the Committee in exercising its powers, ensuring that the Committee can perform its duties without interference.

Any expenses necessary for the Committee to exercise its powers shall be borne by the Company.

Article 11 Members of the Committee shall receive appropriate remuneration to reflect the time and responsibilities involved in their Committee service. The Company shall enter into written contracts with members of the Committee regarding remuneration, which shall be implemented upon approval by the general meeting.

Article 12 The Company shall also disclose in its annual report the Committee's annual performance, mainly including the fulfilment of its duties and powers, as well as the convening of Committee meetings.

Chapter 3 Authority and Responsibilities

Article 13 The scope of powers of the Committee shall mainly include:

1. Reviewing the Company's financial information, periodic reports, and their disclosures;
2. In accordance with Articles 21 to 23 of this Working Regulations, supervising and evaluating the external audit work, reviewing matters relating to the appointment, replacement, or resignation of the auditor, making recommendations to the Board regarding the appointment or replacement of external auditor, and handling matters related to the resignation of such external auditor;
3. In accordance with Article 24 of this Working Regulations, supervising and evaluating the internal audit work, coordinating internal and external audits, ensuring that the internal audit function has sufficient resources and appropriate status within the Company, and reviewing and monitoring its effectiveness;

4. In accordance with Articles 20 and 26 of this Working Regulations, supervising and evaluating the Company's financial monitoring and internal controls;
5. Proactively or upon delegation by the Board, studying significant findings regarding internal controls and management's response to such findings, as well as other matters defined by the Board;
6. Organising post-evaluation of investment projects as required;
7. Exercising the powers and functions of the Supervisory Board as prescribed by the Company Law;
8. Handling other matters required by laws and regulations, the self-disciplinary rules of the stock exchange (證券交易所自律規則), the Articles of Association, or as authorised by the Board, and reporting matters under this Working Regulations to the Board.

Article 14 The Committee has the right, in accordance with laws and regulations, to review all business activities of the Group. The Committee may arrange for the Company's accounting department or engage external professional institutions to conduct relevant audit work, and the reasonable expenses incurred shall be borne by the Company.

Article 15 In the exercise of its powers, the Committee has the right to request information, consult, or obtain supporting materials from relevant units or departments of the Group as necessary. The relevant units and personnel shall fully cooperate and provide truthful support and materials.

Article 16 Within its authority and as authorised by the Board, the Committee may hire or invite professionals or institutions with relevant experience and expertise to act as advisors on related matters, providing a basis for the Committee's judgment. The reasonable expenses incurred shall be borne by the Company.

Article 17 The Committee shall, in a timely manner, review this Working Regulations in accordance with the Company Law, the Articles of Association, and the securities listing rules of the place where the Company's shares are listed, and propose updates or amendments to the Board.

Article 18 The following matters shall be submitted to the Board for consideration only after being approved by more than half of all members of the Committee:

1. Financial information disclosed in financial reports and periodic reports, and internal control evaluation reports;
2. The appointment or dismissal of auditing firms ("auditor") engaged for the Company's audit work;
3. The appointment or dismissal of the Company's chief financial officer;
4. Changes in accounting policies, accounting estimates, or corrections of significant accounting errors, except for changes due to amendments to accounting standards;
5. Other matters as stipulated by laws, administrative regulations, regulatory authorities of the place where the Company's shares are listed, and the Articles of Association.

Review recommendations adopted by the Committee shall be submitted to the Board in writing. If the Board does not adopt the Committee's recommendations on matters within the Committee's scope of duties, the Company shall disclose such fact and provide a full explanation of the reasons.

Article 19 The Committee shall review the Company's financial reports and provide opinions on their truthfulness, accuracy, and completeness, with particular focus on significant accounting and audit issues, especially the existence of fraud, misconduct, or the possibility of material misstatements related to the financial reports, and supervise the rectification of issues identified in the financial reports.

If financial fraud or significant accounting errors are found, the Committee shall require the Company to correct the relevant financial data before approving it, and shall not approve it until the correction is completed.

