
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 form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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: 00548)

**GENERAL MANDATE TO ISSUE DEBENTURES
DENOMINATED IN RENMINBI IN THE PRC AND
PROPOSED ADOPTION OF THE REVISED ARTICLES OF ASSOCIATION
AND RULES OF PROCEDURES
AND
NOTICE OF THE 2011 ANNUAL GENERAL MEETING**

A notice convening the 2011 annual general meeting (“AGM”) of Shenzhen Expressway Company Limited (“Company”) to be held at the conference room of the Company at Podium Levels 2-4, Jiangsu Building, Yitian Road, Futian District, Shenzhen, the People’s Republic of China on 28 May 2012 (Monday) at 10:00 a.m. is set out on pages 144 to 147 of this circular. A proxy form is enclosed. 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 Floor 17M, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for H Shareholders) or to the Company at Podium Levels 2-4, Jiangsu Building, Yitian Road, Futian District, Shenzhen, the People’s Republic of China (for Domestic Shareholders) 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 AGM or any adjourned meeting(s) should you so wish.

12 April 2012

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DEFINITIONS

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

“AGM”	the 2011 Annual General Meeting of the Company to be convened at the conference room of the Company at Podium Levels 2-4, Jiangsu Building, Yitian Road, Futian District, Shenzhen, the PRC on Monday, 28 May 2012 at 10:00 a.m.;
“Articles of Association”	the articles of association of the Company;
“Board”	the board of directors of the Company;
“Company”	Shenzhen Expressway Company Limited, a joint stock limited company incorporated in the PRC with limited liability;
“Debentures”	the debentures denominated in Renminbi;
“Director(s)”	the director(s) of the Company;
“Domestic Share(s)”	domestic share(s) of nominal value of RMB1.00 each in the capital of the Company;
“Domestic Shareholder(s)”	registered holder(s) of Domestic Shares;
“General Mandate”	a general mandate to authorise the Board to issue the Debentures in the PRC (including Hong Kong);
“H Share(s)”	overseas listed foreign share(s) of nominal value of RMB1.00 each in the capital of the Company;
“H Shareholder(s)”	registered holder(s) of H Shares;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China excluding, for the purpose of this circular, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“Rules of Procedures”	Rules of Procedures for the Shareholders’ Meeting, Rules of Procedures for the Board of Directors and Rules of Procedures for the Supervisory Committee;

DEFINITIONS

“Rules of Procedures for the Board of Directors”	Rules of Procedures for the Board of Directors of the Company;
“Rules of Procedures for the Shareholders’ Meeting”	Rules of Procedures for the Shareholders’ Meetings of the Company;
“Rules of Procedures for the Supervisory Committee”	Rules of Procedures for the Supervisory Committee of the Company;
“Share(s)”	Domestic Share(s) and H Share(s);
“Shareholder(s)”	Domestic Shareholder(s) and H Shareholder(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supervisor(s)”	supervisor(s) of the Company;
“Supervisory Committee”	the supervisory committee of the Company;
“RMB”	Renminbi, the lawful currency of the PRC; and
“%”	per cent.

LETTER FROM THE BOARD



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: 00548)

Executive Directors:

Mr. Yang Hai (*Chairman*)
Mr. Wu Ya De

Non-executive Directors:

Mr. Li Jing Qi
Mr. Zhao Jun Rong
Mr. Hu Wei
Mr. Tse Yat Hong
Ms. Zhang Yang
Mr. Chiu Chi Cheong, Clifton

Independent Non-executive Directors:

Mr. Wang Hai Tao
Mr. Zhang Li Min
Mr. Au Sing Kun
Mr. Lin Chu Chang

Legal Address:

Podium Levels 2-4,
Jiangsu Building,
Yitian Road,
Futian District,
Shenzhen,
PRC

Principal Place of Business in Hong Kong:

Suites 2001-2005, 20th Floor,
Jardine House,
1 Connaught Place,
Central, Hong Kong

12 April 2012

To the Shareholders of the Company

Dear Sirs or Madams,

**GENERAL MANDATE TO ISSUE DEBENTURES
DENOMINATED IN RENMINBI IN THE PRC AND
PROPOSED ADOPTION OF THE REVISED ARTICLES OF ASSOCIATION
AND RULES OF PROCEDURES
AND
NOTICE OF THE 2011 ANNUAL GENERAL MEETING**

INTRODUCTION

On 28 March 2012, the Board considered and approved a resolution in relation to the General Mandate and a resolution in relation to the amendments to the Articles of Association, the Rules of Procedures for the Shareholders' Meeting, the Rules of Procedures for the Board of Directors, and the Supervisory Committee considered and approved a resolution in relation to the amendments to the Rules of Procedures for the Supervisory Committee. According to the provisions of the Articles of Association, the proposed General Mandate and the proposed amendments to the Articles of Association and the Rules of Procedures shall be approved in the general meeting by way of special resolutions. On 12 April 2012, the Board issued a notice to convene the AGM on Monday, 28 May 2012 to consider the aforesaid matters and other resolutions.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with the relevant details in relation to (1) the proposed General Mandate and (2) the proposed amendments to the Articles of Association and the Rules of Procedures.

GENERAL MANDATE TO ISSUE DEBENTURES IN THE PRC

Details of the General Mandate to issue Debentures in the PRC (including Hong Kong) are as follows:

It is proposed to the Shareholders at the AGM to grant to the Board a General Mandate to issue Debentures, in one or more tranches, including but not limited to medium-term notes, short-term commercial papers, extra-short-term commercial papers, asset-backed commercial papers, corporate bonds, private bonds, overseas RMB bonds, etc. from the date on which the resolution is passed at the AGM to the date on which the 2012 annual general meeting is held.

- (1) Issue size: The maximum outstanding repayment amount of the Debentures to be issued under the General Mandate shall not exceed RMB3 billion in aggregate and the issue size for each category of the Debentures shall not exceed the limit of that category of the Debentures that may be issued under the relevant national laws and regulations.
- (2) Place of issue: In the PRC (including Hong Kong).
- (3) Issue target: The Debentures will not be issued to the existing Shareholders by way of placing on a preferential basis.
- (4) Term: Each term of maturity for short-term commercial papers and extra-short-term commercial papers shall not exceed 1 year, and each term of maturity for medium-term notes, asset-backed commercial paper, corporate bonds, private bonds and overseas RMB bonds shall exceed 1 year, which may be issued under single category with one maturity term or mixed categories with different maturity terms. Specific terms will be determined by the Board with reference to the market conditions and the Company's needs for funding.
- (5) Interest rate: It is expected that the interest rate will not exceed the rate for the loans for the same maturity in the market at the time of issue. Actual interest rate will be determined by the Board with reference to the market conditions at the time of issue.

LETTER FROM THE BOARD

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| (6) Use of proceeds: | Replenishment of the Company's and/or its subsidiaries' working capital, satisfaction of the Company's capital expenditure or repayment of the Company's existing debt, etc. |
| (7) Validity of the resolution: | From the date on which the resolution is passed to the date on which the 2012 annual general meeting is held. |

The Board or any two directors of the Company duly authorised by the Board are generally and unconditionally authorised to determine, approve and handle the following matters according to the Company's needs and market conditions:

- (1) to determine the specific terms, conditions and related matters of the Debentures to be issued under the General Mandate, including but not limited to determination of the category to be issued, total principal amount, interest rate or its methods of determination, terms, credit rating, guarantee, any repurchase or redemption terms, any placement arrangement, option to adjust nominal interest rate and use of proceeds, etc.;
- (2) to make all necessary and incidental arrangements for the issue of Debentures under the General Mandate (including but not limited to obtaining approvals, engaging intermediaries, determination of underwriting arrangements, preparation and dissemination of relevant application documents to regulatory authorities and obtaining approvals from such regulatory authorities);
- (3) to make all necessary arrangements for the implementation of the issue of Debentures under the General Mandate (including but not limited to execution of all requisite documents and disclosures of relevant information in accordance with applicable laws);
- (4) in case of any changes in regulatory policies or market conditions, to adjust the specific issue proposals relating to the issue or other related matters according to the opinion of regulatory authorities;
- (5) upon completion of the issue, to determine and approve matters relating to the listing of relevant Debentures.

The General Mandate may or may not be approved by the Shareholders at the AGM. Even if the Board is granted with the General Mandate, the issue of relevant Debentures is subject to the approval of relevant regulatory authorities. Since the proposed issue of the Debentures may or may not be proceeded with, and such Debentures will not be issued to Shareholders by way of placing, Shareholders and investors are advised to be cautious in dealing with the securities of the Company.

LETTER FROM THE BOARD

REASONS FOR THE GENERAL MANDATE

Based on the Company's financial position and current financial strategy, our financial works are mainly focused on reducing finance expenses and increasing sources of funding, subject to safeguarding financial security. The Board considers that the issue of Debentures will be beneficial to the broadening of the financing channels of the Company, reduction of finance costs of the Company and improvement of the debt structure of the Company and therefore recommends the implementation of the relevant works with reference to the market opportunities as well as timely issue of the Debentures subject to relevant approval. According to the provisions of the Articles of Association, the issue of the Debentures by the Company shall be approved at the general meeting by way of a special resolution. To take full advantage of the market opportunities and strive for a better issue terms, the Board proposes to the Shareholders to approve the special resolution in relation to the General Mandate at the AGM.

PROPOSED ADOPTION OF THE REVISED ARTICLES OF ASSOCIATION AND THE RULES OF PROCEDURES

The existing Articles of Association has been adopted since 1996 (and was amended from time to time afterwards). In order to improve the corporate governance of the Company persistently, according to the recent amendments to the Listing Rules by the Stock Exchange, and combining with the actual circumstances of the Company, the Company had conducted a comprehensive rationalisation and made a complete recommendation to the Articles of Association and the Rules of Procedures. The proposed amendments to the Articles of Association and Rules of Procedures mainly include (but not limited to) the supplements and amendments made according to the recent amendments to the Listing Rules by the Stock Exchange and the authorisation arrangements by the Board to the executive Directors. In addition, the text and the order have been amended and unified based on the concern of clarity and legibility. Given the wide range of content of the amendments, the Company would like to take the opportunity to propose the adoption of a set of new Articles of Association and Rules of Procedures to replace the existing Articles of Association and Rules of Procedures, so as to avoid article by article amendments of the Articles of Association and Rules of Procedures. The Board recommends that the resolutions in relation to the amendments to the Articles of Association and the Rules of Procedures be considered at the AGM by way of special resolutions to replace the existing Articles of Association and Rules of Procedures.

Full text of the revised Articles of Association and Rules of Procedures proposed to be adopted are set out in appendices I, II, III and IV to this circular, respectively.

The Articles of Association and the Rules of Procedures are prepared in Chinese without an official English translation. The English translation set out in the appendices of this circular is for reference purpose only. In the event of any inconsistency between the two versions, the Chinese version shall prevail.

LETTER FROM THE BOARD

AGM

The Company will convene the AGM at the conference room of the Company at Podium Levels 2-4, Jiangsu Building, Yitian Road, Futian District, Shenzhen, the PRC on Monday, 28 May 2012 at 10:00 a.m. The notice of the AGM is set out on pages 144 to 147 of this circular. Pursuant to Rule 13.39(4) of the Listing Rules, voting at the AGM on the resolutions set out in the notice of the AGM will be taken by poll. A proxy form for use at the AGM is enclosed in 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, Floor 17M, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders) or to the Company at Podium Levels 2-4, Jiangsu Building, Yitian Road, Futian District, Shenzhen, the People's Republic of China (for Domestic Shareholders) 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 AGM or any adjourned meeting(s) should you so wish.

RECOMMENDATIONS

The Board considers that (1) the proposed General Mandate and (2) the proposed adoption of the revised Articles of Association and Rules of Procedures are in the interests of the Company and the Shareholders as a whole, and therefore recommends all the Shareholders to vote in favour of the relevant resolutions at the AGM.

By Order of the Board

Yang Hai

Chairman

This circular is originally prepared in Chinese. In the event of any inconsistency, the Chinese text of this circular shall prevail over the English text.

The Articles of Association is prepared in Chinese without an official English translation. The English translation set out in this Appendix I is prepared for reference only. In the event of any inconsistency between the two versions, the Chinese version shall prevail.

The revised Articles of Association is set out as follows:

Chapter 1 General Provisions

Article 1 In order to protect the legal rights of the Company, the shareholders and the creditors, to regulate the organisations and conducts of Shenzhen Expressway Company Limited (the “Company”), these Articles of Association is formulated in accordance with the Company Law of the Peoples’ Republic of China (the “ Company Law”), the Securities Law of the Peoples’ Republic of China (the “Security Law”), the Special Regulations of the State Council on the Offer of Shares and Listing of Joint Stock Limited Companies Outside the PRC (the “Special Regulations”) and other relevant regulations.

Article 2 The Company is a joint stock limited company established in accordance with the Company Law, the Special Regulations and other relevant laws, regulations of the State.

The Company, as approved 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 for Industry and Commerce of Shenzhen Municipality on 30 December 1996 and obtained the business licence of the Company, the business licence number: Shen Si Zi N23624.

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

Article 3 The registered Chinese name of the Company is: 深圳高速公路股份有限公司
English name: SHENZHEN EXPRESSWAY COMPANY LIMITED
Address: Podium Levels 2-4, Jiangsu Building, Yitian Road,
 Futian District, Shenzhen, the People’s
 Republic of China
Postal code: 518026
Telephone No.: (86-755) 82853300
Facsimile: (86-755) 82853400

Article 4 All of the Company's assets are divided by equal shares. Shareholders are liable to the liabilities of the Company to the extent of the shares subscribed by them, whereas the Company is liable to the liabilities of the Company out of all the assets of the Company.

Unless otherwise provided in these Articles of Association, the shareholders of the Company, including the shareholders of domestic shares and foreign shares as mentioned in Article 18, shall enjoy equal rights and undertake equal obligations.

Article 5 The chairman of the board of directors shall be the legal representative of the Company.

Article 6 The Company is a perpetually existing joint stock limited company.

Article 7 Unless otherwise provided in the Company Law or other relevant laws and regulations, the provisions in these Articles of Association in accordance with the requirements of the Mandatory Provisions for the Articles of Association of Companies Seeking a Listing Outside the People's Republic of China shall not be amended or repealed.

Article 8 These Articles of Association were passed by special resolution at the shareholders' general meeting of the Company and shall become effective upon approval of the examining and approving authorities of companies authorised by the State Council and registration with the Administration for Industry and Commerce and these Articles of Association shall entirely replace these Articles of Association of the Company originally registered with the Administration for Industry and Commerce. From the effective date of these Articles of Association, these Articles of Association shall be a legally binding document which regulates the organisations and conducts of the Company, the rights and obligations between the Company and the shareholders and among the shareholders.

Article 9 These Articles of Association shall be binding on the Company, its shareholders, directors, supervisors, presidents and other senior management. All persons mentioned above may claim rights relating to the affairs of the Company in accordance with these Articles of Association.

In accordance with these Articles of Association, shareholders may institute legal proceedings against the Company; the Company may institute legal proceedings against shareholders; shareholders may institute legal proceedings against other shareholders; shareholders may also institute legal proceedings against directors, supervisors, managers and other senior management of the Company.

The legal proceedings referred to in the preceding paragraph shall include legal proceedings instituted in courts or the application to arbitration institutions for arbitration.

Article 10 Other senior management referred to in these Articles of Association shall include the vice presidents, financial controller, chief engineer, secretary to the board of directors and any person designated or confirmed by the board of directors as the board of directors shall deem necessary from time to time.

Article 11 The Company may invest in other companies with limited liability and joint stock limited liability companies and its liabilities therefor shall be limited to the amount of the capital contribution invested in that company. The Company shall not be the shareholder with unlimited liability of other profit-making organisations.

Chapter 2 Business Objects and Business Scope

Article 12 The business objectives of the Company are: insisting on market-orientation, utilising the capital market and various resources efficiently, depending on the expressway industry, broadening the business of relevant sectors, ensuring the continued and stable development of the Company, allowing the employees to share the achievement of the development of the Company, realising the reasonable return of the shareholders' investment.

Article 13 The business scope of the Company shall be the items as approved by the company registration authorities. The business scope of the Company includes investment, construction and management of expressways and roads, operation of import and export business (in accordance with qualification certificate).

Article 14 Pursuant to the trends in domestic and international markets, its business development requirements both in China and overseas and the development capability of the Company, the Company may make amendments in respect of the policies of investment, its scope of business and form of operation, after approval has been granted by the resolutions in shareholders' meeting and by the relevant government authorities.

Chapter 3 Shares and Registered Capital

Article 15 The Company shall provide for ordinary shares at all times; pursuant to its requirements and upon the approval granted by the examining and approving authorities of companies authorised by the State Council, the Company may create other classes of shares.

Article 16 The shares issued by the Company shall have a par value of RMB1 yuan per share.

Article 17 The Company may issue shares to domestic investors and overseas investors upon the approval granted by the securities supervisory authorities under the State Council.

Overseas investors referred to in the preceding paragraph shall mean investors in foreign countries and Hong Kong, Macau and Taiwan who subscribe for shares issued by the Company; domestic investors shall mean investors within the People's Republic of China other than the aforesaid regions who subscribe for shares issued by the Company.

Article 18 The shares issued by the Company to domestic investors and subscribed for in Renminbi shall be called domestic shares. The shares issued by the Company to overseas investors and subscribed for in foreign currencies shall be called foreign shares. Those foreign shares which are listed outside the PRC shall be called overseas listed foreign shares. H Shares refer to those foreign shares listed on The Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange") and subscribed for and traded in Hong Kong dollars.

Article 19 Upon the approval of the examining and approving authorities of companies authorised by the State Council, the total number of the ordinary shares issued on the incorporation of the Company is 1,268,200,000 shares, which are subscribed by the three promoters in the form of asset injection (including relevant liabilities). 745,780,000 shares were held by Shenzhen Freeway Development Company (currently known as Xin Tong Chan Development (Shenzhen) Company Limited), 457,780,000 shares were held by Shenzhen Shen Guang Hui Highway Development Company and 64,640,000 shares were held by Guangdong Roads & Bridges Construction Development Company (currently known as Guangdong Roads & Bridges Construction Development Company Limited), the abovementioned shares are domestic shares.

On 2 November 2000, in accordance with the approvals of the relevant Ministry of the State, one of the promoters of the Company, Shenzhen Freeway Development Company (currently known as Xin Tong Chan Development (Shenzhen) Company Limited) and Huajian Transportation and Economic Development Centre (currently known as China Merchants Hua Jian Highway Investment Co., Ltd.) entered into an agreement for transferring 91,000,000 shares to Huajian Transportation and Economic Development Centre (currently known as China Merchants Hua Jian Highway Investment Co., Ltd.).

The Company issued 912,570,326 ordinary shares after the establishment of the Company, where there are 747,500,000 foreign shares listed on the Hong Kong Stock Exchange and 165,070,326 domestic shares listed on the Shanghai Stock Exchange ("SSE").

The structure of the capital shares of the Company is 2,180,770,326 ordinary shares, where the promoter Shenzhen Freeway Development Company (currently known as Xin Tong Chan Development (Shenzhen) Company Limited) holds 654,780,000 shares, Shenzhen Shen Guang Hui Highway Development Company holds 411,459,887 shares and Guangdong Roads & Bridges Construction Development Company (currently known as Guangdong Roads & Bridges Construction Development

Company Limited) holds 61,948,790 shares, Huajian Transportation and Economic Development Centre (currently known as Zhaoshang Bureau of Huajian Roads Investment Company Limited) which is the transferee of the promoter's shares holds 87,211,323 shares, other holders of domestic shares hold 217,870,326 shares, and the holders of H shares hold 747,500,000 shares.

Article 20 Upon the approval of the Company's plan to issue overseas listed foreign shares and domestic shares by the securities supervisory authorities of the State Council, the board of directors of the Company may arrange for the issue of such shares.

The Company's plan to issue overseas listed foreign shares and domestic shares pursuant to the preceding article shall be carried out respectively within 15 months from the date of approval by the securities supervisory and administrative authorities of the State Council.

Article 21 The issue of overseas listed foreign shares and domestic shares within the total number of shares determined under the plan of issue shall respectively be issued and subscribed for in one issue; if this cannot be achieved due to exceptional circumstances, the same may upon the approval of the securities supervisory and administrative authorities of the State Council be issued in separate issues.

Article 22 The registered capital of the Company is RMB2,180,770,326.

Article 23 The Company may increase its capital in accordance with relevant provisions of these Articles of Association in view of the operational and development requirements of the Company.

The Company may increase its capital in the following manners:

1. offer of new shares to unspecified investors;
2. placement of new shares to the existing shareholders;
3. bonus issues of new shares to the existing shareholders;
4. other methods as permitted by laws and regulations.

Upon the approval thereof under the provisions of these Articles of Association, the increase of capital of the Company by way of issuing new shares shall be carried out pursuant to the procedures provided by relevant laws and regulations of the State.

Article 24 Unless otherwise provided by laws and regulations, the shares of the Company shall be freely transferable and free from any lien. No transfer shall be made to an infant or a person of unsound mind or under other legal disability disqualifying such person to be a shareholder of the Company.

The promoters shall not transfer the shares they held within one year since the establishment of the Company. The shares issued prior to the public offer of the Company shall not be transferred within one year since the date when the shares of the Company were listed and traded on the stock exchange.

The Company shall not accept the pledge of its own shares as security.

Directors, supervisors and other senior management of the Company shall report to the Company their shareholdings in the Company and their changes and shall not transfer more than 25% of the total number of shares held by them each year during their terms of service. The shares held by them shall not be transferred within one year from the date when the shares of the Company were listed and traded. The aforesaid personnel shall not transfer their shares in the Company within the half year from the date of departure from their office. Any gains from sale of shares by the directors, supervisors and other senior management of the Company within six months after purchase of the same, and any gains from the purchase of the shares within six months after sale of the same shall be forfeited to the Company and the board of directors of the Company shall recoup the gains.

Chapter 4 Capital Reduction and Repurchase of Shares

Article 25 The Company may reduce its registered capital in accordance with the stipulations of these Articles of Association.

Article 26 Upon the reduction of registered capital, the Company shall prepare a balance sheet and list of assets.

The Company shall notify its creditors within 10 days from the date the resolution for the reduction of capital has been passed and shall publish a notice at least three times in a newspaper within 30 days thereof. The creditors who have received such notice shall, within 30 days thereof, and those creditors who have not received such notice shall within 90 days from the date the notice is first published, be entitled to request the Company to settle the liabilities or to provide corresponding guarantees on the liabilities thereof.

The registered capital of the Company after the reduction of capital shall not fall below the minimum amount required by law.

Upon reduction of registered capital, the Company shall apply to the company registration authorities to register such changes in accordance with the law.

Article 27 The Company may repurchase its issued shares in accordance with the procedures provided by these Articles of Association after the same having been approved by the relevant supervisory authorities of the PRC in the following circumstances:

1. cancellation of shares for the purpose of reduction of capital of the Company;
2. merger with other companies which hold shares of the Company;
3. other circumstances permitted by laws and regulations.

Article 28 The Company may repurchase its shares upon the approval granted by the relevant supervisory authorities of the PRC in any one of the following manners:

1. to make a repurchase offer to all shareholders in equal proportion to their shareholdings;
2. to repurchase the shares in open trading on a recognised stock exchange;
3. to repurchase the shares by way of agreement other than through a recognised stock exchange;
4. other manners as specified by relevant supervising authorities.

Article 29 Otherwise provided in the laws and regulations, prior approval of shareholders in general meeting in accordance with the provisions of these Articles of Association is required for the repurchase of the Company's shares.

Where the Company repurchases the shares by way of off-market agreements, upon the same prior approval of shareholders in general meeting, the Company may terminate the agreement or modify the agreement, or give up any rights of the agreement. Regarding the repurchase of shares by the Company pursuant to paragraph 1 or 2 of Article 28 of these Articles of Association, the repurchase price shall be limited to the highest price.

