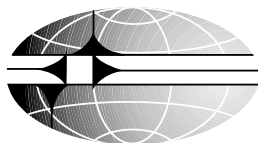

IMPORTANT

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Shenzhen Expressway Company Limited**, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



深圳高速公路股份有限公司

SHENZHEN EXPRESSWAY COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 548)

PROPOSAL FOR AMENDMENTS TO THE ARTICLES OF ASSOCIATION

A notice convening an extraordinary general meeting (“EGM”) of Shenzhen Expressway Company Limited (the “Company”) to be held at the meeting room of the Company at 19/F, Tower A, United Plaza, No.5022 Binhe Road North, Shenzhen, the People’s Republic of China on 26 August 2005 (Friday) at 9:30 a.m. is set out on pages 96 to 105 of this circular. Whether or not you intend to attend the said meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the registrar of H Shares of the Company, Hong Kong Registrars Limited, at 46th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong or to the Company at 19/F, Tower A, United Plaza, No.5022 Binhe Road North, Shenzhen, the People’s Republic of China as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the relevant meeting. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjourned meeting(s) should you so wish.

11 July 2005

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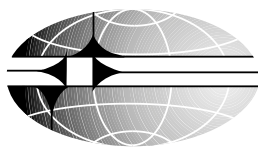
DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“Articles of Association”	the articles of association of the Company;
“Board”	the board of Directors of the Company;
“Board of Directors Rules”	the rules of procedure for the board of directors of the Company;
“Company”	Shenzhen Expressway Company Limited, a joint stock limited company incorporated in the PRC with limited liability, the H Shares of which are listed on the Main Board;
“CSRC”	China Securities Regulatory Commission;
“Director(s)”	the director(s) of the Company;
“Domestic Shareholders”	registered holders of Domestic Shares;
“Domestic Shares”	domestic shares of nominal value of RMB1.00 each in the capital of the Company;
“EGM”	the extraordinary general meeting of the Company to be held at the meeting room of the Company at 19/F, Tower A, United Plaza, No.5022 Binhe Road North, Shenzhen, the People’s Republic of China on 26 August 2005 at 9:30 a.m.;
“Foreign Shares”	Shares issued by the Company, the par value of which is denominated in RMB, and which are subscribed for in a currency other than RMB;
“H Shares”	overseas listed Foreign Share(s) of nominal value of RMB1.00 each in the capital of the Company which are listed on the Stock Exchange and subscribed for in HK dollars;
“H Shareholders”	registered holders of H Shares;
“HK Dollars”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

DEFINITIONS

“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of the Growth Enterprise Market (excluding the options market) and which stock market continues to be operated by the Stock Exchange in parallel with the Growth Enterprise Market and for the avoidance of doubt, excludes the Growth Enterprise Market;
“PRC”	the People’s Republic of China;
“Shares”	Domestic Shares and H Shares;
“Shareholder(s)”	registered Domestic Shareholders and H Shareholders;
“Shareholders’ Meeting Rules”	the rules of procedure for the shareholders’ meeting of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supervisor(s)”	the supervisor(s) of the Company;
“Supervisory Committee”	the supervisory committee of the Company;
“Supervisory Committee Rules”	the rules of procedure for the supervisory committee of the Company;
“RMB”	renminbi, the lawful currency of the PRC; and
“%”	per cent.



深圳高速公路股份有限公司

SHENZHEN EXPRESSWAY COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 548)

Directors:

Mr. Yang Hai (*Chairman*)
Mr. Wu Ya De
Mr. Zhang Rong Xing
Mr. Lin Xiang Ke
Ms. Zhang Yang
Mr. Chiu Chi Cheong, Clifton
Mr. Li Jing Qi
Mr. Wang Ji Zhong

Independent Non-executive Directors:

Mr. Li Zhi Zheng
Mr. Zhang Zhi Xue
Mr. Poon Kai Leung, James
Mr. Wong Kam Ling

Legal Address:

19/F., Tower A
United Plaza
5022 Binhe Road North
Shenzhen 518033
PRC

Place of business in Hong Kong:

Suites 2911-2912
29th Floor
Two International Finance Centre
No. 8 Finance Street
Central
Hong Kong

11 July 2005

To Shareholders of the Company

Dear Sir or Madam,

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

A. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In accordance with the requirements as set out in 深証局發字 [2005]62號 (Shen Zheng Ju Fa Zi [2005] No.62) issued by Shenzhen Regulatory Bureau of CSRC (中國証監會深圳監管局) and other relevant rules and regulations prescribed by the relevant PRC securities regulatory authorities with combination of the actual circumstances of the Company, the Board would like to propose certain amendments to the Articles of Association accordingly for Shareholders' approval at the EGM. The proposed amendments are now set out in Appendix 1 to this circular.

LETTER FROM THE BOARD

In addition, in accordance with the requirements for the CSRC relating to corporate governance of PRC listed companies and in order to encourage the Directors to enhance the quality of decision-making, the Directors and Supervisors propose to submit the following rules of procedure as attachments to the Articles of Association to the Shareholders for approvals at the EGM:

- (1) Rules of Procedure for the Shareholders' Meeting of Shenzhen Expressway Company Limited;
- (2) Rules of Procedure for the Board of Directors of Shenzhen Expressway Company Limited; and
- (3) Rules of Procedure for the Supervisory Committee of Shenzhen Expressway Company Limited.

Details of the above rules of procedures are set out in Appendices II, III and IV respectively.

It is hoped that by introducing the above amendments and rules of procedure, the Company could further foster regulation of its operation, enhance the corporate governance of the Company as a separate legal entity, and protect the legal rights and interests of the Company and its Shareholders.

The purpose of this circular is to provide you with information regarding (1) amendments proposed to be made to the Articles of Association; (2) the Shareholders' Meeting Rules; (3) the Board of Directors Rules; and (4) the Supervisory Committee Rules.

B. PROCEDURE BY WHICH A POLL MAY BE DEMANDED

Pursuant to Article 70 of the Articles of Association, a general meeting shall be voted by show of hands unless a poll is demanded by the following person before or after any vote by show of hands:

- (1) the chairman of the meeting;
- (2) at least two Shareholders entitled to vote present in person or by proxy; or
- (3) one or two Shareholders present in person or by proxy representing in aggregate 10% or more of all Shares carrying the right to vote at the meeting.

C. RECOMMENDATION

The Directors consider that the amendments to the Articles of Association are in the best interests of the Company and the Shareholders and accordingly recommend that all Shareholders should vote in favour of all the aforesaid resolutions to be proposed at the EGM.

By order of the Board,
Shenzhen Expressway Company Limited
Yang Hai
Chairman

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The proposed amendments to the Articles of Association and their respective new and existing clauses are set out below:

Existing Article No.	New Article No.	Existing clauses	Proposed amendments
Article 1	Article 1	<p>The Company (or “the Company”) is a joint stock limited company established in accordance with the Company Law of the People’s Republic of China (the “Company Law”), Special Regulations Of The State Council On The Offer Of Shares And Listing Oversea Of Joint Stock Limited Companies (the “Special Regulations”) and other relevant laws, regulations of the state.</p> <p>The Company with the approval under the document “Ti Gai Sheng” [1996] 185 of the State Commission for Restructuring the Economic System was established by way of promotion by 3 companies, registered with the Administration Bureau of Industry and Commerce of Shenzhen City on 30 December 1996 and obtained the business licence of the Company, the business licence number: Shenzhen Si Zi N23624.</p> <p>The promoters of the Company:</p> <ol style="list-style-type: none">1. Xin Tong Chan Development (Shenzhen) Company Limited2. Shenzhen Shen Guang Wai Expressway Development Company3. Guangdong Roads & Bridges Construction Development Company Limited	<p>The Company (or “the Company”) is a joint stock limited company established in accordance with the Company Law of the People’s Republic of China (the “Company Law”), Special Regulations Of The State Council On The Offer Of Shares And Listing Oversea Of Joint Stock Limited Companies (the “Special Regulations”) and other relevant laws, regulations of the state.</p> <p>The Company with the approval under the document “Ti Gai Sheng” [1996] 185 of the State Commission for Restructuring the Economic System was established by way of promotion by 3 companies, registered with the Administration Bureau of Industry and Commerce of Shenzhen City on 30 December 1996 and obtained the business licence of the Company, the business licence number: Shenzhen Si Zi N23624.</p> <p>The promoters of the Company are Xin Tong Chan Development (Shenzhen) Company Limited (formerly known as Shenzhen Freeway Development Company), Shenzhen Shen Guang Wai Highway Development Company and Guangdong Roads & Bridges Construction Development Company Limited (formerly known as Guangdong Roads and Bridges Construction Development Company).</p>

Pursuant to the “Provisional Regulations in relation to Certain Questions for Establishment of Foreign-invested Joint Stock Limited Company” (《關於設立外商投資股份有限公司若干問題的暫行規定》), upon approval by the Ministry of Commerce of the People’s Republic of China on 7 June 2005, the Company changed into a foreign-invested joint stock limited company.

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| Article 11 | Article 11 | The business objectives of the Company are: to adhere to a business strategy, based on scientific technology and focusing on quality and aiming at cost-effectiveness; to actively explore new expressway development projects; to improve the expressway network of Shenzhen City; to improve the management of the Company in accordance with the international practices and rules. | The business objectives of the Company are: to adhere to a business strategy, based on scientific technology and focusing on quality and aiming at cost-effectiveness; to actively explore new expressway operation and development projects; to promote the modernization of expressways in the People’s Republic of China; to improve the management of the Company in accordance with the rules of market economy and international standards. |
| Article 18 | Article 18 | Three promoters subscribed for 1,268,200,000 domestic capital shares upon incorporation of the Company. | Three promoters subscribed for 1,268,200,000 domestic capital shares upon incorporation of the Company, out of which 745,780,000 state-owned shares were held by Shenzhen Freeway Development Company (currently known as Xin Tong Chan Development (Shenzhen) Company Limited), 457,780,000 state-owned legal person shares were held by Shenzhen Shen Guang Hui Highway Development Company and 64,640,000 state-owned legal person shares were held by Guangdong Roads & Bridges Construction Development Company (currently known as Guangdong Roads & Bridges Construction Development Company Limited). |

On 21 February 1997, the Company obtained approval from the State Council Securities Committee to issue 747,500,000 overseas listed foreign capital shares (H Shares) which were subscribed for in Hong Kong dollars and listed overseas, to foreign investors. The same were listed on The Stock Exchange of Hong Kong Limited on 12 March 1997.

On 21 February 1997, the Company obtained approval from the State Council Securities Committee to issue 747,500,000 overseas listed foreign capital shares (H Shares) which were subscribed for in Hong Kong dollars and listed overseas, to foreign investors. The same were listed on the **Hong Kong Stock Exchange** on 12 March 1997.

On 2 November 2000, in accordance with “The Approval for Changes in the Holders of Certain Stated-owned Shares of the Five Expressway Joint Stock Limited Companies Including Anhui Wan Tong” (Guo Zi Qi Fa No. 27 [1998]) (《關於變更安徽皖通等五家高速公路股份有限公司部份國家股持單位的批覆》國資企發 [1998] 27 號) **issued by State Assets Administration Bureau, “The Notice in relation to the State-owned Interests in the Five Expressway Joint Stock Limited Companies Including Anhui Wan Tong Owned by the Ministry of Communications Through its Investments by way of Vehicle Purchase Surcharges to be Held by Huajian Transportation and Economic Development Centre” (Jiao Cai Fa No. 129 [1998])** (《關於交通部以車輛購置附加費投資安徽皖通等五家高速公路股份有限公司形成的國家股權由華建交通經濟開發中心持有的通知》交財發 [1998]129 號) **issued by the Ministry of Communications, “The Approval for Matters in Relation to the Holding and Management of the Relevant State-owned Interests in Certain Toll Road Listed Companies by Huajian Transportation and Economic Development Centre” (Cai Guan Zi No. 156 [1999])** (《關於華建交通經濟開發中心持有並管理有關公路上市公司國有股權問題的批覆》財管字 [1999]156 號) **issued by the**

Ministry of Finance and “The Forward Issue of the Notice of Approval for Matters in Relation to the Holding and Management of the State-owned Interests in Certain Toll Road Listed Companies by Huajian Transportation and Economic Development Centre” (Jiao Cai Fa No. 366 [1999]) (《關於轉發關於華建交通經濟開發中心持有並管理有關公路上市公司國有股權問題的批覆的通知》交財發 [1999]366 號) issued by the Ministry of Communications, Shenzhen Freeway Development Company (currently known as Xin Tong Chan Development (Shenzhen) Company Limited) and Huajian Transportation and Economic Development Centre entered into an agreement for change of state-owned shares and the related supplemental agreement under which Shenzhen Freeway Development Company (currently known as Xin Tong Chan Development (Shenzhen) Company Limited) transferred 91,000,000 state-owned shares to Huajian Transportation and Economic Development Centre and such shares were converted into state-owned legal person shares. Upon completion of the transfer, Shenzhen Freeway Development Company (currently known as Xin Tong Chan Development (Shenzhen) Company Limited) held 654,780,000 state-owned shares, Shenzhen Shen Guang Hui Highway Development Company held 457,780,000 state-owned legal person shares, Guangdong Roads & Bridges Construction Development Company (currently known as Guangdong Roads & Bridges Construction Development Company Limited) held 64,640,000 state-owned legal person shares and Huajian Transportation and Economic Development Centre held 91,000,000 state-owned legal person shares.

On 29 November 2001, pursuant to the Zhen Jian Fa Zi No. 57 [2001] (證監發字[2001]57號), the China Securities Regulatory Commission approved the issue of additional 165,000,000 RMB-denominated ordinary shares (A Shares), which were subscribed for in Renminbi by domestic investors and were listed on the Shanghai Stock Exchange of the PRC on 25 December 2001.

On 29 November 2001, pursuant to the Zhen Jian Fa Zi No. 57 [2001] (證監發字 [2001]57號), the China Securities Regulatory Commission approved the issue of additional 165,000,000 RMB-denominated ordinary shares (A Shares), which were subscribed for in Renminbi by domestic investors and were listed on the Shanghai Stock Exchange of the PRC on 25 December 2001.

Article 51 Article 51

Save for the obligations required under the laws, administrative regulations or the listing rules of a recognized stock exchange on which the shares of the Company are listed, in exercising its rights as a shareholder, a controlling shareholder shall not exercise his voting rights to make the following decisions which would prejudice the interests of all or some of the shareholders:

Save for the obligations required under the laws, administrative regulations or the listing rules of a recognized stock exchange on which the shares of the Company are listed, in exercising its rights as a shareholder, a controlling shareholder shall not exercise his voting rights to make the following decisions which would prejudice the interests of all or some of the shareholders:

(1) to exempt the directors or supervisors from the obligation to act in good faith in the best interests of the Company;

(1) to exempt the directors or supervisors from the obligation to act in good faith in the best interests of the Company;

(2) to authorize the directors or supervisors (in the interests of himself or themselves or other persons) to deprive the Company in any manner of its assets, including but not limited to any opportunities beneficial to the Company;

(2) to authorize the directors or supervisors (in the interests of himself or themselves or other persons) to deprive the Company in any manner of its assets, including but not limited to any opportunities beneficial to the Company;

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|--|--|
| (3) to authorize the directors or supervisors (in the interests of himself or themselves or other persons) to deprive the personal rights of other shareholders, including but not limited to any entitlement to distribution or voting rights but excluding a reorganization of the Company submitted to and passed at a shareholders' general meeting pursuant to these Articles of Association. | (3) to authorize the directors or supervisors (in the interests of himself or themselves or other persons) to deprive the personal rights of other shareholders, including but not limited to any entitlement to distribution or voting rights but excluding a reorganization of the Company submitted to and passed at a shareholders' general meeting pursuant to these Articles of Association. |
|--|--|

The controlling shareholders of the Company and persons in de facto control of the Company have fiduciary duties towards the Company and the public shareholders. The controlling shareholders shall exercise their rights as investors strictly in accordance with the laws. The controlling shareholders cannot damage the lawful rights of the Company and public shareholders by means of connected transaction, profit distribution, assets restructuring, external investment, use of capital and loan guarantee etc. The controlling shareholders shall not use their position to damage the interests of the Company and the public shareholders.

Not applicable Article 53 Not applicable

A sound investor relationship management working system shall be established, and the communication and interaction with the shareholders especially the public shareholders shall be initiated and strengthened through various ways. The secretary to the board of directors shall be responsible for investor relationship management works.

Not applicable Not applicable Not applicable

To renumber Article 53 to 71 as Articles 54 to 72.

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 69	Article 70	A shareholder (including proxy) may exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one vote.	A shareholder (including proxy) may exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one vote.
		The board of directors of the Company, independent directors and shareholder(s) who singly or jointly hold(s) more than 10% of the total voting rights of the Company are entitled to request and collect from shareholders of the Company their voting rights in general meeting of the Company. The request and collection of the voting rights shall be conducted on a nil consideration basis with full disclosure of information to the person being summoned.	
Not applicable	Article 73	Not applicable	The board of directors, independent non-executive directors and shareholders qualified under the relevant regulations may collect voting rights at the shareholders' general meetings from the shareholders of the Company. The voting rights shall be collected without compensation and full disclosure of information shall be made to the collectees.
Not applicable	Article 74	Not applicable	The Company shall, with its priority to ensure that the shareholders' general meeting is legal and effective, enlarge the proportion of public shareholders participating in the shareholders' general meeting through all practicable manners and means including providing modern information technological means such as voting platform through internet.
Not applicable	Not applicable	Not applicable	To renumber Articles 72 to 106 as Articles 75 to 109.

Article 83	Article 86	If the Company proposes to vary or revoke the rights of the class shareholders, the same can only be implemented after it has been passed by a special resolution at a shareholders' general meeting and also by the class shareholders so affected at the shareholders' meetings respectively convened in accordance with Articles 85 to 89.	If the Company proposes to vary or revoke the rights of the class shareholders, the same can only be implemented after it has been passed by a special resolution at a shareholders' general meeting and also by the class shareholders so affected at the shareholders' meetings respectively convened in accordance with Articles 88 to 92 .
Article 85 Paragraph 1	Article 88 Paragraph 1	Whether the class shareholders so affected have voting rights at the shareholders' general meeting or not, they shall have the right to vote at the meeting of class shareholders on the matters provided for in paragraphs (2) to (8) and (11) to (12) of Article 84 of these Articles of Association provided that interested shareholders shall not have the right to vote at the meeting of class shareholders.	Whether the class shareholders so affected have voting rights at the shareholders' general meeting or not, they shall have the right to vote at the meeting of class shareholders on the matters provided for in paragraphs (2) to (8) and (11) to (12) of Article 87 of these Articles of Association provided that interested shareholders shall not have the right to vote at the meeting of class shareholders.
Article 86	Article 89	A resolution of the meeting of class shareholders shall be passed in accordance with Article 85 by more than two-thirds of the shareholders present in the meeting who have rights to vote.	A resolution of the meeting of class shareholders shall be passed in accordance with Article 88 by more than two-thirds of the shareholders present in the meeting who have rights to vote.
Article 93	Article 96	Subject to compliance with the relevant laws and administrative regulations, any director with an unexpired term of office may be removed by an ordinary resolution of a shareholders' general meeting (but without prejudice to any claim for compensation pursuant to any contract) and the office vacated can be filled by a replacement director appointed by an ordinary resolution. Such replacement director shall have a term of office expiring on the conclusion of the next annual general meeting of the Company.	Subject to compliance with the relevant laws and administrative regulations, any director with an unexpired term of office may be removed by an ordinary resolution of a shareholders' general meeting (but without prejudice to any claim for compensation pursuant to any contract) and the office vacated can be filled by a replacement director appointed by an ordinary resolution.

Not applicable Article 110 Not applicable

One-third of the members of the board of directors of the Company shall be independent non-executive directors and at least one of them shall be a professional accountant. The independent non-executive directors shall act in good faith in the performance of their duties to protect the interests of the Company and in particular to prevent the lawful interests of the public shareholders from being infringed.

The independent non-executive directors shall perform their duties independently and shall not be influenced by the substantial shareholder or de facto controller of the Company or by the entities or individuals that have interest in the Company, the substantial shareholders or de facto controller of the Company.

Not applicable Article 111 Not applicable

The board of directors or the supervisory committee of the Company or shareholders individually or collectively holding more than 1% of the issued share capital of the Company may nominate candidates for the position of independent non-executive directors that are to be elected at shareholders' general meeting.