If members of the Committee cannot ensure the truthfulness, accuracy, or completeness of the financial information in periodic reports, or have objections, they shall vote against or abstain when the Committee reviews the periodic reports.

Article 20 The Committee is responsible for reviewing the Company's financial information, periodic reports and their disclosures, supervising and evaluating internal and external audit work and internal controls, and reviewing major accounting matters in financial statements and reports. Before submitting relevant statements and reports to the Board, the Committee shall review the completeness of the financial information or reports, major opinions on financial reporting, and, together with the accountants responsible for auditing the financial statements, the general manager of the accounting department, and the manager level of the Company, review the following key issues:

1. Whether the Company complies with the accounting standards;
2. Whether changes in the Company's accounting policies and estimates are appropriate;
3. Whether the Company's periodic reports fairly reflect its performance;
4. Major accounting adjustments arising from audits or reviews, and unresolved audit differences;
5. The assumption of going concern and any qualified opinions;
6. The potential impact of laws, regulatory rules, and policies on financial reporting and disclosure, and whether the Company complies with relevant laws, regulations, policies, and the listing rules of the regulatory authority where its shares are listed.

During the review process, the Committee shall consider any significant or unusual matters reflected or required to be reflected in such statements and reports, and pay attention to major or unusual matters raised by the finance department, audit department, or the auditor.

Article 21 The Committee shall supervise the appointment of annual auditor and perform the

following duties:

1. Formulate policies, procedures, and related internal control system for the selection of accountants (including but not limited to non-audit services) as authorised by the Board;
2. Propose the initiation of work related to the selection of auditor;
3. Review selection documents, determine evaluation factors and specific scoring criteria, and supervise the selection process;
4. Review and decide on the appointment of auditor, make recommendations on audit fees and terms, and submit resolutions to the Board;
5. Be responsible for other matters related to the selection and dismissal of auditor as required by laws, regulations, the Articles of Association, and the Board's authorisation.

The Committee shall make recommendations to the Board regarding the appointment or replacement of accountants, and review the audit fees and terms of employment of auditor, free from improper influence by the Company's substantial shareholders, actual controllers, directors, or senior management.

Article 22 The Committee shall supervise and evaluate the audit work of the accountant, review and monitor whether the external auditor is independent and objective and whether the audit procedures are effective in accordance with applicable standards, and urge the accountants to act with honesty, integrity, diligence, and responsibility. The Committee shall supervise whether external auditor strictly comply with professional standards and industry self-regulation, strictly implement internal control systems, verify and validate the Company's financial accounting reports, fulfill special attention obligations, and issue professional opinions with prudence.

Article 23 Before the commencement of audit work, the Committee shall discuss the nature and scope of the audit and related reporting responsibilities with the accountant, and shall regularly (at least annually) submit an evaluation report to the Board on the performance of the appointed external auditor and a report on the Committee's supervision of the external auditor. The Committee shall also review management letters or similar documents provided by external auditor to management, and any significant questions raised by the auditor regarding accounting records, financial accounts, or control systems, as well as management's response, ensuring that the Board responds promptly to issues raised in such letters or documents. The audit department, in its supervision and inspection of the Company's business activities, risk management, internal controls, and financial information, shall be subject to the Committee's oversight and guidance. The Committee shall participate in the assessment of the person in charge of the audit department.

The Committee shall supervise and evaluate the internal audit work and perform the following duties:

1. Guide and supervise the establishment and implementation of internal audit systems;
2. Review the Company's annual internal audit work plan;
3. Urge the implementation of the Company's internal audit plan;
4. Guide the effective operation of the internal audit institution;
5. Consider reports on the progress, quality, and significant findings or leads of internal

audit work, and, when deemed necessary, report to the Board;

6. Coordinate the relationship between the internal audit institution and external audit institutions, national audit institutions, and other external audit units.

The accounting department shall report to the Committee. Audit reports, rectification plans for audit issues, and rectification progress submitted to the management by the audit department shall be simultaneously submitted to the Committee. If the accounting department discovers significant issues or leads, it shall immediately report directly to the Committee.