The agreement for repurchase of shares referred to in the preceding paragraph shall include but not limited to the agreements relating to the assumption of obligations to repurchase shares and the acquisition of rights to acquire repurchased shares.

The Company shall not assign an agreement for the repurchase of its shares or any of the rights provided therein.

Article 30 The Company shall cancel the shares repurchased within the prescribed time limit under laws and regulations and shall apply to the original company registration authorities for the registration of the alteration of its registered capital.

The registered capital of the Company shall be reduced by the same amount as the total nominal value of the shares so cancelled.

Article 31 Unless the Company is in liquidation, the repurchase of issued shares by the Company shall be subject to the following provisions:

1. for those shares repurchased at par value, the amount thereof shall be deducted from the balance of the distributable profits as shown on the accounts of the Company or from the proceeds of the issue of new shares for the purpose of repurchasing the old shares;
2. for those shares repurchased at a value higher than the par value, the amount equivalent to the par value thereof shall be deducted from the balance of the distributable profits as shown on the accounts of the Company or from the proceeds of the issue of new shares for the purpose of repurchasing the old shares; the exceeding part shall be treated in the following manners:
 - (1) for those repurchased shares which were issued at par value, it shall be deducted from the balance of distributable profits as shown on the accounts of the Company;
 - (2) for those repurchased shares which were issued in excess of the par value, it shall be deducted from the balance of distributable profits as shown on the accounts of the Company or from the proceeds of the issue of new shares for the purpose of repurchasing the old shares; however, the amount deducted from the proceeds of the issue of new shares shall not exceed the total premium received from the issue of such repurchased shares, nor shall it exceed the amount in the Company's premium account at the time of such repurchase (including the amount of premium from the issue of new shares);
3. The payments made by the Company for the following purposes shall be paid out of the distributable profits of the Company:
 - (1) obtaining rights to repurchase its shares;
 - (2) alteration of any agreement for repurchase of its shares;
 - (3) discharging its obligations under the repurchase agreement.

- 4. After the total number of shares has been so repurchased and cancelled through the reduction of the registered capital of the Company pursuant to the relevant provisions, the amount which has been deducted from the distributable profits and which has been used for repurchasing the nominal value of the shares shall be credited to the capital reserve fund account of the Company.

Chapter 5 Financial Assistance for the Purchase of the Company’s Shares

Article 32 The Company or its subsidiaries shall not, at any time or in any manner, provide any financial assistance to any person who acquires or intends to acquire the shares of the Company. The person who acquires the shares of the Company as aforesaid includes the person who assumes, directly or indirectly, obligations as a result of the purchase of the shares of the Company.

The Company or its subsidiaries shall not, at any time or in any manner, provide financial assistance to reduce or discharge a person who assumes such obligations as aforesaid from such obligations.

This Article shall not apply to circumstances as described in Article 34 of this Chapter.

Article 33 Financial assistance referred to in this Chapter shall include but not limited to the following forms:

- 1. gifts;
- 2. guarantees (including the assumption of obligations by the guarantor or the offering of property by the guarantor to secure the performance of obligations by the obligor), compensation (excluding the compensation arising out of the Company’s default), discharge or waiver of rights;
- 3. provisions of loans or entering into contracts in which the Company has to perform obligations prior to the performance of the other party, changes to loans or to the contracting parties and the assignment of the rights of such loans or contracts;
- 4. any other forms of financial assistance given by the Company when the Company is unable to pay its debts or has no net assets or when its net assets would be reduced to a material extent.

The obligations referred to in this Chapter shall include the obligations assumed by the obligor due to concluding a contract or making an arrangement (whether such contract or arrangement is enforceable or such obligation undertaken by the obligor individually or jointly with other person) or the obligations undertaken due to the change of financial conditions changed pursuant to any other means.

Article 34 The following acts are not prohibited by the provisions of Article 32 of this Chapter:

1. the granting of relevant financial assistance by the Company where the same is given in good faith in the interests of the Company and the principal purpose of granting such assistance is not for the purchase of the Company's shares, or the assistance so granted is only an incidental part of a certain master plan of the Company;
2. the distribution by the Company of its assets by way of dividends declared in accordance with law;
3. the distribution of dividends by way of bonus shares;
4. reduction of registered capital, repurchase of shares of the Company and restructuring of the shareholding structure in accordance with these Articles of Association;
5. provision of loans by the Company in its normal course of business which falls within its scope of business (but the net assets of the Company shall not be thereby reduced, or if reduced, the said financial assistance shall be made out of the distributable profits of the Company);
6. provision of funds by the Company for the employee share scheme (but the net assets of the Company shall not be thereby reduced, or if reduced, the said financial assistance shall be made out of the distributable profits of the Company).

Chapter 6 Share Certificates and Register of Shareholders

Article 35 Share certificates are evidence of the shares held by shareholders signed and issued by the Company. The Company shall issue share certificates in book entry form or physical form in accordance with the requirements of the relevant governments and authorities in the locality of issue and listing of the Company's shares.

Article 36 The shares of the Company shall be in registered form. The particulars to be set out in the share certificates of the Company shall, in addition to those required by the Company Law, include other particulars which are required to be included by the stock exchanges where the shares of the Company are listed.

Article 37 Share certificates shall be signed by the chairman of the board of directors. If the stock exchange on which the shares of the Company are listed shall require other senior management to sign thereon, such other senior management so required shall also sign on such certificates. The share certificates shall come into effect upon the seal of the Company having been affixed thereto or being affixed thereto in a printed form. The affixing of the company seal upon the share certificate shall be authorised by the board of directors. The signatures of the chairman of the board of directors or other relevant senior management of the Company on the share certificates may also be made in a printed form.

Article 38 The Company shall have a special securities seal in Hong Kong to be used for authenticating H share certificates. H share certificates issued by the Company shall be authorised by the board of directors and they shall come into effect once they are signed personally by the chairman of the board of directors or in a printed form and affixed with the special securities seal of the Company. The Company shall properly keep the special securities seal of the Company which shall not be used without the prior authorisation of the board of directors.

Article 39 The Company shall have a register of shareholders to register the following particulars:

1. the name (description), address (domicile), occupation or nature (in case of legal person) of each shareholder;
2. class and number of shares held by each shareholder;
3. the amount paid or payable for the shares held by each shareholder;
4. the serial number of the shares held by each shareholder;
5. the date when each shareholder is registered as a shareholder;
6. the date when each shareholder ceased to be a shareholder.

Unless proved to the contrary, the register of shareholders shall be conclusive evidence of the holding of shares by a shareholder.

Article 40 The Company may, in accordance with the mutual understanding and agreements between the securities authority of the State Council and a securities regulatory organisation outside the PRC, maintain outside the PRC the register of shareholders of overseas listed foreign shares and appoint agent(s) outside the PRC to manage the share register. The share register of H Shares shall be maintained in Hong Kong.

A duplicate of the share register shall be maintained at the Company's domicile. The appointed agent(s) outside the PRC shall ensure the consistency of the original and the duplicate of the share register.

If there is any inconsistency of the original and the duplicate of the share register, the original shall prevail.

The Company shall maintain and manage the register of domestic shareholders in accordance with the relevant requirements of the China Securities Regulatory Commission (the "CSRC"), SSE and the Shanghai Branch of China Securities Depository & Clearing Corporation Limited.

Article 41 The Company shall keep a complete register of shareholders.

The register of shareholders shall contain the following parts:

1. the register of shareholders which is kept at the Company's domicile, other than those provided in paragraphs 2 and 3 of this Article;
2. the register of shareholders of the Company's overseas listed foreign shares, the original of which is kept in the locality where the shares are listed;
3. the register of shareholders which is kept at other place(s) as the board of directors deems necessary for listing of the shares of the Company.

Article 42 The various parts of the register of shareholders shall not overlap one another. During the process of the registration of shares in one part of the register, no transfer of such shares shall be registered in the other part of the register.

The holders of H shares shall transfer the shares by the instrument of transfer of general standard or other forms accepted by the board of directors. Such instrument can be signed by hand, and where the transferor or transferee is the clearing house or its nominee which is recognised by the Securities and Futures Ordinance (the Cap 571 of the laws of Hong Kong), such instrument of transfer can be signed under hand or by machine-printed signature. All instrument of transfer shall be kept at the Company's domicile or the address appointed by the board of directors from time to time.

The paid-up H shares may be freely transferred in accordance with these Articles of Association; but the board of directors may refuse to accept any instrument of transfer, without stating any reasons, unless the following conditions are fulfilled:

1. the transfer fee determined by the Hong Kong Stock Exchange or the transfer fee of a lesser amount as may be requested by the board of directors in some other instances has been paid;

2. the instrument of transfer only involves H shares;
3. the stamp duty payable on the instrument of transfer has been paid;
4. if the shares are to be transferred to joint holders, the number of joint holders shall not exceed four;
5. the relevant share certificates together with the evidence to show that the transferor is entitled to transfer the shares as reasonably required by the board of directors are produced; and
6. the relevant shares shall be free of lien of the Company.

Changes or rectification of each part of the register of shareholders shall be carried out in accordance with the laws of the place where such part of the register of shareholders is kept.

Article 43 Within 30 days prior to a shareholders' general meeting or within 5 days prior to the record date on which basis the Company has decided to distribute dividends, no entry shall be made to the register of shareholders to record any changes resulting from any share transfer.

Article 44 In the event that the Company convenes a shareholders' general meeting, distributes dividends, enters into liquidation or carries out other activities necessary for the ascertainment of shareholding, the board of directors shall fix a day for ascertainment of the shareholding and those shareholders who remain on the register upon the close of such day shall be the shareholders of the Company.

Article 45 Any person who disputes the register of shareholders and requests to have his/her name (description) registered thereon, or requests to have his/her name (description) removed therefrom may apply to the court of law having jurisdiction to rectify the register of shareholders.

Article 46 If any shareholder whose name has been registered in the register of shareholders or any person who requests to have his/her name (description) entered into the register of shareholders has lost his/her share certificate(s) ("Original Certificate(s)"), he/she may apply to the Company for the issue of (a) replacement certificate(s) in respect of such shares ("Relevant Shares").

In respect of the loss of certificate(s) by holders of domestic shares, the replacement certificate(s) shall be applied in accordance with relevant requirement under the Company Law.

In respect of the loss of certificate(s) by holders of overseas listed foreign shares, application for replacement shall be made in accordance with the laws, rules of the stock exchange or other relevant provisions of the place where the original register of holders of overseas listed foreign shares is kept.

For applications for replacement of lost share certificate(s) relating to H shares, the replacement of such certificate(s) shall be subject to the following requirements:

1. Applicants shall submit an application in standard form prescribed by the Company together with a notarial certificate or statutory declaration. The notarial certificate or statutory declaration shall include the reason for the application made by the applicant, the circumstances under which the share certificate(s) was/were lost with supporting evidence and a declaration that no other persons may request to be registered as a shareholder in respect of the Relevant Shares.
2. The Company shall not have received any declaration from any person other than the applicant requesting registration as the shareholder of such shares prior to the decision of the Company to issue (a) replacement share certificate(s).
3. If the Company decides to issue (a) replacement share certificate(s) to the applicant, an announcement of the issue of replacement share certificate(s) shall be published in the newspapers designated by the board of directors; the period for such announcement shall be 90 days and such announcement shall be published at least once every 30 days during such period.
4. Prior to publishing the announcement of the issue of (a) replacement certificate(s), the Company shall prepare and submit a copy of such announcement to be published to the stock exchange on which it is listed and the announcement may be published immediately upon the reply of such stock exchange confirming that such announcement has been published at the stock exchange. The period for the display of such announcement at the stock exchange shall be 90 days.

If the consent to the application for (a) replacement certificate(s) has not been obtained from the registered shareholder of the relevant shares, the Company shall send to such shareholder by post a copy of such announcement to be published.

5. Upon the expiry of the 90-day period for the publication and display of the said announcement as provided in paragraphs 3 and 4 of this Article and no objection being received by the Company from any person to the replacement of such certificate(s), (a) replacement share certificate(s) shall be issued pursuant to the applicant's application.

6. When issuing (a) replacement share certificate(s) pursuant to this Article, the Company shall immediately cancel the original certificate(s) and such cancellation and replacement shall be registered in the register of shareholders.
7. All costs incurred by the Company in connection with the cancellation of the original certificates and issuing replacement share certificates shall be borne by the applicant. Unless the applicant provides reasonable security, the Company shall be entitled to refuse to take any action.

Article 47 Upon the issuance by the Company of (a) replacement share certificate(s) pursuant to the provisions of these Articles of Association, the name (description) of a bona fide purchaser who acquired the new share certificate(s) aforesaid or a shareholder who is subsequently registered as the owner of such shares (if a bona fide purchaser) shall not be removed from the register of shareholders.

Article 48 The Company shall assume no liability for any loss suffered by any person as a result of the cancellation of the original certificates or the issuance of replacement share certificates, unless such claimant can prove any fraudulent acts on part of the Company.

Chapter 7 Rights and Obligations of Shareholders

Article 49 A shareholder of the Company is a holder of share(s) of the Company in accordance with relevant laws and whose name (description) is entered in the register of shareholders.

A shareholder shall have rights and shall undertake the obligations in accordance with the class and the number of shares held by him/her; the shareholders of the same class of shares shall have the same rights and shall undertake the same obligations.

Article 50 A holder of ordinary shares of the Company shall enjoy the following rights:

1. to receive dividends and other forms of profit distribution in accordance with the number of shares he/she holds;
2. to require to convene, hold, preside, attend and to vote at shareholders' general meetings in person or by proxy in accordance with laws;
3. to supervise and manage the business and operational activities of the Company, and to make proposals or enquiries in relation thereto;
4. to transfer, donate or pledge shares in accordance with laws and regulations and the provisions of these Articles of Association;

5. to receive information in accordance with provisions of these Articles of Association, including:
 - (1) these Articles of Association upon payment of the cost thereof;
 - (2) upon payment of reasonable charges, be entitled to inspect and copy in accordance with laws:
 - (a) all parts of the register of shareholders and the stubs of the debentures of the Company;
 - (b) personal particulars of the directors, supervisors, presidents and other senior management of the Company, including: present and former names and aliases, principal address (residence), nationality, full-time occupation and all other part-time occupations or positions, and identification document and the number thereof.
 - (c) the share capital of the Company;
 - (d) 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 since the last accounting year;
 - (e) minutes of shareholders' meetings, the resolutions of the board of directors' meetings, the resolutions of the supervisory committee's meetings and the financial statement.
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. the shareholder who holds the objection opinion to the resolution of merger or division passed in the shareholders' general meeting can require the Company to acquire his/her shares;
8. other rights conferred by laws and regulations and these Articles of Association.

When shareholders request to inspect the relevant information or to obtain materials as mentioned in this Article they shall provide the Company with written proof in relation to the class and number of shares of the Company held by them. The Company shall satisfy such requests upon verification of their identities as shareholders.

Article 51 A holder of ordinary share(s) of the Company shall undertake the following obligations:

1. to observe these Articles of Association;
2. to pay for the subscription price in accordance with the number of shares subscribed and the manner of subscription;
3. other obligations to be undertaken as provided by laws and regulations and these Articles of Association.

Except for the terms agreed by the share subscriber at the time of share subscription, a shareholder shall not be liable for any subsequent increase of capital.

Article 52 The shareholders of the Company shall not abuse their shareholders' rights to damage the interests of the Company or other shareholders, or to take advantage of the Company's independent status or the limited liability of shareholders to damage the interests of the Company's creditors.

Where the abuse of shareholders' rights causes any loss to the Company or other shareholders, such abusive shareholder shall be liable for compensation in accordance with the law. Where shareholders of the Company take advantage of the Company's independent status or the limited liability of shareholders to disregard debts and seriously damage the interests of the Company's creditors, such shareholders shall bear joint and several liability for the debts of the Company.

Article 53 Where the shareholder who holds more than 5% of the Company's shares vested with voting rights pledges his/her shares, such shareholder shall report to the Company regarding to the pledge since the date of the pledge.

Article 54 Save for the obligations required under the laws and regulations or the listing rules of a recognised 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/her 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 authorise the directors or supervisors (in the interests of himself/herself 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;

3. to authorise the directors or supervisors (in the interests of himself/herself 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 reorganisation of the Company submitted to and passed at a shareholders' general meeting pursuant to these Articles of Association.

Article 55 Controlling shareholders and de facto controllers of the Company shall not prejudice the Company's interests through their connected relationship with the Company. If they violate the stipulations and cause damages to the Company, they shall be liable to pay compensations.

The controlling shareholders of the Company and de facto controllers of the Company shall have fiduciary duties towards the Company and other shareholders of the Company. The controlling shareholders shall exercise their rights as investors strictly in accordance with the laws and shall not make use of connected transaction, profit distribution, assets restructuring, external investment, use of capital, loan and guarantee, etc., which may be prejudicial to the lawful rights of the Company and other shareholders. The controlling shareholders shall not use their privileged position to cause damage to the interests of the Company and other shareholders.

For the transactions involving capital, goods, services, guarantees or other assets between the controlling shareholders or de facto controllers and the connected parties, the Company shall proceed with the decision-making process in strict compliance with relevant requirements and system in relation to connected transactions and adopt effective measures to proactively prevent the controlling shareholders, de facto controllers and their connected parties from misappropriation of the Company's funds and prejudice to the Company's interests. The Company shall establish a mechanism of "freezing upon misappropriation" for the shares held by the controlling shareholders. Directors, supervisors and senior management of the Company have obligations to safeguard the safety of the Company's funds and uphold the Company's interests.

Article 56 The controlling shareholder referred to in the preceding Article shall mean a person who meets one of the following conditions:

1. such person alone, or acting in concert with others, may elect half or more of the directors;
2. such person alone, or acting in concert with others, may exercise 30 per cent or more of the voting rights of the Company or control the exercise of 30 per cent or more of the voting rights of the Company;
3. such person alone, or acting in concert with others, may hold 30 per cent or more of the issued shares of the Company;

4. such person alone, or acting in concert with others, may have de facto control of the Company in any other way.

Chapter 8 Shareholders' General Meetings

Article 57 The shareholders' general meeting is the body conferring authority on the Company and it shall perform its functions in accordance with relevant laws.

Article 58 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 approve the report of the board of directors;
5. to examine and approve the report of the supervisory committee;
6. to examine and approve the annual financial budgets and final accounts of the Company;
7. to examine and approve the plans for profit distribution and making up of losses of the Company;
8. to adopt resolutions relating to increase or reduction in the registered capital of the Company;
9. to adopt resolutions on matters such as merger, division, dissolution and liquidation or change of nature of the Company;
10. to adopt resolutions on the issue of debentures by the Company;
11. to resolve on the appointment, dismissal or discontinuance of the accounting firm of the Company;
12. to amend these Articles of Association;
13. to examine any motion put forward by shareholders representing in aggregate 3 per cent or more of the voting rights of the Company;

14. to consider and approve the provisions of guarantee which are required in the Listing Rules and these Articles of Association to be approved in shareholders' general meetings;
15. to consider and approve the acquisition or disposal of material assets which are required in the Listing Rules and these Articles of Association to be approved in shareholders' general meetings;
16. to consider and approve the change of the use of proceeds from fund raising;
17. to consider and approve the share option incentive scheme;
18. other matters to be resolved at shareholders' general meeting in accordance with the requirements of laws and regulations and these Articles of Association.

Article 59

The following external guarantees provided by the Company shall be considered and approved by the shareholders' general meeting:

1. any guarantees granted for, where the total amount of external guarantees provided by the Company and its controlling subsidiaries equivalent to 50% or more of the latest audited net assets;
2. any guarantees granted for, where the total amount of external guarantees of the Company equivalent to 30% or more of the latest audited total assets;
3. guarantees provided to a guaranteed party whose debt-to-asset ratio exceeding 70%;
4. a single guarantee which guaranteed amount exceeding 10% of the latest audited net assets;
5. guarantees provided to shareholders, de facto controllers of the Company and their related parties.

Any guarantee provided by the Company shall be counter-guaranteed by the other party and such person shall have actual ability to pay for such counter-guarantee.

Article 60

Except the Company is in a crisis, without the prior approval of special resolution of the shareholders' general meeting, the Company shall not enter into any contract with persons other than a director, supervisor, president or other senior management for the delegation of the management of all or material parts of the business of the Company to such person(s).

Article 61 Shareholders' general meetings shall be classified as annual general meetings and extraordinary general meetings. Shareholders' general meetings shall be convened by the board of directors. Annual general meetings shall be convened once every year and be held within six months after the end of the last financial year.

Upon the occurrence of any of the following events, the board of directors shall convene an extraordinary general meeting within two months thereof:

1. the number of directors falls below the number specified under the Company Law or less than two-thirds of the number required by these Articles of Association;
2. the losses of the Company which have not been made up amount to one-third of the total share capital of the Company;
3. shareholders holding an aggregate of 10 per cent or more of the issued voting shares of the Company request in writing to convene an extraordinary general meeting;
4. whenever the board of directors considers it necessary or the supervisory committee proposes to convene the same;
5. when more than one half of the independent non-executive directors (the "independent directors") propose to convene the same.

Article 62 A shareholders' general meeting shall be convened by a written notice to the shareholders registered 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. Shareholders who intend to attend the shareholders' general meeting shall deliver to the Company a written reply 20 days before the date of the meeting.

Article 63 When the Company convenes an annual general meeting, shareholder(s) who holds in aggregate 3 per cent or more of the voting shares of the Company or the supervisory committee shall be entitled to propose new motions in writing to the Company. The contents of the motions shall be within the scope of power of the shareholders' general meetings, include a clear subject and specific matters to be resolved and comply with the laws and regulations, and relevant requirements in these Articles of Association. The Company shall include those motions falling within the scope of responsibility of the shareholders' general meeting into the agenda of such meeting.

Article 64 Based on the written replies received 20 days prior to the shareholders' general meeting, the Company shall calculate the number of voting shares held by those shareholders who intend to attend the meeting. If the number of voting shares held by those shareholders who intend to attend the meeting is more than one half of the total number of voting shares of the Company, 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 giving such notice, the Company may convene the shareholders' general meeting.

No other business other than that specified in the notice of meeting shall be decided at the extraordinary general meeting.

Article 65 A notice of 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 the business to be discussed at the meeting;
4. it shall provide the shareholders with necessary information and explanation so as to enable the shareholders to make a wise decision on the business to be discussed, which shall include (but not limited to) the provision of specific terms and contract (if any) of the proposed transaction together with an earnest explanation of the causes and consequences thereof when the Company proposes a merger, repurchase of its shares, a restructuring of share capital or other form of reorganisation;
5. if any of the directors, supervisors, president and other senior management is materially interested in matters to be discussed, he/she shall disclose the nature and the extent of such interest; if the effect of the matters to be discussed on such director, supervisor, president or senior management 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 prominently 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/her 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 specify the record date for shareholders who are entitled to attend in the shareholders' general meeting.

Article 66 Notice of shareholders' general meeting shall be sent to the shareholders (whether vested with voting rights at the shareholders' general meeting or not) by personal delivery or by prepaid post at the address recorded in the register of shareholders. In respect of holders of domestic shares, notice of shareholders' general meeting may also be given by way of announcement.

The announcement referred to in the preceding paragraph shall be published 45 days prior to the date of the meeting in one or several newspapers designated by the securities supervisory authorities of the State Council. Once the announcement has been published, all holders of domestic shares shall be deemed to have received notice of the shareholders' meeting.

Article 67 All shareholders whose names appear in the register of shareholders at the record date and their proxies are entitled to attend the shareholders' general meeting, and exercise voting rights pursuant to the relevant laws and regulations and these Articles of Association.

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/her proxies to attend the meeting and vote thereat on his/her 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 demand for a poll by himself/herself or jointly with others;
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 right to vote on a poll.