Not applicable Article 112 Not applicable

Material connected transactions of the Company (as defined by the relevant regulations of the China Securities Regulatory Commission) or appointment or removal of an accounting firm shall only be proposed for consideration by the board of directors if approved by more than half of the independent non-executive directors. With the consent by more than half of the independent non-executive directors, independent non-executive directors may request

the board of directors to summon extraordinary general meeting or board of directors' meeting and may publicly collect votes from shareholders before convening of the shareholders' general meeting. Independent non-executive directors may independently engage an external auditing firm or consultancy firm for audit or consultation of a particular matter of the Company and the relevant expenses shall be borne by the Company.

Not applicable Article 113 Not applicable

Independent non-executive directors shall attend board of directors' meeting as scheduled, understand the production and operation activities of the Company and take initiatives to investigate in and obtain information and materials necessary for making decisions. Independent non-executive directors shall submit an annual report in the name of all the independent non-executive directors at the annual general meeting of the Company, describing in detail the performance of their duties.

Not applicable Article 114 Not applicable

The Company shall establish a working system for independent non-executive directors. The secretary to the board of directors shall actively assist the independent non-executive directors to perform their duties. The Company shall ensure the independent non-executive directors enjoy the access to information as other directors do, provide relevant information and materials to independent non-executive directors on a timely basis, report the operations of the Company to independent non-executive directors on a regular basis, and if necessary, organize site-visits for independent non-executive directors.

Not applicable Article 115 Not applicable

The term of service for independent non-executive directors shall be the same as other directors of the Company and shall be re-elected upon expiry of the term, provided the term of consecutive service shall not be more than 6 years. Independent non-executive directors shall not be removed without proper cause before the expiry of the term of service. In case of removal before the expiry of the term of service, the Company shall disclose the same as a specific disclosure event.

Not applicable Article 116 Not applicable

Independent non-executive directors may resign before expiry of the term of service. Upon resignation, the independent non-executive director shall submit resignation report in writing to the board of directors, describing any matters relevant to his resignation that shall be brought to the attention of shareholders and creditors of the Company.

If resignation of independent non-executive directors renders the number of independent non-executive directors or members of the board of directors less than the minimum requirements under the laws or these Articles of Association, prior to the commencement of service by the replacement, independent non-executive directors shall perform their duties in accordance with laws, administrative regulations and these Articles of Association. The board of directors shall summon a shareholders' general meeting within 2 months for the replacement of independent non-executive directors. Shall a shareholders' general meeting not summoned within the stipulated period, independent non-executive directors may cease to perform their duties.

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Not applicable	Not applicable	Not applicable	To renumber Article 107 to 169 to Articles 117 to 179.
Article 110	Article 120	<p>The Company shall have one general manager appointed or dismissed by the board of directors whose term of office shall be 3 years, eligible for re-election and re-appointment.</p> <p>There shall be a few deputy general managers. Directors may be appointed as managers, deputy managers or other senior managerial officers Provided that the number of directors appointed as managers, deputy managers or other senior managerial officers shall not exceed half of the total number of directors.</p>	<p>The Company shall have one general manager appointed or dismissed by the board of directors whose term of office shall be 3 years, eligible for re-election and re-appointment.</p> <p>Except the position of general managers there shall be a few other senior management. Directors may be appointed as general managers, or other senior managerial officers provided that the number of directors appointed as general managers or other senior managerial officers shall not exceed half of the total number of directors.</p>
Article 130	Article 140	<p>Director, supervisor and general manger of the Company may resign prior to expiry of his term of office.</p> <p>The general manager shall resign according to his employment contract of the Company.</p> <p>The directors (including independent directors) shall not be removed before expiry of their term without a cause, except being prohibited to be qualified as directors under the Company Law and China Securities Regulatory Commission.</p> <p>In the event that a director's resignation results in the number of directors being less than the quorum, the resignation report of such director shall become effective only when the vacancy arising from his resignation has been filled by a new director.</p>	<p>Director, supervisor and general manger of the Company may resign prior to expiry of his term of office.</p> <p>The general manager shall resign according to his employment contract of the Company.</p> <p>The directors (including independent non-executive directors) shall not be removed before expiry of their term without a cause, except being prohibited to be qualified as directors under the Company Law and China Securities Regulatory Commission.</p> <p>In the event that a director's resignation results in the number of directors being less than the quorum, the resignation report of such director shall become effective only when the vacancy arising from his resignation has been filled by a new director.</p>

If the ratio of the independent directors in the board of directors of the Company falls below the minimum statutory requirement as a result of the resignation of an independent director, the resignation of such independent director shall only be effective upon his vacancy be filled by the newly appointed independent director.

The board of directors consisting of the remaining directors shall convene an extraordinary shareholders' meeting as soon as possible to elect a director to fill the vacancy arising from the resignation of such director. The power of the resigning director and the board of directors consisting of the remaining directors shall be subject to due restrictions until the shareholders' general meeting has made a resolution in respect of the re-election of the director.

The relevant provisions to the resignation of directors are applicable to the resignation of supervisors.

The fiduciary duties of a director, supervisor, general manager and other senior managerial officers of the Company do not necessarily cease upon the expiry of his term of office. The obligations to keep the commercial secrets of the Company confidential shall survive the expiry of his term of office. The continuance of the other obligations shall be determined on a fair basis depending on the length of the time between its occurrence and his departure from office and the circumstances and conditions under which the relation with the Company was terminated.

The board of directors consisting of the remaining directors shall convene an extraordinary shareholders' meeting as soon as possible to elect a director to fill the vacancy arising from the resignation of such director. The power of the resigning director and the board of directors consisting of the remaining directors shall be subject to due restrictions until the shareholders' general meeting has made a resolution in respect of the re-election of the director.

The relevant provisions to the resignation of directors are applicable to the resignation of supervisors.

The fiduciary duties of a director, supervisor, general manager and other senior managerial officers of the Company do not necessarily cease upon the expiry of his term of office. The obligations to keep the commercial secrets of the Company confidential shall survive the expiry of his term of office. The continuance of the other obligations shall be determined on a fair basis depending on the length of the time between its occurrence and his departure from office and the circumstances and conditions under which the relation with the Company was terminated.

Article 132 Article 142 In the event that a director, supervisor, general manager and other senior managerial officer of the Company are interested materially, directly or indirectly, in a contract, transaction or arrangement made or contemplated to be made with the Company (except for the service contract of the director, supervisor, general manager and other senior managerial officers with the Company), he shall disclose to the board of directors as soon as possible the nature and extent of his interest regardless of whether the relevant matter needs to be approved or consented to by the board of directors in normal circumstances.

Unless the director, supervisor, general manager and other senior managerial officers of the Company so interested have made a disclosure of such interest to the board of directors as required in the preceding paragraph of this Article and the board of directors has approved the same in a meeting in which he has not been counted in the quorum nor has he voted at the meeting which approved such matter, the Company shall have the right to revoke such contract, transaction or arrangement unless the other party is a bona fide party without knowledge of the breach of the obligations of such director, supervisor, general manager and other senior managerial officers.

If the related persons of a director, supervisor, general manager and other senior managerial officers of the Company are interested in certain contracts, transactions or arrangements, such director, supervisor, general manager and other senior managerial officers shall also be deemed as interested in the same.

In the event that a director, supervisor, general manager and other senior managerial officer of the Company are interested materially, directly or indirectly, in a contract, transaction or arrangement made or contemplated to be made with the Company (except for the service contract of the director, supervisor, general manager and other senior managerial officers with the Company), he shall disclose to the board of directors as soon as possible the nature and extent of his interest regardless of whether the relevant matter needs to be approved or consented to by the board of directors in normal circumstances.

Unless the director, supervisor, general manager and other senior managerial officers of the Company so interested have made a disclosure of such interest to the board of directors as required in the preceding paragraph of this Article and the board of directors has approved the same in a meeting in which he has not been counted in the quorum nor has he voted at the meeting which approved such matter, the Company shall have the right to revoke such contract, transaction or arrangement unless the other party is a bona fide party without knowledge of the breach of the obligations of such director, supervisor, general manager and other senior managerial officers.

If the related persons of a director, supervisor, general manager and other senior managerial officers of the Company are interested in certain contracts, transactions or arrangements, such director, supervisor, general manager and other senior managerial officers shall also be deemed as interested in the same.

In the event that a director, supervisor, general manager or other senior managerial officer of the Company notifies the board of directors in writing and makes a representation that on the basis of contents of the notice, he will be interested in the contract, transaction or arrangement to be entered into by the Company before the Company firstly considers the relevant contract, transaction or arrangement, the relevant director, supervisor, general manager or other senior managerial officer shall be deemed to have made a disclosure as required in the previous paragraphs.

Article 142 Article 152 The Company shall prepare a financial report at the end of each accounting year and the same shall be audited in accordance with law.

The accounting year of the Company shall adopt the Gregorian calendar year system, i.e. from 1 January to 31 December on the Gregorian calendar. The Company shall adopt Renminbi as its bookkeeping base currency.

The financial report of the Company shall include the following financial and accounting statements and schedules:

- (1) balance sheet;**
- (2) profit and loss account;**
- (3) statement of change on financial status;**
- (4) explanation of financial conditions; and**
- (5) profit distribution statement.**

The Company shall prepare a financial report at the end of each accounting year and the same shall be audited in accordance with law.

The accounting year of the Company shall adopt the Gregorian calendar year system, i.e. from 1 January to 31 December on the Gregorian calendar. The Company shall adopt Renminbi as its bookkeeping base currency.

Article 144 Article 154 The Company's financial statements shall be made available at the Company's domicile twenty (20) days before the date of every shareholders' annual general meeting for shareholders' inspection. Each shareholder shall be entitled to obtain a copy of the financial statements referred to in this chapter.

The Company's financial statements shall be made available at the Company's domicile twenty (20) days before the date of every shareholders' annual general meeting for shareholders' inspection. Each shareholder shall be entitled to obtain a copy of the financial statements referred to in this chapter.

In respect of overseas-listed foreign shareholders, the Company shall at least deliver or send to each shareholder by prepaid mail **a copy of the aforesaid financial statements and balance sheets (including those documents required by the PRC laws and administrative rules and regulations) and profit and loss and revenue accounts (including the aforesaid report)** not later than twenty-one (21) days before the date of every annual general meeting of shareholders. The address of the addressee shall be those as recorded in the register of shareholders. In respect of domestic shareholders, the Company shall place the aforesaid documents in their designated website(s) for inspection by domestic shareholders within the period required by the regulations of China Securities Regulatory Commission and Shanghai Stock Exchange.

In respect of overseas-listed foreign shareholders, the Company shall at least deliver or send to each shareholder by prepaid mail the aforesaid financial statements not later than twenty-one (21) days before the date of every annual general meeting of shareholders. The address of the addressee shall be those as recorded in the register of shareholders. In respect of domestic shareholders, the Company shall place the aforesaid documents in their designated website(s) for inspection by domestic shareholders within the period required by the regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange.

Article 157 Article 167

In the event there is a distributable profit available to shareholders, the Company shall implement a proactive profit distribution plan with an emphasis on shareholders' investment return while taking into account the principle of reasonable funding requirements for the Company's operations.

Dividends may be distributed in the following ways:

- (1) cash;
- (2) shares.

Dividends may be distributed in the following ways:

- (1) cash;
- (2) shares.

Article 169 Article 179

(1) When the Company dismisses or does not re-appoint an accounting firm, it shall give advance notice to the accounting firm. The accounting firm shall have the right to present its views at the shareholders' general meeting. Where the accounting firm resigns, it shall state in the shareholders' general meeting as to whether or not there are irregularities in the Company.

(1) When the Company dismisses or does not re-appoint an accounting firm, it shall give advance notice to the accounting firm. The accounting firm shall have the right to present its views at the shareholders' general meeting. Where the accounting firm resigns, it shall state in the shareholders' general meeting as to whether or not there are irregularities in the Company.

(2) An accounting firm may resign by leaving a written notice of resignation at the registered address of the Company. The notice shall be effective on the date when the notice is left at the registered address of the Company or a later date specified in the notice. Such notice shall contain the following statements:

(2) An accounting firm may resign by leaving a written notice of resignation at the **legal address** of the Company. The notice shall be effective on the date when the notice is left at the registered address of the Company or a later date specified in the notice. Such notice shall contain the following statements:

(a) a declaration to the effect that there are no circumstances connected with its resignation which it considers should be accounted for to the shareholders or creditors of the Company; or

(a) a declaration to the effect that there are no circumstances connected with its resignation which it considers should be accounted for to the shareholders or creditors of the Company; or

(b) a statement of any circumstances which should be accounted for.

(b) a statement of any circumstances which should be accounted for.

- (3) When the Company receives the notice referred to in paragraph (2) of this Article, it shall within 14 days send a copy of the notice to the supervisory authorities. If the notice contains the statement mentioned in paragraph (2)(b) of this Article, a copy of the notice shall be kept by the Company at the registered address of the Company for the inspection by the shareholders. The Company shall also post a copy of the aforesaid representation to each shareholder by prepaid post. The address of the recipient shall be the one recorded in the register of shareholders.
- (3) When the Company receives the notice referred to in paragraph (2) of this Article, it shall within 14 days send a copy of the notice to the supervisory authorities. If the notice contains the statement mentioned in paragraph (2)(b) of this Article, a copy of the notice shall be kept by the Company at the registered address of the Company for the inspection by the shareholders. The Company shall also post a copy of the aforesaid representation to each shareholder **of overseas listed foreign shares** by prepaid post. The address of the recipient shall be the one recorded in the register of shareholders.
- (4) When the notice of resignation of the accounting firm contains a statement that has to be accounted for, the accounting firm may request the board of directors to convene an extraordinary shareholders' meeting for the purpose of hearing the explanation of the circumstances connected with its resignation.
- (4) When the notice of resignation of the accounting firm contains a statement that has to be accounted for, the accounting firm may request the board of directors to convene an extraordinary shareholders' meeting for the purpose of hearing the explanation of the circumstances connected with its resignation.
- (5) In this Chapter, "accounting firm" shall have the same meaning as "auditor".
- (5) In **these Articles of Association**, "accounting firm" shall have the same meaning as "auditor".

Article 170 Not applicable

The Company should take out insurance with insurance companies registered in the PRC and those permitted to provide insurance services to PRC companies by the laws of PRC.

Deleted

Article 171	Not applicable	The types of insurance, insured amount, period of insurance, and other terms of insurance shall be discussed and determined by the board of directors of the Company with reference to the practices of companies in the same industry in other countries and the practices and legal requirements in the PRC.	Deleted
Not applicable	Not applicable	Not applicable	To renumber Chapters 18 to 25 as Chapters 17 to 24.
Not applicable	Not applicable	Not applicable	To renumber Articles 172 to 197 to Articles 180 to 205.
Article 190	Article 198	<p>The procedures for amending these Article of Association shall be as follows:</p> <ol style="list-style-type: none"> (1) after passing resolutions pursuant to these Articles of Association, the board of directors shall propose to the shareholders' general meeting to amend these Articles of Association and draw up the amendment proposal; (2) notify the shareholders of the amendment proposal and convene the shareholders' general meeting for a vote; (3) the amendments submitted to the shareholders' general meeting for a vote shall be passed by special resolutions; (4) report to the examining and approving authorities of companies authorised by the State Council and the Securities Commission of the State Council for approval. 	<p>The procedures for amending these Article of Association shall be as follows:</p> <ol style="list-style-type: none"> (1) after passing resolutions pursuant to these Articles of Association, the board of directors shall propose to the shareholders' general meeting to amend these Articles of Association and draw up the amendment proposal; (2) notify the shareholders of the amendment proposal and convene the shareholders' general meeting for a vote; (3) the amendments submitted to the shareholders' general meeting for a vote shall be passed by special resolutions.

Article 191	Article 199	<p>The amendments to these Articles of Association which involve the contents of the Mandatory Provisions for the Articles of Association of Companies Seeking a Listing Outside the People’s Republic of China shall be effective upon the approval by the examining and approving authorities of companies authorised by the State Council and the Securities Commission of the State Council; if the amendments involve company registration matters, alteration of the registration shall be made in accordance with law.</p>	<p>The amendments to these Articles of Association which should be approved by the supervising authority of the Company shall be submitted to the original approval supervising authority for approval. The amendments which involve the contents of the Mandatory Provisions for the Articles of Association of Companies Seeking a Listing Outside the People’s Republic of China shall be effective upon the approval by the examining and approving authorities of companies authorised by the State Council and the Securities Commission of the State Council; if the amendments involve company registration matters, alteration of the registration shall be made in accordance with law.</p>
Not applicable	Article 206	Not applicable	<p>The board of directors of the Company shall formulate the “Rules of Procedures for the Shareholders’ General Meeting” and the “Rules of Procedures for the Board of Directors” in accordance with laws, administrative rules and these Articles of Association, the Supervisory Committee of the Company shall formulate the “Rules of Procedures for the Supervisory Committee” in accordance with laws, administrative rules and these Articles of Association. The “Rules of Procedures for the Shareholders’ General Meeting”, the “Rules of Procedures for the Board of Directors” and the “Rules of Procedures for the Supervisory Committee” shall be attached to these Articles of Association as schedules and effective upon approval by the shareholders’ general meeting.</p>

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Not applicable	Article 207	Not applicable	The board of directors of the Company shall be responsible for amendment and interpretation of the “Rules of Procedures for the Shareholders’ General Meeting” and the “Rules of Procedures for the Board of Directors”. The Supervisory Committee shall be responsible for amendment and interpretation of the “Rules of Procedures for the Supervisory Committee”. Amendments of the aforesaid rules shall be conducted in accordance with the requirements of Article 198 of these Articles of Association and become effective upon approval by the shareholders’ general meeting.
Not applicable	Not applicable	Not applicable	To renumber Article 198 as Article 208.
Articles 8, 49 and 164	Articles 8, 49 and 174	Not applicable	The term “managers’ used in those Articles shall be replaced by the term “general managers”.
Articles 56, 76, 91(1), 92 and 97	Articles 57, 79, 94(1), 95 and 100	Not applicable	The term “independent directors” shall be replaced by the term “independent non-executive directors”.
Articles 81 and 105	Articles 84 and 108	Not applicable	The phrase “the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited” shall be replaced by the phrase “the Listing Rules of the Hong Kong Stock Exchange”.

Chapter 1 General Principles

- Article 1 The rules of procedure for the shareholders' meeting of Shenzhen Expressway Company Limited (the "Rules") are formulated in order to fully exercise the powers of the shareholders' general meeting, protect the interests of the shareholders, standardize the procedure for and manner of holding discussions and making decisions at the shareholders' general meeting.
- Article 2 The Rules are formulated in accordance with the Company Law of the People's Republic of China (the "Company Law"), the Opinion in relation to Standardization of Shareholders' General Meetings of Listed Companies (上市公司股東大會規範意見), the articles of association (these "Articles") of Shenzhen Expressway Company Limited (the "Company") and other relevant laws and regulations.
- Article 3 The shareholders' general meeting is comprised of the shareholders of the Company, and is the highest organ of authority of the Company. The shareholders' general meeting exercises its authorities pursuant to these Articles and the Rules. All directors of the Company shall owe a fiduciary duty to convene the shareholders' general meeting in a normal way, and shall not obstruct the shareholders' general meeting in exercising its functions and powers pursuant to law.

Chapter 2 Rights and Obligations of the Shareholders

- Article 4 A shareholder of the Company is a holder (both corporate legal person and natural person) of share(s) of the Company in accordance with laws and whose name (description) is entered in the register of shareholders.
- A shareholder shall have rights and shall undertake obligations in accordance with the class and the number of shares held by him; the shareholders of the same class of shares shall have the same rights and shall undertake the same obligations.
- Article 5 A holder of ordinary shares of the Company shall enjoy the following rights:
- (1) to receive dividends and other forms of benefit distribution in accordance with the numbers of shares he holds;
 - (2) to attend and to exercise his voting rights at shareholders' general meetings personally or by proxy;
 - (3) to supervise and manage the business, operation and activities of the Company, and to make proposals or enquiries in relation thereto;
 - (4) to transfer shares in accordance with laws, administrative regulations and the provisions of these Articles;

- (5) to receive relevant information in accordance with provisions of these Articles, including:
 - (a) these Articles upon payment of the cost thereof;
 - (b) upon payment of reasonable charges, be entitled to inspect and copy:
 - (i) all parts of the register of shareholders;
 - (ii) personal particulars of the directors, supervisors, general manager and other senior managerial officers of the Company;
 - (iii) the share capital of the Company;
 - (iv) a report on the total nominal value, number, highest and lowest prices and all payments made by the Company in respect of each class of its shares repurchased by the Company since the last accounting year;
 - (v) minutes of shareholders' meetings.
- (6) to participate in the distribution of the remaining assets in accordance with the number of shares held upon the dissolution or liquidation of the Company;
- (7) other rights conferred by laws, administrative regulations and these Articles.