Article 24 The audit department shall inspect the following items at least semi-annually, issue inspection reports, and submit them to the Committee. If inspections reveal any company violations of laws or regulations, or nonstandard operations, the Department shall promptly report to the regulatory authorities:

1. The implementation of major company matters, including the use of raised capital, provision of guarantees, related-party transactions, securities investments and derivative transactions, provision of financial assistance, purchase or sale of assets, and external investments;
2. Major fund transfers within the Company, as well as fund transfers involving directors, senior management, controlling shareholders, actual controllers, and their related parties.

In the course of daily operations, if the audit department discovers clues of financial fraud, abnormal operational conditions, observes significant negative public opinion or major media skepticism regarding the Company, or receives clear complaints or reports, it shall immediately inform the Committee. The Committee may then require the Company to conduct self-inspections, instruct the audit department to carry out investigations, or, if necessary, engage third-party intermediaries to assist with the work, with the associated costs borne by the Company.

Article 25 If, in the course of supervision and inspection, the audit department discovers that the Company's business activities may endanger the safety of state-owned assets, result in loss of state-owned assets, or impair the rights and interests of the owners of the state-owned asset, or in cases of significant financial violations or major financial risks, it shall immediately report to the Committee. Upon receiving such reports, the Committee shall forward them to the Board. Recommendations for accountability or dismissal of directors or senior management may be reported directly to the general meeting without Board’s review.

Article 26 The Committee shall supervise and guide the audit department in conducting internal control inspections and evaluations, and urge the audit department to assess risks in key areas and critical aspects of the Company’s internal controls. The Committee may regularly organise the analysis and evaluation of opinions and inspection results. Identified internal control deficiencies shall be reflected in the internal control evaluation report.

Based on the internal audit reports and related materials submitted by the audit department, the Committee shall conduct a preliminary assessment of the effectiveness of the Company’s internal controls and submit its opinions to the Board for review.

Article 27 The Committee shall urge the audit department to review at least annually the

effectiveness of the internal control systems of the Company and its subsidiaries, and report the results of such review to shareholders in the corporate governance report. The review shall cover all important control aspects, including financial, operational, and compliance controls, risk management functions, the adequacy of resources, qualifications and experience of accounting and financial reporting staff, the training programs received by employees, and the sufficiency of related budgets.

Article 28 The Committee shall review the appointment, removal, or dismissal of the general manager of the audit department and review and monitor the effectiveness of the work of the audit department.

Article 29 The Committee shall, together with management and the Audit Department, review and consider:

1. Any difficulties encountered in the audit process, including any restrictions on the scope of work or inability to obtain required information;
2. Any revisions required to the scope of the audit plan;
3. The internal audit budget and required personnel.

Article 30 The Committee shall review and coordinate the scope of work and audit plans of the accountant and the Company's audit department to ensure comprehensive coverage, avoid duplication of work, and promote efficient use of resources.

Article 31 The audit department shall regularly review the policies and actual operation of whistleblowing under the Company's Anti-Fraud Regulations, focus on whether the Company's investigation and handling of fraud cases are independent and fair, and submit special reports to the Committee. At the same time, the Company shall establish an independent anti-fraud whistleblowing email for the Committee, enabling Company employees and related parties (such as customers, suppliers, etc.) to report to the Committee any improper conduct related to financial reporting, internal controls, or other matters.

Article 32 If the Company has significant internal control deficiencies, or is found to have issues such as financial fraud, misappropriation of funds, or illegal guarantees, the Committee shall, upon discovery, urge the Company to carry out subsequent rectification and internal accountability. The Committee shall also urge the Company to formulate rectification plans and measures, ensure that rectification is completed within a prescribed time frame, and establish and strictly implement a sound internal accountability system.