Article 68 A shareholder shall appoint his/her proxy in writing and signed by the appointor or an attorney authorised by him/her 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 authorised representative.

Article 69 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 authorised by the appointor, the power of attorney or other instruments of authorisation shall be notarised. The power of attorney or other instruments of authorisation so notarised 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.

In the event that the appointor is a legal person, such shareholder shall be represented at the shareholders' meeting of the Company by its legal representative or the person authorised by the board of directors or other governing body of such appointor.

Article 70 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/her 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/she thinks fit.

In the event that a shareholder of the Company is a recognised clearing house as defined in the Securities and Futures Ordinance, (Cap 571 of the Laws of Hong Kong) or a clearing house as recognised by the laws of the jurisdiction where the shares of the Company are listed ("Clearing House"), it may appoint a proxy (or proxies) as it considers appropriate to attend any general meeting or class meeting of the Company. If the proxies are more than one, the proxy form to appoint such proxies shall set out the number and class of shares such proxy (or proxies) is (are) authorised for. The person (or persons) so authorised is (are) entitled to exercise the right of and on behalf of the Clearing House (or its nominee) as if such shareholder is an individual shareholder of the Company.

Article 71 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 before the vote, 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.

Article 72 Resolutions of shareholders' general meetings 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' general 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 73 A shareholder (including proxy) may exercise voting rights at the shareholders' general meeting in accordance with the number of shares carrying the right to vote and each share shall have one vote. No shares held by the Company shall be entitled to any voting right nor counted in the total number of shares with voting rights at the shareholders' general meeting.

Chairman of the meeting shall declare the number of shareholders and proxies present at the meeting and the total number of voting shares held by them before voting. The number of shareholders and proxies present at the meeting and the total number of voting shares held by them as recorded in the meeting shall be final.

Article 74 The list of candidates of the directors and supervisors shall be submitted to the shareholders' general meeting to resolve in a form of motion. For the election of directors and supervisors, the cumulative voting system shall be adopted. The independent directors and non-independent directors shall vote respectively.

The cumulative voting system referred in the preceding paragraph means that, during the election of directors and supervisors in the shareholders' general meeting, each share carries the number of voting rights equal to the number of candidates for directors or supervisors. The shareholders may cast all their votes on one candidate.

Other than the cumulative voting system, all motions shall be voted one by one at the shareholders' general meeting, and for the different motions on the same matter, voting will be proceeded according to the time order these motions are put forward. Unless there are special reasons such as force majeure which results in the adjournment of the meeting or making it impossible to pass resolution, any motion proposed at the shareholders' general meeting and the voting of the motions shall not be suspended. When considering a motion at the shareholders' general meeting, such motion shall not be amended; otherwise, the relevant amendment shall be treated as a new motion and shall not be voted at that shareholders' general meeting.

Article 75 Subject to the listing rules of the stock exchange on which the shares of the Company are listed, 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;

3. a shareholder or shareholders (including proxy or proxies) who alone or in aggregate hold(s) 10 per cent or more of shares vested with voting rights at such meeting.

Unless a poll is 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 the need to prove the number or proportion of the votes voted in favour of or against such resolution.

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

Article 76 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 such a poll shall still be deemed as a resolution passed at the meeting.

Article 77 The board of directors, independent 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 any consideration and full disclosure of information shall be made to the collectees.

Article 78 The Company may facilitate the participation of the shareholders in the shareholders' general meeting through all practicable manners and means including providing modern information technological means such as voting platform through internet, provided that the legality and effectiveness of the shareholders' general meeting are ensured. Shareholders are deemed to be present in the shareholders' general meetings through the aforesaid means.

The board of directors and other conveners shall take necessary measures to ensure the normal order of the shareholders' general meeting. For any disturbance to the meeting and acts infringing on the lawful interests of the shareholders, they shall take measures to restrain such disturbance and infringing acts, as well as timely report such to the relevant authorities so as to investigate and deal with the matter.

Article 79 On a poll taken at a meeting, shareholders (including their proxies) who are entitled to two votes or more are not required to cast all their votes in favour of or against a resolution.

Article 80 In the event of equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to cast a second vote.

Article 81 The following matters shall be passed by ordinary resolution at a shareholders' general meeting:

1. the working reports of the board of directors and the supervisory committee;
2. plans for profit distribution and for making up of losses proposed by the board of directors;
3. appointment and removal of the members of the board of directors and the members of the supervisory committee and their remuneration and method of payment;
4. annual budget, statement of final accounts, balance sheet, profit and loss statement and other financial statements of the Company;
5. other matters other than those which shall be passed by special resolution at a shareholders' general meeting as stipulated by laws and regulations or these Articles of Association.

Article 82 The following matters shall be passed by special resolution at the shareholders' general meeting:

1. an increase or reduction of the share capital of the Company, or issue of any class of shares, warrants and other similar securities;
2. an issue of debentures by the Company;
3. the merger, division, dissolution and liquidation of the Company;
4. amendments to these Articles of Association;
5. other matters which are resolved by ordinary resolutions at shareholders' general meeting to be of material effect to the Company or are required by these Articles of Association to be passed by special resolutions.

Article 83 Shareholders who request to convene an extraordinary general meeting or a class shareholders' meeting shall follow the procedures below:

1. Two or more than two shareholder(s) who hold(s) in aggregate 10 per cent or more of the shares vested with voting rights in such a meeting may sign one or several written requisitions in the same form requesting the board of directors to convene an extraordinary general meeting or a class shareholders' meeting, and the subject matter of the meeting shall be specified. Upon

receipt of the said written requisitions, the board of directors shall convene an extraordinary general meeting or a class shareholders' meeting as soon as possible. The calculation of the number of shares held as aforesaid shall be made as at the date of the written requisitions.

2. If the board of directors fails to give notice of meeting within 30 days of the receipt of the aforesaid written requisitions, the shareholders making such requests may convene a meeting within four months of the receipt of the said requisitions by the board of directors. The procedures for convening the meeting shall, as far as possible, be the same as those for convening a shareholders' meeting by the board of directors.

All reasonable expenses incurred in convening and holding a meeting by the shareholders as a result of the failure of the board of directors to convene such meeting upon the aforesaid requisitions shall be borne by the Company and the same shall be deducted from outstanding payments due to the directors who are in default.

The supervisory committee and the independent directors are entitled to either propose to the board of directors to convene the extraordinary general meeting or convene the extraordinary general meeting on their own in accordance with laws and regulations and other relevant rules or requirements of these Articles of Association.

Article 84 A shareholders' general meeting shall be convened and presided by the chairman of the board of directors. If the chairman of the board of directors cannot attend the meeting, he/she 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 85 The chairman of the meeting shall be responsible for deciding whether a resolution of the shareholders' general meeting is passed or not and his/her decision shall be final and the same shall be announced at the meeting and entered into the minutes of the meeting.

Article 86 In the event that the chairman of the meeting has any doubt as to the result of voting on any resolution, he/she 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 counting of the votes immediately after the declaration of the result has been made and the chairman of the meeting shall forthwith proceed with the counting.

Article 87 The proceedings of the shareholders' general meeting shall be recorded in minutes which shall be signed by the directors attending the meeting. In the event a count of the votes has been made at a shareholders' general meeting, the result thereof shall be entered into the minutes of the meeting.

The minutes of the meeting together with the signature book of the shareholders attending the meeting and the proxy forms shall be kept at the registered address of the Company.

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.

Article 88 Where a resolution on a connected transaction is put to vote at the shareholders' general meeting, each shareholder involved in the connected transaction shall abstain from voting and the votes represented by such shareholders shall not be counted into the total number of effective voting shares.

Where any shareholder is, under the Listing Rules of the Hong Kong Stock Exchange, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

Article 89 The Company shall formulate the Rules of Procedures for the Shareholders' General Meeting in accordance with the laws and regulations and these Articles of Association as the Appendix of these Articles of Association, which provide the procedures for convening the meeting and voting, including the notice, registration, consideration of motions, voting, counting of votes, announcement of the voting results, formation of resolutions, as well as the principle of authorisation to the board of directors by the shareholders' general meeting.

Chapter 9 Special Procedures for the Voting by Class Shareholders

Article 90 Shareholders holding different classes of shares shall be classified as class shareholders.

Class shareholders shall enjoy the rights and shall undertake the obligations pursuant to the provisions of laws and regulations and these Articles of Association.

Article 91 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 93 to 97.

Article 92 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 on 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 the 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 increase the restriction 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 reorganisation scheme of the Company which would lead to a disproportionate assumption of obligations by different class shareholders;
12. to amend or abrogate the provisions in this Chapter.

Article 93 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 92 of these Articles of Association provided that interested shareholders shall not have the right to vote at the meeting of class shareholders.

The definition of an interested shareholder referred to in the preceding paragraph shall be as follows:

1. in the event that the Company makes a repurchase offer to all shareholders in a proportionate manner in accordance with the provisions of Article 28 of these Articles of Association or repurchases its shares on a stock exchange through public dealing on a stock exchange, "interested shareholder" shall mean the controlling shareholder as defined in Article 56 of these Articles of Association;
2. in the event that the Company repurchases its shares through agreement other than through a stock exchange in accordance with the provisions of Article 28 of these Articles of Association, "interested shareholder" shall mean the shareholder related to such agreement;
3. in a reorganisation scheme of the Company, "interested shareholder" shall mean a shareholder who undertakes obligations to a lesser extent than other shareholders of the same class, or a shareholder who holds interests different from those held by other shareholders of the same class.

Article 94 A resolution of the meeting of class shareholders shall be passed in accordance with Article 93 by more than two-thirds of the shareholders present in the meeting who have rights to vote.

Article 95 If the Company convenes a meeting of class shareholders, it shall issue a written notice 45 days prior to the meeting to all shareholders of such class who are on the register of shareholders, specifying the business to be considered and the date and place of the meeting. The shareholders who intend to attend the meeting shall deliver to the Company written replies of their intention to attend 20 days prior to the meeting.

If the number of voting shares at such meeting held by those shareholders who intend to attend such meeting shall reach more than one-half of the total number of voting shares at such meeting, the Company may convene such meeting of class shareholders; if this cannot be attained, the Company shall further notify the shareholders by way of public notice within 5 days thereof specifying the business to be transacted and the date and place of the meeting. After giving notice by such public notice, the Company may convene the meeting of class shareholders.

Article 96 Notice of the meeting of class shareholders only needs to be served on the shareholders who are entitled to vote at such meeting.

The procedures of the meeting of class shareholders shall follow as much as possible the procedures of a shareholders' general meeting and the provisions in these Articles of Association relevant to the procedures of a shareholders' general meeting shall apply to the meeting of class shareholders.

Article 97 Apart from the shareholders of other classes of shares, the holders of domestic shares and holders of overseas listed foreign 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 shares either separately or concurrently at twelve month intervals, and the number of domestic shares and overseas listed foreign shares proposed to be issued does not exceed 20 per cent of the issued domestic shares and overseas listed foreign shares respectively;
2. where the Company's plan to issue domestic shares and overseas listed foreign shares at the time of incorporation is implemented within fifteen months from the date of approval by the securities supervisory and administrative authorities of the State Council.

Chapter 10 Board of Directors

Article 98 The Company shall establish a board of directors. The board of directors shall comprise 12 directors with one chairman.

At least one-third of the members of the board of directors shall be independent directors, and there shall be at least one professional accountant among them.

Article 99 The directors shall be elected at the shareholders' general meeting and their term of office shall be three years. Upon the expiry of the term, a director shall be eligible for re-election and re-appointment. The chairman of the board of directors shall be elected and removed by more than one-half of the directors. The term of office of the chairman is 3 years and he/she is eligible for re-election and re-appointment.

The term of office of a director starts from the date when the director assumes his/her office and ends on the date when the current session of the board of directors expires. In circumstances where the terms of office of the directors have expired but no directors are re-elected on time, the original directors should continue to perform their director's duties in accordance with the laws and regulations and these Articles of Association until the newly elected directors assume their offices.

Directors need not hold any shares of the Company.

Article 100 A shareholder is entitled to issue a notice in writing to the Company to nominate a director candidate. The notice in writing regarding the intention to nominate and the indication by the candidate to agree to accept the nomination shall be lodged seven days before the shareholders' general meeting.

Article 101 Subject to compliance with the relevant laws and 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.

Article 102 The board of directors shall be accountable to the shareholders' general meeting and shall have the following duties and powers:

1. to be responsible for convening shareholders' general meeting and to report its work to the shareholders' general meeting;
2. to implement the resolutions passed at the shareholders' general meeting;
3. to determine the business plans and investment proposals of the Company;
4. to prepare the annual financial budget and final accounts of the Company;
5. to prepare the plans for profit distribution and recovering losses for the Company;
6. to prepare proposals for increasing or reducing the registered capital of the Company, proposals for the issue of debenture or other securities of the Company and proposals for listing;
7. to draw up proposal for merger, division or dissolution of the Company;
8. to draw up proposal for material acquisition, repurchase of the Company's shares and change the form of the Company;
9. to decide matters such as external investment, acquisition or sale of the assets, pledge assets, external guarantees, entrusted financial management and connected transactions and so on;

10. to decide on the set-up of the internal management structure of the Company;
11. to appoint or dismiss the president and secretary to the board of directors of the Company and to appoint or dismiss other senior management in accordance with the recommendations of the president and to determine their remuneration, reward and punishment matters;
12. to set up the basic management system of the Company;
13. to draw up proposal for amending these Articles of Association;
14. to manage the disclosure of information of the Company;
15. to propose to the shareholders' general meeting on the appointment or dismissal of accountancy firm for the audit of the Company's accounts;
16. to listen to the report of the president of the Company and monitor his/her work performance; and
17. to perform other functions as authorised by shareholders' general meeting and the laws and regulations and these Articles of Association.

Except the resolutions provided for in paragraphs 6, 7 and 13 which require approval of more than two-thirds of the directors, the remaining resolutions on other matters as contained in the preceding paragraphs shall be passed by a simple majority of the directors. Should there be requirements otherwise specified in the laws and regulations of the State or the Listing Rules, the applicable provisions shall prevail.

Article 103

The board of directors shall not dispose of or agree to dispose of any fixed assets of the Company without the prior approval of a shareholders' general meeting if the aggregate of the expected consideration for the proposed disposition and the consideration for any disposal of fixed assets of the Company during a period of 4 months immediately preceding the proposed disposal exceeds 33% of the fixed asset value as shown in the latest balance sheet reviewed by the shareholders' general meeting.

For the purposes of this Article, the disposal of fixed assets shall include an act involving the transfer of certain interests in assets, but shall not include the provision of security against such fixed assets.

The validity of any transactions of the Company to dispose of fixed assets shall not be prejudiced by any violation of the first paragraph of this Article.

Article 104 The board of directors shall ascertain its scope of powers on external investment, acquisition and disposal of assets, charging of assets, provision of external guarantees, entrusted financial management and connected transactions, and formulate stringent monitoring and decision-making procedures, and coordinate with experts and professionals for assessment of material investment proposals and submit the proposals to the shareholders' general meeting for approval.

Article 105 The chairman of the board of directors shall exercise the following functions and powers:

1. to preside over the shareholders' general meetings and to convene and chair the meetings of the board of directors;
2. to review the implementation of the resolutions of the board of directors;
3. to sign debentures issued by the Company;
4. to sign material contracts and other documents of the Company, and to produce powers of attorney entrusting his/her representative to sign the documents;
5. other functions delegated by the board of directors.

If the chairman of the board of directors is unable to perform his/her duties, he/she may designate other directors to perform the duties on his/her behalf.

Article 106 The board of directors shall hold meetings at least four times every year which shall be convened by the chairman of the board of directors and notice of meeting shall be given to all directors 14 days prior to the meeting. Extraordinary board meetings may be convened by serving notice to all the directors five days prior to the date of board meeting.

Extraordinary board meetings may be convened under any of the following circumstances:

1. when it is deemed necessary by the chairman;
2. proposed jointly by more than one-third of the total number of directors;
3. proposed by the supervisory committee;
4. proposed by the president;
5. proposed by more than one half of the total number of the independent directors;
6. proposed by shareholder(s) with over one-tenth of the voting rights.

Article 107 The notice of the board meeting shall be sent to all directors by way of personal delivery, facsimile, post or other form which is accepted by the director. The notice of a board meeting shall include the date and venue of the meeting, the duration of the meeting, agenda of the meeting and date of issue of the notice of the meeting.

The notice of a board meeting shall be deemed to have been given to a director if he/she attends the meeting without challenging, before or at the meeting, for not having received the notice of meeting.

Article 108 The board meeting may be held by communication means, including but not limited to through telephone, the internet or other similar communication facilities. During the meeting held by communication means, so long as the directors participating in the meeting can clearly hear or understand the opinions of other directors and communicate with each other, all such directors shall be deemed to be present in person at the meeting.

Article 109 Board meetings shall only be held with more than one-half of the directors present at the meeting.

Each director shall have one vote. The resolutions of the board of directors shall only be passed with a simple majority of all the directors.

In the event of equality of votes in favour of or against a resolution, the chairman of the board of directors shall have an additional vote.

Article 110 The board may adopt resolutions in writing in lieu of the board meeting, but the draft of such resolution must be sent by courier, mail or facsimile or other form which is accepted by the director to each of the directors. If the relevant resolution in writing has been sent to all directors, the number of directors who have signed on one or several copies of the draft (in the same form and substance) giving his/her consent meets the necessary quorum for the relevant decision and the same has been returned to the secretary of the board of directors in any of the above manners, such resolution shall become the resolution of the board and no board meeting is required to be held. Upon the resolutions of the board of directors becoming effective, the Company shall notify all directors and dispatch a copy of the same to the supervisory committee on a timely manner.

The board of directors shall not adopt written resolutions in lieu of a meeting of the board of directors for considering the following matters:

1. the increase or reduction of registered capital of the Company;
2. issue of debentures of the Company;
3. the division, merger, dissolution or winding up of the Company;

4. the amendment of these Articles of Association of the Company;
5. profit distribution and loss make-up plan;
6. the appointment and removal of the members of the board of directors and determination of their remuneration;
7. change of the use of the proceeds;
8. connected transactions that require public disclosure;
9. acquisition or disposal of assets that requires public disclosure;
10. the appointment or change of auditors and the determination of their remuneration;
11. other matters with material effects on the operations of the Company.

Article 111 Meetings of the board of directors shall be attended by the directors himself/herself. If any director is unable to attend for whatever reason, he/she may appoint in writing other directors to attend the meeting of the board of directors on his/her behalf. The instrument of appointment shall specify the scope of the authorisation.

The director attending such a meeting on another's behalf shall exercise the rights of a director within the scope of the authorisation. If a director is absent at a board meeting and has not appointed an alternate to attend on his/her behalf, he/she shall be deemed to have abstained his/her rights to vote at that meeting.

If the director fails to attend two consecutive board meetings and has not appointed any representative to attend such meetings on his/her behalf, he/she shall be deemed to have failed to perform his/her duties. The board of directors shall propose dismissal of the director to the shareholders' general meeting.

Article 112 Directors, who have material interests in the matters of the resolutions considered in the board meeting, or have connected relationship with the enterprise involved or are under other circumstances specified in other laws and regulations, the directors shall not vote nor vote on behalf of other directors on such resolutions. Such directors shall not be counted into the quorum of the relevant board meeting. The quorum of such board meeting shall be more than half of the unconnected directors attending the meeting. The resolutions shall be passed with the consent by over half of the unconnected directors. If the number of unconnected directors who attend the board meeting is less than three, such resolutions shall be submitted to the shareholders' general meeting for approval.

Article 113 The board of directors shall cause the decisions of the matters discussed at the meeting to be recorded on the minutes thereof. The directors present at the meeting and the person recording the minutes shall sign on such minutes. The directors are liable for the resolutions passed at the board meeting. If a resolution of the board meeting contravenes the laws and regulations or these Articles of Association causing a substantial loss to the Company, the directors involved in passing such resolutions shall be liable to indemnify the Company. If a director can prove that he/she made an objection during the voting as recorded in the minutes of the meeting, such director may be discharged from liability.

Article 114 The board of directors shall formulate the Rules of Procedures for the Board of Directors in accordance with laws and regulations and these Articles of Association as the appendix of these Articles of Association which state the qualifications of the directors, the nomination procedures, the functions and authorisation arrangement of the board of directors, the convene and voting procedures of the board meeting etc., to ensure the implementation of the resolutions passed in the shareholders' general meeting, enhance its work efficiency and ensure scientific decision-making.

Chapter 11 Secretary to the Board of Directors of the Company

Article 115 The Company shall have a secretary to the board of directors. The secretary to the board of directors shall be a senior management of the Company and shall be responsible to the Company and the board of directors.

Article 116 The secretary to the board of directors of the Company shall be a natural person who shall have the necessary professional expertise and experience and shall be appointed by the board of directors. The principal duties of the secretary to the board of directors are as follows:

1. to ensure the Company has maintained a complete and well-organised documentation and records;
2. to ensure that the Company prepares and files documents and reports as required by authorities in accordance with laws;
3. to ensure that the register of shareholders of the Company is properly established and to ensure that persons entitled to receive such records and documents shall be provided with the relevant records and documents in time;
4. to undertake the disclosure of the information of the Company and the management affairs of investor relationship; and
5. other duties as stipulated in these Articles of Association of the Company and the listing rules of the stock exchange on which the securities of the Company are listed.

The post of the secretary to the board of directors shall be assumed by one or two natural persons. In case where two persons are appointed jointly, the obligations of the secretary to the board of directors shall be assumed jointly by such two persons. However, in handling external matters as authorised by the board of directors, either one of them shall be entitled to exercise independently all powers of the secretary to the board of directors.

Article 117 Directors or other senior management of the Company may at the same time act as the secretary to the board of directors of the Company. An accountant of the accounting firm and solicitor of the solicitors' firm engaged by the Company shall not 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.

Chapter 12 President of the Company

Article 118 The Company shall have one president appointed or dismissed by the board of directors whose term of office shall be 3 years, eligible for re-election and re-appointment.

Except for the position of president, the Company shall have certain number of other senior management. Directors may be appointed as presidents, or other senior management provided that the number of directors appointed as presidents or other senior management shall not exceed half of the total number of directors.

Any person who undertakes any position other than a director in the controlling shareholder(s) or the de facto controller(s) of the Company shall not act as the senior management of the Company.

Article 119 The president of the Company shall be accountable to the board of directors and shall perform the following functions:

1. to be in charge of the production and business operation of the Company and to organise the implementation of the resolutions of the board of directors;
2. to organise the implementation of the annual business plan and investment program of the Company;
3. to prepare proposals for the establishment of internal management bodies of the Company;
4. to prepare the basic management systems of the Company;

5. to formulate basic rules and regulations of the Company;
6. to propose for the appointment or dismissal of vice presidents and the officers in charge of financial matters of the Company;
7. to appoint or dismiss principal management staff other than those to be appointed or dismissed by the board of directors;
8. to decide upon the reward, promotion and demotion, increase and reduction of salary, appointment, employment, removal and dismissal of staff and workers of the Company (other than those shall be decided by the board of directors pursuant to the laws);
9. other functions designated by these Articles of Association and the board of directors.

Article 120 The president may attend the board meetings, but the president, not being a director, shall not have the right to vote in the meetings of the board of directors.

Article 121 In performing his/her functions and powers, the president shall not alter the resolutions of the shareholders' general meeting or those of the board of directors or exceed the scope of his/her authority.

Article 122 In performing his/her functions and powers, the president of the Company shall perform faithfully and diligently the obligations pursuant to the provisions of laws and regulations and these Articles of Association.

Article 123 The Company shall formulate working rules and regulations of the president and implement such rules and regulations upon approval of the board of directors. Such rules and regulations shall include the conditions for, the procedures of and the participants of the president's meeting, the respective and specific duties of the president and other senior management as well as their division of labour, the limits of authority in utilising the capital and assets of the Company and executing material contracts, the reporting system to the board of directors and the supervisory committee, and other matters deemed necessary by the board of directors.