Article 6

A holder of the ordinary share(s) of the Company shall undertake the following obligations:

- (1) to observe these Articles;
- (2) to pay for the subscription price in accordance with the number of shares subscribed and the manner of subscription;
- (3) other obligations which should be undertaken as stipulated by laws, administrative regulations and these Articles.

Article 7 Save for the obligations required under the laws, administrative regulations or the listing rules of stock exchanges on which the shares of the Company are listed, in exercising its rights as a shareholder, a controlling shareholder shall not exercise his voting rights to make the following decisions which would prejudice the interests of all or some of the shareholders:

- (1) to exempt the directors or supervisors from the obligation to act in good faith in the best interests of the Company;
- (2) to authorize the directors or supervisors (in the interests of himself or themselves or other person) to deprive the Company in any manner of its assets, including but not limited to any opportunities beneficial to the Company;
- (3) to authorize the directors or supervisors (in the interests of himself or themselves or other person) to deprive the personal rights of other shareholders, including but not limited to any entitlement to distribution or voting rights but excluding a reorganization of the Company submitted to and passed at a shareholders' general meeting pursuant to these Articles.

Chapter 3 The Powers of the Shareholders' General Meeting

Article 8 The shareholders' general meeting shall exercise the following powers:

- (1) to determine the business policies and investment plans of the Company;
- (2) to elect and replace directors and to determine the remuneration of the directors;
- (3) to elect and replace supervisors who represent the shareholders, and to determine the remuneration in respect of such supervisors;
- (4) to examine and to approve the report of the board of directors;
- (5) to examine and to approve the report of the supervisory committee;
- (6) to examine and to approve the annual financial budgets and final accounts of the Company;
- (7) to examine and to approve the plans for profit distribution and making up of losses of the Company;
- (8) to resolve on the increase or reduction of the registered capital of the Company;

- (9) to resolve on matters such as merger, division, dissolution or liquidation, etc. of the Company;
- (10) to resolve on the issue of debentures of the Company;
- (11) to resolve on the appointment, dismissal or discontinuance of the accounting firm of the Company;
- (12) to amend these Articles;
- (13) to examine any motions put forward by shareholders representing in aggregate 5 percent or more of the voting rights of the Company;
- (14) to examine and to approve the Company to provide the qualified parties with single external guarantee in the amount more than 10 percent of the latest consolidated audited net asset value of the Company;
- (15) to examine and approve material acquisition, disposal and swap of assets (which standard shall be determined by the rules as promulgated by the stock exchanges on which the securities of the Company are listed);
- (16) to authorize or entrust the board of the directors to deal with the following matters:
 - (a) to amend the wordings of these Articles in accordance with the guiding principle approved by the shareholder's general meeting;
 - (b) to distribute interim dividends;
 - (c) to implement the issuance of new shares and convertible bonds and related matters;
 - (d) to dispose, charge or guarantee fixed assets within the ambit of the operating policies and investment plans already approved;
 - (e) to carry out any matters as may be authorized or entrusted by the board of directors to carry out pursuant to laws, administrative regulations and these Articles.

When authorizing or entrusting the board of directors to handle the matters authorized or entrusted by it, the shareholders' general meeting shall follow the principles of safeguarding the legal rights of the Company's shareholders, strictly complying with the laws and administrative regulations and ensuring the Company is operated efficiently and decisions are made scientifically.

(17) other matters that laws, administrative regulations and these Articles require to be resolved by the shareholders' general meeting.

Article 9 Without the prior approval of the shareholders' general meeting, the Company shall not enter into any contract with persons other than a director, supervisor, general manager or other senior managerial officers whereby the management of all or substantial parts of the business of the Company shall be vested in such contracting person(s).

Chapter 4 The Convening of the Shareholders' General Meeting

Section 1 — Convening

Article 10 The shareholders' general meeting shall be classified as annual general meeting and extraordinary general meeting. The annual general meeting shall be convened once every year and shall be held within six months after the end of the preceding accounting year.

When the Company is unable to convene the annual general meeting in the above-mentioned period, the Company shall report the matter with reasons stated, and publish an announcement of the same according to the requirement of stock exchanges on which the securities of the Company are listed,

Article 11 In any one of the following situations, the board of directors shall convene an extraordinary general meeting within two months thereof:

- (1) the number of directors falls below the number required by the Company Law or two-thirds of the number required by these Articles;
- (2) the losses of the Company which has not been made up amount to one-third of the total share capital of the Company;
- (3) when any shareholder, individually or jointly, holding ten percent or more of the Company's voting share requests in writing for the convening of an extraordinary general meeting;
- (4) when deemed necessary by the board of directors or requested by the supervisory committee;
- (5) when requested by the more than half of the independent non-executive directors.

Article 12 Voting by communication shall not be adopted in an annual general meeting and any shareholders' general meeting convened at the request of the shareholders or the supervisory committee. No voting by communication shall be adopted in an extraordinary general meeting for the following matters:

- (1) increase or reduction of registered capital;
- (2) issue of corporate bonds;
- (3) division, merger, dissolution and liquidation of the Company;
- (4) amendments to these Articles;
- (5) proposals for profit distribution and for making up accrued losses;
- (6) appointment and removal of directors and supervisors;
- (7) change of use of proceeds from issuance of shares;
- (8) connected transactions which are subject to approval of the shareholders' general meeting;
- (9) acquisition or disposal of assets which are subject to approval of the shareholders' general meeting;
- (10) change of accounting firms;
- (11) other matters stipulated in these Articles that shall not be put to a vote by communication.

Article 13 The board of directors shall appoint lawyers to attend the shareholders' general meeting and to issue and announce a legal opinion on the following matters in accordance with the relevant rules of the stock exchanges on which the securities of the Company are listed:

- (1) whether the shareholders' general meeting has been convened and held in compliance with the requirements of laws, regulations and these Articles;
- (2) to examine the eligibility of the shareholders who attend the meeting;
- (3) to examine the eligibility of the shareholders who propose new resolutions at the annual general meeting;

- (4) whether the voting procedure at the shareholders' general meeting is legal and valid;
- (5) legal opinion provided at the request of the Company for other issues.

The board of directors may also appoint an attesting officer to attend the shareholders' general meeting.

Section 2 — Convening the Shareholders' General Meeting and its Notices

Article 14 The shareholders' general meeting shall be convened by the board of directors and shall be arranged by the secretariat to the board of directors.

Article 15 A shareholders' general meeting shall be convened by a written notice to the shareholders registered as such in the register of shareholders 45 days prior to the meeting specifying the matters to be considered and the time and place of the meeting to be held.

Article 16 No deferment of the shareholders' general meeting without reasons is allowed after the board of directors issuing the notice convening the meeting. In the event the Company has to delay the shareholders' general meeting for special reasons, a notice shall be issued at least five working days prior to the original date scheduled for the shareholders' general meeting explaining the reason for the deferment. The notice shall also specify the date for the adjourned meeting. The Company shall not amend the original day for ascertainment of the shareholding as stated in the original notice for the meeting.

Article 17 Shareholders who intend to attend the shareholders' general meeting shall serve on the Company a written reply 20 days before the date of the meeting. Pursuant to the written replies received 20 days prior to the shareholders' general meeting, the Company shall calculate the number of shares vested with voting rights held by those shareholders who intend to attend the meeting. If the number of shares vested with voting rights held by those shareholders who intend to attend the meeting is more than half of the total number of the shares of the Company vested with voting rights, the Company may convene a shareholders' general meeting; otherwise, the Company shall within 5 days thereof give notice again to the shareholders specifying the matters to be transacted and the date and place of the meeting by way of an announcement. After the announcement of such notice, the Company may convene the shareholders' general meeting.

An extraordinary general meeting shall not resolve any matters which have not been specified in the notice of meeting.

Article 18 A notice of the shareholders' general meeting shall meet the following requirements:

- (1) it shall be in writing;
- (2) it shall specify the place, the date and the time of the meeting;
- (3) it shall state all the businesses to be transacted;
- (4) it shall provide the shareholders with such information and explanation as are necessary for a prudent decision to be made by the shareholders on the business to be transacted, which shall include (but not limited to) the provision of concrete terms and contract (if any) of the proposed transaction together with a detailed explanation of the causes and consequences thereof in the event the Company proposes a merger, repurchase of its shares, capital reorganisation or other manners of reorganization;
- (5) if any of the directors, supervisors, general managers or other senior managerial officers is materially interested in matters to be discussed, he shall disclose the nature and the extent of such interest; if the effect of the matters to be discussed on such director, supervisor, general manager or senior managerial officer as a shareholder differs from other shareholders of the same class, such differences shall be specified;
- (6) it shall contain the full text of any special resolution proposed to be passed at the meeting;
- (7) it shall expressly specify in writing that the shareholders entitled to attend and vote at the meeting shall have the right to appoint one or more than one proxy to attend the meeting in his stead and to vote thereat and the proxy or proxies need not be a shareholder;
- (8) it shall specify the time and place for the delivery of the instrument for appointing proxy to vote at the meeting;
- (9) it shall state the day for ascertainment of the shareholding to determine who shall be entitled to attend the shareholders' general meeting.

Article 19 Notice of shareholders' general meeting shall be served on the shareholders (whether vested with voting rights at the shareholders' general meeting or not), by personal delivery or prepaid post at the address shown in the register of shareholders.

- Article 20 In respect of holders of domestic shares, notice of shareholders' general meetings may also be given by delivery, by post or by public announcement. If by way of announcement, the notice shall be published on one or more newspapers designated by the securities supervisory authorities of the State Council 45 days to 50 days before the date of the meeting. Once the announcement has been published, all holders of domestic shares shall be deemed to have received notice of the shareholders' meeting.
- Article 21 For holders of foreign shares, notice of the meetings shall be given by public announcement published in newspapers, and by delivering a notice to the Hong Kong Stock Exchange, share registrar of H shares in Hong Kong and other relevant entities and parties for the meeting. Notice for the shareholders' general meeting may be delivered to the registered shareholders through the share registrar of H shares in Hong Kong.
- Article 22 The accidental omission to give notice of a meeting to, or non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the meeting and the resolutions passed at that meeting.

Section 3 — Proxies

- Article 23 Any shareholder who is entitled to attend a shareholders' meeting and to vote thereat shall have the right to appoint a person or several persons (whether a shareholder or not) as his proxies to attend the same and vote thereat on his behalf. Such proxy or proxies may exercise the following rights pursuant to the appointment made by the appointing shareholder:
- (1) the right of such shareholder to speak at the shareholders' general meeting;
 - (2) to act on his own or join with other persons to demand for a poll;
 - (3) to exercise the right to vote by a show of hands or by poll; however, if there are more than one proxy appointed, such proxies shall only exercise the rights to vote on poll.
- Article 24 A shareholder shall appoint his proxy in writing and signed by the appointor or an attorney authorized by him for such purpose in writing; if the appointor is a legal person, the same shall be affixed with the seal of such legal person, or signed by its directors or a duly authorized representatives.

- Article 25 An instrument appointing a proxy shall be deposited at least 24 hours prior to the commencement of the relevant meeting at which the proxy is appointed to vote or 24 hours before the time appointed for voting at the registered address of the Company or such other place as the notice of meeting may specify. If the instrument appointing a proxy has been signed by a person authorized by the appointor, the power of attorney or other instruments of authorization shall be notarized. The power of attorney or other instruments of authorization so notarized together with the proxy form shall be deposited at the registered address of the Company or such other place as the notice of meeting may specify.
- Article 26 The instrument delivered to a shareholder by the board of directors of the Company for appointing a proxy shall be in such form so as to enable the shareholder to instruct freely at his choice the proxy to vote in favour of or against and to give instruction on each item of the business put to vote at the meeting. Such instrument of proxy shall specify that in default of instruction from the shareholder, the proxy may vote in such a way as he thinks fit.
- Article 27 If a recognized clearing house (as defined in Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or defined in other rules of the stock exchanges on which securities of the Company are listed) (the “recognized clearing house”) is a shareholder of the Company, it may authorize such person or persons to act as its representative(s) at any shareholders’ general meeting of the Company or at any general meeting of any class of shareholders of the Company provided that, if more than one person is so authorized, the authorization shall specify the number and class of shares in respect of which each such person is so authorized. A person authorized pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognized clearing house (or its nominee) as if it were an individual member of the Company.
- Article 28 Notwithstanding the death or incapacity of the appointor, or the revocation of the appointment, or revocation of the authority under which the appointing instrument is signed, or the relevant shares have been transferred, a vote given by such proxy pursuant to the instrument of appointment shall still be valid provided that no notice in writing in respect of the events mentioned above has been received by the Company prior to the commencement of the relevant meeting.

Chapter 5 The Holding of the Shareholders' General Meeting***Section 1 — Chairman of the Meeting***

Article 29 A shareholders' general meeting shall be hosted and presided by the chairman of the board of directors. If the chairman of the board of directors cannot attend the meeting, he shall designate a director of the Company to convene and take the chair of the meeting; if no chairman of the meeting has been so designated, shareholders present shall choose one person to be chairman of the meeting. If for any reason the shareholders fail to elect a chairman, the shareholder (including proxy) attending the meeting and holding the largest number of shares vested with voting rights shall be the chairman of the meeting.

Article 30 The chairman of the meeting shall be responsible for determining whether a resolution of the shareholders' general meeting is passed or not and his determination shall be final and the same shall be announced at the meeting and entered into the minutes of the meeting.

Article 31 In the event the chairman of the meeting has any doubt as to the result of voting on any resolution, he may have the votes counted. If the chairman of the meeting does not make a count of such votes but any shareholder or proxy present at the meeting disputes the result announced by the chairman of the meeting, such shareholder or proxy shall be entitled to request a count of the votes immediately after the declaration of the result has been made and the chairman of the meeting shall forthwith proceed with such a count.

Section 2 — Voting at the Meeting

Article 32 In a voting at the shareholders' general meeting, each shareholder (including his proxy) shall cast his vote in accordance with the number of his shares vested with voting rights and he shall have one vote for each such share held by him.

Article 33 Unless a poll is demanded by the following persons prior to or after a show of hands, at any shareholders' general meeting a resolution shall be decided by a show of hands:

- (1) chairman of the meeting;
- (2) at least two shareholders or proxies vested with voting rights; or
- (3) a shareholder or shareholders (including proxy or proxies) with alone or in aggregate hold(s) 10 per cent or more of shares vested with voting rights at such meeting.

Unless a poll is so demanded, the declaration by the chairman of the meeting as to the result of the voting on a resolution by a show of hands and the entering of the same into the minutes book of the meeting shall be the conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

The demand for a poll may be withdrawn by the person making such demand.

Article 34 If a poll is demanded for resolving the election of the chairman or the adjournment of the meeting, the same shall be taken immediately; in respect of a poll demanded for other matters, the time for such a poll shall be decided by the chairman of the meeting and other business may be proceeded with at the meeting. The result of a poll shall still be deemed as a resolution passed at the meeting.

Article 35 The Company shall, with its priority to ensure that the shareholders' general meeting is legal and effective, enlarge the proportion of public shareholders participating in the shareholders' general meeting through various manners and means including provision of modern information technological means such as voting platform through internet.

Article 36 The board of directors, independent non-executive directors and shareholders qualified under the relevant regulations may collect voting rights at the shareholders' general meeting from the shareholders of the Company. The voting rights shall be collected without compensation and full disclosure of information shall be made to the collectees.

Article 37 In casting of votes, shareholders (or proxies) who are entitled to two or more votes are not required to cast all their votes for or against a resolution.

Article 38 In the event of equality of votes, the chairman of the meeting shall, whether by show of hands or on a poll, have a casting vote.

Article 39 The extraordinary general meeting shall not transact business not listed on the relevant notice.

Where the extraordinary general meeting approves the business as stated in the notice, the matters to be transacted which fall into the scope as set out in Article 12 of the Rules shall not be amended. Any such amendment shall be deemed as a new motion, which shall not be transacted at that shareholders' general meeting.

Article 40 When a resolution on a connected transaction is put to the vote at the shareholders' general meeting, each shareholder involved in the connected transaction shall abstain from voting. The voting rights represented by such shareholders shall not be counted into the total number of voting shares represented at the shareholders' general meeting.

Article 41 When the shareholders' general meeting considers a motion on the election of the directors and supervisors, voting shall be separately conducted on each candidate for the office of director and supervisor. Upon passing of the resolution on the re-election of the directors and supervisors, the newly appointed directors and supervisors shall take office immediately after the meeting is concluded.

Article 42 Trading of the Company's domestic shares shall be suspended when the shareholders' general meeting is in progress. The board of directors shall ensure that the shareholders' general meeting will be held uninterruptedly within reasonable timeframe until final resolution is passed. If the shareholders' general meeting cannot be held or no resolution is passed therein due to force majeure or any exceptional reasons, the board of directors shall make an explanation to stock exchanges on which the securities of the Company are listed and shall announce the same accordingly. The board of directors shall take necessary measures to convene the shareholders' general meeting as soon as possible.

Section 3 — Motions Proposed at the Meeting

Article 43 Motions proposed at the shareholders' general meeting shall refer to the specific issues in response to the business to be transacted at the meeting. A resolution shall be passed on specific motions proposed at the shareholders' general meeting.

Article 44 The board of directors shall set out the business to be transacted in the notice of the shareholders' general meeting and disclose sufficient details of all the motions proposed by the board of directors. Any proposal to amend any resolutions passed at the previous shareholders' general meeting shall contain the full text of such resolution rather than the part to be amended.

Issues listed as "other business" with no specific content shall not be regarded as motions and shall not be voted on at the meeting.

Article 45 The board of directors shall not propose further motions not set out in the notice after it is issued. Any change to the original motions shall be announced 15 days prior to the convening of the shareholders' general meeting. Otherwise, the meeting shall be so postponed that there are at least 15 days in between the date of the announcement and the date of the postponed meeting.

Article 46 Shareholders individually or collectively holding an aggregate of five per cent or more of the Company's voting shares or the supervisory committee of the Company are entitled to propose new motions for consideration at the annual general meetings.

If the proposed motions are not listed as matters to be transacted in the notice issued by the board of directors and fall into the scope as set out in Article 12 of this Rule, such motions shall be submitted to the board of directors ten days before the date of the meeting for approval. An announcement of the same shall be published accordingly.

Where the largest shareholder proposes any new motion on distribution, such motion shall be submitted to the board of directors ten days before the date of the annual general meeting. An announcement of the same shall be published accordingly by the board of directors. No such motions shall be made by the largest shareholder to that shareholders' general meeting if less than 10 days' notice is given.

Except for the above, the motions may be submitted to the board of directors before the commencement of the shareholders' general meeting (and an announcement of the same shall be published accordingly by the board of directors) or directly to the annual general meeting.

Article 47 The board of directors shall review the proposed motions to be brought forward at annual general meeting pursuant to the preceding Article in accordance with the following principles:

- (1) **Relevance.** The board of directors shall review tentative motions proposed by shareholders. The motions which are directly related to the Company and do not exceed the scope of functions of the shareholders' general meetings under the laws, regulations and these Articles shall be proposed at the shareholders' general meeting for discussion. Otherwise, the motions shall not be proposed at the shareholders' general meeting for discussion.

In the event that the board of directors decides not to present any motions proposed at the shareholders' general meeting for voting, the board of directors shall explain and state the reasons thereof at such meeting.

- (2) **Procedural matters.** The board of directors may make a decision in respect of procedural matters in connection with a motion proposed by shareholders. If the motion is to be separated or consolidated with other motions, the consent from the shareholder proposing the motion shall be obtained. If the shareholder proposing the motion does not consent to the change, the chairman may refer the procedural matters to the shareholders' general meeting for a decision, and the motion shall be discussed according to the procedures adopted at the shareholders' general meeting.

Article 48 Motions concerning investment, disposal of assets, acquisitions and mergers shall be made in detail in accordance with the requirements of the stock exchanges on which the securities of the Company are listed. Where asset valuation, audit or preparation of independent financial report is required under relevant regulations, the board of directors shall announce the asset valuation, audit result or independent financial report before the expiration of the prescribed period prior to the convening of the shareholders' general meeting.