Article 33 To ensure the effective performance of its duties, the Committee is authorised, in accordance with laws, regulations, self-disciplinary rules of the stock exchange (證券交易所自律規則), and the Articles of Association, to exercise the following powers:

1. Inspect the Company's finances;
2. Supervise the conduct of directors and senior management in the performance of their duties;
3. When the actions of directors or senior management harm the interests of the Company, require them to make corrections;
4. Propose to convene extraordinary Board meeting;
5. Propose to convene extraordinary general meeting, and, where the Board fails to

fulfil its statutory responsibilities to convene and preside over the general meeting, to convene and preside over such meetings;

6. Submit proposals to the general meeting;
7. Upon request from shareholders, file lawsuits against directors and senior management (excluding Committee members) who, in the course of performing their duties, violate laws, administrative regulations, or the Articles of Association and cause losses to the Company;
8. Exercise other powers as stipulated by laws, regulations, self-disciplinary rules of the stock exchange (證券交易所自律規則), and the Articles of Association.

Article 34 The Committee shall supervise directors and senior management regarding compliance with laws, regulations, self-disciplinary rules of the stock exchange (證券交易所自律規則), the Articles of Association, and their performance of duties, and may require directors and senior management to submit reports on the performance of their duties.

If the Committee discovers that directors or senior management have violated laws, regulations, self-disciplinary rules of the stock exchange (證券交易所自律規則), or the Articles of Association, it shall report to the Board or the general meeting and make timely disclosure, and may also report directly to the regulatory authorities.

In the course of performing its supervisory responsibilities, the Committee may propose the dismissal of directors or senior management who violate laws, regulations, self-disciplinary rules of the stock exchange (證券交易所自律規則), the Articles of Association, or resolutions of the general meeting.

Article 35 When the Committee proposes to convene an extraordinary general meeting, it shall submit the proposal to the Board in writing. The Board shall, in accordance with laws, regulations, and the Articles of Association, provide written feedback on whether it agrees to convene the extraordinary general meeting within ten days after receiving the proposal.

If the Board agrees to convene the extraordinary general meeting, it shall issue a meeting notice within five days after the Board resolution is made. Any changes to the original proposal in the meeting notice must obtain the Committee's consent. The extraordinary general meeting shall be held within two months from the date the Committee proposes to convene it.

Article 36 If the Board fails to fulfil its statutory responsibilities to convene and preside over the general meeting, the Committee shall convene and preside over such meetings.

If the Committee decides to convene the general meeting itself, it must notify the Board in writing and file with the stock exchange. When issuing the meeting notice and the announcement of resolutions for the general meeting, the Committee shall submit relevant supporting materials to the stock exchange.

General meetings convened by the Committee shall be chaired by the chairman of the Committee. If the chairman is unable or unwilling to perform his or her duties, a member of the Committee elected by more than half of the Committee members shall preside.

For general meetings convened by the Committee, the Board and the secretary of the

Board shall cooperate, and the Board shall provide the register of shareholders as of the record date. If the Board fails to provide the register, the chairman of the Committee may, with the relevant meeting notice announcement, apply to the securities registration and clearing institution to obtain it. The register of shareholders obtained by the chairman of the Committee may only be used for convening the general meeting and not for any other purpose.

All reasonable expenses necessary for convening the general meeting by the Committee shall be borne by the Company.

Article 37 Where directors or senior management (excluding members of the Committee) violate laws, administrative regulations, or the Articles of Association in the performance of their duties and cause losses to the Company, the Committee is entitled to accept written requests from shareholders who individually or collectively hold at least 1% of the Company's shares for at least 180 consecutive days, to file lawsuits with the People's Court.

If the Committee or the Board refuses to file a lawsuit upon receiving such written request from shareholders, or fails to file a lawsuit within thirty days from receipt of the request, or where circumstances are urgent and failing to file a lawsuit immediately would cause irreparable harm to the Company's interests, the shareholders specified above are entitled, in the interest of the Company, to file a lawsuit with the People's Court in their own name.

Chapter 4 Rules of Procedure

Article 38 The Committee shall hold at least one regular meeting quarterly; an extraordinary meeting shall be convened if proposed by two or more members or if deemed necessary by the chairman of the Committee. Meetings of the Committee shall only be held with the attendance of more than two-third of its members. All members of the Committee shall be notified at least five days prior to the meeting. The Committee shall hold at least two meetings with the accountant annually.