Chapter 13 Supervisory Committee

Article 124 The Company shall establish a supervisory committee. The supervisory committee shall be formed by three persons where one of them shall act as the chairman of the supervisory committee.

- Article 125 The term of office of the supervisor shall be three years, eligible for re-election and re-appointment. If supervisors are not re-elected on time upon the expiry of their terms of office or supervisors resign during their terms of office resulting that the number of supervisors is less than the statutorily required number of supervisors, then the current supervisors shall continue to perform duties according to the law and regulations and these Articles of Association prior to the assumption of office(s) by the newly elected supervisor(s).
- The appointment or removal of the chairman of the supervisory committee shall only be made by a resolution passed by two-thirds or more of the members of the supervisory committee.
- Article 126 The supervisory committee shall be formed by two representatives of the shareholders and one representative of the staff and workers of the Company. The representatives of the shareholders shall be elected and removed in the shareholders' general meeting; whereas the representative of the staff and workers shall be democratically elected and removed by the staff and workers of the Company.
- Article 127 The Company's directors, the president and other senior management shall not at the same time act as supervisors.
- Article 128 The supervisory committee shall convene at least four meetings every year and the same shall be convened by the chairman of the supervisory committee. The supervisors may propose to convene extraordinary meetings of the supervisory committee.
- The notice of meeting of the supervisory committee shall include date and venue of the meeting, duration of the meeting, and agenda of the meeting and date of issue of the notice of the meeting.
- The supervisory committee shall prepare the minutes of meeting regarding the decision made on the matters considered thereat and the attending supervisors shall sign on the minutes of meeting.
- Article 129 If the supervisor is unable to attend in person for the supervisory committee meetings for two consecutive times, he/she shall be deemed to have failed to perform his/her duties and shall be dismissed and replaced by the shareholders' general meeting and the worker representatives' meeting.
- Article 130 The supervisory committee shall be accountable to the shareholders' general meeting and shall carry out the following duties and powers in accordance with laws:
1. to inspect the finances of the Company;

2. to supervise the acts of the directors, president and other senior management of the Company who have contravened the laws and regulations or these Articles of Association in carrying out their duties of the Company and propose to dismiss directors and senior management who breach laws and regulations, these Articles of Association of the Company or resolutions of the shareholders' general meetings;
3. to request the directors, president and other senior management of the Company to rectify their acts which have prejudiced the interests of the Company;
4. to review and advise in writing the periodical reports prepared by the board of directors; review the financial information such as financial reports, business reports and profit distribution proposal to be submitted by the board of directors to the shareholders' general meeting; if any queries arise, the supervisors may, in the name of the Company, require a re-examination by the accounting firm; inquire where there is anything unusual is found; and instruct professional bodies to assist when necessary;
5. to investigate the Company if there are abnormal situations in the operation of the Company, and to engage the professional institutions to assist their work;
6. to propose the convening of a shareholders' extraordinary meeting or to propose motions to the shareholders' general meetings;
7. to represent the Company in negotiating with or in instituting legal proceedings against the directors;
8. other functions and powers provided in these Articles of Association.

The supervisors have the right to observe the board meetings to make inquiry or suggestions to the resolutions of the board of directors.

Article 131 A resolution of the supervisory committee shall be passed by two-thirds or more of the members of the supervisory committee.

Article 132 The reasonable expenses of the supervisory committee incurred in engaging professional institutions such as law firm, accounting firm, etc., or professionals in the course of carrying out the duties of the supervisory committee shall be borne by the Company.

Article 133 The supervisors shall faithfully perform their supervisory responsibilities in accordance with the provisions of laws and regulations and these Articles of Association.

Article 134 The supervisory committee shall formulate the Rules of Procedures for the Supervisory Committee in accordance with laws and regulations and these Articles of Association as the appendix of these Articles of Association which state the qualifications of the supervisors, the nomination procedures, the convene of the supervisory committee's meeting and the voting procedures, etc., in order to ensure the work efficiency and scientific decision-making of the supervisory committee.

Chapter 14 Qualifications and Obligations of the Directors, Supervisors, President and Other Senior Management of the Company

Article 135 None of the following person shall act as a director, supervisor, president or other senior management of the Company:

1. persons lacking capacity for civil acts or such capacity being restricted;
2. persons being convicted of committing corruption, bribery, misappropriation or embezzlement of properties or violating social and economic order, and not more than 5 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 5 years have elapsed since the expiration of the enforcement period;
3. a director or factory manager, manager of a company or enterprise being liquidated as a result of improper operation and management of which he/she 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. the legal representative of a company or enterprise of which the business licence has been cancelled as a result of the contravention of the laws and in which he/she shall be personally liable and not more than three years have elapsed since the date of cancellation of the business licence of such company or enterprise;
5. persons having relatively large amount of personal indebtedness which has become due but have not yet been settled;
6. persons being under investigation by the judicial authorities in respect of contravention of criminal laws, and such investigation has not yet been finalised;
7. persons being prohibited by laws and regulations to act as leader of an enterprise;
8. not being a natural person;

9. persons 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.

Any election, appointment or hiring of directors, supervisors, the president or other senior management that is in breach of this Article will be void. Any directors, supervisors, the president or other senior management who fall within one of the above categories during their terms of service shall be removed by the Company.

Article 136 The validity of an act undertaken by a director, president and other senior management of the Company acting on behalf of the Company towards a bona fide third party shall not be affected by the irregularities in the appointment, election or qualification of such person.

Article 137 In addition to the obligations required by laws and regulations or the listing rules of any stock exchange on which the shares of the Company are listed, a director, supervisor, president and other senior management of the Company shall also be responsible to each shareholder in respect of the following obligations in performing the duties and exercising the powers given to him/her by the Company:

1. not to cause the Company to exceed the scope of business stipulated in its business licence;
2. to act faithfully in the best interests of the Company;
3. not to deprive by any means the Company of its assets, including (but not limited to) opportunities beneficial to the Company;
4. not to deprive the personal interests of the shareholders including (but not limited to) the rights to distribution and voting rights but excluding corporate reorganisation schemes submitted to and passed at a shareholders' general meeting in accordance with these Articles of Association.

Article 138 In exercising his/her rights or performing his/her obligations, the director, supervisor, president and other senior management of the Company shall have the responsibility to exercise the prudence, diligence and skill of a reasonable and prudent person acting under similar circumstances.

Article 139

In performing his/her duties, a director, supervisor, president and other senior management of the Company shall observe the fiduciary principle and shall not put himself/herself in a position where his/her personal interests and the obligations undertaken may conflict. Such principle shall include (but not limited to) the undertaking of the following obligations:

1. to act honestly in the best interests of the Company;
2. to exercise powers within, and not to exceed the scope of, his/her authority;
3. to exercise the discretionary power vested in him/her personally and not to be manipulated by others; no discretionary powers shall be transferred to other persons without the permission of laws and 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 of Association 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/her 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 of Association, to perform his/her duties faithfully, to protect the interests of the Company, and not to obtain personal benefits by using his/her 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/her 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/her term of office shall be disclosed; unless 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:
 - (1) disclosure is provided under the law;
 - (2) disclosure is required in the public interest;
 - (3) disclosure is required in the interests of such director, supervisor, president and other senior management.

Article 140

A director, supervisor, president and other senior management of the Company shall not instruct the following persons or bodies ("related persons") to do such acts which such director, supervisor, president and other senior management are prohibited from doing:

- 1. the spouse or minor children of a director, supervisor, president and other senior management of the Company;
- 2. the trustee of a director, supervisor, president and other senior management of the Company or of the persons mentioned in paragraph 1 of this Article;
- 3. the partner of a director, supervisor, president and other senior management of the Company or of the persons mentioned in paragraphs 1 and 2 of this Article;
- 4. companies actually and solely controlled by a director, supervisor, president, and other senior management of the Company, or companies actually and jointly controlled with the persons referred to in paragraphs 1, 2 and 3 of this Article or other directors, supervisors, president, vice president and other senior management of the Company;
- 5. the director, supervisor, president and other senior management of a company being controlled as mentioned in paragraph 4 of this Article.

Article 141

The directors shall not be removed before expiry of their term without cause, except being prohibited to be qualified as directors under the Company Law and CSRC.

A director, supervisor or president of the Company may resign prior to expiry of his/her term of office. Where a director or president resigns, he/she shall report to the board of directors, and where a supervisor resigns, he/she shall report to the supervisory committee.

Directors shall duly complete the handover procedures with the board of directors when their resignation takes effect or their terms expire. The fiduciary duties of a director, supervisor, president and other senior management of the Company do not necessarily cease upon the expiry of his/her term of office. The obligations to keep the commercial secrets of the Company confidential shall survive the expiry of his/her 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/her departure from office and the circumstances and conditions under which the relationship with the Company was terminated.

Article 142 The liability of a director, supervisor, president and other senior management of the Company in respect of the breach of certain substantive obligations may be discharged with full disclosure in the shareholders' general meeting except for the circumstances provided in Article 54 of these Articles of Association.

Article 143 Without the legal authorisation of these Articles of Association or the board of directors, no directors shall be allowed to act on behalf of the Company or the board of directors in their personal capacities. If any third parties reasonably believe that a director who is acting in his/her personal capacity is acting on behalf of the Company or the board of directors, then the director should clarify his/her position and capacity in advance.

Article 144 In the event that a director, supervisor, president and other senior management 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, president and other senior management with the Company), he/she shall disclose to the board of directors as soon as possible the nature and extent of his/her 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, president and other senior management 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/she has not been counted in the quorum nor has he/she 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, president and other senior management.

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

Article 145 In the event that a director, supervisor, president or other senior management of the Company notifies the board of directors in writing and makes a representation that on the basis of contents of the notice, he/she 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, president or other senior management shall be deemed to have made a disclosure as required in the preceding Article.

Article 146 The Company shall not in any manner pay tax on behalf of any of its directors, supervisors, president and other senior management.

Article 147 No loans or guarantees for loans shall be provided, directly or indirectly, by the Company to a director, supervisor, president and other senior management of the Company and those of its parent company, nor shall such loans or guarantee for loans be provided to the related persons of the above-mentioned persons.

The foregoing provisions shall not apply to the following situations:

1. the Company provides loans or guarantee for loans to its subsidiaries;
2. the Company provides to a director, supervisor, president and other senior management of the Company, pursuant to the employment contract approved in the shareholders' general meeting, loans or guarantees for loans or other payments to enable them to pay the expenses incurred for the purpose of the Company or in the course of performing their duties;
3. if the normal scope of business of the Company includes the provision of loans and guarantees for loans, the Company may provide loans or guarantees for loans to the relevant director, supervisor, president and other senior management and their related persons provided that the terms of such loans or guarantees for loans shall be on normal commercial terms.

Article 148 If the provision of a loan made by the Company is in breach of the provisions of the preceding Article, the recipient of the sum of money shall repay the same forthwith regardless the terms of such loan.

Article 149 Guarantees for loans provided by the Company in contravention of the provisions of paragraph 1 of Article 147 of these Articles of Association shall be unenforceable against the Company except under the following situations:

1. in providing loans to the related persons of a director, supervisor, president and other senior management of the Company or those of its parent company, the person who has provided the loan has no knowledge of the contravention;

2. the security provided by the Company has been sold legally by the person who has provided the loan to a bona fide purchaser.

Article 150 The guarantee referred to in the preceding Article shall include the assumption of obligations by the guarantor or the provision of property to secure the performance of obligations by the obligor.

Article 151 In the event that a director, supervisor, president and any other senior management of the Company shall be in breach of his/her obligations to the Company, the Company shall be entitled to take the following measures apart from the various rights and remedies provided by laws and regulations:

1. to demand the relevant director, supervisor, president and other senior management indemnify the losses sustained by the Company as a result of the dereliction of duties on his/her part;
2. to revoke any contract or transaction made between the Company and the relevant director, supervisor, president and other senior management and a contract or transaction made between the Company and a third party (if such third party knows or should have known that the director, supervisor, president and other senior management representing the Company are in breach of the obligations to the Company);
3. to demand the relevant director, supervisor, president and other senior management to return the benefit received as a result of the breach of the obligations;
4. to recover from the relevant director, supervisor, president and other senior management the moneys including (but not limited to) commission accepted by them which should have been received by the Company;
5. to demand the relevant director, supervisor, president and other senior management to return the interest earned or that may be earned from the moneys which should have been payable to the Company.

Article 152 The Company shall enter into a contract in writing with directors and supervisors of the Company in respect of remuneration, the terms of which shall have obtained the prior approval at a shareholders' general meeting. The terms of the remuneration matters as aforesaid shall include:

1. the remuneration for acting as a director, supervisor or other senior management of the Company;
2. the remuneration for acting as a director, supervisor or other senior management of a subsidiary of the Company;

3. the remuneration for provision of other services in the management of the Company and its subsidiaries;
4. the payment for compensation for loss of office or retirement of such directors or supervisors.

Except pursuant to the contract aforesaid, no legal proceedings shall be instituted by a director or supervisor in respect of benefits receivable by him/her in respect of the aforesaid matters.

Article 153 There shall be a provision in the contract in relation to remuneration made between the Company and a director or supervisor of the Company that the director or the supervisor of the Company shall be entitled to the compensation or other payments as a result of loss of office or retirement when the Company is to be taken over, provided that prior approval shall have been obtained at a shareholders' general meeting. A takeover of the Company referred to above shall mean one of the following situations:

1. a takeover offer to all shareholders has been made by any person;
2. a takeover offer has been made by any person to enable the offer or to become the controlling shareholder. The meaning of "controlling shareholder" is the same as that defined in Article 56 of these Articles of Association.

In the event that the relevant director or supervisor does not comply with the provisions of this Article, any moneys received by him/her shall belong to the persons who accept the said offer to sell their shares; the expenses incurred as a result of proportional distribution of such moneys shall be borne by such director or supervisor and such expenses shall not be deducted from such moneys.

Chapter 15 Financial Accounting System and Distribution of Profits

Article 154 The Company shall set up the financial accounting system of the Company in accordance with laws and regulations and the provisions of the PRC accounting standards formulated by the financial supervisory authorities under the State Council.

Article 155 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 156 The financial report prepared by the Company in accordance with the relevant laws and regulations and regulatory documents issued by local government or supervisory authorities shall be submitted by the board of directors of the Company to the shareholders at each annual general meeting.

Article 157 The Company's financial statements shall be made available at the Company's domicile twenty days before the date of every 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 the aforesaid financial statements not later than twenty-one days before the date of every annual general meeting. 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 CSRC and/or the SSE.

Article 158 The financial report of the Company shall be prepared in accordance with PRC accounting standards and legal regulations, and shall also be prepared in accordance with international accounting standards or the accounting standards of the place of listing outside the PRC. If there are any material discrepancies in the financial report prepared in accordance with the two sets of accounting standards, such discrepancies shall be expressly stated in the notes to the financial report. For the purpose of the distribution of profits of the Company for the relevant accounting year, the lesser amount of profit after taxation stated in the said two financial report shall prevail. If the applicable laws and/or listing rules of the place of listing outside the PRC allow the financial statements prepared in accordance with the PRC accounting standards, it is not necessary for the Company to prepare its financial statements in accordance with international accounting standards or the accounting standards of the place of listing outside the PRC.

Article 159 Interim results or financial information published or disclosed by the Company shall be prepared in accordance with PRC accounting standards and legal regulations as well as international accounting standards or the accounting standards of the place of listing outside the PRC. If the applicable laws and/or listing rules of the place of overseas listing allow the interim results or financial information prepared in accordance with the PRC accounting standards, it is not necessary for the Company to prepare its interim results or financial information in accordance with international accounting standards or the accounting standards of the place of listing outside the PRC.

Article 160 The Company shall announce two financial reports in each accounting year. The interim report shall be announced within 60 days after the first six months of an accounting year and the annual financial report shall be announced within 120 days after the end of the accounting year.

Article 161 No books of account other than those provided under the law may be established by the Company.

Article 162 The capital reserve fund shall include the following sums of money:

1. premium received in excess of the par value of the shares issued;
2. other revenue required to be transferred to capital reserve fund by the financial supervisory authorities under the State Council.

Article 163 The profit of the Company shall be distributed in the following order of priority after payment of relevant taxes:

1. making up losses;
2. allocation to the statutory common reserve fund;
3. allocation to the discretionary common reserve fund;
4. payment of dividends on ordinary shares.

The Company shall allocate 10 per cent of the profit after taxation to the statutory common reserve fund. It needs not allocate further amount if the accumulated amount of the statutory common reserve fund has reached 50 per cent of registered capital.

Allocation to the discretionary common reserve fund shall be made separately from the profit of the Company after the allocation to statutory common reserve fund is made, in accordance with the resolution of the shareholders' general meeting. The after-tax profit subsequent to making up loss of the Company and making provisions for the common reserve fund may be distributed to shareholders ratably in accordance with their shareholdings, except for the non-pro rata distributions as required by these Articles of Association. The particular proportion of distribution in each year in respect of paragraphs 3 and 4 of this Article shall be proposed by the board of directors in accordance with the operational condition and development requirements of the Company and shall be discussed and approved by the shareholders' general meeting.

No profit shall be distributed in respect of the shares held by the Company.

Article 164 If the shareholders' general meeting violates the previous Article and distributes profit before making up loss of the Company and making provisions for the statutory common reserve fund, shareholders shall return to the Company the amount of profit distributed which is in violation of the provisions of the previous Article.

Article 165 The common reserve fund of the Company shall be used only for the following purposes:

1. making up losses (the capital reserve fund shall not be used to make up the loss of the Company);
2. expansion of the production and operation of the Company; or
3. conversion into additional share capital. Pursuant to resolution passed at shareholders' general meeting, the Company may convert the statutory common reserve fund into share capital, and issue new shares to shareholders proportional to their existing shareholdings or increase the par value of the shares. However, when the statutory common reserve fund is converted into share capital, the amount remaining in such common reserve fund shall not be less than 25 per cent of the registered capital of the Company before the conversion.

Article 166 Dividends may be distributed in the following ways:

1. cash;
2. shares.

In the event there is a distributable profit available to shareholders, the Company shall implement a proactive cash dividend policy with an emphasis on shareholders' investment return while taking into account the principle of reasonable funding requirements for the Company's operations. The continuity and stability of the profit distribution policy shall be maintained. The profit distributed by cash by the Company for three consecutive years in aggregate shall not be less than 30% of the distributable profit for the three years. The Company may distribute interim cash dividend.

Article 167 When distributing dividends, the Company shall withhold on behalf of the shareholders the tax payable on dividend income in accordance with PRC tax law.

The dividends in cash and other distributions for the domestic shares shall be paid in Renminbi. The dividends in cash and other distributions for H shares shall be announced in Renminbi and shall be paid in Hong Kong dollars in accordance with the relevant provisions on foreign exchange management.

Article 168 The board of directors may decide on its proposal to distribute interim or special dividends of the Company as authorised by the shareholders' general meeting.

Article 169 The Company shall appoint receiving agents on behalf of the shareholders of overseas listed foreign shares. Receiving agents shall receive on behalf of the relevant shareholders dividends distributed and other monies payable by the Company in respect of overseas listed foreign shares.

The receiving agent appointed by the Company shall meet the relevant requirements provided by the laws of the place or of the stock exchange where the shares may be listed.

The receiving agent which the Company appoints for the holders of H shares shall be a trust company registered in accordance with the Trustee Ordinance of Hong Kong.

Chapter 16 Audit

Article 170 The Company shall implement its internal audit system with professional auditors to carry out internal audit supervision to the financial and economic activities of the Company.

The system of the internal audit and the duties of such auditors shall be implemented after the approval of the board of directors. The responsible auditor shall be responsible and report to the board of directors.

Article 171 The Company shall appoint an independent accounting firm which shall meet the relevant requirements of the PRC to audit the annual financial report and to review other financial reports of the Company.

The first accounting firm of the Company may be appointed by the inaugural meeting of the Company before the first annual general meeting and the accounting firm so appointed shall hold office until the conclusion of the first annual general meeting.

If the inaugural meeting fails to exercise its powers under the preceding paragraph, those powers shall be exercised by the board of directors.

Article 172 The accounting firm appointed by the Company shall hold office from the conclusion of that shareholders' general meeting to the conclusion of the next shareholders' general meeting.

- Article 173 The accounting firm appointed by the Company shall enjoy the following rights:
1. to inspect the books and account, records or evidence of the Company at any time and has the right to require directors, presidents or other senior management of the Company to provide the relevant information and explanation;
 2. to require the Company to adopt all reasonable measures to obtain from its subsidiaries information and explanation which are requisite for such accounting firm to carry out its duties;
 3. to attend meetings of shareholders and receive notice of meeting and other information related to such meeting which any shareholder is entitled to receive and speak at any meeting of shareholders about the matters related to its being the accounting firm of the Company.

The Company guarantees that the accounting evidence, accounting books, financial report and other accounting information provided to the accounting firm engaged are true and complete without refusal, withholding or false information.

- Article 174 If the office of the accounting firm becomes vacant, the board of directors shall have the right to appoint an accounting firm to fill such vacancy prior to the convening of the shareholders' general meeting. However, in case there is another accounting firm in office for the Company during the continuance of the vacancy, such accounting firm may perform the duties.

- Article 175 Any accounting firm can be dismissed prior to the expiry of its term of office by ordinary resolution passed in a shareholders' general meeting regardless of the provisions of the terms of the contract entered into by the accounting firm and the Company. If the relevant accounting firm is entitled to claim compensation against the Company due to the dismissal, such right shall not be affected.

- Article 176 The remuneration or the manner to determine the remuneration of the accounting firm shall be decided at the shareholders' general meeting. The remuneration of the accounting firm appointed by the board of directors shall be determined by the board of directors.

- Article 177 The decisions of the Company to appoint, dismiss or not to re-appoint an accounting firm shall be made at the shareholders' general meeting and shall be filed with the securities supervisory authorities under the State Council.

Where a resolution is proposed to be passed at a shareholders' general meeting to appoint a firm other than an incumbent accounting firm to fill any vacant office of accounting firm, or to re-appoint an accounting firm who has been appointed by the board of directors to fill a vacancy, or to dismiss an accounting firm before the expiration of its term of office, the following requirements shall be met:

1. The relevant motion shall be sent to the accounting firm proposed to be appointed or the accounting firm which intends to vacate its office or the accounting firm who has vacated from its office in the relevant accounting year, before the notice of the shareholders' general meeting is issued to the shareholders.

Vacating the office shall include leaving by removal, resignation or retirement.

2. If the accounting firm which is vacating its office makes a statement in writing and requests the Company to notify the shareholders of that statement, the Company shall, unless the written statement is received too late, take the following measures:

- (1) to state in the notice given in respect of the resolution, the fact that the accounting firm which is vacating the office has made a statement;
- (2) to send a copy of the statement to shareholders who are entitled to receive notice of shareholders' meeting.

3. If the statement of the relevant accounting firm has not been sent in accordance with paragraph 2 of this Article, such accounting firm may request the representation be read at the meeting of shareholders and may make further complaint.

4. An accounting firm which is vacating its office shall be entitled to attend the following meetings:

- (1) the shareholders' general meeting at which its term of office will expire;
- (2) the shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal; and
- (3) the shareholders' general meeting convened due to its resignation;

The accounting firm vacating its office shall be entitled to receive all notices or other relevant information of the said meetings, and speak at the said meetings in respect of the affairs in which it is involved as a former accounting firm of the Company.

Article 178 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. The Company shall serve the circular which contains the proposals to dismiss the accounting firm and any statement in writing of the accounting firm to the holders of overseas listed foreign shares 10 business days prior to the convene of the shareholders' general meeting. The Company shall allow the accounting firm to be present at the shareholders' general meeting and it shall make statement in such 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. 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:

1. 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
2. a statement of any circumstances which should be accounted for.

When the Company receives the notice referred to in the preceding 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 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.

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 general meeting for the purpose of hearing the explanation of the circumstances connected with its resignation.