- Article 49 In the event that the board of directors proposes motions to change the use of proceeds from share issues, the notice convening the shareholders' general meeting shall state the reasons for doing so, together with a description of the new projects to which the proceeds are to be applied and its impact on the future of the Company.
- Article 50 For matters which need to be approved by China Securities Regulatory Commission, such as issues of shares to the public, a special motion shall be made.
- Article 51 After considering and adopting the annual report, the board of directors shall resolve on the plan for profit distribution, which shall be proposed as a motion to the annual general meeting. With respect to proposals to transfer capital reserve fund to the registered capital, the board of directors shall specify the reasons in details and disclose the same in the announcement. In announcing the distribution of bonus shares or transferring the capital reserve fund to the registered capital, the board of directors shall disclose a comparison of earnings per share and net asset value per share prior to and after such distribution or transfer as well as its impact on the Company's future development.
- Article 52 In the event of a proposal by the board of directors to terminate or not to re-appoint accounting firm, the board of directors shall notify the accounting firm in advance and specify the reasons at the shareholders' general meeting. The accounting firm shall be entitled to state its opinions at the shareholders' general meeting.
- If the board of directors intends to terminate the appointment of its accounting firm for an appropriate reason at a time when no shareholders' general meeting is to be held, the board of directors may temporarily appoint other accounting firm as replacement, such appointment shall be ratified at the next shareholders' general meeting.
- Article 53 In the event of the accounting firm proposing to resign from its appointment, the board of directors shall state reasons at the next shareholders' general meeting. The outgoing accounting firm shall explain to the shareholders' general meeting either in writing or in person whether the Company has committed any irregularities.
- Article 54 At the annual general meeting, the supervisory committee shall report on its supervision on the affairs of the Company for the last year, and the content shall include:
- (1) a review of the financial conditions of the Company;
 - (2) performance by the directors and the senior management of their duties and the implementation of the laws, regulations, these Articles and the resolution of the shareholders' general meeting; and

- (3) other significant events considered by the supervisory committee to be necessary for reporting to the shareholders' general meeting.

If necessary, the supervisory committee may provide its opinion on the motions considered by the shareholders' general meeting, and submit an independent report.

Section 4 — Resolution of the Meeting

Article 55 Resolution of the shareholders' general meeting shall be classified as ordinary resolutions and special resolutions.

An ordinary resolution of a shareholders' general meeting shall be passed by more than one half of the voting rights held by the shareholders (including their proxies) who are present at the shareholders' general meeting.

A special resolution of a shareholders' meeting shall be passed by more than two thirds of the voting rights held by the shareholders (including their proxies) who are present at the shareholders' general meeting.

Article 56 The following matters shall be resolved at a shareholders' general meeting by way of ordinary resolution:

- (1) work reports of the board of directors and the supervisory committee;
- (2) plans formulated by the board of directors for the distribution of profits and for making up of losses;
- (3) appointment and removal of members of the board of directors and the supervisory committee, their remuneration and method of payment of their remuneration;
- (4) the Company's annual budget and final accounts, balance sheet, profit and loss accounts, and other financial statements of the Company;
- (5) matters other than those required by laws, administrative regulations or these Articles to be resolved by way of special resolution.

Article 57 The following matters shall be resolved at a shareholders' general meeting by way of special resolution:

- (1) increase or reduction of share capital, and issue of any class of shares, warrants and other similar securities;
- (2) issue of corporate bonds;
- (3) division, merger, dissolution and liquidation of the Company;

- (4) amendments to these Articles;
- (5) other matters that, as resolved, by way of an ordinary resolution of the shareholders' general meeting, may have a material impact on the Company and require adoption by way of a special resolution under these Articles.

Article 58 When the resolutions of the shareholders' general meeting are passed, the Company shall notify the stock exchanges on which the securities of the Company are listed and announces the same accordingly as per the applicable rules within the prescribed period. Depending on the content of the resolution, the Company shall promptly notify other relevant persons and entities.

Other than resolutions concerning any other routine business at shareholders' general meeting, eight certified copies of all resolutions shall be provided to the Hong Kong Stock Exchange within the prescribed period.

Article 59 The Company shall notify the stock exchanges on which the securities of the Company are listed in accordance with the requirement of the securities regulatory authorities and the stock exchanges on which the securities of the Company are listed upon the decision of the following issues:

- (1) amendments to these Articles;
- (2) change in the directors and the supervisors;
- (3) change in share capital and their relevant rights;
- (4) change of accounting firm.

Article 60 For matters referred to above, the Company shall also promptly notify relevant entities and persons such as Companies Registry of Hong Kong, share registrar of H shares in Hong Kong, and the authority in charge of the administration of industry and commerce, or complete the relevant procedures accordingly.

Article 61 The shareholders' general meeting shall resolve the matters listed to be transacted one by one and shall not abandon or refuse to resolve any matters to be transacted for any reason. For different motions proposed on the same business in the annual general meeting, the shareholders' general meeting shall resolve the matters in ascending order of the time when the proposed motions made.

Article 62 For those motions not passed by the shareholders' general meeting or which are to amend resolution passed by the pervious shareholders' general meeting in the present shareholders' general meeting, the board of directors shall provide an explanation and announce the same accordingly.

Article 63 Upon approval by the shareholders' general meeting of plan for profits distribution or plan for transfer of capital reserve into capital, which distribution (or transfer) of dividends (or shares) shall be completed within two months after the holding of the shareholders' general meeting.

Article 64 In the event a count of the votes has been made at a shareholders' general meeting, the results thereof shall be entered into the minutes of the meeting. The proceedings of the shareholders' general meeting shall be recorded in minutes which shall be signed by the directors attending the meeting. The minutes of the meeting together with the signature book of the shareholders attending the meeting and the original proxy forms shall be kept at the domicile of the Company.

Article 65 A shareholder shall be entitled to inspect copies of minutes of meeting(s) free of charge during office hours of the Company. Upon the request of any shareholder for a copy of the relevant minutes of meeting, the Company shall send out the copy of the minutes so requested within seven days of the receipt of the reasonable payment therefor.

**Chapter 6 Convening Extraordinary General Meeting by the Shareholders,
the Supervisory Committee or the Independent Non-executive Directors**

Article 66 Shareholders, the supervisory committee or the independent non-executive directors requesting the convening of an extraordinary general meeting or a class shareholders' meeting shall proceed in accordance with the procedures set out below:

- (1) shareholder individually or collectively holding an aggregate of 10 per cent or more of the shares carrying the right to vote at the meeting sought to be held, the supervisory committee or more than half of the independent non-executive directors may sign one or more written requests of identical form and substance requesting the board of directors to convene an extraordinary general meeting or a class shareholders' meeting and stating the purpose of the meeting. The board of directors shall convene the shareholders' general meeting or the meeting of shareholders of different classes as soon as possible after having received the above-mentioned written request. The amount of shares held by the shareholder referred to above shall be calculated as of the day on which the written request is made;

- (2) if the board of directors fails to issue a notice of such a meeting within 30 days after having received the above-mentioned written notice, the shareholders who made such request may themselves convene the meeting within four months after the board of directors received the request upon approval by China Securities Regulatory Commission or its representative organization. Likewise, the supervisory committee and the independent non-executive directors who made such request may themselves convene the meeting within three months after the board of directors received the request upon approval by China Securities Regulatory Commission or its representative organization. The procedures according to which they convene such meeting shall, to the extent possible, be identical to the procedures according to which shareholders' meetings are to be convened by the board of directors.

When shareholders convene and hold a meeting because the board of directors failed to hold such meeting pursuant to a request as aforesaid, the reasonable expenses incurred by such shareholders shall be borne by the Company and shall be deducted from the sums owed by the Company to the defaulting directors.

Article 67 The board of directors shall publish the notice to convene the extraordinary general meeting within fifteen days upon the receipt of request in writing from the supervisory committee or the independent non-executive directors.

Article 68 Upon receipt of the written request from shareholders requesting the convening of shareholders' general meeting, the board of directors shall determine whether to convene the meeting in accordance with laws, administrative regulations and these Articles. The board of directors shall reply to such requesting shareholder within 15 days after receipt, and prepare a report as per the requirements as stipulated by securities regulatory authorities and stock exchanges on which the securities of the Company are listed.

- (1) When the board of directors decides to convene the shareholders' general meeting, it shall publish the notice for convening the same. Changes to the original resolutions to be proposed that are made in the notice are subject to the consent of the proposer. After the notice is published, the board of directors shall not propose new resolution. Without the consent of the proposer, the time for convening the shareholders' general meeting shall not be changed or postponed.
- (2) In the event that the board of directors considers that the resolutions to be proposed by the proposer violates the provisions of laws, administrative regulations or these Articles, it shall decide not to convene the shareholders' general meeting and notify the proposer of such opinion.

Within fifteen days after the receipt of the aforesaid notice, the proposer may decide to abandon the request of convening the extraordinary general meeting or to publish the notice for convening the shareholders' general meeting on its own.

If the proposer abandons the request of convening the extraordinary general meeting, it shall report the same according to the requirements as stipulated by securities regulatory authorities and stock exchanges on which the securities of the Company are listed.

- (3) If the proposer decides to convene the extraordinary general meeting on his own, it shall publish the notice for convening the extraordinary general meeting after giving a notice to the board of directors in writing and reporting the same according to the requirements as stipulated by securities regulatory authorities and stock exchanges on which the securities of the Company are listed. The content of the notice shall fulfill the following provisions:
 - (a) the content of the resolutions to be proposed shall not add new items. Otherwise, the proposer shall request the board of directors to convene the shareholders' general meeting again in accordance with the aforesaid procedure;
 - (b) the place of the meeting shall be at the address of the Company.
- (4) With respect to the extraordinary general meeting to be convened by the proposer on its own, the board of directors and the secretary to the board of directors shall duly perform their duties. The board of directors shall ensure the usual proceedings of the meeting. The Company shall pay reasonable expenses incurred by the meeting. The procedures for convening the meeting shall fulfill the following provisions:
 - (a) the meeting will be convened by the board of directors. The secretary to the board of directors must attend the meeting. Directors and supervisors shall attend the meeting. The chairman of the board of directors shall be the chairman of the meeting. If there is any special reason that the chairman of the board of directors fails to perform his duties, the deputy chairman of the board of directors or other directors shall be the chairman of the meeting;
 - (b) the board of directors shall engage lawyers to provide legal opinion in accordance with the provision of Article 13 of the Rules;
 - (c) the procedures for convening the meeting shall comply with the relevant provisions of the Rules.

Chapter 7 Class Shareholders' Meetings

Article 69 Shareholders holding different classes of shares are referred to as class shareholders.

Class shareholders shall enjoy rights and assume liabilities in accordance with laws, administrative regulations and these Articles.

Article 70 If the Company proposes to vary or revoke the rights of the class shareholders, the same can only be implemented after it has been passed by way of a special resolution at a shareholders' general meeting and also by the class shareholders so affected at the shareholders' meeting respectively convened in accordance with Articles 88 to 92 of these Articles.

Section 1 — Variation of Rights

Article 71 The following situations shall be considered as a variation or abrogation of the rights of certain class shareholders:

- (1) to increase or reduce the number of shares of such class of shares or to increase or reduce the number of shares in a class of shares vested with equal or more rights of voting, distribution or other privileges;
- (2) to exchange all or part of the shares of such class, or to exchange or grant the rights to exchange of all or part of the shares of another class into shares of such class;
- (3) to cancel or reduce the rights of that class of shares to receive dividends declared or accumulated;
- (4) to reduce or cancel the preferential rights to which that class of shares is entitled to in receiving dividends or in the distribution of assets upon the liquidation of the Company;
- (5) to increase, cancel or reduce the conversion rights, options rights, voting rights, rights of transfer, pre-emptive rights and rights to acquire the securities of the Company of such class of shares;
- (6) to cancel or reduce the rights of that class of shares in receiving the monies payable by the Company in a particular currency;
- (7) to establish a new class which enjoys equal or more rights on voting, distribution or other privileges than those enjoyed by that class of shares;
- (8) to restrict or impose more restrictions on the transfer or ownership of that class of shares;

- (9) to issue subscription rights or conversion rights in respect of that class or another class of shares;
- (10) to increase the rights and privileges of another class of shares;
- (11) a reorganization scheme of the Company which would lead to a disproportionate assumption of obligations by different class shareholders;
- (12) to amend or abrogate the provisions of Chapter 9 of these Articles headed "Special Procedures for the Voting by Class Shareholders".

Article 72

Shareholders of the affected class whether or not having any right to vote at the shareholders' general meeting shall nevertheless have rights to vote at class shareholders' meetings in respect of the matters concerning items (2) to (8), (11) and (12) of Article 87 of these Articles, but interested shareholders shall not be entitled to vote at a class meeting.

The expression "interested shareholders" mentioned in the preceding paragraph shall mean:

- (1) where the Company shall repurchase its own shares pursuant to Article 27 of these Articles by way of inviting tenders from all shareholders in proportion to their respective shareholding in the Company or by way of public trading to be conducted in the stock exchanges, "interested shareholders" shall be the controlling shareholder as defined in Article 52 of these Articles;
- (2) where the Company shall repurchase its own shares pursuant to Article 27 by way of agreements entered into over-the-counter, "interested shareholders" shall be the shareholders relating to the agreements concerned;
- (3) where the Company is undergoing restructuring, "interested shareholders" shall be those shareholders who assume liabilities less than other shareholders of the same class, or those shareholders who enjoy benefits different from other shareholders of the same class.

Section 2 — Notice and Resolution

Article 73

When the Company is to hold a class shareholders' meeting, it shall issue a written notice 45 days prior to the meeting informing all the registered shareholders of that class of the matters to be considered, the date and the place of the class shareholders' meeting. A shareholder who intends to attend the class shareholders' meeting shall deliver his written reply confirming attendance at the class shareholders' meeting to the Company 20 days before the date of the class shareholders' meeting.

If the number of shares carrying voting rights at the meeting represented by the shareholders who intend to attend the class shareholders' meeting reaches more than one half of the voting shares at the class shareholders' meeting, the Company may hold the class shareholders' meeting; if not, the Company shall within five days notify the shareholders, again by public announcement, of the matters to be considered, the date and the place for the class shareholders' meeting. The Company may then hold the class shareholders' meeting after publication of such announcement.

Article 74 Notice of class shareholders' meetings need only be served on shareholders entitled to vote thereat.

Meetings of any class of shareholders shall be conducted in a manner similar to that of shareholders' general meeting as far as practicable. The provisions of the Rules relating to the procedures for conducting shareholders' general meetings shall apply to any class shareholders' meeting.

Article 75 A resolution of a class shareholders' meeting shall only be passed by more than two-thirds of the voting rights of that class of shareholders represented at the meeting in accordance with Article 72 of the Rules.

Section 3 — Exceptional Situations

Article 76 Apart from the shareholders of other classes of shares, the shareholders of domestic shares and shareholders of overseas listed foreign capital shares are deemed to be different classes of shareholders.

The special procedures for voting by class shareholders shall not apply in the following circumstances:

- (1) where the Company issues, upon approval by a special resolution at a shareholders' general meeting, domestic shares and overseas listed foreign capital shares either separately or concurrently at twelve month intervals, and the number of domestic shares and overseas listed foreign capital shares proposed to be issued does not exceed 20 per cent. of the issued domestic shares and overseas listed foreign capital shares respectively;
- (2) where the Company's plan to issue domestic shares and overseas listed foreign capital shares at the time of incorporation is implemented within fifteen months from the date of approval by the Securities Commission of the State Council.

Chapter 8 Supplementary Provisions

- Article 77 The term “accounting firm” in the Rules shall have the same meaning as the terms “accountants” and “auditors”.
- Article 78 Where there are any matters not covered in the Rules or where there is any inconsistency between the Rules and the relevant laws, administrative rules and securities regulations of the place of listing as promulgated from time to time and these Articles, those laws, administrative regulations, rules and systems shall prevail.
- Article 79 The Rules are the schedule to these Articles. They are drafted, amended and interpreted by the board of directors of the Company. The Rules and their amendments become effective upon approval by the shareholders’ general meeting.

Chapter 1 General Principles

Article 1 These rules of procedure for the board of directors of Shenzhen Expressway Company Limited (the “Rules”) are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the articles of association (these “Articles”) of Shenzhen Expressway Company Limited (the “Company”), the Rules Governing the Listing of Securities on The Hong Kong Stock Exchange Limited (the “HK Stock Exchange”) and Listing Rules of Shanghai Stock Exchange (the “Shanghai Stock Exchange”) and with reference to the relevant laws and regulations of the State and local governments, to modernize the Company’s corporate systems and to enhance the structure of the Company’s corporate governance.

Article 2 The objective of the Rules is to further specify the functions and powers of the board of directors of the Company, to govern its operating and work procedures, to enhance the responsibilities of the board of directors, to ensure legality of the decision made by the board of directors and to bring in the decision-making function of the board of directors in the Company’s management into full play.

Article 3 The Company has established the board of directors in accordance with law. The board of directors is entrusted by the shareholders’ general meeting to be responsible for managing and operating the Company’s legal person assets and be accountable to the shareholders’ general meeting.

Chapter 2 The Board of Directors and the Directors

Article 4 The directors of the Company shall be natural persons who may or may not be a shareholder of the Company.

Article 5 The directors are appointed and removed by the shareholders’ general meeting with tenure of office of three years, which term is renewable upon re-election. The independent non-executive director of the Company shall not remain in office for more than six years in total.

Article 6 The board of directors shall comprises twelve members, at most seven of them are nominated by the promoters of the Company; at least four of them are independent non-executive directors.

Article 7 Directors who have taken specific position of operation and management in the Company shall not exceed half of the total directors of the board of directors.

Article 8 Apart from performing duties as a director and undertaking corresponding obligations, a director who has taken specific position of operation and management in the Company shall have the following obligations:

- (1) to implement board resolutions as authorized by the board of directors, and to assist the chairman of the board of directors in supervising the implementation of the resolutions of the board of directors;
- (2) to assist the general manager in implementing the resolutions of the board of directors;
- (3) to assist all specialized committees under the board of directors in conducting their work, and to coordinate for a good relationship and communicate between the board of directors and its specialized committees and managers and all relevant departments;
- (4) to complete the daily work of his own management unit;
- (5) to handle other matters entrusted by the board of directors.

Article 9 The basic qualifications and requirements of the directors are as follows:

- (1) Basic Requirements — being tertiary educated or above with over 10 years working experience and being famous or successful in one of the professional areas with sufficient time and energy to discharge the duties and responsibilities of the directors;
- (2) Industriousness and Righteousness — being honest, faithful and responsible with good character and work ethics and willing to act in accordance with the decisions of the board of directors and to take responsibility of his own actions;
- (3) Teamwork — being able to cooperate with and listen to others, willing to give constructive opinions in open discussions;
- (4) Industry Knowledge — being knowledgeable in infrastructure construction and investment; and have a good grasp of the current situation of the industry and its future trends;
- (5) Management Know-how — being able to apply basic knowledge in corporate management and operations into actual situation;
- (6) Financial Acumen — being able to read balance sheet, profit and loss account, cash flow statement, and familiar with financial ratios and necessary indices for comparing results of the Company;

- (7) Crisis Management — being able to understand crisis normally faced by the Company and to master basic crisis management techniques;
- (8) Analysis and Judgment — being able to conduct overall analysis on the key and material matters of the Company and to make independent, thoughtful and mature judgment;
- (9) Comprehension and Communication Ability — being able to understand the meaning and intention as expressed by other people, to unequivocally express his own view and to offer inspiring insights to each other;
- (10) any other qualification requirements as stipulated in relevant regulatory documents.

Article 10 Any person being in the circumstances specified in Articles 57 and 58 of the Company Law, being prohibited from serving as a market participant by China Securities Regulatory Commission and being prohibited from serving as a director by the rules of any other regulatory institutions as promulgated from time to time and such prohibition not having been lifted shall not serve as director.

The independent non-executive directors shall also comply with the independence requirements relating to independent non-executive director as promulgated from time to time by China Securities Regulatory Commission and the HK Stock Exchange.

Article 11 The directors elected shall sign the “Directors’ service contracts” with the Company. They shall also sign and deliver related written documents as required by the relevant stock exchanges.

Article 12 After the appointment of and change in respect of director, the secretariat to the board of directors shall prepare a new specimen signature and lodge the relevant forms to the Hong Kong Companies Registry, the Shanghai Stock Exchange and the authority in charge of industrial and commercial registration of companies within the prescribed period.

In strict compliance with the relevant laws and regulations, a director can be removed before expiration of his/her term by an ordinary resolution of shareholders’ general meeting (any claims which the director may raise in accordance with his/her contract with the Company will not be affected). The first term of a newly appointed director will expire upon expiration of the term of the board of directors as a whole.

Article 13 A director who fails to attend meetings of the board of directors in person nor authorize another director to attend the meetings on his behalf for two consecutive times shall be deemed as not performing duties and the board of directors shall have the right to propose to the shareholders’ general meeting for removing such director.