In principle, Committee meetings should be held in person. If full communication and expression of opinions by all attending members can be ensured, meetings may also be held via video, telephone, internet, or other means of communication if necessary.

When a meeting is held by electronic communication methods, as long as the attending members can clearly hear or understand and communicate with each other, all such members shall be deemed to have attended the meeting in person.

In principle, relevant materials and information should be provided by the Company no later than three days before the Committee meeting.

Article 39 The chairman of the Committee shall be responsible for calling and presiding the meeting. If the chairman is unable or unwilling to perform his or her duties, a Committee member who is also an independent director jointly elected by more than half of the Committee members shall preside.

Article 40 The chairman of the Committee shall be responsible for preparing the meeting agenda and assigning relevant personnel to prepare the necessary materials.

Article 41 Members shall attend Committee meetings in person and express clear opinions on matters under review. If unable to attend in person, a member should review the meeting materials in advance, form a clear opinion, and record this opinion in a power of attorney, authorising another member of the Committee in writing to attend on their behalf. The authorisation must clearly specify the scope and duration of the authorisation, the reason for not attending the meeting, the name of the proxy, specific opinions, and be signed or stamped by the authoriser. Member shall not delegate full authority to attend without having expressed his or her opinion.

Each member may accept authorisation from only one other member at any given meeting. If an independent director member is unable to attend, they should authorise another independent director on the Committee to attend and vote on their behalf.

Article 42 Resolutions of the meeting shall be passed by more than half of all members. Each member shall have one vote when voting on Committee resolutions.

If a member has an interest in the matters under discussion, he or she must abstain. If a valid review opinion cannot be formed due to the recusal, the relevant matters shall be submitted to the Board for review.

Article 43 The Committee may, as needed, invite other members of the Board, the Company's management, the general manager of the audit department, the accountant, or other relevant personnel to attend meetings as non-voting participants. The Committee may also hold internal meetings with the accountants without the presence of the Company's management, or with the Company's management without the presence of the accountant, to ensure free and frank exchange of views.

Article 44 Minutes of Committee meetings shall be taken by the secretary of the Committee. The meeting minutes shall be truthful, accurate, and complete, fully reflecting the opinions expressed by the attendees on the matters under review. The draft and final versions of the meeting minutes shall be circulated to all members of the Committee within 21 days after the meeting, with the draft provided for members to express their comments and the final version serving as the official record. The meeting minutes shall be signed for confirmation by all attending members. Copies of the meeting minutes shall be sent to the Company's Board Secretary.

The secretary of the Committee is responsible for keeping complete records of meeting minutes, meeting resolutions, powers of attorney, and other related meeting materials, which shall be retained for a period of not less than ten years.

Article 45 After each meeting, the chairman of the Committee shall report the main content of the meeting to the Board.

Article 46 The Company shall also disclose the annual performance of the Committee in its annual report, primarily including the fulfilment of its duties and the convening of the Committee meetings. The Committee shall submit to the Board its review and recommendations on matters within its scope of duties. If the Board does not adopt such recommendations, the Company shall disclose such fact and provide a full explanation of the reasons.

Chapter 5 Supplementary Provisions

Article 47 The terms “above” and “within” used in this Working Regulations are inclusive of the stated number itself, and the terms “exceed,” “over,” “outside,” “less than,” or “below” used in this Working Regulations are exclusive of the stated number.

Article 48 As used in this Working Regulations, the term “accountant” has the same meaning as “auditor” or “certified public accountant.”

Article 49 For matters not covered in this Working Regulations or in cases where this Working Regulations conflicts with the laws, administrative regulations, securities regulatory requirements at the place of listing of the Company and the Articles of Association, the relevant laws, regulations, and regulatory provisions shall prevail.

Article 50 This Working Regulations shall be effective upon approval by the Board.

Article 51 This Working Regulations shall be interpreted and amended by the Board.