Chapter 17 Labour Management and the Organisation of Trade Union

Article 179 The Company shall establish such systems of labour management, personnel management, wages welfare and social insurance according to the laws, legal regulations and the relevant administrative regulations of the PRC.

- Article 180 The Company shall operate an appointment system with each level of management staff, and a contract system with the general staff of the Company. The Company may of its own accord decide on the allocation of staff, and shall have the right to recruit of its own accord and dismiss management staff and general staff in accordance with the provisions of legal regulations and contract.
- Article 181 The Company shall have the right to determine the salary and welfare benefits of each level of management staff and each type of staff of the Company according to its own economic efficiency, and within the scope provided by the relevant regulations.
- Article 182 The Company shall arrange for medical insurance, retirement insurance and unemployment insurance for the management and staff of the Company in accordance with the relevant regulations of the State and local government, and implement the provisions relating to labour insurance of retired and unemployed workers according to relevant laws and regulations.
- Article 183 The staff and workers of the Company shall have the right to establish trade unions and carry out trade union activities in accordance with the Trade Union Law of the People’s Republic of China. The activities of the trade union shall be carried out outside normal working hours unless the board of directors determines otherwise.

Chapter 18 Merger and Division of the Company

- Article 184 A proposal for merger or division of the Company shall be proposed by the board of directors of the Company. After the same has been passed according to the procedures provided in these Articles of Association, the relevant application procedures for approval shall be completed according to law. When the Company merges or divides, the board of directors of the Company shall adopt necessary procedures to protect the legal interests of the shareholders who oppose to the merger and division of the Company. Shareholders who object to the proposal for merger or division of the Company shall be entitled to demand that the Company or the shareholders who consent to the proposal for merger or division of the Company purchase their shares at a fair price. The content of the resolution on the merger or division of the Company shall be compiled as a special document for inspection by the shareholders.

The document mentioned above shall be delivered by post to the shareholders of H shares.

Article 185 The merger of the Company may take the two forms of merger by absorption and merger by formation of a new corporation.

For a merger by absorption, a company absorbs any other company and the absorbed company is dissolved; for a merger by formation of a new corporation, two or more companies combine together for the establishment of a new one, and the existing ones are dissolved.

In the event of merger of the Company, the parties involved in the merger shall execute a merger agreement and prepare a balance sheet and a list of assets. The Company shall notify the creditors within 10 days from the date of the merger resolution and shall make announcement in newspapers at least three times within 30 days thereof. The creditors shall, within 30 days after receipt of notice or within 45 days of the first announcement of any merger in the case of creditors that have not received notice, be entitled to demand repayment in full or a guarantee by the Company.

After completion of the merger, the rights and obligations of loans of the parties involved in the merger shall be assumed by the company surviving the merger or the new company formed after the merger.

Article 186 In the event of a division of the Company, its assets shall be divided accordingly.

In the event of a division of the Company, the parties involved shall execute a division agreement and prepare the balance sheet and list of assets. The Company shall notify the creditors within 10 days from the date of the division resolution and shall make an announcement in newspapers at least three times within 30 days thereof. The creditors shall, within 30 days after receipt of notice or within 45 days of the first announcement of any division in the case of creditors that have not received notice, be entitled to demand repayment in full or an appropriate guarantee from the Company.

The liabilities of the Company prior to the division shall be undertaken by the companies after such division in accordance with the agreement entered into.

Article 187 In the event of a merger or division of the Company, alterations in the registered matters of the Company shall be registered at the company registration authorities in accordance with law; in the event of a dissolution of the Company, the cancellation of registration shall be made in accordance with law; in the event of the setting up of a new company, the registration of incorporation thereof shall be made in accordance with law.

Chapter 19 Dissolution and Liquidation of the Company

Article 188 The Company shall dissolve and proceed with liquidation in accordance with law upon occurrence of any one of the following events:

1. the expiry of the term of business operation;
2. the shareholders' general meeting resolves to dissolve the Company;
3. dissolution of the Company is required for the merger or division of the Company;
4. the Company is pronounced insolvent in accordance with law as a result of its inability to pay debts when due;
5. closure of the Company in accordance with law as a result of its contravention of laws and regulations.

Article 189 In the event that the Company is dissolved under the provisions of paragraphs 1 and 2 of the preceding Article, it shall set up within 15 days a liquidation committee, the members of which shall be determined by way of ordinary resolution passed in shareholders' general meeting.

In the event that the Company is dissolved under the provisions of paragraph 4 of the preceding Article, the People's Court shall form a liquidation committee comprised of the shareholders, personnel from the relevant authorities and relevant professionals in accordance with law to proceed with the liquidation.

In the event that the Company is dissolved under the provisions of paragraph 5 of the preceding Article, the relevant supervisory authorities shall form a liquidation committee comprised of the shareholders, personnel from the relevant authorities and relevant professionals in accordance with law to proceed with the liquidation.

Article 190 In the event that the board of directors decides to liquidate the Company (except for liquidation as a result of the pronouncement of insolvency by the Company), it shall specify in the notice convening the shareholders' general meeting for such purpose that the board of directors has made a full inquiry of the affairs of the Company and considers that the Company may settle all the Company's debts within 12 months upon commencement of liquidation.

Upon the passing of the liquidation resolution at the shareholders' general meeting, the duties of the board of directors of the Company shall cease forthwith.

The liquidation committee shall comply with the directions of the shareholders' general meeting and report to the shareholders' general meeting at least once every year the income and expenditure, the business of the Company and the progress of liquidation and submit a final report to the shareholders' general meeting upon the completion of liquidation.

Article 191 The liquidation committee shall notify the creditors within 10 days of its establishment and announce the same in newspapers at least three times within 60 days. The liquidation committee shall register any claims for payment of debt.

The creditors shall claim their creditors' rights to the liquidation committee within 30 days after the date of their receipt of the notice, or for those who did not receive the notice, within 45 days after the date of the announcement. The creditors who claim their creditors' rights shall explain the relevant matters in relation to their rights and provide evidence. During the reporting period of the creditors' rights, the liquidation committee shall not repay the creditors.

Article 192 The liquidation committee shall during the liquidation process perform the following functions and powers:

1. to dispose of the properties of the Company, to prepare a balance sheet and list of assets respectively;
2. to give notice or make announcement to creditors;
3. to deal with and liquidate the uncompleted business of the Company related to the liquidation;
4. to effect payment of all taxes due;
5. to sort out the Company's right to and liability for debts;
6. to deal with the remaining assets after settlement of debts by the Company;
7. to represent the Company to participate in civil proceedings.

The members of the liquidation committee shall devote themselves to their duties and perform their obligations of liquidation according to the law. No member of the liquidation committee may take advantage of his/her position to accept bribes or other illegal proceeds, nor may he/she misappropriate properties of the Company. Where members of the liquidation committee cause any loss to the Company or any creditor due to the deliberate acts or gross negligence of such members, they shall be liable to pay compensations.

Article 193 After disposal of the assets of the Company and the preparation of the balance sheet and a list of assets has been completed, the liquidation committee shall draw up a liquidation programme for submission to the shareholders' general meeting or the relevant supervisory authorities for their confirmation.

The assets of the Company shall be used in accordance with the following priority:

1. to pay liquidation expenses;
2. to pay all wages due to the staff and workers of the Company and labour insurance expenses;
3. to effect payment of taxes due;
4. to settle the debts of the Company.

The remaining assets of the Company after settlement in accordance with the provisions aforesaid shall be distributed to the shareholders of the Company in accordance with the class and proportion of shares held by them. The assets of the Company shall not be distributed to the shareholders before the repayment is made in accordance with the above provision.

During the liquidation process, no new business activities shall be commenced by the Company.

Article 194 If the liquidation committee discovers that, in the case of a liquidation of the Company due to dissolution and after the disposal of the assets of the Company and preparation of the balance sheet and list of assets, the assets of the Company are insufficient to settle the debts, it shall forthwith make an application to the People's Court for a declaration of insolvency.

After the declaration of insolvency by the People's Court, the liquidation committee shall pass the liquidation matters to the People's Court.

If the Company is legally pronounced bankrupt, the Company shall be subject to bankruptcy liquidation according to the relevant laws on enterprise bankruptcy.

Article 195 Upon the completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report and statement of income and expenditure and the financial accounts for the liquidation which, upon being certified by an accountant registered in China, shall be submitted to the shareholders' general meeting or relevant supervisory authorities for confirmation.

The liquidation committee shall submit within 30 days after the confirmation by the shareholders' general meeting or relevant supervisory authorities the documents mentioned above to the company registration authorities and apply for the cancellation of the registration of the Company and announce the termination of the Company.

Chapter 20 Procedures for Amending Articles of Association of the Company

Article 196 The Company may amend these Articles of Association pursuant to the laws and regulations and the provisions of these Articles of Association.

Article 197 The procedures for amending these Article of Association shall be as follows:

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 voting;
3. the amendments submitted to the shareholders' general meeting for voting shall be passed by special resolutions.

Article 198 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.

Chapter 21 Resolution of Disputes

Article 199 The Company shall comply with the following rules of dispute resolution:

1. In respect of disputes and claims for rights relating to the affairs of the Company that arise from the rights and obligations provided for in these Articles of Association, the Company Law and other relevant laws and regulations, between the shareholders of overseas listed foreign shares and the Company, between the shareholders of overseas listed foreign shares and the directors, supervisors, president or other senior management of the Company, between the shareholders of overseas listed foreign shares and shareholders of domestic shares, the parties involved shall refer these types of disputes or claims for rights to arbitration for settlement.

The disputes or claims for rights mentioned above which are submitted for arbitration refer to the whole of the claims or the entire dispute; if the identities of persons having the same cause of action or parties whose participation are necessary for the settlement of the disputes or the claims for rights involve the Company, the shareholders of the Company, directors, supervisors, president or other senior management of the Company, they shall submit themselves to such arbitration.

Disputes involving the definition of a shareholder or register of shareholders need not be settled by arbitration.

2. The party applying for arbitration may choose either the China International Economic and Trade Arbitration Committee to proceed with the arbitration pursuant to its arbitration rules or the Hong Kong International Arbitration Centre to proceed with the arbitration pursuant to its securities arbitration rules. After the disputes or claims for rights have been referred to arbitration by the claimant, the other party shall proceed the same with the arbitration institution chosen by such applicant.

If the applicant chooses the Hong Kong International Arbitration Centre to proceed with the arbitration, either party may request to proceed with the same in Shenzhen in accordance with the provisions of the securities arbitration rules of Hong Kong International Arbitration Centre.

3. The laws of the People's Republic of China shall be applicable to the settlement of the disputes and claims for rights mentioned in paragraph 1 of this Article by way of arbitration unless the laws and regulations provide otherwise.
4. The ruling given by the arbitration institution shall be final and binding on the parties involved.

Chapter 22 Notices and announcements

Article 200 The notice of the Company shall be issued by means of:

1. delivery by hand;
2. mail;
3. announcement;
4. other means required in these Articles of Association or recognised by the securities supervising authorities where the shares of the Company are listed.

Notices, information or written statements sent by the Company to holders of H shares, shall be delivered by hand to the holders of H shares or by post to the address of such holder of H shares set out in the register of shareholders, or by other means recognised by the Hong Kong Stock Exchange.

Unless otherwise required under laws and regulations and listing rules, the notice that is required to be despatched to the shareholders and other information that is required to be disclosed shall be published or announced by way of announcement in one or more newspapers or on the designated website designated by the securities supervisory authorities and once it is announced, all the shareholders shall be deemed to have received or knowledge on the relevant notice and other information that is required to be disclosed.

Article 201 For the notice of the Company delivered by hand, the addressee shall sign (or stamp) on the receipt of the delivery, and the date of delivery refers to the date when the addressee signs the acknowledgement receipt; for the notice of the Company sent by mail, the date of delivery refers to the second working day from the date when the notice is delivered to the post office; for the notice of the Company made by announcement, the date of delivery refers to the date when the announcement is published or announced in the designated newspaper(s) or website(s).

Article 202 Accidental omission to serve a notice on, or non-receipt of any such notice by, such person who is entitled to receive the same shall not invalidate the meeting and the resolutions passed at the meeting.

Article 203 Any notices, documents, information or written statements served on the Company by shareholders or the directors shall be delivered to the legal address of the Company by personal delivery or by registered post.

Article 204 In proving service of notices, documents, information or written statements by the shareholders or directors to the Company, it shall be sufficient if it is proved that the relevant notice, document, information or written statement has been served within the time of service specified by the methods provided for in Article 203 of these Articles of Association. In proving service of the same by personal delivery, it shall be sufficient if it is proved that the same has been served by producing the acknowledgment of receipt by the Company. In proving service of the same by registered post, it shall be sufficient if it is proved that the same has been served by delivering to the correct address by way of prepaid post.

Chapter 23 Supplementary Provisions

Article 205 The word “above” in these Articles of Association includes the figure itself, “exceed”, “ higher than”, “ more than” or “less than” does not include the figure itself.

The securities regulatory authorities referred in these Articles of Association include the security regulatory authority where the shares of the Company listed and the stock exchange includes but not limited to the CSRC and its dispatched institutions, the SSE and Hong Kong Stock Exchange etc..

In these Articles of Association, “accounting firm” shall have the same meaning as “auditor”.

Article 206 These Articles of Association shall be interpreted by the board of directors.

Article 207 The Company shall formulate schedules to these Articles of Association, including 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 in accordance with laws and regulations and these Articles of Association, that shall be effective upon the approval of the shareholders’ general meeting. The rules shall not contradict with these Articles of Association. In case of inconsistency, these Articles of Association shall prevail.

Article 208 The board of directors of the Company shall be responsible for amendment and interpretation of the Rules of Procedures for the Shareholders’ General Meeting 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 Chapter 20 of these Articles of Association and become effective upon the approval of the shareholders’ general meeting.

Article 209 These Articles of Association are written in both Chinese and English languages and the Chinese version shall prevail.

The Rules of Procedures for the Shareholders' Meeting is prepared in Chinese without an official English translation. The English translation set out in this Appendix II is prepared for reference only. In the event of any inconsistency between the two versions, the Chinese version shall prevail.

The revised Rules of Procedures for the Shareholders' Meeting is set out as follows:

Chapter 1 General Provisions

Article 1 In order to ensure full exercise of the powers of the shareholders' general meetings and regulate the procedures for the shareholders' general meetings and its decision-making procedures and methods, the Company formulates these rules in accordance with the provisions of the relevant law and regulations such as Company Law, Securities Law and Rules for the Shareholders' General Meetings of Listed Companies published by the CSRC and these Articles of Association.

Article 2 The Company shall convene the shareholders' general meeting in strict accordance with relevant requirements of the laws and regulations, these Articles of Association and these rules so as to ensure that shareholders can exercise their rights in accordance with the laws.

The board of directors of the Company shall earnestly perform its duties and organise the shareholders' general meeting in a serious and timely manner. All directors of the Company shall exercise their diligence to ensure that the shareholders' general meeting are held properly and its powers are exercised in accordance with the laws.

Article 3 The shareholders' general meeting shall exercise its powers within the scope specified in the Company Law and these Articles of Association.

Article 4 Shareholders' general meetings shall be classified as annual general meetings and extraordinary general meetings. The annual general meetings shall be convened once a year and shall be held within six months after the end of the preceding accounting year. Extraordinary general meetings which are convened irregularly shall be convened within two months from the date upon the occurrence of the circumstance for which a shareholders' general meeting shall be convened as specified in the Company Law and these Articles of Association.

If the Company cannot convene a shareholders' general meeting within the period above, it shall report to the Shenzhen Bureau of CSRC ("CSRCSB") and the SSE to explain the reasons and make an announcement in respect thereof.

Article 5 If the Company holds a shareholders' general meeting, it shall engage a lawyer to issue legal advice on the following matters and make an announcement in respect thereof:

1. whether the convening of the shareholders' general meeting and its procedures are in compliance with the requirements of the laws and regulations and these Articles of Association;
2. whether the qualifications of the attendees and convener are legal and valid;
3. whether the procedures and results of voting of the meeting are legal and valid;
4. legal advices on other relevant matters at the request of the Company.

Chapter 2 Convening of the Shareholders' General Meeting

Article 6 The board of directors shall convene the shareholders' general meeting within the period specified by Article 4 of these rules on a timely basis.

Article 7 Independent directors are entitled to propose to the board of directors of the Company to convene an extraordinary general meeting. The board of directors of the Company shall, in accordance with the laws and regulations and these Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within ten days after receiving such proposal from the independent directors.

In the event that the board of directors of the Company agrees to convene an extraordinary general meeting, it shall serve the notice of the shareholders' general meeting within five days after the relevant board resolution is made. In the event that the board of directors of the Company does not agree to convene an extraordinary general meeting, it shall give reasons and make an announcement in respect thereof.

Article 8 The supervisory committee is entitled to propose the convening of an extraordinary general meeting to the board of directors and such proposal shall be made in writing. The board of directors shall, in accordance with the laws and regulations and these Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of an extraordinary general meeting within ten days after receiving such proposal.

In the event that the board of directors agrees to convene an extraordinary general meeting, it shall serve the notice of the shareholders' general meeting within five days after the relevant board resolution is made. Consent of the supervisory committee shall be obtained in the event of any changes to the original proposal made in the notice.

In the event that the board of directors does not agree to convene an extraordinary general meeting or does not furnish any written reply within ten days after receiving such proposal, it shall be deemed that the board of directors cannot perform or fails to perform the duty of convening a shareholders' general meeting, in which case the supervisory committee may convene and preside over such meeting by themselves.

Article 9 Shareholders shall comply with the following procedures in proposing to convene an extraordinary general meeting or a class shareholders' meeting:

1. Two or more shareholders individually or collectively holding 10% or more of the total voting rights at such meeting may propose to the board of directors to convene an extraordinary general meeting or a class shareholders' meeting and state the topic of the meeting by signing one copy or several copies of written requisition in the same form and content. The board of directors shall upon receipt of the above-mentioned written requisition convene the extraordinary general meeting or the class shareholders' meeting as soon as possible. The above-mentioned number of shares held by the shareholders shall be calculated based on the date when the shareholders submit the written requisition.
2. In the event that the board of directors does not serve the notice of the shareholders' general meeting within thirty days after receiving the above-mentioned written requisition, the shareholders who proposed may convene the meeting themselves within four months after the board of directors receives such proposal. The procedure of convening such meeting shall be the same as the procedure of convening shareholders' general meeting by the board of directors as far as possible.

Article 10 Where the supervisory committee or shareholders decide(s) to convene the extraordinary general meeting by itself/themselves, it/they shall notify the board of directors of the Company in writing, and shall file with the CSRCSB and the SSE.

The shareholding of the convening shareholders shall not be less than ten per cent before making announcement of the resolutions of the shareholders' general meeting.

The supervisory committee and the convening shareholder shall submit relevant supporting materials to the CSRCSB and the SSE upon the issuance of the notice of shareholders' general meeting and the announcement of the resolutions of the shareholders' general meeting.

- Article 11 For a shareholders' general meeting convened by the supervisory committee or by shareholders itself/themselves, the board of directors and the secretary to the board shall be co-operative. The board of directors of the Company shall provide the register of shareholders as of the date of registration. In the event that the board of directors fails to provide the register of shareholders, the convener may apply to the securities registration and clearing institution for obtaining the register of shareholders with the relevant announcement on the convening of the shareholders' general meeting. The register of shareholders obtained by the convener shall not be used for purposes other than convening of the shareholders' general meeting.
- Article 12 Necessary expenses arising from convening of a shareholders' general meeting by the supervisory committee or shareholders shall be borne by the Company.

Chapter 3 Proposal and Notice of the Shareholders' General Meeting

- Article 13 The content of proposals of the shareholders' general meeting shall fall within the functions and powers of the shareholders' general meeting, have clear topic for discussion and specific matters to be resolved and comply with relevant provisions of the laws and regulations and these Articles of Association.
- Article 14 A shareholders' general meeting shall be convened by a written notice to the shareholders registered as such in the register of shareholders forty-five days prior to the meeting specifying the matters to be considered and the time and place of the meeting to be held. The period of the issue of the notice shall exclude the date of the meeting.
- Article 15 Shareholders who intend to attend the shareholders' general meeting shall serve on the Company a written reply twenty days before the date of the meeting. Pursuant to the written replies received twenty 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 one half of the total number of shares of the Company vested with voting rights, the Company may convene a shareholders' general meeting; otherwise, the Company shall within five days thereof give notice again to the shareholders specifying the matters to be considered and the date and place of the meeting by way of an announcement. After giving such notice, the Company may convene the shareholders' general meeting.

Article 16 A notice of a shareholders' general meeting shall fulfill 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 the business to be transacted;
4. it shall provide the shareholders with all such information and explanation 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 where the Company proposes a merger, repurchase of its shares, a restructuring of share capital or other manners of reorganisation;
5. if any of the directors, supervisors, president and other senior management is materially interested in matters to be discussed, he/she shall disclose the nature and the extent of such interest; if the effect of the matters to be discussed on such director, supervisor, president or senior management as a shareholder differs from other shareholders of the same class, such differences shall be specified;
6. opinions and reasons given by the independent directors shall be disclosed when the notice or supplementary notice of the shareholders' general meeting is given if the matters to be discussed require independent directors' opinions;
7. it shall contain the full text of any special resolution proposed to be passed at the meeting;
8. 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/her stead and to vote thereat and the proxy or proxies need not be a shareholder;
9. it shall specify the time and place for the delivery of the instrument for appointing proxy to vote at the meeting;
10. it shall specify the date of registration of the voting rights for shareholders who are entitled to attend in the shareholders' general meeting. Once the date of registration is determined, it shall not be changed;
11. it shall specify name and telephone number of the contact person of the shareholders' general meeting.

Article 17 For matters involving election of directors and/or supervisors to be discussed at the shareholders' general meeting, the particulars of candidates for directors and/or supervisors to be fully disclosed in the notice of the meeting shall at least include:

1. personal particulars including educational background, working experience, and any part-time job;
2. whether they are connected with the Company or its controlling shareholder(s) or de facto controller(s);
3. their shareholdings in the Company;
4. whether or not they have been subject to any punishment by the securities regulatory authorities or other related authorities or stock exchanges.

Article 18 When the Company convenes an annual general meeting, shareholder(s) who individually or collectively holds in aggregate three per cent or more of the voting rights of the Company or the supervisory committee shall be entitled to propose new motions in writing to the Company. The Company shall include those motions falling within the scope of responsibility of the shareholders' general meeting into the agenda of such meeting, and serve the supplementary notice timely.

For matters involving election of directors to be discussed at the shareholders' general meeting and if, within the statutory time limit, the convener receives notice of nomination of director's candidate from person entitled to nominate, the convener shall issue announcements or documents in accordance with relevant requirements of the listing rules of the stock exchange where the shares of the Company are listed.

The convener shall consider whether to postpone the shareholders' general meeting in order to give the shareholders at least fourteen days to consider the new motions or relevant information in the supplemental notice, announcement or documents.

Except for cases stipulated in the preceding paragraph, after the publication of the notice of the shareholders' general meeting, the convener shall not amend motions set out in the notice of the shareholders' general meeting or add new motion. The shareholders' general meeting shall not vote and resolve motions not stated in the notice of the shareholders' general meeting or motions which do not meet the requirements in Article 13 of these rules.

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 by prepaid post at the address recorded in the register of shareholders. In respect of holders of domestic shares, notice of shareholders' general meeting may also be served by way of announcement.

The announcement referred to in the preceding paragraph shall be published forty-five days prior to the date of the meeting in one or several newspapers designated by the securities supervisory authorities. Once it is published, all holders of domestic shares shall be deemed to have received notice of the shareholders' general meeting.

Accidental omission to serve a notice on, or non-receipt of any such notice by, such person who is entitled to receive the same shall not invalidate the meeting and the resolutions passed at the meeting.