- Article 14 A director may resign by submitting a written resignation to the board of directors before expiration of his/her term.
- Article 15 If the number of directors falls below the minimum number required by laws as a result of the resignation of a director, the board of directors shall hold an extraordinary shareholders' general meeting to elect a new director to fill the vacancy as soon as possible.
- Article 16 The stock exchanges shall be notified of any resignation and change of directors in accordance with relevant requirements and an announcement shall be published in the press. In the event of resignation or removal of an independent non-executive director, the Company shall promptly notify the stock exchanges on which the securities of the company are listed of the reasons of such resignation or removal.
- Article 17 A director who resigns without permission prior to the expiration of his/her term shall be liable to compensate the Company for any losses arising therefrom.
- Article 18 The directors shall be entitled to the following rights:
- (1) to attend meetings of the board of directors, and exercise their voting right thereat;
 - (2) to understand the operations and financial status of the Company;
 - (3) to understand their responsibilities as a director of a listed company and to be provided regularly by the secretary to the board of directors with the relevant and latest information published by regulatory authorities;
 - (4) in the case of an independent non-executive director who is required to provide an opinion, the independent non-executive director can request to consult independent professional institutions for advice at the expense of the Company;
 - (5) to act for and on behalf of the Company in accordance with these Articles or by authorization of the board of directors;
 - (6) to deal with the business of the Company in accordance with these Articles or by authorization of the board of directors;
 - (7) without contravention to the Rules, to take other positions or professional office when required by duties;
 - (8) other rights and duties granted at shareholders' general meeting or stipulated in these Articles.

Article 19 The board of directors shall adhere to the principle to pursue the common interests of the Company and shareholders as a whole as its model code and shall examine the proposals to the shareholders' general meeting in accordance with the following requirements:

- (1) the contents of the proposals shall not be in contravention with the provisions of laws, administrative regulations, and these Articles, and the matters involved shall have direct relationship with the Company;
- (2) the proposals shall contain a clear subject and concrete matters that are made after serious discussion and verification;
- (3) the proposals shall be submitted or delivered to the board of directors in writing.

Article 20 In discharging his/her duties, each of the directors shall adhere to the principle of fiduciary and shall not put himself in a position where his own interests and his obligations may conflict. The principle includes but not limited to discharging the following obligations:

- (1) to act honestly in the best interests of the Company and shareholders as a whole rather than to consider only the interests or intentions of the shareholders he represents;
- (2) to exercise powers within, and not to exceed the scope of, his authority;
- (3) to exercise the discretionary power vested in him personally and not to be manipulated by others; no discretionary powers shall be transferred to other persons without the permission of laws or administrative regulations or the informed consent of the shareholders' general meeting;
- (4) to treat the shareholders of the same class equally and to be fair to the shareholders of different classes;
- (5) unless otherwise provided in these Articles or with the approval granted with the informed consent of the shareholders' general meeting, no contract, transaction or arrangement shall be entered into with the Company;
- (6) no property of the Company shall be used in any manner for private benefit without the informed consent of the shareholders' general meeting;
- (7) not to use his authority to accept bribes or other unlawful income and not to deprive the Company in any manner of its property, including but not limited to opportunities beneficial to the Company;

- (8) not to accept commission in connection with the transactions of the Company without the informed consent of the shareholders' general meeting;
- (9) to observe these Articles, to perform his duties faithfully, to protect the interests of the Company, and not to obtain personal benefits by using his position and authority in the Company;
- (10) not to compete in anyway with the Company without the informed consent of the shareholders' general meeting;
- (11) not to embezzle the funds of the Company or to lend the funds of the Company to others; not to deposit the assets of the Company in accounts opened under his own name or the name of other persons; not to use the assets of the Company as security for the liabilities of the shareholders of the Company or other personal liabilities;
- (12) unless otherwise permitted by informed consent of the shareholders' general meeting, no confidential information of the Company acquired during his term of office shall be disclosed, even if the purpose is to serve the interests of the Company, no such information shall be used; however, such information may be disclosed to a court of law or other governmental supervisory authorities if such disclosure is in the public interest or in the interests of such director or is required by laws;
- (13) not to exploit the personal rights of shareholders, including but not limited to distributions rights, voting rights, but excluding the proposed reorganization of the Company approved by the shareholders' general meeting in accordance with these Articles;
- (14) not to use his/her authority or persuade other directors and senior management for placing his/her relatives or friends in an important position or a senior management position of the Company.

Article 21

The directors shall not cause the following persons or bodies ("associates") to do what he is prohibited from doing:

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

- (4) a company in which that director solely, or jointly with one or more persons referred to in paragraphs (1), (2) and (3) above or jointly with other directors, supervisors, general manager and other senior management staff, has/have a de facto controlling interest;
- (5) the directors, supervisors, general manager and other senior management staff of the controlled company referred to in paragraph (4) above.

Article 22

The fiduciary duties of the directors do not necessarily cease upon expiry of his term of office. The obligations to keep the commercial secrets of the Company confidential shall survive the expiry of his term of office. The continuance of the other obligations shall be determined on a fair basis depending on the length of the time between its occurrence and his departure from office and the circumstances and conditions under which the relation with the Company was terminated.

Article 23

In the event that a director breaches the responsibilities of specific obligations, such responsibilities may be released by an informed consent given by the shareholders' general meeting, except for the following:

- (1) a director shall be liable for not acting in the interests of the Company and shareholders as a whole in good faith;
- (2) a director shall be liable for depriving the Company of its property, including but not limited to opportunities beneficial to the Company;
- (3) a director shall be liable for depriving the shareholders of their interests (for his own benefits or others' benefits), including but not limited to any entitlement to distribution or voting rights, but excluding the obligations as a result of any proposed reorganization of the Company approved by the shareholders' general meeting in accordance with these Articles.

Article 24

Each of the directors is entitled to an appropriate remuneration based on his own situation which reflects the time spent and obligation undertaken by each director during his service at the board.

The aforesaid remuneration include:

- (1) the remuneration in respect of his service as a director or senior management of the Company;
- (2) the remuneration in respect of his service as a director, supervisor or senior management of any subsidiary of the Company;
- (3) the remuneration in respect of the provision of other services in connection with the management of the Company and any of its subsidiaries;

- (4) the payment by way of compensation for loss of office, or as a consideration for or in connection with his retirement from office.

Save as aforesaid, no proceedings may be brought by a director against the Company for anything due to him in respect of the other matters.

Article 25 The remuneration of the directors shall be determined by the board of directors and approved by the shareholders' general meeting.

Article 26 The remuneration committee under the board of directors, together with the supervisory committee of the Company, shall assess the performance of the directors.

Article 27 The shareholders' general meeting shall assess the performance of the board of directors annually.

Chapter 3 The Nomination and Election of Directors

Article 28 Upon expiration of the term of the board of directors, it is proposed to adopt the following procedures for nomination of candidates for directorship:

- (1) the nomination of candidates

The Company's board of directors, supervisory committee and shareholder(s) individually or collectively holding more than 1% of the issued share capital of the Company may nominate candidates.

Nomination shall be made in writing and the nomination materials shall contain basic personal information, detailed working experiences, all part time undertakings, supporting descriptions that to satisfy the appointment qualification and basic quality requirements and the written opinion for acceptance of nomination issued by the nominated candidate.

The nomination materials shall be submitted in writing to the secretary to the board of directors 90 days before the expiry of the term of the board of directors. The secretary to the board of directors shall tidy up and collate the nomination materials within 3 working days that are submitted to the Nomination Committee to consider and verify.

- (2) the consideration and verification of candidates and quality assessment

The Nomination Committee is responsible to consider and verify the nomination materials and shall have the right to investigate and verify on its own or to appoint professional institution to investigate and verify, the correctness of the information and the quality of the candidate. The Company shall be responsible for any expenses incurred accordingly. Both the person who nominate the candidate or the nominated candidate shall have the obligation to assist such investigation and verification.

Within 30 days upon receipt of the nomination materials, the Nomination Committee shall provide verification and quality assessment reports of the nominated candidate that are to be submitted in the form of specific proposal to the board of directors to consider and confirm.

When the Nomination Committee submits the verification and quality assessment reports of the nominated candidate, it shall at the same time opine on the combination of the candidates in the following manner: the independent non-executive directors shall at least include one accounting professional; and the directors who have taken specific position of operation and management of the Company shall not exceed half of the total directors to the board of directors.

- (3) the confirmation of the nominees

In general, a nominated candidate accepted by half of the members of the board of directors shall be treated as a confirmed candidate, who shall be referred to the shareholders' general meeting for election by vote.

The board of directors shall introduce confirmed candidates and explain relevant information to the shareholders' general meeting to ensure the shareholders are familiar with the candidates at the time of voting.

Article 29 Except upon expiration of the term of the board of directors, it is proposed to adopt the following procedures for nomination of candidates for directorship:

- (1) the nomination of candidates

The Company's board of directors, supervisory committee and shareholder(s) individually or collectively holding more than 1% of the issued share capital of the Company may nominate candidates.

The board of directors shall be responsible for formulating work plan for the by-election.

The secretary to the board of directors shall be responsible for collecting the written nomination materials.

- (2) the consideration and verification of candidates and quality assessment

The Nomination Committee is responsible for the verification and assessment of the quality of the nominated candidate and submission of a report of the same to the board of directors on time.

- (3) the confirmation of the nominees

In general, a nominated candidate accepted by half of the members of the board of directors shall be treated as a confirmed candidate, who shall be referred to the shareholders' general meeting for election by vote.

The board of directors shall introduce confirmed candidate and explain relevant information to the shareholders' general meeting to ensure the shareholders are familiar with the candidate at the time of voting.

Article 30

Special matters relating to the nominated candidate for independent non-executive director:

- (1) when nominating a candidate, the nominator shall opine on the qualifications and independency of the nominated candidate;
- (2) the nominated candidate shall make an open declaration as to no relationship with the Company which may affect his independent and objective judgment;
- (3) the board of directors shall announce the relevant contents of the nominated materials in accordance with the requirements promulgated by stock exchanges on which the securities of the Company are listed prior to the election of independent non-executive director by shareholders' general meeting;
- (4) the Company shall lodge relevant information of all nominated candidates with the China Securities Regulatory Commission, the representative organizations of China Securities Regulatory Commission at which the Company is located and Shanghai Stock Exchange 15 working days before the convening of the shareholders' general meeting for the election of independent non-executive directors;
- (5) the board of directors shall explain whether the independent non-executive directors have been objected by the China Securities Regulatory Commission when convening of the shareholders' general meeting for the election of independent non-executive directors.

Article 31 Cumulative voting system is adopted for election of directors.

When electing directors, the number of vote each shareholder is entitled to cast is equal to the multiple of number of shares held by the shareholders times the numbers of directors entitled to vote for. Each shareholder may cast all his votes to one nominated candidate for director, or divide his entitled votes among the nominated candidates for directors he is entitled to vote at his own discretion or cast all his votes for two or more nominated candidates for directors.

Should the total number of votes cast by the shareholder to all nominated candidates for directors is in excess of the number of votes the shareholder is entitled, such voting is void, and the shareholder is deemed to abstain his voting rights; should the total number of votes cast by the shareholder to all nominated candidates for directors is less than the number of votes the shareholder is entitled, such voting is valid and the shareholder is deemed to abstain the amount of voting rights equal to the difference as mentioned above.

The nominated candidate for director shall obtain more than half of the total number of voting shares (as calculated according to the amount of shares before accumulation) for his nomination as well as the number of votes cast for his nomination is more than the number of votes cast against his nominations so as to be successfully elected as director.

If the number of nominated candidate qualified for directorship is more than the number of director proposed to be elected, the nominated candidates for directors shall be ranked in order of the number of votes for their appointment obtained. The nominated candidates for directors with greater votes shall be elected as directors; If the number of nominated candidate for director obtains the qualification for the office of director is less than the number of director proposed to be elected, the shareholders' general meeting shall vote again for the unfilled vacancies of directors until all vacancies of directors are filled.

The election of independent non-executive director and the other directors shall be voted separately.

Chapter 4 The Powers of the Board of Directors

Article 32 Under authorization or entrustment of the shareholders' general meeting, the board of directors shall be responsible for the convening of, reporting to and implementing resolutions passed in the shareholders' general meeting.

Article 33 The board of directors shall exercise the power to make management decisions on development strategies, management structure, investment and financing, planning, financial control, and personnel matters pursuant to the Rules.

Article 34 The board of directors shall exercise the following powers on development strategies and management plan:

- (1) Powers requiring approval from shareholders' general meeting:
 - (a) to formulate the business policies and investment plans of the Company;
 - (b) to formulate proposals on investment, acquisition or disposals of assets that shall be submitted to shareholders' general meeting for approval (in accordance with these Articles and other applicable rules);
 - (c) to formulate proposals for an increase or reduction of the Company's registered capital and repurchase of the Company's shares;
 - (d) to formulate proposals for increases in the Company's share capital;
 - (e) to formulate proposals on merger, division and dissolution of the Company;
 - (f) to file a winding up petition for the Company;
 - (g) to propose amendments to these Articles;
 - (h) to put forward specific proposals on changing the use of proceeds from issuance of shares.
- (2) Directors can exercise the following power independently without approval from the shareholders' general meeting:
 - (a) to determine plans for improving the operation and management of the Company or for enhancing the operating results of the Company;
 - (b) to decide on the business plans, audit work plans and investment proposal of the Company;
 - (c) to determine plans for adjusting the important internal organs of the Company and establishing the working organs of the board of directors;
 - (d) to decide on the setting-up of specialized committees and appointment or dismissal of the chairman and committee members of the specialized committees;
 - (e) to formulate proposals on investment, acquisition or disposal of assets within the scope of power of the board of directors;
 - (f) to decide on other major operational and management issues which are not specified to require shareholders' approval in the shareholders' general meeting under these Articles or the Rules.

Article 35 The board of directors shall exercise the following powers on financial management of the Company:

- (1) Powers requiring approval from shareholders' general meeting:
 - (a) to consider and approve the Company's annual budget and final accounts;
 - (b) to formulate the Company's profit distribution plan and plan for making up accrued loss;
 - (c) to examine the financing plans of the Company, such as bond issuance plan;
 - (d) to consider and approve plans for asset disposal such as assets pledged, leased, subcontracted or transferred etc. that shall be submitted to shareholders' general meeting (in accordance with these Articles and applicable rules); any single guarantee to any entity outside the group in the amount exceeding 10% of the latest consolidated audited net asset value of the Company shall be submitted to shareholders' general meeting for review and voting; and
 - (e) to formulate proposals for appointment or removal of accounting firm by the Company.
- (2) Directors can exercise the following powers independently without approval from the shareholders' general meeting:
 - (a) to decide on the annual borrowing plan and guarantee plan of the Company within the scope of the annual budget approved by the shareholders' general meeting;
 - (b) to decide on proposals for asset disposition such as asset pledged, leased, subcontracted or transferred within the scope of power of the board of directors;
 - (c) to decide on implementation plan of lease contracts, transaction contracts within the Company's budget or plan;
 - (d) to determine the total amount of guarantee to be given by the Company in the year for the borrowings of its subsidiaries;
 - (e) to approve donations to social charity and other charitable and business sponsorship or donations not exceeding RMB 1,000,000 in aggregate;
 - (f) to manage matters relating to disclosure of the financial information of the Company.

Article 36 The board of directors exercises the following powers on personnel matters of the Company:

- (1) Powers requiring approval from shareholders' general meeting:
 - (a) to fix the directors' remuneration scale;
 - (b) to propose candidates for directorship and review candidates for directorship nominated by shareholders; and
 - (c) to work with the supervisory committee to evaluate the performance of directors, and to propose the removal of directors based on the evaluation.
- (2) Directors can exercise the following powers independently without approval from shareholders' general meeting:
 - (a) to decide the Company's policies for human resources development and the strategies and plans to be adopted;
 - (b) to decide on the principal duties and scope of powers of general manager, person in charge of financial affairs and the secretary to the board of directors;
 - (c) to appoint or dismiss general manager and secretary to the board of directors; to appoint or dismiss other senior management, person in charge of financial affairs or any other person as designated by the board of directors according to the nomination of the general manager;
 - (d) to determine the salary and allowance of directors and decide on share option scheme (or similar arrangement) according to the authorization of the shareholders' general meeting;
 - (e) to assess the work performance of the general manager, and to decide on plans for the succession of directors, general manager, the secretary to the board of directors and other senior management;
 - (f) to approve the appointment of shareholder representatives to the subsidiaries, and to nominate candidates for directors, supervisors and financial controllers to the subsidiaries in accordance with the articles of association of or the agreement made with the subsidiaries;
 - (g) to approve retirement benefits scheme, pension scheme and other staff welfare schemes.

Article 37 The board of directors exercises the following powers on the supervision and examination on the development and operations of the Company:

- (1) to supervise the implementation of the development strategy of the Company;
- (2) to supervise, examine the implementation of the annual financial budget and final budget of the Company; to monitor the progress of various plans;
- (3) to evaluate the operating results of the Company on an annual basis, so as to spot any operating problem promptly, to put forward suggestions for improvements and to supervise their implementation by the senior management of the Company;
- (4) to timely evaluate the operating improvement plans of the Company and the results of their implementation; to investigate any major problems in the operations of the Company;
- (5) to identify any stumbling blocks faced by the Company in its development; to detect the changing trend of the Company's development and to put forward suggestion for rectifying the direction of the Company's development;
- (6) to discuss the opportunities available to and risks faced by the Company in its course of development, and any change in any objective factors which may have any extensive impact on the Company;
- (7) to ensure a smooth flow of information in the Company; to make assessments on information to ensure their accuracy and completeness, and make sure that the information can be available in a timely basis.

Chapter 5 Specialized Committees of the Board of Directors

Article 38 The board of directors shall establish specialized committees according to its actual needs.

Article 39 The members of the specialized committees are made up of directors. The specialized committees may appoint professional parties to be consultant of related issues according to their needs.

Article 40 The term of office of the members of the specialized committees shall be three years, which term is the same as the term of office of the directors.

Article 41 The Company shall formulate terms of reference of the specialized committees which shall be approved by the board of directors for every specialized committee to clearly delineate their scope of power. The terms shall be followed by every specialized committee as important guidelines and basis for their works. The specialized committees which are accountable to the board of directors shall act within the scope to execute the powers conferred by the board of directors and shall submit their work reports and make suggestions to the board of directors.

Article 42 The specialized committees may invite other directors, senior management, managers of departments or other relevant parties to be present at their meetings according to the need of the matters to be discussed.

Article 43 The specialized committees may retain advisers for professional advices, of which reasonable costs incurred shall be borne by the Company.

Section 1 — The Audit Committee

Article 44 The Audit Committee is principally responsible for conducting independent and objective audits on the economic operation, financial activities, financial policies, financial work procedures, internal control, external audit, internal audit, financial information report, and the truthfulness and accuracy of the financial data of the Company, to assist the board of directors in performing the relevant duties and responsibilities. The audit department of the Company shall be led by the Audit Committee.

Article 45 The Audit Committee shall comprise three to five directors who have not taken specific position of operation and management in the Company, of which at least a simple majority shall be independent non-executive directors. The Audit Committee shall have a chairman, who shall be an independent non-executive director.

Article 46 The members of the Audit Committee shall be well versed in the characteristics of the business and the mode of operation of the Company, and shall have a relatively good financial knowledge, solid commercial experience and enterprise management skills. At least one member of the Audit Committee shall be accounting professional who meets the requirements as stipulated by regulatory bodies including China Securities Regulatory Commission and the HK Stock Exchange.

Article 47 The Audit Committee shall meet at least twice annually. The meetings shall respectively be convened prior to the adoption by the board of directors of the interim reports and annual results report of the Company.

Section 2 — Strategy Development and Investment Committee

Article 48 The Strategy Development and Investment Committee (the “Strategy Committee”) of the Company is principally responsible for examining and formulating policies for long-term development strategies of the Company.

Article 49 The Strategy Committee shall comprise four to five directors. It shall include the chairman of the board of directors, at least one other director who is an employee of the Company and one independent non-executive director. The chairman of the Strategy Committee shall be the chairman of the board of directors.

Article 50 The members of the Strategy Committee shall have a full grasp of the characteristics of the business development and operation of the Company, relatively good business acumen and comprehensive judgment, and an understanding of the trend of macro-economic policy of China and the trend of domestic and overseas economic and industry development.

Article 51 The Strategy Committee shall meet at least once a year.

Section 3 — Remuneration Committee

Article 52 The Remuneration Committee of the Company is principally responsible for formulating remuneration policy and incentive scheme as well as setting out the assessment criteria of the directors and senior management of the Company and shall conduct the assessment accordingly.

Article 53 The Remuneration Committee shall comprise three to five directors, of which at least a simple majority shall be independent non-executive director. The Remuneration Committee shall have a chairman, who shall be an independent non-executive director.

Article 54 The Remuneration Committee shall meet at least once a year.

Section 4 — Nomination Committee

Article 55 The Nomination Committee of the Company is principally responsible for determining the strategy and plan for human resources development and reviewing and giving opinion on the criteria and procedures of nomination and selection of the Company's directors and senior management.

Article 56 The Remuneration Committee shall comprise three to five directors, of which at least a simple majority shall be independent non-executive director. The Remuneration Committee shall have a chairman, who shall be an independent non-executive director.

Article 57 The Remuneration Committee shall meet at least once a year.

Section 5 — Risks Management Committee

Article 58 The Risks Management Committee (the “Risks Committee”) of the Company is principally responsible for managing the Company’s overall risks which shall be controlled within a reasonable extent. The preliminary work of the Risks Committee focuses on enhancing the Company’s management systems and procedures of the Company’s investment related business, as well as providing support to the Company’s business decision-making and operations through risks analysis and control of the Company’s substantive investment projects.

Article 59 The Risks Committee shall comprise three to five directors, one of which shall be the chairman of the Risks Committee.

Article 60 The members of the Risks Committee shall come from different business backgrounds, who are equipped with necessary and authoritative skills and experience, good knowledge in the external environment of business operations including social, political, economic and legal framework and the industry environment, etc.

Article 61 The Risks Committee shall meet at least once a year.

Chapter 6 Chairman of the Board of Directors

Article 62 The chairman of the board of directors shall be elected or removed by a simple majority of all the directors. The term of office of the chairman shall be three years, and shall be renewable if the chairman is re-elected.

Article 63 The eligibility requirements for the post of chairman:

- (1) integrity and industriousness; a capability to set an example through personal conduct, honesty and uprightness; impartiality and righteousness;
- (2) a good democratic work style, broadness in mind, appointment by merits, good leadership, an ability to close ranks;
- (3) extensive experience in enterprise management and market acumen; sharp thinking; innovativeness; an ability to analyze and judge correctly on the domestic, foreign and macro-economic situation and market development trend; and ability to take an overview and overall control, and to organize and coordinate; good at decision making; willingness to take responsibilities;
- (4) a relatively strong work ability in the field; a good ability to coordinate between the board of directors, specialized committees, senior management, and other internal organizations of the Company; an ability to bring all positive factors into full play to work together for the goal of the Company;

- (5) more than 10 years' experience in management, at least five years of which shall be experience of enterprise management, a versatility with the macro-conditions and basic knowledge of the field; a good grasp of the relevant policies, laws and administrative regulations of the State;
- (6) youthfulness and dynamism, a relatively strong sense of mission, responsibility and pioneering spirit; an ability to turn a new leaf in complicated, and particularly difficult circumstances.

Article 64

The chairman is the legal representative of the Company. The chairman exercises the following functions and powers:

- (1) to preside over the shareholders' general meeting; and to examine the materials passing for resolutions and various reports provided by the Company to the shareholders;
- (2) to convene and preside over the meetings of the board of the directors, to coordinate the work of the specialized committees of the board of directors, and to lead the day-to-day work of the board of directors;
- (3) to supervise and monitor the implementation of the resolutions of the board of directors;
- (4) to sign shares and securities issued by the Company;
- (5) to ensure that the board of directors perform its duties; and to examine, approve and sign contracts and documents and make payments within the scope of authority granted to it pursuant to resolutions of the shareholders' general meeting or the board of directors;
- (6) to examine and approve various expenses from the special fees of the board of directors;
- (7) to cast a vote when two different sides have the same number of votes in a proposed motion of a meeting of the board of directors;
- (8) to exercise special discretion right and right of disposal pursuant to laws, regulations and in the interests of the Company during emergencies, such as war or major natural disasters, and subsequently make a report on the matter to the board of directors and the shareholders' general meeting;
- (9) pursuant to the resolutions of the board of directors, to sign and issue the documents of appointment or removal retainer of the legal advisors, special consultants and the senior management staff of the Company who are appointed or dismissed by the board of directors;

- (10) to nominate to the board of directors candidates for directorship in the board of directors of the companies controlled by the Company or in which the Company has a shareholding;
- (11) to examine and supervise the honesty and self-disciplinary of the directors who have taken specific position of operation and management in the Company, general manager and other senior management of the Company;
- (12) to ensure the timely flow of information to the board of directors, to assess the reasonableness and timeliness of the proposals and information of the relevant documents submitted by the management;
- (13) such other functions and powers as conferred by the board of directors or stipulated by these Articles.

Article 65 If the chairman, for some reason, cannot perform its functions and powers for a short period of time, the chairman shall designate other directors to temporarily perform his functions and powers on his behalf.

Article 66 The chairman shall bear the following responsibilities:

- (1) to be accountable to and report the work to the board of directors;
- (2) to bear the obligations which a director should bear;
- (3) to bear full liabilities for any harm caused to the Company as a result of act done ultra vires of the board of directors by himself or by anyone under his authority;
- (4) to bear principal leading liability for any harm caused to the Company as a result of any of his improper and perfunctory supervision on the general manager and the secretary to the board of directors; and
- (5) such other obligations as stipulated by laws, regulations, and these Articles.

Article 67 The chairman shall exercise strict self-disciplinary regarding the following matters:

- (1) shall not arrange any of his relatives to work in the middle and senior management of the Company;
- (2) shall not arrange any of his relatives to work in the secretariat to the board of directors, or in the human resources management, financial or audit departments;

- (3) shall not arrange any of his relatives to work as senior manager or financial controller in any subordinate company of the Company;
- (4) shall not arrange any relationship of investment, operation, borrowing, lending or guarantee to develop between the Company and any company in which the chairman himself or his relatives has/have investment.

Chapter 7 Independent Non-executive Directors

Article 68 One-third of the members of the board of directors of the Company shall be independent non-executive directors and at least one of them shall be a professional accountant. The independent non-executive directors shall act in good faith in the performance of their duties to protect the interests of the Company and in particular to prevent the lawful interests of the public shareholders from being infringed.

The independent non-executive directors shall perform their duties independently and shall not be influenced by the substantial shareholder or de facto controller of the Company or by the entities or individuals that have interest in the Company, the substantial shareholders or de facto controller of the Company.

Article 69 The board of directors or the Supervisory Committee of the Company or shareholders individually or collectively holding more than 1% of the issued share capital of the Company may nominate candidates for the position of independent non-executive directors that are to be elected at shareholders' general meeting.

Article 70 Material connected transactions of the Company (as defined by the relevant regulations of the China Securities Regulatory Commission) or appointment or removal of an accounting firm shall only be proposed for consideration by the board of directors if approved by more than half of the independent non-executive directors. With the consent by more than half of the independent non-executive directors, independent non-executive directors may request the board of directors to summon extraordinary general meeting or board of directors' meeting and may publicly collect votes from shareholders before convening of the shareholders' general meeting. Independent non-executive directors may independently engage an external auditing firm or consultancy firm for audit or consultation of a particular matter of the Company and the relevant expenses shall be borne by the Company.

Article 71 Independent non-executive directors shall attend board of directors' meeting as scheduled, understand the production and operation activities of the Company and take initiatives to investigate in and obtain information and materials necessary for making decisions. Independent non-executive directors shall submit an annual report in the name of all the independent non-executive directors at the annual general meeting of the Company, describing in detail the performance of their duties.

Article 72 The Company shall establish a working system for independent non-executive directors. The secretary to the board of directors shall actively assist the independent non-executive directors to perform their duties. The Company shall ensure the independent non-executive directors enjoy the access to information as other directors do, provide relevant information and materials to independent non-executive directors on a timely basis, report the operations of the Company to independent non-executive directors on a regular basis, and if necessary, organize site-visits for independent non-executive directors.

Article 73 The term of service for independent non-executive directors shall be the same as other directors of the Company and shall be re-elected upon expiry of the term, provided the term of consecutive service shall not be more than 6 years. Independent non-executive directors shall not be removed without proper cause before the expiry of the term of service. In case of removal before the expiry of the term of service, the Company shall disclose the same as a specific disclosure event.

Article 74 Independent non-executive directors may resign before expiry of the term of service. Upon resignation, the independent non-executive director shall submit resignation report in writing to the board of directors, describing any matters relevant to his resignation that shall be brought to the attention of shareholders and creditors of the Company.

If resignation of independent non-executive directors renders the number of independent non-executive directors or members of the board of directors less than the minimum requirements under the laws or these Articles, prior to the commencement of service by the replacement, independent non-executive directors shall perform their duties in accordance with laws, administrative regulations and these Articles. The board of directors shall summon a shareholders' general meeting within 2 months for the replacement of independent non-executive directors. Shall a shareholders' general meeting not summoned within the stipulated period, independent non-executive directors may cease to perform their duties.

Chapter 8 The Secretary and the Secretariat to the Board of Directors

Article 75 In the board of directors, there shall be secretary and secretariat to the board of directors to assist the board of directors with daily administrative works.

Article 76 Secretary to the board of directors shall be nominated, appointed and removed by the chairman of the board of directors.

Article 77 Directors or other senior management (except general manager and supervisors) may at the same time act as the secretary to the board of directors.

In the event that a director acts as the secretary to the board of directors and a certain act has to be performed separately by a director and the secretary to the board of directors, such person who is at the same time the director and the secretary to the board of directors shall not perform such act in both capacities.

Article 78 The secretary to the board of directors shall be a natural person having requisite professional knowledge and experience with a minimum of university qualification and over three years' working experience in finance, auditing and accounting, business management, law or the area of the secretary to the board of directors of listed companies, etc, join the training and pass the test for the secretary to the board of directors organized by the China Securities Regulatory Commission and other professional institutions. His coordination must be strong with fine work. He must faithfully discharge his duties, have good writing skills and be able to handle administrative works.

Circumstances prohibiting persons from acting as directors of the Company as set out in Article 10 of the Rules shall be applicable to the secretary to the board of directors.

Article 79 The principal duties of the secretary to the board of directors are as follows:

- (1) provide to and assist the directors in understanding the relevant laws, administrative rules and regulations regarding the disclosure of information and their legal obligations under the listing documents;
- (2) assist the directors when exercising their powers, in complying with the domestic and foreign laws, administrative rules, these Articles and other relevant regulations;
- (3) prepare the general meetings of the shareholders and meetings of the board of directors in accordance with the statutory procedure; prepare and submit the relevant documents and information of the meetings;
- (4) responsible for, prepare and promptly submit the documents and information requested by the securities regulatory authorities to them; responsible for, organize and complete the work designated by the securities regulatory authorities;
- (5) responsible for the works of disclosure of information, coordinate external parties in the disclosure of information, ensure the relevancy and punctuality of the disclosure of information;
- (6) manage and maintain the register of shareholders of the Company and its relevant information, handle the matters relating to the share certificates of the Company;
- (7) participate in the Company's affairs relating to the equity financings and project investment, etc.;

- (8) responsible for and manage the daily work of the secretariat to the board of directors;
- (9) responsible for communications and co-ordination among directors; report to the directors the material circumstances of the Company; answer relevant questions raised by the directors;
- (10) responsible for liaising with the domestic and foreign securities regulatory authorities;
- (11) responsible for coordinating the visit of and interviewing domestic and foreign fund managers, securities analyst etc.;
- (12) other duties requested to be performed by the securities regulatory authorities, the HK Stock Exchange and Shanghai Stock Exchange.

Article 80

The Secretariat to the board of directors is the daily operation organs of the board of directors. Its principal duties are:

- (1) handle daily administrative works in accordance with the requests of the board of directors and the chairman of the board of directors; coordinate the works among divisions in the board of directors;
- (2) responsible for the relevant documents and letters of the board of directors; and as required, prepare all proposals to be submitted to the board of directors for discussion;
- (3) prepare the meetings of the board of directors and the shareholders' general meeting; responsible for works in relation thereto; prepare minutes for the meetings; take initiative to investigate the execution of the relevant resolutions;
- (4) draft, amend, issue and dispatch the interim reports and annual reports of the Company;
- (5) coordinate and organize the disclosure of information to the outsiders; establish a complete information disclosure system; participate in all of the Company's meetings involving the disclosure of information; keep informed of the material operation decisions and related information in a timely manner;
- (6) as required by the board of directors, participate in the consultation on and analysis of the matters to be decided by the board of directors, offering relevant opinion and suggestions;

- (7) take initiative and actively communicate with the management of the Company; securities regulatory authority, professional parties and media; provide the relevant circumstances of the Company to the board of directors and the supervisory committee for reference;
- (8) manage the paper files of the shareholding and the board of directors of the Company; retain the register of shareholders, register of directors, record of the shares held by the substantial shareholders and directors of the Company;
- (9) complete other matters designated by directors.

Article 81 The secretariat to the board of directors shall work closely with the Company's related departments, take initiative to work good on investor relationship, including coordinating organizations for market promotion and reception of visitors, answering queries, coordinating matters between the Company and its investors, maintain the contact with the investors, professional parties and media, for the purpose of enhancing the reputation and transparency of the Company.

Chapter 9 Board Meeting

Article 82 The board of directors shall hold meetings on a regular basis. The board of directors shall convene meetings at least four times a year.

Article 83 The board of directors shall convene full board meetings prior to the respective publication of the annual results and interim results. When compared to the resolutions passed by circulation of the documents, full board meetings must be attended by a majority of the directors in person, discussing and passing the resolutions.

Every director must at least attend one of the meetings.

Article 84 The chairman of the board of directors shall convene a provisional board meeting within five working days upon occurrence of any of the following circumstances:

- (1) when the chairman of the board of directors thinks fit;
- (2) when jointly proposed by above one-third of the directors;
- (3) when proposed by the supervisory committee;
- (4) when proposed by the general manager;
- (5) when proposed by above one-half of the independent non-executive directors.

Section 1 — Meeting Preparation and Notices

Article 85 The written notice of a regular board meeting shall be given to all directors by hand, by fax, by mail or by other method agreed by the directors 14 days before the date of such meeting. All directors shall be notified of the ad hoc board meetings by the above manners five days before the date of such meeting.

Article 86 In case of emergency where compliance with the above time-frame is not possible, all directors may sign a letter to agree and accept convening of a board meeting within a short time.

Article 87 Written notice of a board meeting shall contain time, place, agenda of such meeting and the date of the issue of such notice.

Article 88 In case if managers have any proposal, such resolutions shall be proposed by persons entitled to propose such resolutions three working days prior to the issue of the notice of the board of directors meeting and the related materials shall be submitted to the chairman of the board of directors for review within the above prescribed timeframe. If the proposer fails to submit the materials on time or such proposal is not included in the agenda of the present meeting, such proposal shall not be discussed in the present meeting. The chairman shall explain the non inclusion of such proposal in the agenda.

Article 89 After adopting the proposal into the proposed resolutions upon review by the chairman, the relevant department and staff shall give the formal proposed resolutions to the secretariat to the board of directors within three days upon issuing the notice of board meeting. Relevant materials shall be given to all directors by hand, by fax, by courier or by other methods agreed by the directors at least three days prior to the date of the meeting. Directors can request for supplementary materials.

Article 90 The agenda in the meetings of the board of directors generally include the followings:

- (1) matters relating to the convening of and the proposed resolutions to be submitted to the shareholders' general meetings;
- (2) material events leading to the possible substantial price movement of the Company;

The directors shall discuss and state the truth in respect of the material events leading to the possible substantial price movement not aware by the investors. The directors shall submit reports according to the requirements of the securities regulatory authorities and stock exchanges in the place of listing and make announcements according to the information disclosure requirements. The material events mean events such as:

- (a) material change in the business policy and business scope of the Company;

- (b) decision for material investments and purchase of material assets;
 - (c) material contracts which may have major effect on the financial and operating positions of the Company;
 - (d) incurrence of material debts and default arising from inability to repay material debts when due;
 - (e) incurrence of material operating loss or incurrence of material loss exceeding 10% of the net asset value of the Company;
 - (f) material change to the outside circumstances of the operation of the Company;
 - (g) change of the chairman, above one-third of the directors, general manager or secretary to the board of directors;
 - (h) material change to the shares held by the shareholders of the Company who holds more than 5% shares of the Company;
 - (i) decision for capital reduction, merger, division, dissolution or application for winding up;
 - (j) material litigation of the Company;
 - (k) other matters prescribed by law or administrative rules.
- (3) matters to be handled by the board of directors authorised by the shareholders' general meetings;
- (4) give explanation to the qualified opinion of the audited reports issued by the external auditors in the shareholders' general meeting;
- (5) other matters within the scope of authority of the board of directors as prescribed by the relevant laws, regulations, rules or systems.

Article 91

The directors shall confirm as soon as practicable upon receipt of the notice of the meeting of the board of directors whether to attend board meeting or not, or after receipt of the materials of board meeting appoint by an instrument of appointment other director to attend board meeting on his behalf.

Article 92

When more than one-third of the directors or at least two independent non-executive directors consider that the information is inadequate or the proposed resolution is uncertain, they may jointly request to postpone board meeting in writing or adjourn part of the proposed resolutions in agenda, the board of directors shall follow the same.

Article 93 If the chairman of the board of directors is unable to chair board meeting, he shall designate one of the directors to convene and hold board meeting on his behalf. If the chairman of the board of directors does not designate any director to perform duties on his behalf, above half of the directors may jointly nominate one director to convene and chair such board meeting.

Section 2 — Convening of Meeting

Article 94 Board meeting shall only be convened upon more than half of the directors attending board meeting.

The directors who by written instrument appoint another director to attend the board meeting on his behalf shall be deemed to have attended such board meeting.

Article 95 If the directors are unable to attend board meeting for reasons, he may appoint in writing other director to exercise his powers in board meeting on his behalf. The written instrument of appointment shall state the nominee's name, scope of appointment and authorization, period of validity, and the appointing director shall sign or seal the written instrument.

The director attending such a meeting on another's behalf shall exercise his rights within the scope of authority granted to him.

Article 96 The director who is unable to attend board meeting and has not appointed other director to vote on his behalf shall be treated to have had waived his vote in such board meeting. The director waiving his vote shall not exonerate his joint liability for any resolutions passed in such board meeting.

Article 97 Board meeting may be convened by communications facilities, including but not limited to telephone, fax or other similar communication methods. Provided that the attending directors are able to hear clearly the other directors, understand their opinion and communicate with each other, all attending directors shall be deemed to have attended board meeting in person. If more than half of the directors consider the agenda of the provisional board meeting is not material and discussion is not required, the directors may sign on the proposed resolutions submitted by the secretariat to the board of directors to agree or not to agree the resolutions and return to the secretariat to the board of directors by fax or by courier. The secretary to the board of directors may use this to formulate board resolutions.

Section 3 — Validity of Resolutions and Directors' Responsibility

Article 98 Every director has one vote. In case of equality between vote for and vote against a resolution, the chairman of the board of directors has one casting vote.

Article 99 The board of directors may pass resolutions by majority vote. The following matters shall be passed by two-third of the directors:

- (1) proposals for increase or reduction of registered capital and issue of bond;
- (2) proposals for merger, division and dissolution of the Company;
- (3) proposal for amendments of these Articles;
- (4) guarantee for third parties;
- (5) application for winding up of the Company.

Article 100 When a director has personal interest and conflict with a proposed resolution in board meeting, such director shall be abstained from voting and shall not be counted in the quorum.

Article 101 The directors shall have responsibility for board resolutions.

When the Company suffers loss as a result of board resolutions violating the law, administrative rules or these Articles:

- (1) the director who votes for the resolutions or appoints other director to exercise his power and such entrusted director votes for the resolutions shall bear the direct responsibility;
- (2) upon inspection, the director who states his objection when vote and requests such objection to be recorded in board minutes shall be exonerated from the responsibility;
- (3) the director who abstains his votes or neither attends nor appoints other person to attend board meeting shall not exonerated from the responsibility;
- (4) the director who states his objection in the discussion but does not vote against the resolutions or who votes anonymously and does not request to record his objection in board minutes shall not exonerated from the responsibility;
- (5) when the independent non-executive directors have conflicting view with other directors and this is recorded in board minutes, the independent non-executive directors and other directors shall bear respective responsibility accordingly.

Section 4 — Rules of Procedure

Article 102 The board of directors may pass resolutions upon convening board meeting and signing written resolutions.

Article 103 The procedures for the board meeting convened by the board of directors in accordance with the agenda as set out in the notice of the board meeting:

- (1) introduction by the persons who make the proposed resolutions or by the directors or related persons in charge of the matter;
- (2) attending directors raise questions and discuss;
- (3) if there is unanimous view, the chairman may propose to pass the resolutions and formulate board minutes or pass the resolutions by votes;
- (4) if there is conflicting view to the proposed resolutions, the directors shall pass the resolutions by votes;
- (5) the attending directors and the nominee directors shall sign board resolutions or board minutes.