Article 20 After issuing the notice of shareholders' general meeting, without any proper reason, the shareholders' general meeting shall not be postponed or cancelled and the proposals set out in the notice of shareholders' general meeting shall not be cancelled. When the shareholders' general meeting is to be postponed or cancelled, the convener shall make an announcement within two working days after knowing the relevant reason or at least two working days prior to the date on which the shareholders' general meeting is originally scheduled and give the reasons therefor. The shareholders' general meeting may postpone the meeting by way of passing a resolution for which every shareholder shall have voting rights.

Chapter 4 Shareholders' Proxies

Article 21 Any shareholder who is entitled to attend a shareholders' general meeting and to vote thereat shall have the right to appoint a person or several persons (whether a shareholder or not) as his/her proxies to attend the same and vote thereat on his/her behalf.

Article 22 A shareholder shall appoint his/her proxy in writing and signed by the appointor or an attorney authorised by him/her 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 authorised representative.

An instrument appointing a proxy shall be deposited at least twenty-four hours prior to the commencement of the relevant meeting at which the proxy is appointed to vote or twenty-four 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 authorised by the appointor, the power of attorney or other instruments of authorisation shall be

notarised. The power of attorney or other instruments of authorisation so notarised 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.

In the event that the appointor is a legal person, such shareholder shall be represented at the shareholders' general meeting of the Company by its legal representative or the person authorised by the board of directors or other governing body of such appointor.

Article 23 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/her 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 24 In the event that a shareholder of the Company is a recognised clearing house (as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), or a clearing house as recognised by the laws of the jurisdiction where the securities of the Company are listed ("Clearing House"), it may appoint a proxy (or proxies) it considers appropriate to attend any shareholders' general meeting or class shareholders' meeting of the Company. The proxy form to appoint such proxy (or proxies) shall set out the number and class of shares such proxy (or proxies) is (are) authorised for. The person (or persons) so authorised is (are) entitled to exercise the right of and on behalf of the Clearing House (or its nominee) as if such shareholder is an individual shareholder of the Company.

Article 25 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 Holding of the Shareholders' General Meeting

Article 26 Shareholders' general meetings shall be provided with meeting venue and be convened by ways of on-site meetings. The shareholders' general meetings shall be held at the domicile of the Company. Under the premise that lawfulness and effectiveness of the shareholders' general meeting can be guaranteed, the Company may provide convenience for shareholders by various feasible ways including means of modern information technology such as voting platform on the internet. Shareholders who attend the meeting in the aforesaid manners shall be deemed to be present.

- Article 27 In the event that the shareholders' general meeting of the Company providing internet or other methods, the voting time and procedures via internet or other ways shall be clearly set out in the notice of the shareholders' general meeting.
- The beginning time for voting via internet or other ways for the shareholders' general meeting shall not be earlier than 3:00 p.m. on the day prior to the onsite shareholders' general meeting, and shall not be later than 9:30 a.m. on the day when the onsite shareholders' general meeting is convened and its closing time shall not be earlier than 3:00 p.m. on the day when the onsite shareholders' general meeting is closed.
- The closing time of on-site meeting of shareholders' general meeting shall not be earlier than the closing time of voting via internet or other ways.
- Article 28 The board of directors and other convener shall take such necessary measures to ensure the normal order of the shareholders' general meeting. For any disturbance to the order of the meeting and acts infringing the lawful interests of the shareholders, measures shall be taken to prevent them, and they shall be reported to the relevant authorities for investigation.
- Article 29 All shareholders or their proxies whose names appeared in the register of shareholders the Company at the date of registration are entitled to attend the shareholders' general meeting and exercise voting rights in accordance with the law and regulations, these Articles of Association and these rules.
- Article 30 Shareholders attending the meeting in person shall submit the identity cards, the valid documents or certificates which can show their identities or stock account cards; shareholders who entrust others to attend the meeting shall submit their valid identification documents and the power of attorney. The corporate shareholders shall attend the meeting by the legal representative or other proxies entrusted by the legal representative. In case that the legal representative attends the meeting, he/she shall submit the identity cards and the valid certificate which can prove the qualification of the legal representative; in case that the proxies attend the meeting, he/she shall submit the identity cards, the written power of attorney made in accordance with laws and issued by the legal representative of the corporate shareholders.
- Article 31 Register of attendees shall be prepared by the Company. The register contains matters such as names of attendees (or names of units), identity card number, residential address, number of shares held or represented, and names of persons represented (or names of units represented).

- Article 32 The convener and lawyer shall together verify the validity of qualification of shareholders in accordance with the register of shareholders provided by the securities registration and clearing institution, and register the name of shareholders and the number of shares with voting rights held by them. Before the chairman of the meeting declares the number of shareholders and proxies present at the meeting as well as the total number of shares with voting rights held by them, registration for the meeting shall be ended.
- Article 33 When the Company convenes the shareholders' general meeting, all directors, supervisors and the secretary to the board of directors shall attend the meeting, and the president and other senior management shall also observe the meeting.
- Article 34 A shareholders' general meeting shall be convened and presided by the chairman of the board of directors. If the chairman of the board of directors cannot attend the meeting for certain reasons, he/she 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 elect 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.
- The shareholders' general meeting convened by the supervisory committee itself shall be presided by the chairman of the supervisory committee. In the event that the chairman of the supervisory committee is unable or fails to perform his/her duties, a supervisor elected by more than half of the supervisors shall preside the meeting.
- The shareholders' general meeting convened by shareholder(s) itself/themselves shall be presided by a representative elected by the convener.
- During the shareholders' general meeting, if the chairman of the meeting violates any of rules of procedures and the shareholders' general meeting cannot proceed as the result thereof, a person may be elected at the shareholders' general meeting to act as the chairman of the meeting, subject to the approval of the shareholders having more than half of the voting rights who are present at the meeting.
- Article 35 At the annual general meeting, the board of directors and the supervisory committee shall report to the shareholders' general meeting for their work over the previous year, and the independent directors shall also submit his/her work report.
- Article 36 Except commercial secrets which cannot be made public in the shareholders' general meeting, directors, supervisors and senior management shall respond and explain to the enquiries made by shareholders at the shareholders' general meeting.

Article 37 The chairman of the meeting shall declare the total number of shareholders and proxies present at the on-site meeting and the total number of shares with voting rights held by such shareholders and proxies before voting and the total number of shareholders and proxies present at the on-site meeting and the total number of shares with voting rights held by such shareholders and proxies shall be based on the register of the meeting.

Article 38 The shareholders' general meeting shall have minutes which are recorded by the secretary to board of directors and include the following contents:

1. time, venue, agenda of meeting and the name or designation of the convener;
2. names of the chairman of the meeting, directors, supervisors, and senior management who attend or observe the meeting;
3. number of shareholders and proxies present at the meeting, total number of the shares with voting rights held by them, and the percentage of shares with voting rights held by them to the total number of shares of the Company;
4. process of consideration, the key points of speeches and voting results for each motion;
5. shareholders' enquiries or recommendations and the corresponding replies or explanations;
6. names of the lawyer, the counter and the scrutineer;
7. other matters which shall be recorded in the meeting minutes pursuant to these Articles of Association and these rules.

The convener shall make sure that the contents of minutes of the meeting are true, accurate and complete. Directors, supervisors, the secretary to the board of directors, the convener or his/her representative and the chairman of the meeting shall sign on the minutes of the meeting. The minutes of the meeting should be stored and maintained with the register for signing of attending shareholders and the proxy form of their proxies and valid information on voting via internet and other manners in the premises of the Company, and the maintaining period shall not be less than ten years.

Article 39 The convener shall ensure the shareholders' general meeting is held without adjournment until the final resolution is reached. Where special reasons such as force majeure have led to the suspension of the meeting or no resolution can be adopted, necessary measures should be taken to resume the meeting, or to end the meeting directly with a timely announcement. Meanwhile, the convener shall report to the CSRCSB and the SSE.

Chapter 6 Voting and Resolutions of the Shareholders' General Meeting

Article 40 Resolutions of shareholders' general meetings are classified into ordinary resolutions and special resolutions.

To adopt an ordinary resolution, more than one half of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed.

To adopt a special resolution, more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed.

Article 41 The following matters shall be resolved by an ordinary resolution at a shareholders' general meeting:

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

Article 42 The following matters shall be resolved by a special resolution at the shareholders' general meeting:

1. increase or reduction of the share capital and issue of shares of any class, options or other similar securities;
2. issuance of corporate bonds;
3. division, merger, dissolution and liquidation of the Company;
4. amendments to these Articles of Association;

5. purchase or disposal of material assets or any guarantee within one year, the amount of which exceeds thirty per cent of the latest audited total assets of the Company;
6. share option incentive scheme;
7. any other matters required by the laws and regulations or these Articles of Association and resolved by way of an ordinary resolution at the shareholders' general meeting as being of a nature which may have a material impact on the Company and shall be adopted by special resolutions.

Article 43 Shareholders (including proxies) exercise their voting rights in proportion to their shareholdings with voting rights, and each share represents one voting right upon voting at the shareholders' general meeting.

If the shareholder is a recognised Clearing House within the meaning of Securities and Futures Ordinance, in exercising the relevant voting right, it shall abide by any privileges or restrictions imposed on any share class voting right.

No shares held by the Company shall be entitled to any voting right nor counted in the total number of shares with voting rights at the shareholders' general meeting.

The board of directors of the Company, independent directors and shareholders who comply with the relevant rules may collect voting rights at the shareholders' general meeting from other shareholders of the Company. Collection of the voting rights shall be executed at nil consideration and full disclosure of information shall be made to those whose voting rights are collected.

Article 44 A shareholder shall abstain from voting for the matters to be considered at the shareholders' general meeting with which he/she is connected and the number of voting shares represented by them shall be excluded from the total number of shares with voting rights at the shareholders' general meeting. The announcement of the resolutions of the shareholders' general meeting shall fully disclose the voting of the non-connected shareholders.

Article 45 Where any shareholder is, under the Listing Rules of the Hong Kong Stock Exchange, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

Article 46 Cumulative voting system shall be adopted for voting in respect of the election of directors and supervisors at a shareholders' general meeting in accordance with the provisions of these Articles of Association. Independent directors and non-independent directors shall vote separately.

Cumulative voting system mentioned in the preceding paragraph refers to a system of voting for the election of directors or supervisors at the shareholders' general meeting in which voting rights of each share is equal to the number of directors or supervisors to be elected and the shareholder can aggregate his/her voting rights for one or more candidates.

Article 47 Except the cumulative voting system, all the motions shall be voted at the shareholders' general meeting one by one. In case of different motions on the same matter, the motions shall be voted according to the chronological order of the motions proposed. Unless a shareholders' general meeting is suspended or fails to resolve a motion due to force majeure or other special reasons, no motion shall be set aside or rejected for voting at the shareholders' general meeting.

Article 48 One voting right can only be exercised in one of the three ways, on-site, via internet or other voting methods. In case that the same voting right is exercised repeatedly, the result of the first voting shall prevail.

Article 49 The voting rights of the shareholders' general meeting shall be exercised with the shareholders' name.

Article 50 When considering a motion at the shareholders' general meeting, no change shall be made thereto; otherwise, the relevant change shall be treated as a new motion which shall not be voted at that shareholders' general meeting.

Article 51 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 such a poll shall still be deemed as a resolution passed at the meeting.

Article 52 On a poll taken at a meeting, shareholders (including their proxies) who are entitled to two or more votes are not required to cast all their votes in favour of or against a resolution.

Article 53 Before voting on any motion at a shareholders' general meeting, two representatives of the shareholders shall be elected to participate in vote counting and scrutinising. Any shareholder who is connected in the matter under consideration and proxies of such shareholder shall not participate in vote counting or scrutinising.

When the shareholders are voting on the motions, lawyers, shareholders' representatives and supervisors' representatives shall be jointly responsible for vote counting and scrutinising.

Shareholders or their proxies that vote via internet or other ways shall have the right to check their voting results through the relevant voting system.

Article 54 The chairman of the meeting shall announce the voting results of each motion, and whether the motion is passed pursuant to voting results.

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

In the event that the chairman of the meeting has any doubt as to the result of voting on any resolution, he/she may count the votes. If the chairman of the meeting does not make a count of such votes but any shareholder or proxy present at the meeting disagrees with 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 the vote counting.

Article 55 Prior to announcement of the voting results, the Company and the vote counter, scrutineer, substantial shareholder(s), internet service provider and other relevant parties in relation to voting in the on-site shareholders' general meeting, via internet or other ways shall undertake the obligations of the confidentiality for the voting results.

Chapter 7 Post Shareholders' General Meeting Events

Article 56 Upon the formation of the resolutions of the shareholders' general meeting, the Company shall notify the stock exchange where the Company is listed and issue announcement within the stipulated time period in accordance with applicable rules. The announcement shall set out the number of shareholders and proxies attending the meeting, total number of shares with voting rights held by them and as a percentage of the total number of shares with voting rights of the Company, the method of poll, the result of poll for each proposed resolution, and details of the resolutions passed.

Article 57 If any proposed resolution is not passed, or any resolution previously passed is amended in the current shareholders' general meeting, notes shall be made in the announcement of the resolutions of the shareholders' general meeting.

Article 58 For the proposed resolution in relation to the election of directors and/or supervisors passed at the shareholders' general meeting, those newly elected directors and/or supervisors shall assume office in accordance with these Articles of Association.

Article 59 For the proposed resolution in relation to the dividend payment, bonus shares, or conversion of capital reserve fund to increase share capital passed at the shareholders' general meeting, the Company shall implement specific plan within two months after the conclusion of the shareholders' general meeting.

Article 60 The Company shall notify the stock exchange where the Company is listed after the decision of the following matters has been made in accordance with the requirements of the securities regulatory authorities and the stock exchange at the place where the Company is listed:

1. amendments to these Articles of Association;
2. change of directors and/or supervisors;
3. change of share and related rights;
4. change of accounting firm.

The above-mentioned relevant matters shall be notified promptly to related organisations and persons such as Hong Kong Companies Registry, Share Registrar of H shares, the administration authorities for industry and commerce according to the relevant requirements or processed according to relevant procedures.

Article 61 If the resolutions passed at the shareholders' general meeting are in violation of any law and regulation, shareholders shall be entitled to request the People's Court to confirm that those resolutions are null and void.

If the procedures for convening a shareholders' general meeting or the way of voting violate any law and regulation or these Articles of Association, or the content of a resolution violates these Articles of Association, the shareholders are entitled to, within sixty days from the date when the resolution is made, request the People's Court to revoke it.

Article 62 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 upon receipt of the reasonable payment therefor.

Chapter 8 Class Shareholders' Meeting

Article 63 Shareholders holding different classes of shares shall be classified as class shareholders. Class shareholders shall enjoy the rights and shall undertake the obligations pursuant to the provisions of laws and regulations and these Articles of Association.

Article 64 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 66 to 70 of these rules.

Article 65 The following situations shall be considered as a variation or revocation 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 on 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 the 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 increase the restriction 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 reorganisation scheme of the Company which would lead to a disproportionate assumption of obligations by different class shareholders;
12. to amend or abrogate the provisions in this Chapter.

Article 66 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 class shareholders' meeting on the matters provided for in paragraphs 2 to 8 and 11 to 12 of Article 65 of these rules provided that interested shareholders shall not have the right to vote at the class shareholders' meeting.

The definition of an interested shareholder referred to in the preceding paragraph shall be as follows:

1. in the event that the Company makes a repurchase offer to all shareholders in a proportionate manner in accordance with the provisions of these Articles of Association or repurchases its shares on a stock exchange through public dealing on a stock exchange, "interested shareholder" shall mean the controlling shareholder as defined in these Articles of Association;
2. in the event that the Company repurchases its shares through agreement other than through a stock exchange in accordance with the provisions of these Articles of Association, "interested shareholder" shall mean the shareholder related to such agreement;
3. in a reorganisation scheme of the Company, "interested shareholder" shall mean a shareholder who undertakes obligations to a lesser extent than other shareholders of the same class, or a shareholder who holds interests different from those held by other shareholders of the same class.

Article 67 A resolution of the class shareholders' meeting shall be passed in accordance with Article 66 by more than two-thirds of the shareholders present in the meeting who have rights to vote.

Article 68 If the Company convenes a class shareholders' meeting, it shall issue a written notice forty-five days prior to the meeting to all shareholders of such class who are on the register of shareholders, specifying the business to be transacted and the date and place of the meeting. The shareholders who intend to attend the meeting shall serve on the Company written replies of their intention to attend twenty days prior to the meeting.

If the number of shares vested with voting rights at such meeting held by those shareholders who intend to attend such meeting shall reach more than one-half of the total number of shares vested with the voting rights at such meeting, the Company may convene such class shareholders' meeting; if this cannot be attained, the Company shall further notify the shareholders by way of announcement within five days thereof specifying the business to be transacted and the date and place of the meeting. After giving notice by such announcement, the Company may convene the class shareholders' meeting.

Article 69 Notices of the class shareholders' meeting need only be served on the shareholders who are entitled to vote at such meeting.

The procedures of the class shareholders' meeting shall follow as much as possible the procedures of a shareholders' general meeting and the provisions in these Articles of Association relevant to the procedures of a shareholders' general meeting shall apply to the class shareholders' meeting.

Article 70 Apart from the shareholders of other classes of shares, the holders of domestic shares and holders of overseas listed foreign 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 shares either separately or concurrently at twelve month intervals, and the number of domestic shares and overseas listed foreign shares proposed to be issued does not exceed 20 per cent of the issued domestic shares and overseas listed foreign shares respectively;
2. where the Company's plan to issue domestic shares and overseas listed foreign 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 9 Supplementary Provisions

Article 71 In the event that the text of an announcement or a notice as defined in these rules is too long, the Company may disclose summary of relevant information on the newspapers designated by the CSRC, but at the same time, full text shall be announced on the website designated by the China Securities Regulatory Commission.

Article 72 Unless the context requires otherwise, the definitions of the words used in these rules are as same as those used in these Articles of Association.

Article 73 Where there are matters not mentioned in these rules or where these rules are inconsistent with the regulations promulgated or amended from time to time, provisions of the relevant law, rules and regulations and Articles of Associations shall be implemented.

Article 74 These rules are the schedule to these Articles of Association, which shall be formulated, revised and interpreted by the board of directors of the Company and shall be effective and amended upon the approval of the shareholders' general meeting.

The Rules of Procedures for the Board of Directors is prepared in Chinese without an official English translation. The English translation set out in this Appendix III is prepared for reference only. In the event of any inconsistency between the two versions, the Chinese version shall prevail.

The revised Rules of Procedures for the Board of Directors is set out as follows:

Chapter 1 General Provisions

Article 1 These rules of procedures for the board of directors of Shenzhen Expressway Company Limited are formulated in accordance with the Company Law, the Securities Law, the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, Listing Rules of SSE and the articles of association of the Company, and with reference to the relevant laws of the State and local governments, to modernise the Company's corporate systems and to enhance the structure of the Company's corporate governance.

Article 2 The objective of these rules is to further specify the functions and powers of the board of directors of the Company, to govern its work procedures and conduct, to ensure the responsibilities of the board of directors are strengthened, to ensure legality of the their exercise of powers, performance of duties, assumption of obligations, to bring in the decision-making function of the board of directors in the Company's management into full play and to realise the regulation of the work of the board of directors.

Article 3 The Company has established the board of directors in accordance with laws. 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 Directors and Board of Directors

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

For the motion in relation to the election of directors approved at the shareholders' general meeting, in case of the election of new session of the board of directors, the tenure of office of the newly appointed directors will commence on the next day after the end of the tenure of office of the last session of the board of directors; in other cases, the tenure of office of the newly appointed directors will commence upon the closing of the shareholders' general meeting.

The tenure of the office of the directors will commence on the date of appointment and end on the expiry of the session of the board of directors. In the event that it fails to elect new directors before the end of the tenure of office, the existing directors shall perform their directors' duties pursuant to laws and regulations and the requirements under these Articles of Association before the new directors have been elected.

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

Article 7 Directors who have taken specific position of operation and management in the Company shall be executive directors, which include the chairman whose main office is in the Company and directors that act as the senior management or other important management positions. The number of executive directors shall not exceed half of the total number of directors of the Company.

Article 8 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 9 Any person being in the circumstances of barring from being a director specified in 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 directors shall also comply with the independence requirements relating to independent director as promulgated from time to time by China Securities Regulatory Commission and the Hong Kong Stock Exchange.

Article 10 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 11 After the appointment of and change 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 SSE 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 12 A director who fails to attend the board meetings in person nor authorise another director to attend the meetings on his/her behalf for two consecutive times shall be deemed as not performing duties and the board of directors shall propose to the shareholders' general meeting for removing such director.

- Article 13 A director may resign by submitting a written resignation to the board of directors before expiration of his/her term. The resigning director shall submit written report to the board of directors.
- Article 14 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 general meeting to elect a new director to fulfill the vacancy as soon as possible. The existing director shall perform his/her director's duties pursuant to laws and regulations and the requirements under these Articles of Association before a new director takes office.
- Article 15 Any resignation and change of directors shall be notified to the stock exchange where the shares of the Company are listed and disclosure obligations shall be fulfilled in accordance with relevant requirements. In the event of resignation or removal of an independent director, the Company shall promptly notify the reasons of such resignation or removal to the stock exchanges where the shares of the company are listed.
- Article 16 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 17 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. the independent director has the right to exercise other rights empowered by laws and regulations or regulatory rules, in the case of an independent director who is required to provide an independent opinion or perform other duties, the independent 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 of Association or by authorisation of the board of directors;
 6. to deal with the business of the Company in accordance with these Articles of Association or by authorisation of the board of directors;
 7. without contravention to these 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 of Association.

Article 18

In discharging his/her duties, each of the directors shall adhere to the principle of fiduciary and shall not put himself/herself in a position where his/her own interests and his/her 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/she represents;
2. to exercise powers within, and not to exceed the scope of, his/her authority;
3. to exercise the discretionary power vested in him/her personally and not to be manipulated by others; no discretionary powers shall be transferred to other persons without the permission of laws and 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 of Association 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/her 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 of Association, to perform his/her duties faithfully, to protect the interests of the Company, and not to obtain personal benefits by using his/her 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/her 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/her 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 reorganisation of the Company approved by the shareholders' general meeting in accordance with these Articles of Association;
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 19

Directors of the Company shall have the following fiduciary duties to the Company:

1. to exercise the authorities conferred by the Company carefully, seriously and diligently, in order to ensure that the business activities of the Company comply with the laws and regulations of the State and various economic policy requirements. The business activities cannot exceed the scope of activities specified by the business licence;
2. to acknowledge the operation style, the operation and management situation, the activities and development of the business of the Company, to investigate positively and acquire information and materials which are necessary to the decision-making;
3. to attend the meetings of the board of directors and the meetings of the committee which he/she is a member on time and participant in the meeting positively, to make contributions through his/her techniques, professional knowledge and different backgrounds and experiences;
4. to attend the shareholders' general meeting and understand the shareholders' opinions fairly;

5. to make positive contributions to the strategy and policy of the Company by providing independent, constructive and reasonable opinions;
6. to sign confirm opinions on the periodical reports of the Company; to make sure that the information disclosed is true, accurate and complete;
7. to provide the relevant information and materials to the supervisory committee truthfully and not to obstruct the exercising functions and power of the supervisory committee or the supervisor;
8. other fiduciary duties stipulated in the laws and regulations and these Articles of Association.

Article 20 The directors shall not cause the following persons or bodies (“associates”) to do what he/she 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, president and other senior management, has/have a de facto controlling interest;
5. the directors, supervisors, president and other senior management of the controlled company referred to in paragraph 4 above.

Article 21 The fiduciary duties of the directors do not necessarily cease upon expiry of his/her term of office. The obligations to keep the commercial secrets of the Company confidential shall survive the expiry of his/her 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/her departure from office and the circumstances and conditions under which the relation with the Company was terminated.