Article 104 The board of directors may pass written resolutions on non-material matters. The procedure for formulating the resolutions are as follows:

- (1) the draft resolutions shall be sent to every director by hand, by fax, by courier or by other method agreed by such director within a reasonable time;
- (2) all directors shall sign to agree or not to agree the draft resolutions upon receipt;
- (3) the signed resolutions shall be sent to the secretary to the board of directors by hand, by fax, by courier or by other method agreed by such director;
- (4) if the directors agreeing to the resolution forms the quorum, the draft resolutions shall form board resolutions;
- (5) the directors who disagree to or abstain in the resolutions shall state in an explanatory sheet his reasons for disagreement or waiver.

Article 105 Material matters shall not be passed by other methods. Matters involving conflict of economic interest of the major shareholder or directors shall be passed in a board meeting.

Article 106 Matters requiring shareholders' approval shall be submitted to the shareholders' general meetings for approval upon directors' resolutions. Other matters shall be executed by managers or other departments and divisions of the Company.

Section 5 — Others

Article 107 The secretary to the board of directors shall prepare board minutes for resolutions passed in board meetings. The board minutes shall be signed by the attending directors and the secretary to the board of directors.

Article 108 Board minutes shall be maintained with the signatories of the directors and the proxy forms and retained by the secretariat to the board of directors for custody.

Article 109 Board meeting notes may be kept by way of audio recording for reference to formulate board minutes.

Article 110 Unless with the prior notice, non-director general manager and supervisors may attend board meetings, have the rights to receive notice of board meetings and speak in such meetings. The board of directors may as required by work invite other persons to attend the meetings. The secretariat to the board of directors shall give notice of and arrange the schedule of board meetings. Attendees do not have rights to vote.

Non-director general managers may request for review of the resolutions passed upon his proposal once.

Chapter 10 Special Fees of Board of Directors

Article 111 According to its actual needs, the board of directors may set up the special fees of the board of directors upon approval in shareholders' meetings.

Article 112 The secretariat to the board of directors shall in accordance with the "management measures for board of the special fees of the board of directors" prepare a budget for special fees for the directors' review at the beginning of the year. The special fees of the board of directors shall be included into the financial budget of the Company in that year and be charged to the management costs.

Article 113 The principal uses of the special fees of the board of directors includes the following:

- (1) remunerations of part-time director and supervisors;
- (2) allowance of the directors, supervisors and members of the specialized committees of the board of directors;
- (3) costs of the shareholders' meetings, supervisory committee's meetings, meetings of the board of directors and specialized committees of the board of directors;

- (4) all costs of activities organized in the name of shareholders' general meetings, supervisory committee, the board of directors and specialized committees of the board of directors or the chairman of the board of directors;
- (5) other expenses incurred by works of the board of directors;
- (6) other special fees.

Article 114 Expenditure within the special fees of the board of directors shall be declared by the secretariat to the board of directors, approved by the chairman of the board of directors and managed by the financial department of the Company.

Chapter 11 Supplementary Provisions

Article 115 The term "accounting firm" in the Rules shall have the same meaning as the terms "accountants" and "auditors".

Article 116 Where there is any matters not covered in the Rules or where there is any inconsistency between the Rules and the relevant laws, administrative rules and securities regulations of the place of listing as promulgated from time to time and these Articles, those laws, administrative regulations, rules and systems shall prevail.

Article 117 The Rules are the schedule to these Articles. They are drafted, amended and interpreted by the board of directors. The Rules and their amendments become effective upon approval by the shareholders' general meeting.

Chapter 1 General Principles

Article 1 To ensure that the supervisory committee of Shenzhen Expressway Company Limited (the “Company”) will lawfully exercise its authority to supervise the Company’s management behaviors, production, operations and management activities, to bring in the supervising functions of the supervisory committee into full play, and to govern the operating and work procedures of the supervisory Committee, the rules of procedure for the supervisor committee of Shenzhen Expressway Company Limited (the “Rules”) are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), these Articles of Association of Shenzhen Expressway Company Limited (these “Articles”), the Provisional Working Rules of Company’s Supervisory Committee of Shenzhen City (深圳市公司監事會工作暫行規定) and other related laws and regulations.

Article 2 The Company shall establish the 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 prevent the legal rights and interests of the shareholders, the Company and the employees from being infringed.

Chapter 2 The Supervisory Committee and the Supervisors

Section 1 — The Supervisory Committee

Article 3 The supervisory committee is a supervising organ established by the Company in accordance with the laws and shall be accountable and report to shareholders’ general meeting of the Company.

- Article 4
- (1) The supervisory committee shall comprise of three supervisors, of which, two shall be shareholders’ representatives; one shall be the representative of staff.
 - (2) The supervisors representing the shareholders shall be nominated by the following persons and elected and removed by the shareholders’ general meeting:
 - (a) the promoters of the Company;
 - (b) the shareholders who individually or collectively hold more than 3% of the issued share capital of the Company.
 - (3) The supervisor representing the staff shall be elected and changed democratically by the representatives’ meetings of staff of the Company; which results shall be reported to the shareholders’ general meeting.

Article 5 The supervisory committee shall convene meetings at least twice a year and the same shall be convened and chaired by the chairman of the supervisory committee.

Article 6 There shall be a chairman of the supervisory committee. Each term of office of the chairman shall be three years, and the chairman shall be eligible for re-election and re-appointment upon expiry of the term.

Article 7 The supervisory committee shall formulate its work plan in the beginning of each year and report to the shareholders' general meeting at the end of the year.

Section 2 — The Supervisors

Article 8 Each term of office for the supervisors is three years, eligible for re-election and re-appointment upon expiry of the term.

Article 9 With the assistance of the executive arm of the supervisory committee, supervisors shall after appointment sign and deliver in accordance with the relevant requirements of the listing rules of stock exchanges the "Declaration and Undertaking with regard to Supervisors" in presence of a lawyer.

Article 10 The Company shall within the prescribed period notify the stock exchanges, China Securities Regulatory Commission and other relevant departments in writing of appointment 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 shareholders' general meetings or their nominating party prior to the expiration of their term of office without reason.

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

Article 13 The Company shall promptly notify the stock exchanges and China Securities Regulatory Commission of any resignation or change of the supervisors.

Article 14 Director, general manager, other senior management and financial controller of the Company shall not serve the office of supervisor in dual capacity. Civil servants shall not serve as supervisors of the Company.

Chapter 3 Qualifications

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

- (1) Basic Requirements — being tertiary educated or above and having over 10 years working experience, with sufficient time and energy to discharge the duties and responsibilities of a supervisor;
- (2) With Integrity and Industriousness — being an honest and righteous person possessed with good character, integrity and work ethics, who is willing to execute the resolutions of the shareholders' general meeting, is responsible for his own all and is able to protect the interests of the shareholders, the Company and the employees in accordance with the law;
- (3) Principled — being able to discharge his official duties in an honest and impartial manner; and to provide supervisory opinion in an outspoken manner;
- (4) Industry Knowledge — being knowledgeable in infrastructure construction and investment; and master the industry's current situation and future trends;
- (5) Management Know-how — being familiar with the Company Law and other related laws and regulations and master the principles regarding corporate governance;
- (6) Financial knowledge — being able to read financial statements and familiar with financial ratios and necessary indices for assessing the Company's results;
- (7) any other requirements in respect of the qualification of supervisors as stipulated in related regulatory documents.

Article 16 Supervisors nominated by 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: finance, accounting, audit, law, economics and corporate management.

Article 17 The following persons shall not be elected as supervisors by the representatives' meeting of staff of the Company:

- (1) directors and senior management of the Company;
- (2) heads of the Company's finance, accounting and audit departments, which are specifically scrutinized by the supervisory committee.

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 a director or factory manager, manager of a company or enterprise being liquidated as a result of improper operation and management of which he shall be personally liable for such liquidation and not more than three years have elapsed since the date of completion of the liquidation of such company or enterprise;
- (4) being the legal representative of a company or enterprise of which the business license has been cancelled 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 cancellation of the business license of such company or enterprise;
- (5) having relatively large amount of personal indebtedness which has become due but has not yet been settled;
- (6) being under investigation by judicial authorities in respect of contravention of criminal laws, and such investigation has not yet been finalized;
- (7) not being a natural person;
- (8) being convicted 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 conviction;
- (9) 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 with Article 18 shall be void.

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

- (1) being familiar with company 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 shall be determined by more than two-thirds (including two-thirds) of all the supervisors.

Chapter 4 The Nomination and Election of Supervisors

Article 22 Upon expiration of the term of office of the supervisory committee, the supervisors are to be nominated in accordance with the following procedures:

- (1) the Company shall notify each nominating party as stipulated in Article 4 of the nomination 90 days before expiration of the term of office;
- (2) the nominating party shall furnish information about the nominees proposed to the supervisory committee 60 days before the expiration of the term of office;
- (3) the representatives' meetings of staff of the Company shall notify in writing the results of their appointment of the supervisor representative to the supervisory committee 60 days before the expiration of the term of office;
- (4) the supervisory committee shall announce the information about the candidates 45 days before the date of the shareholders' general meeting to be convened and shall submit to the shareholders' general meeting for approval and report the results of election of the representative of staff;
- (5) the information provided to the supervisory committee shall include the written acceptance of nomination signed by the nominees.

Article 23 Except upon expiration of the term of office of the supervisory committee, the supervisors are to be nominated to fill the causal vacancy in accordance with the following procedures:

- (1) the original nominating party shall provide information about the candidates to the supervisory committee;
- (2) the supervisory committee shall announce the information about the candidates and submit to the shareholders' general meeting for approval;

- (3) if the original supervisor representing the staff of the Company is unable to serve the office because of work change or other reasons, the representative meeting of staff shall appoint a replacement and notify such change to the shareholders' general meeting;
- (4) for any matters not covered by the Rules, reference may be made to the requirements as stipulated in Article 22.

Article 24

The appointment of supervisors representing the shareholders shall be determined by majority votes through cumulative voting system in the shareholders' general meeting.

Chapter 5 Power and Duties

Section 1 — Power and Duties of Supervisory Committee

Article 25

The supervisory committee shall be accountable to the shareholders' general meeting and shall exercise the following powers and discharge the following duties:

- (1) to examine the financial situation of the Company — the executive arm of the supervisory committee shall furnish financial statements of the Company as well as the financial information such as financial reports and profit distribution plans to be provided by the board of directors of the Company to the shareholders' general meeting to the supervisors on a regular basis. The supervisory committee may review or check such information furnished by seeking assistance from the Company's audit department or appointing accounting firms;
- (2) to supervise the Company's decisions on material operational activities and their implementation, 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 contracts signed in respect thereof are in accordance with laws, administrative regulations and reasonableness, whether all 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 when they have acted in contravention with laws, administrative regulations or these Articles;
- (4) to request directors and senior management to rectify their acts which are harmful to the interests of the Company;
- (5) upon unanimous approval of the supervisory committee, to propose to the shareholders' general meeting change of directors and to the board of directors removal of senior management who commits illegal acts or material misconduct;

- (6) to propose the convening of the extraordinary general meeting upon approval by the supervisory committee in its 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 the supervisory committee;
- (8) to execute other powers and to discharge other duties as provided in these Articles or approved by the shareholders' general meeting;
- (9) to obtain any necessary information so as to execute the powers and discharge the duties aforesaid.

Article 26 The supervisory committee shall scrutinize and make proposals on the following areas, and request the relevant parties to make improvements:

- (1) whether the board of directors, general manager and other senior management fully and accurately carrying out the resolutions of the shareholders' general meeting;
- (2) whether systems and work flows are established and followed in all material work processes.

Article 27 The supervisory committee may retain lawyers, accounting firms or other professionals to provide professional opinions in executing its powers and discharging its duties, of which reasonable costs arisen shall be borne by the Company.

Section 2 — Powers and Duties of the Chairman

Article 28 The chairman shall execute the following powers and discharge the following duties:

- (1) to convene and chair the meeting of the supervisory committee;
- (2) to monitor and supervise the implementation of the resolutions passed by the supervisory committee;
- (3) to submit work report to the shareholders' general meeting on behalf of the supervisory committee;
- (4) when there is proceedings between the directors, general manager and the Company, to represent the Company in the proceedings;
- (5) to execute other powers and discharge other duties as approved by the shareholders' general meeting or provided in these Articles.

Section 3 — Rights of the Supervisors

Article 29 The supervisors enjoy the following rights:

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

Section 4 — Duties and Responsibilities of the Supervisors

Article 30 In discharging their duties, the supervisors shall abide with the principle of fiduciary and shall not put himself in a position where the interests and obligations of his own and his nominators may conflict. The principle includes but not limited to the fulfillment of the following obligations:

- (1) to treat shareholders of the same class equally and to be fair to shareholders of different classes;
- (2) to act honestly in the best interests of the Company;
- (3) to exercise powers within, and not to exceed the scope of, his authority;
- (4) to exercise the discretionary power vested in him personally and not to be manipulated by others; no discretionary powers shall be transferred to other persons without the permission of laws or administrative regulations or the informed consent of the shareholders' general meeting;

APPENDIX IV RULES OF PROCEDURE FOR THE SUPERVISORY COMMITTEE

- (5) unless otherwise provided in these Articles or with the approval granted with the informed consent of the shareholders' general meeting, no contract, transaction or arrangement shall be entered into with the Company;
- (6) no property of the Company shall be used in any manner for private benefit without the informed consent of the shareholders' general meeting;
- (7) not to use his authority to accept bribes or other unlawful income and not to deprive the Company in any manner of its property, including (but not limited to) opportunities beneficial to the Company;
- (8) not to accept commission in connection with the transactions of the Company without the informed consent of the shareholders' general meeting;
- (9) to observe these Articles, to perform his duties faithfully, to protect the interests of the Company, and not to obtain personal benefits by using his position and authority in the Company;
- (10) not to compete in any way with the Company without the informed consent of the shareholders' general meeting;
- (11) not to embezzle the funds of the Company or to lend the funds of the Company to others; not to deposit the assets of the Company in accounts opened under his own name or the name of other persons; not to use the assets of the Company as security for the liabilities of the shareholders of the Company or other personal liabilities;
- (12) unless otherwise permitted by the informed consent of the shareholders' general meeting, no confidential information of the Company acquired during his term of office shall be disclosed, even the objective is serving the interests of the Company, no such information shall be used; however, such information may be disclosed to a court of law or other governmental supervisory authorities under the following situations:
 - (a) disclosure is provided under the law;
 - (b) disclosure is required in the public interest;
 - (c) disclosure is required in the interests of such supervisor.

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- Article 31 The supervisors shall not instruct the following persons or bodies (“associates”) to do what he is prohibited from doing:
- (1) the spouse or minor children of that supervisor;
 - (2) a trustee of that supervisor or any person referred to in paragraph (1) above;
 - (3) a partner of that supervisor or any person referred to in paragraphs (1) and (2) above;
 - (4) a company in which that supervisor solely or jointly with persons referred to in paragraphs (1), (2) and (3) above or jointly with other directors, supervisors and senior management of the Company have de facto controlling interests;
 - (5) the directors, supervisors, senior management of the controlled company referred to in paragraph (4) above.
- Article 32 The fiduciary duties of the supervisors do not necessarily cease upon the expiry of his term of office. The obligations to keep the commercial secrets of the Company confidential shall survive the expiry of his term of office. The continuance of the other obligations shall be determined on a fair basis depending on the length of the time between its occurrence and his departure from office and the circumstances and conditions under which the relation with the Company was terminated.
- Article 33 The supervisors shall not instruct or interfere in the daily affairs of the Company beyond the scope of power or manner permitted under these Articles and the Rules, and shall not in private raise any requirement for or give any opinion on the works of the functional departments of the Company directly.
- Article 34 Apart from the oral advice given in the formal occasions e.g. meetings, advice of the supervisory committee shall be made to the Company by written resolutions of the supervisory committee.
- Article 35 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 by the supervisory committee.
- Article 36 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 pursued for responsibilities respectively in accordance with the relevant laws and regulations and the seriousness of errors. The shareholders’ general meeting or the nomination 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 6 Supervisory Procedure of the Supervisory Committee

Section 1 — The Meeting of the Supervisory Committee

- Article 37 The meeting of the supervisory committee shall be convened by the chairman or requested by the supervisors to be convened.
- Article 38 The chairman may determine the convening of an extraordinary meeting of the supervisory committee if so requested by the supervisors. If more than one-third supervisors so request, the chairman is obliged to convene the meeting.
- Article 39 Every supervisor shall attend the meeting of the supervisory committee at least once a year. If not, the supervisory committee may request the nomination unit to replace such supervisors.
- Article 40 All resolutions in the meeting of the supervisory committee have to be proposed by the chairman or the supervisors.
- Article 41 The written notice of the meeting of the supervisory committee shall be dispatched to all supervisors by hand, fax, mail, etc. The notice shall clearly state the time, venue, agenda and attendees of the meeting.
- Article 42 The chairman is responsible for entrusting the executive arm of the supervisory committee to prepare the necessary information for the meeting.
- Article 43 Whenever necessary, the supervisory committee may invite the chairman and members of the board of directors, the general manager and other senior management to be present at the meeting.
- Article 44 The quorum of the meeting shall be two-third of all the supervisors.
- Article 45 The supervisors shall attend the meeting of the supervisory committee in person. Supervisors who are unable to attend the meeting for some reason may submit written opinions / resolutions or appoint in writing other supervisors to attend the meeting on his behalf. The instrument of appointment shall specify the scope of authority. The acts of the attending supervisors shall be valid if they act within the scope of authority 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 46 Supervisors attending the meeting shall sign on the specimen signatures. Directors and senior management shall sign on the specimen signatures for attendees as well.
- Article 47 The secretary of the meeting shall record the details of the meeting and organize the resolutions passed in the meeting into a minute which shall be signed by the attending supervisors and secretary.

Section 2 — The Resolution of the Supervisory Committee

- Article 48 The supervisory committee shall pass resolutions upon convening the meeting or signing written resolutions. A resolution shall be valid if passed by more than two-third of all the supervisors. The supervisors shall vote in their names for resolutions.
- Article 49 The supervisors are liable for the resolutions passed at the meeting of the supervisory committee. If a resolution of the supervisory committee contravenes the laws, administrative regulations or these 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 during the voting and the same has been recorded in the minutes of the meeting.
- Article 50 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 inspection on the finance of the Company etc. shall be executed by the supervisors. For resolutions of proposal on supervisory matters, for example, request for rectification when the directors or general managers have acted in prejudice to the interest of the Company, the supervisors shall supervise their implementation.
- Article 51 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 52 The supervisory committee may by resolutions request the board of directors to review and reconsider resolutions which are in breach of the laws, these Articles or which are prejudicial to the interests of the shareholders, the Company and employees. If the board of directors maintains or fails to reconsider the said resolutions, the supervisory committee is obliged to report to the shareholders until the convening of the extraordinary general meeting of the shareholders to resolve the resolutions.
- Article 53 The supervisors and the supervisory committee are not liable to the resolutions passed by the board of directors. If the supervisors or the supervisory committee fails to request the board of directors to review and reconsider the resolutions or report such to the shareholders' general meeting, the supervisors or the supervisory committee shall take responsibility for such breach of duty in accordance with laws.
- Article 54 The written resolutions signed and the resolutions passed in ordinary meeting and extraordinary meeting of the supervisory committee are resolutions of the supervisory committee and shall carry the same effect.

Section 3 — Lawful Supervision

- Article 55 The supervisory committee shall supervise whether the acts of the directors and senior management are damaging the Company's interests or breaching the laws, regulations and these Articles in discharging their duties.
- Article 56 The supervisory committee shall supervise the decision-making organs of the Company whether they have made decisions in accordance with laws and procedure without regard to the correctness of the decisions made. The supervisory committee shall supervise the executing departments, units and employees of the Company if they have carried out the decisions or not. The supervisory committee shall retain record as proof of assessment.
- Article 57 The supervision of the supervisory committee on the Company's financial position shall consist of ordinary supervision, half-year supervision and annual supervision.
- Article 58 For ordinary supervision, with the assistance of the audit and financial departments of the Company, the supervisory committee may make analyses and 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 case any problem is found, the supervisory committee shall convene a meeting for discussion in a timely manner.
- Article 59 Half year supervision and annual supervision mainly include review of the financial budgets passed in the shareholders' general meetings and the review of the financial statements, working reports and profit distribution plans etc. to be submitted to the shareholders' general meetings by the board of directors. Relevant specific works may be carried out through the audit department of the Company.
- Article 60 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 or implementation 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 is able to participate, so as to supervise the procedures and grasp the Company's situation and spot out problems of the Company in a timely fashion.
- Article 61 The supervisory committee shall prepare and submit its report on the directors' evaluation report prepared by the related committees of the board of the directors for shareholders' reference in the general meeting. The supervisory committee shall prepare and submit the senior management's evaluation report for the board of directors' reference.