Article 22 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/her 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 reorganisation of the Company approved by the shareholders' general meeting in accordance with these Articles of Association.

Article 23 Each of the directors is entitled to an appropriate remuneration based on his/her own situation which reflects the time spent and obligation undertaken by each director during his/her service at the board of directors.

The aforesaid remuneration include:

1. the remuneration in respect of his/her service as a director or senior management of the Company;
2. the remuneration in respect of his/her 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/her retirement from office.

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

Article 24 The remuneration of the directors shall be determined by the board of directors and approved by the shareholders' general meeting.

Chapter 3 Nomination and Election of Directors

Article 25 Upon expiration of the term of the board of directors or election of directors to fulfill the vacancy before the expiration of the term of the board of directors, the procedures for nomination of candidates for directorship are as follows:

- I. the nomination of candidates
 1. The Company's board of directors, supervisory committee and shareholder(s) individually or collectively holding more than one per cent of the issued share capital of the Company may nominate candidates.
 2. The board of directors may entrust the nomination committee or the extraordinary working group set up specially to find the qualified candidates.
 3. 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.
 4. The nomination materials shall be submitted in writing to the secretary to the board of directors within the required period.
 5. The secretary to the board of directors shall tidy up and collate the nomination materials within three working days that are submitted to the nomination committee to consider and verify.
- II. the verification of the qualification of the candidates and quality assessment
 1. The nomination committee is responsible to consider and verify the nomination materials and the independence of the independent directors. The nomination committee 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 and the nominated candidate shall have the obligation to assist such investigation and verification.

2. Within thirty 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 to the board of directors to consider and confirm.
3. Upon the expiration of the term of the board of directors, the nomination committee shall provide opinions on the organisations of the candidates, including but not limited to: at least one professional accountant in the independent directors; the number of the executive directors shall not exceed one-half of the total numbers of the board of directors of the Company, etc.

III. the confirmation and announcement of the candidates

1. The board of directors shall consider the list of the candidates.
2. The candidates who are nominated by the nomination committee (or other working group entrusted by the board of directors) and passed the consideration of the board of directors and the candidates who are nominated by the supervisory committee or the qualified shareholders shall be treated as a confirmed candidate, who shall be referred to the shareholders' general meeting for election by vote. In respect to the candidates nominated by the supervisory committee or the qualified shareholders but do not pass the consideration of the board of directors, the board of directors shall explain to the shareholders' general meeting.
3. In accordance with the securities regulatory rules of the place where the shares of the Company are listed, the board of directors shall public the information of the candidates' information and introduce the 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. The nominator and the nominee shall provide the required information.

Article 26

Special matters relating to the nominated candidate for independent director:

1. when nominating a candidate of independent directors, 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/her independent and objective judgment;

3. after the confirmation of the candidate of the independent directors, the board of directors shall report the relevant contents of the nominated materials to SSE and other security regulatory authorities in accordance with the requirements promulgated by the relevant regulatory authorities. In case that the board of directors has different opinions, it shall report the written opinions of the board of directors;
4. the Company shall not propose the candidates who are objected by SSE to the shareholders' general meeting and elect such person to be independent directors, and the Company shall delay or cancel the shareholders' general meeting pursuant to the security regulatory rules or cancel the relevant proposals of the shareholders' general meeting;
5. the board of directors shall explain whether the independent directors have been objected by the security regulatory authorities when convening of the shareholders' general meeting for the election of independent directors.

Article 27 Cumulative voting system is adopted for election of directors. The election of independent director and the other directors shall be voted separately.

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/her votes to one nominated candidate for director, or divide his/her entitled votes among the nominated candidates for directors he/she is entitled to vote at his/her own discretion or cast all his/her votes for two or more nominated candidates for directors.

The voting and counting method of the cumulative voting system shall be exercised pursuant to the applicable regulatory rules.

Chapter 4 Powers of the Board of Directors

Article 28 The board of directors shall exercise the powers appointed or authorised by the shareholders' general meeting. The board of directors shall strictly comply with these Articles of Association and the authorisation of the shareholders' general meeting, and it cannot make resolution beyond the authorisation. In case that the resolution falls within the scope of the powers of the shareholders' general meeting, the board of directors shall submit it to the shareholders' general meeting.

Article 29 The board of directors is responsible for convening shareholders' general meeting, reporting its work to the shareholders' general meeting and implementing the resolution of the shareholders' general meeting. The board of directors shall explain at the shareholders' general meeting any qualified audit opinion in respect of the financial report of the Company made by the certified public accountant.

Article 30 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 and regulations, and these Articles of Association, 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 31 The board of directors shall exercise the power to make management decisions on development strategies, management structure, investment and financing, planning, financial control, personnel matters and corporate governance pursuant to these rules.

Article 32 The board of directors shall exercise the following powers on development strategies and management plan:

- I. Powers requiring approval from shareholders' general meeting:
 1. to formulate the business policies and investment plans of the Company;
 2. 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 of Association and other applicable rules);
 3. to formulate proposals for an increase or reduction of the Company's registered capital and repurchase of the Company's shares;
 4. to formulate proposals for increases in the Company's share capital;
 5. to formulate proposals on merger, division and dissolution of the Company;
 6. to file a winding up petition for the Company;
 7. to propose amendments to these Articles of Association;

8. to put forward specific proposals on changing the use of proceeds from issuance of shares.
- II. Directors can exercise the following power independently without approval from the shareholders' general meeting:
1. to determine plans for improving the operation and management of the Company or for enhancing the operating results of the Company;
 2. to decide on the business plans, audit work plans and investment proposal of the Company;
 3. to determine plans for internal organs of the Company and establishing the working organs of the board of directors;
 4. to decide on the setting-up of specialised committees and appointment or dismissal of the chairman and committee members of the specialised committees;
 5. to formulate proposals on investment, acquisition or disposal of assets within the scope of power of the board of directors;
 6. 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 of Association or these rules.

Article 33 The board of directors shall exercise the following powers on financial management of the Company:

- I. Powers requiring approval from shareholders' general meeting:
1. to consider and approve the Company's annual budget and final accounts;
 2. to formulate the Company's profit distribution plan and plan for making up accrued loss;
 3. to examine the financing plans of the Company, such as bond issuance plan;
 4. to consider and approve proposals for asset disposal such as assets pledged, leased, subcontracted or transferred, etc. and guarantees that shall be submitted to shareholders' general meeting (in accordance with these Articles of Association and applicable rules); and

5. to formulate proposals for appointment or removal of accounting firm by the Company.

II. Directors can exercise the following powers independently without approval from the shareholders' general meeting:

1. 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;

2. 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;

3. to decide on implementation plan of lease contracts, transaction contracts within the Company's budget or plan;

4. to determine the total amount of guarantee to be given by the Company in the year for the borrowings of its subsidiaries;

5. to approve donations to social charity and other charitable and business sponsorship or donations not exceeding RMB 1,000,000 in aggregate;

6. to manage matters relating to disclosure of the financial information of the Company.

Article 34 The board of directors shall exercise the following powers on the management of the Company and personnel matters of the Company:

I. Powers requiring approval from shareholders' general meeting:

1. to fix the directors' remuneration scale;

2. to propose candidates for directorship and review candidates for directorship nominated by shareholders; and

3. to work with the supervisory committee to evaluate the performance of directors, and to propose the removal of directors based on the evaluation.

- II. Directors can exercise the following powers independently without approval from shareholders' general meeting:
1. to decide the Company's policies for human resources development and the strategies and plans to be adopted;
 2. to decide on the principal duties and scope of powers of president, the officers in charge of financial affairs and the secretary to the board of directors;
 3. to appoint or dismiss president and secretary to the board of directors; to appoint or dismiss other senior management, officers in charge of financial affairs or any other person as designated by the board of directors according to the nomination of the president;
 4. to determine the salary and allowance of directors and decide on share option scheme (or similar arrangement) according to the authorisation of the shareholders' general meeting;
 5. to assess the work performance of the president, and to decide on plans for the succession of directors, president, the secretary to the board of directors and other senior management.

Article 35 The board of directors exercises the following powers on corporate governance:

1. to develop and review the fundamental management system of the Company and the Company's policies and practices on corporate governance;
2. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
3. to manage the disclosure matters of the Company;
4. to review and monitor the training and continuous professional development of directors and senior management;
5. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors;
6. to review the Company's compliance with the securities regulatory rules of the place where the shares of the Company are listed and disclosure such matters to the shareholders.

Article 36 The board of directors shall exercise 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.
8. to review the effectiveness of the internal supervise system, and such review shall cover all the important matters, including financial monitoring, operation monitoring, monitor on the compliance with laws and regulations and risk management functions, etc.

Article 37 The board of directors shall regulatory review the contribution required from a director to perform his/her responsibilities to the Company, and whether he/she is spending sufficient time performing them.

Article 38 Where there are more than two executive directors, the board of directors may, on condition that the board of directors ensures its management of the Company, assign part of the powers to all the executive directors in order to improve the sufficiency of the decision-making.

The executive directors shall review matters in accordance with Chapter 9 of these rules and the decisions made within the authorisation shall be equal to the decisions made by the board of directors.

Article 39

The board of directors shall assign the general authorisation to executive directors as follows:

1. the alternation and expansion of the toll stations of the road project;
2. the investment plans or assets acquisition plans which does not meet the disclosure standard, including but not limited to the increase of capital and shares of the roads charge tolls and the advertisements, the expansion of the roads charge tolls, the acquisition of business or assets, etc., but the investment and acquisition plans on other business sectors other than roads which charge tolls and advertisements shall be excluded;
3. the disposal plans on assets such as charge, leasing, sub-contract or transfer, etc. which does not meet the disclosure standard;
4. the plan of ten per cent adjustment within the approved scale of the approved investment or the assets acquisition plan;
5. the connected transactions which beyond the approve powers of the president but do not meet the disclosure standard;
6. the investment budget of the build and entrusted management business which beyond the approve powers of the president but do not exceed RMB500,000,000;
7. the pre-development costs of investment projects in Shenzhen which take up less than three per cent of the investment budget but not more than RMB30,000,000;
8. the society charity donations and the money used in sponsoring or donating to the other charity or business activities, which not exceed RMB1,000,000 per year;
9. the detailed implementation plans of the award scheme (not including the award scheme of the executive directors themselves) or incentive scheme approved by the board of directors or its specialised committee;
10. other general authorisation empowered by the board of directors based on the Company's actual conditions.

Chapter 5 Specialised Committees of the Board of Directors

- Article 40 The board of directors shall establish specialised committees according to its actual needs.
- Article 41 The members of the specialised committees are made up of directors. The specialised committees may appoint professional parties to be consultant of related issues according to their needs.
- Article 42 The term of office of the members of the specialised committees shall be three years, which term is the same as the term of office of the directors.
- Article 43 The Company shall formulate terms of reference of the specialised committees which shall be approved by the board of directors for every specialised committee to clearly delineate their scope of power. The terms of reference shall be followed by every specialised committee as important guidelines and basis for their works. The specialised 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 44 The specialised 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. When exercising the powers, the specialised committees shall access to the independent professional advice if necessary.
- Article 45 The specialised committees shall be provided with sufficient resources to perform their duties. The specialised committees may retain professional institutions or professionals to get independent advices, of which reasonable costs incurred shall be borne by the Company.

Section 1 — Audit Committee

- Article 46 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 47 The audit committee shall comprise three to five non-executive directors, of which at least a simple majority shall be independent directors. The audit committee shall have a chairman, who shall be an independent director.

Article 48 The members of the audit committee shall be familiar with 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 independent director who is a professional accountant and meets the requirements of the securities regulatory authorities.

Article 49 The audit committee shall meet at least four times annually. The meetings shall respectively be convened prior to the adoption by the board of directors of the periodical reports of the Company.

Section 2 — Strategy Committee

Article 50 The strategy committee of the Company is principally responsible for examining and formulating policies for long-term development strategies of the Company.

Article 51 The strategy committee shall comprise four to five directors. It shall include the chairman of the board of directors, at least one executive director and independent director. The chairman of the strategy committee shall be the chairman of the board of directors.

Article 52 The members of the strategy committee shall be familiar with the characteristics of the business development and operation of the Company, possess certain 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 53 The strategy committee shall meet at least once a year.

Section 3 — Remuneration Committee

Article 54 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 55 The remuneration committee shall comprise three to five directors, of which at least a simple majority shall be independent directors. The remuneration committee shall have a chairman, who shall be an independent director.

Article 56 The remuneration committee shall meet at least once a year.

Section 4 — Nomination Committee

- Article 57 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 58 The remuneration committee shall comprise three to five directors, of which at least a simple majority shall be independent directors. The remuneration committee shall have a chairman, who shall be an independent director.
- Article 59 The remuneration committee shall meet at least once a year.

Section 5 — Risks Management Committee

- Article 60 The risks management committee (the "Risks Committee") of the Company is principally responsible for supervising the implement of the risk management of the Company, to ensure that the Company can operate effective risk management plans on the risks related with the business activities, and control the risk within a reasonable scale.
- Article 61 The Risks Committee shall comprise three to five directors, one of which shall be the chairman of the Risks Committee.
- Article 62 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 63 The Risks Committee shall meet at least once a year.

Chapter 6 Chairman of the Board of Directors

- Article 64 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 65 The eligibility requirements for the post of chairman of the board of directors:
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 organise 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, specialised committees, senior management, and other internal organisations 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 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 66

The chairman of the board of directors is the legal representative of the Company. The chairman of the board of directors exercises the following 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 specialised 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 share certificates and securities issued by the Company;
5. to 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 meeting;
6. to be entitled to cast an additional vote at a voting of the board of directors when there are same number of votes for two different opinions;

7. to exercise special discretion right and right of disposal pursuant to laws and 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;
8. to approve the designation or recommendation of the candidates of directors, supervisors or senior management to those enterprises invested by the Company;
9. to examine and supervise the honesty and self-disciplinary of the directors, president and other senior management of the Company;
10. such other functions and powers as conferred by the board of directors or stipulated by these Articles of Association.

Article 67 If the chairman of the board of directors, for some reason, cannot perform his/her functions for a short period of time, the chairman of the board of directors shall designate other directors to temporarily perform his/her powers on his/her behalf. If the chairman of the board of directors cannot perform his/her functions for a long period of time or he/she does not perform the functions, the board of directors shall elect new chairman of the board of directors or more than one-half of directors shall elect a director jointly to perform the powers.

Article 68 The chairman of the board of directors shall be responsible for the management of the operation of the board of directors, and leading the board of directors to make strategy and fulfill the objects of the group, and his/her main functions are as follows:

1. to be accountable to and report the work to the board of directors;
2. to ensure that the board of directors are operated effectively and they can discuss all the important matters on time, to encourage all the directors devote themselves in the board of directors, to ensure that all the directors shall be informed with all the matters discussed by the board of directors appropriately and all the directors receives sufficient, complete and reliable information on time;
3. to promote a culture of public and positive discussion, to enhance directors (especially the non-executive directors) to make effective contributions to the board of directors, and ensure the constructive relationship between the executive directors and non-executive directors;
4. to ensure that the Company prepares good practice and procedures on corporate governance;

5. to ensure that appropriate steps are taken to provide effective communication with shareholders and that their views are communicated to the board of directors as a whole;
6. 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/herself or by anyone under his/her authority;
7. to bear principal leading liability for any harm caused to the Company as a result of any of his/her improper and perfunctory supervision on the president and the secretary to the board of directors; and
8. such other functions as stipulated by laws and regulations, and these Articles of Association.

Article 69 The chairman of the board of directors shall exercise strict self-disciplinary regarding the following matters:

1. shall not arrange any of his/her relatives to work in the middle and senior management of the Company;
2. shall not arrange any of his/her 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/her relatives to work as senior management or officers in charge of financial affairs in any subordinate enterprise of the Company;
4. shall not arrange any relationship of investment, operation, borrowing and lending or guarantee between the Company and any company in which the chairman himself/herself or his/her relatives has/have investment.

Chapter 7 Independent Directors

Article 70 One-third of the members of the board of directors of the Company shall be independent directors and at least one of them shall be a professional accountant. The independent 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 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 71 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 directors. With the consent by more than half of the independent directors, independent directors may request the board of directors to summon extraordinary general meeting or board meeting and may publicly collect votes from shareholders before convening of the shareholders' general meeting. Independent 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 72 Independent directors shall submit an annual report in the name of all the independent directors at the annual general meeting of the Company, describing in detail the performance of their duties.
- Article 73 The Company shall establish a working system for independent directors. The secretary to the board of directors shall actively assist the independent directors to perform their duties. The Company shall ensure the independent directors enjoy the access to information as other directors do, provide relevant information and materials to independent directors on a timely basis, report the operations of the Company to independent directors on a regular basis, and if necessary, organise site-visits for independent directors.
- Article 74 The term of service for independent 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 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 75 Independent directors may resign before expiry of the term of service. Upon resignation, the independent director shall submit resignation report in writing to the board of directors, describing any matters relevant to his/her resignation that shall be brought to the attention of shareholders and creditors of the Company.
- If resignation of independent directors renders the number of independent 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 directors shall perform their duties in accordance with laws and regulations and these Articles of Association. The board of directors shall summon a shareholders' general meeting within 2 months for the replacement of independent directors. Should a shareholders' general meeting not summoned within the stipulated period, independent directors may cease to perform their duties.

Chapter 8 Secretary and Secretariat to the Board of Directors

Article 76 In the board of directors, there shall be secretary and secretariat to the board of directors to assist the board of directors to perform the functions and to handle daily administrative works.

Article 77 Secretary to the board of directors shall be nominated by the chairman of the board of directors, and appointed and removed by the board of directors.

Article 78 Directors or other senior management (except supervisors) may at the same time act as the secretary to the board of directors. Accountants of the accounting firm and solicitors of the solicitors' firm engaged by the Company shall not 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 79 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., and join the professional training organised by the securities regulatory authorities and get the relevant qualification or meet the required qualifications. His/her coordination must be strong with fine work. He/she must faithfully discharge his/her 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 9 of these rules shall be applicable to the secretary to the board of directors.

Article 80 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 and regulations and the obligations; assist the directors to comply with the requirements of relevant laws and regulations and these Articles of Association, etc.;
2. be responsible for the management of the disclosure matters;
3. be responsible for the management of the investor relationship matters;

4. be responsible for the management of the shares of the Company, to ensure that the register of the shareholders is properly kept;
5. responsible for the preparation of the shareholders' general meeting and the board of directors' meeting;
6. assist the board of directors to enhance the corporate governance system;
7. assist the board of directors to make the financial market development strategy of the Company, and assist to prepare or implement the re-financing of the financial market or acquisition and reorganisation matters;
8. 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;
9. ensure that the Company prepare and submit the documents and materials required by the securities regulatory authorities, responsible for the communication with the securities regulatory authorities and accept and complete the task issued by the securities regulatory authorities;
10. other duties requested to be performed by the securities regulatory authorities and the board of directors.

Article 81

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 preparation of relevant documents of the board meeting and proposals of the board of directors which shall be submitted to the board of directors for consideration in accordance with the requirements, and provide the information and materials which are necessary for the directors' performing functions;
3. prepare the board meetings and the meeting of shareholders' general meeting; prepare minutes for the meetings; take initiative to investigate the execution of the relevant resolutions;
4. responsible for managing detailed matters relating to the disclosure understanding the incurred important matters of the Company positively and knowing the material business decision and relevant information on time;

5. responsible for the management of share certificates of the Company;
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 opinions and suggestions;
7. take initiative and active communication with the securities regulatory authorities; prepare documents and materials need to be submitted by the Company on the requirements of the securities regulatory authorities, implement and organise the working task issued by the securities regulatory authorities;
8. coordinate and handle the relationship between the Company and investors, and keep fluent communication with the investors, agents and media;
9. manage the documents relating to the shares of the Company, disclosure, corporate governance system, shareholders' general meeting and the board meeting;
10. complete other matters required by the board of directors and directors;
11. complete other matters designated by directors.

Chapter 9 Board Meeting

Section 1 — Meeting Preparation and Notices

- 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 publication of the periodic 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 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 president;
5. when proposed by above one-half of the independent directors.
6. shareholders holding 10% or more of the voting rights.

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 fourteen days before the date of such meeting. All directors shall be notified of the ad hoc board meetings by the abovementioned manners five days before the date of such meeting.

Where the notice has given, if the time of the meeting need to be postponed, the place of the meeting need to be changed or the agenda of the meeting increased, decreased or is cancelled, the alternation notice shall be given three days prior to the designated date of the meeting and explain the matters changed.

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 or adjust the agenda of the meeting.

Article 86 Written notice of a board meeting shall contain time, place, agenda of such meeting and the date of the issue of such notice.

Article 87 Before the notice is given, the secretariat to the board of directors shall collect the opinions of the board of directors and formulate the agenda for the consideration and approval of the chairman of the board of directors. Prior to the consideration of the agenda, the chairman of the board of directors shall collect the opinions of the president and the senior management if necessary.

Article 88 Where the board of directors' extraordinary meeting is held in accordance with paragraph 2 to 6 of Article 84 of these rules, the proposer shall submit the signed proposals in writing through the secretariat to the board of directors or submit the same to the chairman of the board of directors. The proposals shall include the follows:

1. the name or the description of the proposer;
2. the reasons or the object facts of the proposals;
3. the time, period, place and method of the proposed meeting;
4. the clear and detailed agenda;
5. the contact method of the proposer and the date of the proposal, etc.

The agenda shall fall within the scope of the functions and power of board of directors stipulated in these Articles of Association, and the resolutions and materials relating to the agenda shall be submitted together.

The chairman of the board of directors shall convene the board meeting within five working days upon the receiving of the proposal. If the chairman of the board of directors thinks the agenda is not clear or the content and materials are not sufficient, he/she shall suggest the proposer to make amendments or supplements. If the meeting cannot be held due to the agenda is unclear, it violates the requirements of laws and regulations or these Articles of Association, or the agenda with amendments or supplements are still unclear, the chairman of the board of directors shall make a duly explain to the proposer.

Article 89 If the chairman of the board of directors thinks the relevant agenda is non-material agenda and such agenda need not to be discussed, pursuant to the procedures of Article 109, the resolution can be formulated by signing the written resolution and the meeting notice need not to be issued. Where more than one-third or one-half of directors think it is necessary to held a meeting, such directors can propose to held a meeting jointly.

Article 90 After adopting the proposal into the proposed resolutions upon review by the chairman of the board of directors, the relevant department and staff shall give the formal proposed resolutions to the secretariat to the board of directors as soon as possible 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 91 The directors shall confirm as soon as practicable upon receipt of the notice of the board meeting whether to attend board meeting or not.

Article 92 When more than one-third of the directors or at least two independent 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 The board of directors' meeting shall be presided by the chairman. If the chairman of the board of directors is unable to chair the board meeting, he/she shall designate one of the directors to convene and hold the board meeting on his/her behalf. If the chairman of the board of directors does not designate any director to perform duties on his/her behalf, more than one-half of the directors may jointly nominate one director to convene and chair such board meeting.

Article 94 Where the executive directors make decision under the general authorisation of the board of directors, they shall convene the executive directors' meeting. Otherwise there are other requirements, the procedures of the executive directors' meeting shall be as same as that of the board meeting.

Article 95 The executive directors meeting may be convened by any executive director. There is no limitation on the time and method of notice but the director who convenes the meeting shall explain the time, place, agenda of the meeting and provide the proposals and relevant documents to facilitate the consideration and decision of the executive directors' meeting. The president is responsible for the submitting and reporting the review results and opinions of the president's office on the relevant proposals.

Section 2 — Convening of Meeting

Article 96 The board meeting shall only be convened upon more than half of the directors attending the meeting. The directors who by written instrument appoint another director to attend the board meeting on his/her behalf shall be deemed to have attended such board meeting.