Chapter 7 Miscellaneous

Article 62 The executive arm of the supervisory committee is responsible for drafting resolutions and minutes of the meeting of the supervisory committee, as well as reports for their other activities.

Article 63 The executive arm of the supervisory committee is responsible for filling the minutes of the meeting together with the specimen signatures of the supervisors attending the meetings and the proxy forms.

Article 64 Copies of the documents of the meetings and work report of the supervisory committee shall also be sent to the board of directors for filing.

Article 65 There shall be secretary to the supervisory committee. The secretary to the supervisory committee shall be responsible for general administrative back-up works and assisting the supervisory committee to communicate with the management of the Company.

Article 66 The supervisory committee shall establish good communication with the Audit Committee for the board of directors and disciplinary organization of the Company, sharing information of mutual interest and handling intersecting jobs jointly with them.

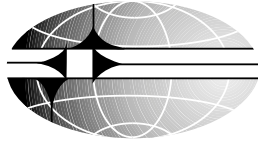
Article 67 Within the scope of powers as provided by law and taking into account of the circumstances of the Company, the supervisory committee shall deliver distinguishing and effective work performance by accurately aiming at the starting points and key points of every work, as well as setting the priority of works according to the relative importance of every work duties in every stage to the Company.

Article 68 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 8 Supplementary Provisions

Article 69 Where there is any matters not covered in the Rules or where there is any inconsistency between the Rules and the relevant laws, administrative rules and securities regulatory requirements of stock exchanges where securities of the Company are listed as promulgated from time to time and these Articles, those laws, administrative regulations, rules and systems shall prevail.

Article 70 The Rules are the schedule to these Articles. They are drafted, amended and interpreted by the supervisory committee. The Rules and their amendments become effective upon approval by the shareholders' general meeting.



深圳高速公路股份有限公司
SHENZHEN EXPRESSWAY COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 548)

NOTICE OF THE FOURTH EXTRAORDINARY GENERAL MEETING 2005

Notice is hereby given that the fourth Extraordinary General Meeting (the “EGM”) 2005 of Shenzhen Expressway Company Limited (the “Company”) will be held at the conference room of the Company at 19/F, Tower A, United Plaza, No. 5022 Binhe Road North, Shenzhen, the PRC on 26 August 2005 (Friday) at 9:30 a.m. for the following purposes:

To consider and approve the following proposal for amendment to the Articles of Association of the Company (“Articles”) by way of special resolution and to authorise the board of directors of the Company to file the amended Articles with the relevant government authorities with details as follows:

1. THAT Article 1 of the Articles is proposed to be amended as follows:

(i) the paragraph 3 of Article 1 to be amended and restated in its entirety as follows:

“The promoters of the Company are Xin Tong Chan Development (Shenzhen) Company Limited (formerly known as Shenzhen Freeway Development Company), Shenzhen Shen Guang Hui Highway Development Company and Guangdong Roads & Bridges Construction Development Company Limited (formerly known as Guangdong Roads and Bridges Construction Development Company).”; and

(ii) a new paragraph 4 to be inserted after the paragraph 3 as follows:

“Pursuant to the “Provisional Regulations in relation to Certain Questions for Establishment of Foreign-invested Joint Stock Limited Company” (《關於設立外商投資股份有限公司若干問題的暫行規定》), upon approval by the Ministry of Commerce of the People's Republic of China on 7 June 2005, the Company changed into a foreign-invested joint stock limited company.”;

2. Article 11 of the Articles is proposed to be amended and restated in its entirety as follows:

“The business objectives of the Company are: to adhere to a business strategy, based on scientific technology and focusing on quality and aiming at cost-effectiveness; to actively explore new expressway operation and development projects; to promote the modernization of expressways in the People's Republic of China; to improve the management of the Company in accordance with the rules of market economy and international standards.”;

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3. Article 18 of the Articles is proposed to be amended as follows:

- (i) a new phrase to be inserted at the end of the existing paragraph 1 before the full stop as follows:

“, out of which 745,780,000 state-owned shares were held by Shenzhen Freeway Development Company (currently known as Xin Tong Chan Development (Shenzhen) Company Limited), 457,780,000 state-owned legal person shares were held by Shenzhen Shen Guang Hui Highway Development Company and 64,640,000 state-owned legal person shares were held by Guangdong Roads & Bridges Construction Development Company (currently known as Guangdong Roads & Bridges Construction Development Company Limited).”;

- (ii) replacing the words “The Stock Exchange of Hong Kong Limited” in the paragraph 2 with the words “the Hong Kong Stock Exchange”; and

- (iii) a new paragraph 3 of Article 18 to be inserted after the paragraph 2 as follows:

“On 2 November 2000, in accordance with “The Approval for Changes in the Holders of Certain Stated-owned Shares of the Five Expressway Joint Stock Limited Companies Including Anhui Wan Tong”(Guo Zi Qi Fa No. 27 [1998]) (《關於變更安徽皖通等五家高速公路股份有限公司部份國家股持股單位的批覆》國資企發[1998]27號) issued by State Assets Administration Bureau, “The Notice in relation to the State-owned Interests in the Five Expressway Joint Stock Limited Companies Including Anhui Wan Tong Owned by the Ministry of Communications Through its Investments by way of Vehicle Purchase Surcharges to be Held by Huajian Transportation and Economic Development Centre” (Jiao Cai Fa No. 129 [1998]) (《關於交通部以車輛購置附加費投資安徽皖通等五家高速公路股份有限公司形成的國家股權由華建交通經濟開發中心持有的通知》交財發[1998]129號) issued by the Ministry of Communications, “The Approval for Matters in Relation to the Holding and Management of the Relevant State-owned Interests in Certain Toll Road Listed Companies by Huajian Transportation and Economic Development Centre” (Cai Guan Zi No. 156 [1999]) (《關於華建交通經濟開發中心持有並管理有關公路上市公司國有股權問題的批覆》財管字[1999]156號) issued by the Ministry of Finance and “The Forward Issue of the Notice of Approval for Matters in Relation to the Holding and Management of the State-owned Interests in Certain Toll Road Listed Companies by Huajian Transportation and Economic Development Centre” (Jiao Cai Fa No. 366 [1999]) (《關於轉發關於華建交通經濟開發中心持有並管理有關公路上市公司國有股權問題的批覆的通知》交財發[1999]366號) issued by the Ministry of Communications, Shenzhen Freeway Development Company (currently known as Xin Tong Chan Development (Shenzhen) Company Limited) and Huajian Transportation and Economic Development Centre entered into an agreement for change of state-owned shares and the related supplemental agreement under which Shenzhen Freeway Development Company (currently known as Xin Tong Chan Development (Shenzhen) Company Limited) transferred 91,000,000 state-owned shares to Huajian Transportation and Economic Development Centre and such shares were converted into state-owned legal

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person shares. Upon completion of the transfer, Shenzhen Freeway Development Company (currently known as Xin Tong Chan Development (Shenzhen) Company Limited) held 654,780,000 state-owned shares, Shenzhen Shen Guang Hui Highway Development Company held 457,780,000 state-owned legal person shares, Guangdong Roads & Bridges Construction Development Company (currently known as Guangdong Roads & Bridges Construction Development Company Limited) held 64,640,000 state-owned legal person shares and Huajian Transportation and Economic Development Centre held 91,000,000 state-owned legal person shares.”;

4. the following paragraph is proposed to be inserted after the paragraph 1 of Article 51 of the Articles:

“The controlling shareholders of the Company and persons in de facto control of the Company have fiduciary duties towards the Company and the public shareholders. The controlling shareholders shall exercise their rights as investors strictly in accordance with the laws. The controlling shareholders cannot damage the lawful rights of the Company and public shareholders by means of connected transaction, profit distribution, assets restructuring, external investment, use of capital and loan guarantee etc. The controlling shareholders shall not use their position to damage the interests of the Company and the public shareholders.”;

5. one new Article is proposed to be inserted before the existing Article 53 of the Articles as follows and the existing Articles 53 to 71 shall be renumbered as Article 54 to 72:

“Article 53

A sound investor relationship management working system shall be established, and the communication and interaction with the shareholders especially the public shareholders shall be initiated and strengthened through various ways. The secretary to the board of directors shall be responsible for investor relationship management works.”;

6. the paragraph 2 of the existing Article 69 of the Articles is proposed to be deleted in their entirety;

7. two new Articles are proposed to be inserted before the existing Article 72 of the Articles as follows and the existing Articles 72 to 106 shall be renumbered as Articles 75 to 109:

“Article 73

The board of directors, independent non-executive directors and shareholders qualified under the relevant regulations may collect voting rights at the shareholders’ general meetings from the shareholders of the Company. The voting rights shall be collected without compensation and full disclosure of information shall be made to the collectees.

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Article 74

The Company shall, with its priority to ensure that the shareholders' general meeting is legal and effective, enlarge the proportion of public shareholders participating in the shareholders' general meeting through all practicable manners and means including providing modern information technological means such as voting platform through internet.”;

8. the words “Articles 85 to 89” of the existing Article 83 of the Articles are proposed to be replaced with the words “Articles 88 to 92”;
9. the words “Article 84” of the first paragraph of the existing Article 85 of the Articles are proposed to be replaced with the words “Article 87”;
10. the words “Article 85” of the existing Article 86 of the Articles are proposed to be replaced with the words “Article 88”;
11. the last sentence of the existing Article 93 is proposed to be deleted in its entirety;
12. seven new Articles are proposed to be inserted before the existing Article 107 of the Articles as follows and the existing Articles 107 to 169 shall be renumbered as Articles 117 to 179:

“Article 110

One-third of the members of the board of directors of the Company shall be independent non-executive directors and at least one of them shall be a professional accountant. The independent non-executive directors shall act in good faith in the performance of their duties to protect the interests of the Company and in particular to prevent the lawful interests of the public shareholders from being infringed.

The independent non-executive directors shall perform their duties independently and shall not be influenced by the substantial shareholder or de facto controller of the Company or by the entities or individuals that have interest in the Company, the substantial shareholders or de facto controller of the Company.

Article 111

The board of directors or the supervisory committee of the Company or shareholders individually or collectively holding more than 1% of the issued share capital of the Company may nominate candidates for the position of independent non-executive directors that are to be elected at shareholders' general meeting.

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Article 112

Material connected transactions of the Company (as defined by the relevant regulations of the China Securities Regulatory Commission) or appointment or removal of an accounting firm shall only be proposed for consideration by the board of directors if approved by more than half of the independent non-executive directors. With the consent by more than half of the independent non-executive directors, independent non-executive directors may request the board of directors to summon extraordinary general meeting or board of directors' meeting and may publicly collect votes from shareholders before convening of the shareholders' general meeting. Independent non-executive directors may independently engage an external auditing firm or consultancy firm for audit or consultation of a particular matter of the Company and the relevant expenses shall be borne by the Company.

Article 113

Independent non-executive directors shall attend board of directors' meeting as scheduled, understand the production and operation activities of the Company and take initiatives to investigate in and obtain information and materials necessary for making decisions. Independent non-executive directors shall submit an annual report in the name of all the independent non-executive directors at the annual general meeting of the Company, describing in detail the performance of their duties.

Article 114

The Company shall establish a working system for independent non-executive directors. The secretary to the board of directors shall actively assist the independent non-executive directors to perform their duties. The Company shall ensure the independent non-executive directors enjoy the access to information as other directors do, provide relevant information and materials to independent non-executive directors on a timely basis, report the operations of the Company to independent non-executive directors on a regular basis, and if necessary, organize site-visits for independent non-executive directors.

Article 115

The term of service for independent non-executive directors shall be the same as other directors of the Company and shall be re-elected upon expiry of the term, provided the term of consecutive service shall not be more than 6 years. Independent non-executive directors shall not be removed without proper cause before the expiry of the term of service. In case of removal before the expiry of the term of service, the Company shall disclose the same as a specific disclosure event.

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Article 116

Independent non-executive directors may resign before expiry of the term of service. Upon resignation, the independent non-executive director shall submit resignation report in writing to the board of directors, describing any matters relevant to his resignation that shall be brought to the attention of shareholders and creditors of the Company.

If resignation of independent non-executive directors renders the number of independent non-executive directors or members of the board of directors less than the minimum requirements under the laws or the Articles of Association, prior to the commencement of service by the replacement, independent non-executive directors shall perform their duties in accordance with laws, administrative regulations and the Articles of Association. The board of directors shall summon a shareholders' general meeting within 2 months for the replacement of independent non-executive directors. Shall a shareholders' general meeting not summoned within the stipulated period, independent non-executive directors may cease to perform their duties.”;

13. the paragraph 2 of the existing Article 110 of the Articles is proposed to be amended and replaced by in its entirety as follows:

“Except the position of general managers there shall be a few other senior management. Directors may be appointed as general managers, or other senior managerial officers provided that the number of directors appointed as general managers or other senior managerial officers shall not exceed half of the total number of directors.”;

14. the paragraph 5 of the existing Article 130 of the Articles is proposed to be deleted in its entirety;
15. the following paragraph is proposed to be inserted after paragraph 3 of the existing Article 132 of the Articles:

“In the event that a director, supervisor, general manager or other senior managerial officer of the Company notifies the board of directors and makes a representation that on the basis of contents of the notice, he will be interested in the contract, transaction or arrangement to be entered into by the Company before the Company firstly considers the relevant contract, transaction or arrangement, the relevant director, supervisor, general manager or other senior managerial officer shall be deemed to have made a disclosure as required in the previous paragraphs.”;

16. the paragraph 3 of the existing Article 142 of the Articles is proposed to be deleted in its entirety;

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17. the paragraph 2 of the existing Article 144 of the Articles is proposed to be amended and replaced by in its entirety as follows:

“In respect of overseas-listed foreign shareholders, the Company shall at least deliver or send to each shareholder by prepaid mail the aforesaid financial statements not later than twenty-one (21) days before the date of every annual general meeting of shareholders. The address of the addressee shall be those as recorded in the register of shareholders. In respect of domestic shareholders, the Company shall place the aforesaid documents in their designated website(s) for inspection by domestic shareholders within the period required by the regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange.”;

18. the following paragraph is proposed to be inserted in the beginning of the existing Article 157 of the Articles:

“In the event there is a distributable profit available to shareholders, the Company shall implement a proactive profit distribution plan with an emphasis on shareholders’ investment return while taking into account the principle of reasonable funding requirements for the Company’s operations.”;

19. the existing Article 169 of the Articles is proposed to be amended as follows:

- (i) Replacing the words “registered address” first appeared in subsection (2) of the existing Article 169 with the words “legal address”;
- (ii) Inserting the words “of overseas listed foreign shares” immediately after the words “each shareholder” in second last sentence of subsection (3) of the existing Article 169”; and
- (iii) Replacing the words “this Chapter” in subsection (5) of the existing Article 169 with the words “these Articles of Association”;

20. the existing Articles 170 and 171 of the Articles are proposed to be deleted in their entirety and the existing Chapters 18 to 25 and Articles 172 to 197 shall be renumbered as Chapters 17 to 24 and Articles 180 to 205 respectively;

21. the subsection (4) of the existing Article 190 of the Articles is proposed to be deleted in its entirety;

22. the existing Article 191 of the Articles is proposed to be amended and restated in its entirety as follows:

“The amendments to these Articles of Association which should be approved by the supervising authority of the Company shall be submitted to the original approval supervising authority for approval. The amendments which involve the contents of the Mandatory Provisions for the Articles of Association of Companies Seeking a Listing

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Outside the People's Republic of China shall be effective upon the approval by the examining and approving authorities of companies authorised by the State Council and the Securities Commission of the State Council; if the amendments involve company registration matters, alternation of the registration shall be made in accordance with law.”;

23. two new Articles are proposed to be inserted before the existing Article 198 of the Articles as follows and the existing Article 198 shall be renumbered as Article 208:

“Article 206

The board of directors of the Company shall formulate the “Rules of Procedures for the Shareholders’ General Meeting” and the “Rules of Procedures for the Board of Directors” in accordance with laws, administrative rules and the Articles of Association, the Supervisory Committee of the Company shall formulate the “Rules of Procedures for the Supervisory Committee” in accordance with laws, administrative rules and Articles of Association. The “Rules of Procedures for the Shareholders’ General Meeting”, the “Rules of Procedures for the Board of Directors” and the “Rules of Procedures for the Supervisory Committee” shall be attached to the Articles of Association as schedules and effective upon approval by the shareholders’ general meeting.

Article 207

The board of directors of the Company shall be responsible for amendment and interpretation of the “Rules of Procedures for the Shareholders’ General Meeting” and the “Rules of Procedures for the Board of Directors”. The Supervisory Committee shall be responsible for amendment and interpretation of the “Rules of Procedures for the Supervisory Committee”. Amendments of the aforesaid rules shall be conducted in accordance with the requirements of Article 198 of these Articles of Association and become effective upon approval by the shareholders’ general meeting.”;

24. the words “managers” of the existing Articles 8, 49 and 164 of the Articles are proposed to be replaced with words “general manager”;
25. the words “independent directors” of the existing Articles 56, 76, 91(1), 92, 97 and 130 of the Articles are proposed to be replaced with words “independent non-executive directors”; and
26. the words “Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited” of the existing Articles 81 and 105 of the Articles are proposed to be replaced with words “Listing Rules of the Hong Kong Stock Exchange”.

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In addition, the board of directors and the supervisors of the Company propose to submit the following rules of procedure as schedules to the Articles to the shareholders of the Company for approval at the EGM:

- (a) Rules of Procedure for the Shareholders' Meeting of Shenzhen Expressway Company Limited;
- (b) Rules of Procedure for the Board of Directors of Shenzhen Expressway Company Limited; and
- (c) Rules of Procedure for the Supervisory Committee of Shenzhen Expressway Company Limited,

and to repeal (1) the Regulation of the Shareholders' General Meeting of Shenzhen Expressway Company Limited; (2) the Regulation of the Board of Directors of Shenzhen Expressway Company Limited and (3) the Regulation of the Supervisory Committee of Shenzhen Expressway Company Limited.

By Order of the Board
Yang Hai
Chairman

Shenzhen, the PRC, 11 July 2005

Notes:

1. Eligibility for attending the EGM

Shareholders of the Company whose names appear on the registers of shareholders of the Company at the close of business on 26 July 2005 shall have the right to attend the EGM after complying the necessary registration procedures.

2. Registration procedures for attending the EGM

- i. Shareholders intending to attend the EGM should deliver to the Company, on or before 5 August 2005, either in person, by post or by fax, the reply slip (together with any required registration documents) for attending the EGM.
- ii. Register of H Share holders of the Company will be closed from 27 July 2005 to 26 August 2005 (both days inclusive), during which period no transfer of H Shares will be registered. Holders of H Shares of the Company who intend to attend the EGM must deliver their instruments of transfer together with the relevant share certificates to Hong Kong Registrars Limited ("HKRL"), the registrar of H Shares of the Company, at or before 4:00 p.m. on 26 July 2005.

3. Proxy

- i. Shareholders entitled to attend and vote at the EGM are entitled to appoint, in written form, one or more proxies (whether a shareholder or not) to attend and vote on his behalf.

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- ii. A proxy should be appointed by written instrument signed by the appointor or his attorney. If the written instrument is signed by the attorney of the appointor, the written authorization or other authorization documents of such attorney should be notarized. In order to be valid, for shareholders of domestic shares, the written authorization or authorization documents which have been notarized together with the completed proxy form must be delivered to the Company 24 hours before the time of the holding of the EGM. In order to be valid, for shareholders of H Shares, the above documents must be delivered to HKRL within the same period.
- iii. If a shareholder appoints one or more proxies, the proxies shall not have the right to vote individually on a show of hands.
- iv. Shareholder or his proxy should produce identity proof when attending the EGM.

4. Poll

Article 70 of the Articles of the Company is extracted as follows:

“Unless a poll is demanded by the following person before or after any vote by show of hands, a general meeting shall be voted by show of hands:

- (1) The chairman of the meeting;
- (2) At least two shareholders entitled to vote present in person or by proxy;
- (3) One or more shareholders present in person or by proxy alone or in aggregate representing in aggregate 10% or more of all shares carrying the right to vote at the meeting.”

5. Other business

- i. The duration of the EGM is expected not to exceed one day. Shareholders who attend the EGM shall arrange for food and accommodation at their own cost.
- ii. Address of Hong Kong Registrars Limited (for share transfer):

Shops 1712-16
17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

- iii. Registered Address of the Company:

19/F, Tower A, United Plaza
No. 5022 Binhe Road North
Shenzhen, 518033, PRC
Telephone: (86) 755-8294 5880
Facsimile: (86) 755-8291 0496 / 8291 0696