Article 97 As a principle, directors shall present the meeting in person. If the directors are unable to attend the board meeting for reasons, he/she shall review the materials of the meeting and form clear opinions, then he/she may appoint in writing other director to exercise his/her powers in the meeting on his/her behalf. The written instrument of appointment shall state the director's reasons for the absence, the nominee's name, scope of appointment and authorisation, period of validity, and the appointing director shall sign or seal the written instrument.

Article 98 The limitations of the proxy:

1. The director attending such a meeting on another's behalf shall exercise his/her rights within the scope of authority granted to him/her.
2. When reviewing the connected transactions, the unconnected director shall not appoint the connected director to attend the meeting.
3. The independent director shall not appoint non-independent director to attend the meeting.
4. The director shall not appoint other directors to attend the meeting without stating his/her personal opinion on the proposal and the voting intention.
5. A director shall not be appointed by more than two directors.

Article 99 The director who is unable to attend the board meeting and has not appointed other director to vote on his/her behalf shall be treated to have had waived his/her vote in such board meeting. The director waiving his/her vote shall not exonerate his/her joint liability for any resolutions passed in such board meeting.

Article 100 Board meeting may be convened by communications facilities, including but not limited to telephone, internet or other similar communication methods. Provided that the attending directors are able to hear other directors clearly, understand their opinions and communicate with each other, all attending directors shall be deemed to have attended the board meeting in person.

Article 101 The executive directors meeting shall be convened on condition that more than two-thirds of the executive directors attend the meeting. The executive directors shall exercise the voting rights in person and shall not appoint others to exercise such rights.

The executive directors' meeting shall be presided by an executive director who is recommended jointly by more than one-half of the executive directors attending the meeting. As a principle, the secretary of the meeting shall be the secretary to the board of directors.

Section 3 — Validity of Resolutions and Directors' Responsibility

Article 102 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.

There are three kinds of a director's voting, for, against and abstain from voting, a director who votes against or abstain from voting shall explain the reasons and the basis; where a director who does not vote or vote more than two intentions at the same time, the moderator or the chairman shall require such director to vote again, if he/she rejects to vote, he/she shall be deemed to be abstain from voting.

Article 103 Otherwise specified in the laws and regulations and these Articles of Association, the board of directors may pass resolutions by majority vote. The following matters must be passed by two-thirds 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 of Association;
4. guarantee for third parties;
5. application for winding up of the Company.

Article 104 When a director has personal interest and conflict with a proposed resolution in board meeting, the challenge circumstances are clearly required under the regulatory rules, or the director thinks himself/herself need to be challenged, such director shall be challenged and without voting rights. When counting the quorum directors attending the meeting, he/she shall not be counted in the quorum. A resolution shall be passed by the board of directors if more than one-half of the directors attending the meeting who are not challenged passed the resolution. Where the directors who are not challenged attending the meeting are less than three persons, the board of directors shall submit such proposal to the shareholders' general meeting' review.

Article 105 The resolutions reviewed in the executive directors' meeting shall be passed by more than two-thirds of the executive directors. Upon the following circumstances occurred, the reviewed resolutions shall be submit to the board of directors' meeting for reviewing:

1. more than one-third of the executive directors object the resolution;
2. pursuant to the relevant regulatory rules or the requirements of the corporate governance rules, there are challenge circumstances that leads to the executive directors who can vote in the meeting is less than two-thirds of the total number of the executive directors;
3. the president of the Company or more than one-third of the executive directors propose to submit the resolution to the board of director's meeting for discussion.

Article 106 The directors shall have responsibility for board resolutions.

When the Company suffers loss as a result of board resolutions violating the law and regulations or these Articles:

1. the director who votes for the resolutions or appoints other director to vote for the resolutions shall bear the direct responsibility;
2. the director who votes against and states his/her 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/her votes or neither attends nor appoints other person to attend board meeting shall not exonerated from the responsibility;

4. the director who states his/her objection in the discussion but does not vote against the resolutions or who does not clearly state objection and does not request to record his/her objection in board minutes shall not exonerated from the responsibility;
5. when the independent directors have conflicting view with other directors and this is recorded in board minutes, the independent directors and other directors shall bear respective responsibility accordingly.

Section 4 — Rules of Procedures

Article 107 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; the directors shall read the relevant materials carefully and give opinion independently and prudentially on the basis of understanding the materials;
3. if there is unanimous view, the chairman may propose to pass the resolutions by hands or votes; if the difference among the views are large, the resolutions shall be passed by votes, and the directors who against or abstain from voting shall explain the reasons and the basis;
4. the resolutions of the board of directors shall be in writing and the attending directors and the appointed directors shall sign on the board resolutions.

Article 108 The board of directors shall prepare minutes of meeting for the decision made in relation to the matters considered in the meeting.

The minutes of meetings of the board of directors shall include the following:

1. date and venue of the meeting and the name of the convener;
2. names of the directors attended in person and names of the directors (proxies. who are appointed by others to attend the board meeting;
3. agenda of the meeting;
4. key points of the directors' speeches;
5. voting method and results of each of the resolutions.

The draft and final version of the minutes of the board meeting shall be sent to all the directors within a reasonable time after the meeting. The draft minutes is for the directors' comments and the final version is for the inspection.

The minutes of the board meeting, the signatures of the directors who attend the meeting and the proxy instrument shall be kept together as the Company's file. The board meeting may also be kept by way of conference recording, etc. so as to formulate a reference to the minutes of meeting.

Article 109 The board of directors may pass resolutions by signing resolutions in writing on non-material matters. The procedures 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 for, against or abstain from voting on the draft resolutions upon receipt; the directors who sign against or abstain from voting shall explain the reasons and basis;
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 who sign for on the resolution forms the quorum, the draft resolutions shall form resolutions of the board of directors;

Article 110 The executive directors shall make minutes of the resolutions and all the executive directors who attend the meeting shall sign on the minutes. The minutes shall include the time, place, the attending members, the particulars and the content of the resolution.

Article 111 Where a resolution is not passed, if the relevant conditions and factors are not materially changed, the board of directors shall not review the same resolution within one month.

Article 112 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. If the board of directors pass resolutions in other methods other than convening a board meeting, it shall report such resolutions to all the directors periodically.

Article 113 Unless with the prior notice, non-director president and supervisors may attend board meetings, have the rights to receive notice of the meetings of the board of directors 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 the meetings of the board of directors. Attendees do not have rights to vote.

Non-director president may request for review of the resolutions passed upon his/her proposal once.

Section 5 — Others

Article 114 The files of the board of directors, including but not limited to the resolutions of the board of directors, the minutes, the resolutions in writing and the minutes of the executive directors' meeting, etc., shall be kept as the Company's files for ten years.

All the directors are entitled to inspect the documents above or require the Company to provide the copies of the documents above.

Article 115 The costs of the directors' attending the board meeting shall be borne by the Company. These costs includes the traffic fees from the place the director lives to the place of the meeting, accommodation fees during the meeting, the rental of the meeting place and the local traffic fees.

Chapter 10 Supplementary Provisions

Article 116 Otherwise specified in the Rules, the definitions of the words used in the rules are as same as that used in these Articles.

Article 117 When there are matters not mentioned in the Rules or when the Rules are inconsistency with the regulations promulgated or amended from time to time, provisions of the relevant law, rules and regulations and these Articles shall be implemented.

Article 118 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.

The Rules of Procedures for the Supervisory Committee is prepared in Chinese without an official English translation. The English translation set out in this Appendix IV is prepared for reference only. In the event of any inconsistency between the two versions, the Chinese version shall prevail.

The revised Rules of Procedures for the Supervisory Committee is set out as follows:

Chapter 1 General Provisions

Article 1 To ensure that the supervisory committee will lawfully exercise its authority to supervise the Company's management behaviors and the 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 procedures for the supervisory committee are formulated in accordance with the Company Law, the Securities Law and other relevant laws and regulations and these Articles.

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 Supervisors and the Supervisory Committee

Article 3 The supervisory committee shall comprise of three supervisors, of which, two shall be shareholders' representatives; one shall be the representative of staff.

Article 4 The supervisors representing the shareholders shall be nominated by the following persons and elected and removed by the shareholders' general meeting:

1. the shareholders of the Company as the promoters;
2. the shareholders who individually or collectively hold more than three per cent of the issued share capital of the Company.

The supervisor representing the staff shall be elected and changed democratically by the representatives' meetings of staff of the Company; such results shall be reported to the shareholders' general meeting.

Article 5 Each term of office of the supervisors shall be three years, and the supervisors shall be eligible for re-election and re-appointment upon expiry of the term.

For the motion in relation to the election of supervisors representing shareholders approved at the shareholders' general meeting, in case of the election of new session of the supervisory committee, the tenure of office of the newly appointed supervisors will commence on the next day after the end of the tenure of office of the last session of the supervisors; in other cases, the tenure of office of the newly appointed supervisors will commence upon the closing of the shareholders' general meeting.

The tenure of the office of the supervisors will commence on the date of appointment and end on the expiry of the session of the supervisory committee. In the event that it fails to elect new supervisors before the end of the tenure of office, the existing supervisors shall perform their supervisors' duties pursuant to laws and regulations and the requirements under these Articles before the new directors have been elected.

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.

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

Article 7 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/her own all and is able to protect the interests of the shareholders, the Company and the employees in accordance with the laws and regulations;
3. **Principled** — being able to discharge his/her 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 8 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 9 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/she 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/she 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 finalised;
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.

The nomination and election of supervisors by the Company in contravention with the paragraph above shall be void.

Article 10 Director, president, 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.

Article 11 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 scrutinised by the supervisory committee.

Article 12 In addition to the eligibility requirements for being supervisors, the chairman of the supervisory committee 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.

Chapter 3 Nomination and Election of Supervisors

Article 13 Upon expiration of the term of office of the supervisory committee or the election of supervisors to fulfill the causal vacancy prior to the expiration of the term of office of the supervisory committee, the supervisors representing the shareholders are to be nominated in accordance with the following procedures:

1. the shareholders of the Company as promoters or the shareholders hold more than three per cent issued shares individually or collectively can nominate the candidates. Where the supervisors are elected to fulfill the causal vacancy prior to the expiration of the term of office of the supervisory committee, the original nominator shall nominate the candidate;
2. the nominator shall furnish information about the nominees proposed to the supervisory committee within the required period. The nominating shall be in writing. The information shall include the basic personal information and the detailed working experience, all the part-time working experience, the statement of the qualifications and basic quality and the written acceptance of nomination signed by the nominees, etc.;
3. the supervisory committee shall announce the information about the candidates and shall submit to the shareholders' general meeting for approval. The nominator and the nominate shall provide the required information.

Article 14 The election system of supervisors representing the shareholders shall be cumulative voting system. When electing supervisors, 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 supervisors entitled to vote for. Each shareholder may cast all his/her votes to one nominated candidate for supervisor, or divide his/her entitled votes among the nominated candidates for supervisors he/she is entitled to vote at his/her own discretion or cast all his/her votes for two or more nominated candidates for supervisors.

The voting and counting method of the cumulative voting system shall be exercised pursuant to the applicable regulatory rules.

Article 15 The representatives' meetings of staff of the Company shall notify in writing the results of their appointment of the supervisor representing the staff to the supervisory committee sixty days before the expiration of the term of office. If the supervisor representing the staff cannot hold the office of the supervisor due to the changes of his/her work or other reasons, the representatives' meetings of staff shall elect and alter the supervisor and submit the written report of the election result to the supervisory committee. The supervisory committee is responsible to report the election result of the representatives' meetings or the alternation result.

- Article 16 Upon the appointment, in accordance with the relevant requirements of the listing rules of stock exchanges where the shares of the Company are listed, supervisors shall sign and deliver the Declaration and Undertaking with regard to Supervisors.
- Article 17 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 18 The supervisors may resign prior to the expiration of the term of office. The resigned supervisors shall 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 fulfill the causal vacancy. If the number of supervisors falls below the minimum number required by laws as a result of the resignation of a supervisor, the existing supervisor shall perform his/her supervisor's duties pursuant to laws and regulations and the requirements under these Articles before a new supervisor has been elected.
- Article 19 The Company shall within the prescribed period notify the security regulatory authorities in writing of appointment of the supervisors and file personal particulars of the supervisors elected with the relevant departments pursuant to the requirements. Any resignation or change of the supervisors shall be promptly notified to the stock exchanges where the shares of the Company listed.

Chapter 4 Powers and Duties

- Article 20 The supervisory committee shall exercise the following powers and discharge the following duties:
1. to examine the financial situation of the Company;
 2. To verify financial information such as financial reports, business reports and proposals for profit distribution, etc. which are proposed to be submitted to the shareholders' general meeting by the board of directors and in case of any doubts, to appoint on behalf of the Company the professional institutions to re-examine the same;
 3. To review periodic reports of the Company prepared by the board of directors and to raise written review opinion;
 4. to supervise the Company's decisions on material operational activities and their implementation, such as project investment, assets reorganisation, etc. and to supervise whether contracts signed in respect thereof are in accordance with laws, regulations and reasonableness, whether all connected transactions are conducted on terms which are fair and reasonable to the shareholders;

5. to conduct investigation if any abnormal operational situation of the Company is noted and to engage professional organisations to assist their work if necessary;
6. to supervise the acts of the directors and senior management when they have acted in contravention with laws and regulations or these Articles; to request directors and senior management to rectify their acts which are harmful to the interests of the Company; 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;
7. to propose the convening of the extraordinary general meeting upon approval by the supervisory committee in its meeting, or to propose motion(s) to the shareholders' general meeting; to convene and hold shareholders' general meeting in the event that the board of directors fails to convene and hold any shareholders' general meeting as required under the Company Law;
8. 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;
9. to act on behalf of the Company to negotiate with any director or senior management or to take legal actions against any director or senior management;
10. to execute other powers and to discharge other duties as provided in these Articles or approved by the shareholders' general meeting;
11. to obtain any necessary information so as to execute the powers and discharge the duties aforesaid.

Article 21 The supervisory committee shall scrutinise and make proposals on the following areas, and request the relevant parties to make improvements:

1. whether the board of directors, president 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 22 The supervisory committee may retain professional institutions such as lawyers, accountant, etc. 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.

Article 23 The chairman of the supervisory committee 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, president 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.

Article 24 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 president'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 of the supervisory committee 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 and organisations of the Company.

Article 25 The supervisors shall ensure that the information disclosed shall be true, accurate and complete.

Article 26 In discharging their duties, the supervisors shall abide with the principle of fiduciary and shall not put himself/herself in a position where the interests and obligations of his/her own and his/her 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/her authority;
4. to exercise the discretionary power vested in him/her personally and not to be manipulated by others; no discretionary powers shall be transferred to other persons without the permission of laws and regulations or the informed consent of the shareholders' general meeting;
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/her 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/her duties faithfully, to protect the interests of the Company, and not to obtain personal benefits by using his/her 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/her 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/her 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:
 - (1) disclosure is provided under the law;
 - (2) disclosure is required in the public interest;
 - (3) disclosure is required in the interests of such supervisor.

Article 27 The supervisors shall not instruct the following persons or bodies (“associates”) to do what he/she 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 28 The fiduciary duties of the supervisors do not necessarily cease upon the expiry of his/her term of office. The obligations to keep the commercial secrets of the Company confidential shall survive the expiry of his/her 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/her departure from office and the circumstances and conditions under which the relation with the Company was terminated.

Article 29 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 30 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 31 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 32 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 nominating party may remove the supervisors from office in accordance with the stipulated procedures. If the case is serious, criminal liability shall be pursued in accordance with law.

Chapter 5 Supervisory Procedure of the Supervisory Committee

Section 1 — Meeting of the Supervisory Committee

Article 33 The supervisory committee shall convene meetings four times in a year.

Article 34 The meeting of the supervisory committee shall be convened by the chairman or requested by the supervisors to be convened.

Article 35 The chairman of the supervisory committee may determine the convening of an extraordinary meeting of the supervisory committee if so requested by the supervisors. If more than one-third of supervisors so request, the chairman of the supervisory committee is obliged to convene the meeting.

Article 36 Every supervisor shall attend the meeting of the supervisory committee at least once a year. If not, the supervisory committee may request the nominating party to replace such supervisors.

Article 37 All resolutions in the meeting of the supervisory committee have to be proposed by the chairman of the supervisory committee or the supervisors.

Article 38 Where the supervisory committee's extraordinary meeting is held upon the proposal of a supervisor, the proposer shall submit the signed proposals to the chairman of the supervisory committee in writing. The proposals shall include the follows:

1. the name or the description of the proposer;
2. the reasons or the object facts of the proposals;

3. the time, period, place and method of the proposed meeting;
4. the clear and detailed agenda;
5. the date of the proposal, etc.

The agenda shall fall within the scope of the functions and powers of the board of directors stipulated in these Articles, and the resolutions and materials relating to the agenda shall be submitted together.

Article 39 The chairman shall convene the supervisory committee's meeting within three working days upon the receiving of the proposal. If the chairman thinks the agenda is not clear or the content and materials are not sufficient, he/she shall suggest the proposer to make amendments or supplements. If the meeting cannot be held due to the agenda is unclear, it violates the requirements of laws and regulations or these Articles, or the agenda with amendments or supplements are still unclear, the chairman shall make a duly explain to the proposer.

Article 40 The written notice of a supervisory committee's meeting shall be given to all supervisors by hand, by fax, by mail or by other method agreed by the supervisors three days before the date of such meeting. The notice shall state the time, place, agenda of the Company and the issue date of the notice.

Where the notice has given, if the time of the meeting need to be postponed, the place of the meeting need to be changed or the agenda of the meeting increased, decreased or is cancelled, the alternation notice shall be given as soon as possible and explain the matters changed.

In case of emergency where compliance with the above time-frame is not possible, all supervisors may sign a letter to agree and accept convening of a supervisory committee's meeting within a short time or adjust the agenda of the meeting.

Article 41 The chairman of the supervisory committee is responsible for entrusting the relevant departments and persons to prepare the necessary information for the meeting.

Article 42 Whenever necessary, the supervisory committee may invite the chairman and members of the board of directors, the president and other senior management to be present at the meeting.

Article 43 The quorum of the meeting shall be two-thirds of all the supervisors.

The supervisory committee's meeting may be convened by communications facilities, including but not limited to telephone, internet or other similar communication methods. Provided that the attending supervisors are able to hear other supervisors clearly, understand their opinions and communicate with each other, all attending supervisors shall be deemed to have attended the supervisory committee's meeting in person.

Article 44 The supervisors shall attend the meeting of the supervisory committee in person. If the supervisors are unable to attend the board meeting for reasons, he/she shall review the materials of the meeting and form clear opinions, then he/she may appoint in writing other supervisor to exercise his/her powers in the supervisory committee's meeting on his/her behalf. The written instrument of appointment shall state the supervisor's reasons for the absence, the nominee's name, scope of appointment and authorisation and the appointing director shall sign or seal the written instrument. 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 45 The meetings of the supervisory committee shall be chaired by the chairman of the supervisory committee. In case that the chairman of the supervisory committee is unable or fails to perform his/her duties, a supervisor elected by more than half of the supervisors shall chair the meeting.

Article 46 The resolutions passed in the supervisory committee's meeting shall be in writing. The supervisors attending the meeting and the supervisors appointed to vote shall sign on the resolutions.

Article 47 The supervisory committee shall prepare minutes of meeting for the decision made in relation to the matters considered in the meeting. The supervisors attending the meeting and the secretary of the meeting shall sign on the minutes.

The minutes of meetings of the supervisory committee shall include the following:

1. date and place of the meeting and the name of the convener;
2. names of the supervisors attended in person and names of the supervisors (proxies) who are appointed by others to attend the supervisory committee's meeting;
3. agenda of the meeting;
4. key points of the supervisors' speeches;

5. voting method and results of each of the resolutions.

supervisor shall have the right to request for making a certain kind of explanatory record in the minutes in respect of his/her speeches made in the meeting. The minutes of the supervisory committee's meeting, the signatures of the supervisors who attend the meeting and the proxy instrument shall be kept together as the Company's file.

Section 2 — Resolution of the Supervisory Committee

Article 48 The supervisory committee may pass resolutions upon convening the meeting or signing written resolutions. The resolutions passed by the above methods shall be the resolutions of the supervisory committee and shall have the same effect.

Article 49 The supervisory committee may pass resolutions by signing resolutions in writing on non-material matters. The procedures for formulating the resolutions are as follows:

1. the draft resolutions shall be sent to every supervisor by hand, by fax, by courier or by other method agreed by such supervisor within a reasonable time;
2. all supervisors shall sign for, against or abstain from voting on the draft resolutions upon receipt;
3. the signed resolutions shall be sent to the chairman of supervisory committee or other designated persons by hand, by fax, by courier or by other method agreed by such supervisor;
4. if the supervisors who sign for on the resolution forms the quorum, the draft resolutions shall form resolutions of supervisory committee;

Article 50 Every supervisor has one vote. There are three kinds of a supervisor's voting, for, against and abstain from voting.

A supervisor who votes against or abstain from voting shall explain the reasons and the basis; where a supervisor who does not vote or vote more than two intentions at the same time, the moderator or the chairman of the supervisory committee shall require such supervisor to vote again, if he/she rejects to vote, he/she shall be deemed to be abstain from voting.

Article 51 A resolution shall be valid if passed by more than two-thirds of all the supervisors. The supervisors shall vote in their names for resolutions.

- Article 52 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 and 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 53 Supervisors shall monitor the relevant persons to execute the resolutions of the supervisory committee. The chairman of the supervisory committee shall report the execution progress of the passed resolutions in the supervisory committee's meeting afterwards.
- Article 54 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 55 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.

Section 3 — Lawful Supervision

- Article 56 The supervisory committee shall supervise whether the acts of the directors and senior management are damaging the Company's interests or breaching the laws and regulations and these Articles in discharging their duties.
- Article 57 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 58 The supervision of the supervisory committee on the Company's financial position shall consist of ordinary supervision, half-year supervision and annual supervision.
- Article 59 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 Company. In case any problem is found, the supervisory committee shall convene a meeting for discussion in a timely manner.

- Article 60 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 61 The Company 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 and it shall provide the relevant information and materials to the supervisory committee.

Section 4 Miscellaneous

- Article 62 The files of the supervisory committee, including but not limited to the resolutions of the supervisory committee, the minutes, the resolutions in writing, etc., shall be kept as the Company's files for ten years.
- Article 63 There shall be one secretary in the supervisory committee. The secretary to the supervisory committee shall be responsible for the general administrative back-up works and assisting the supervisory committee to communicate with the board of directors and the management of the Company.
- Article 64 The supervisory committee shall establish good communication with the Audit Committee of the board of directors and disciplinary organisation of the Company, sharing information of mutual interest and handling intersecting jobs jointly with them.
- Article 65 The Company shall provide the necessary office conditions and operation activity funds to the supervisory committee. Expenditures of the supervisory committees shall be accounted for in accordance with the relevant financial stipulations.

Chapter 6 Supplementary Provisions

- Article 66 Otherwise specified in the Rules, the definitions of the words used in the rules are as same as that used in these Articles.
- Article 67 When there are matters not mentioned in the Rules or when the Rules are inconsistency with the regulations promulgated or amended from time to time, provisions of the relevant laws, rules and regulations and these Articles shall be implemented.
- Article 68 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.

NOTICE OF THE AGM



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: 00548)

NOTICE OF THE 2011 ANNUAL GENERAL MEETING

Notice is hereby given that the 2011 Annual General Meeting (“AGM”) of Shenzhen Expressway Company Limited (“Company”) will be held at the conference room of the Company at Podium Levels 2-4, Jiangsu Building, Yitian Road, Futian District, Shenzhen, the People’s Republic of China on 28 May 2012 (Monday) at 10:00 a.m. to consider and, if thought fit, pass the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the report of the board of directors for the year 2011;
2. To consider and approve the report of the supervisory committee for the year 2011;
3. To consider and approve the audited accounts for the year 2011;
4. To consider and approve the proposed distribution scheme of profits for the year 2011 (including declaration of final dividend);
5. To consider and approve the budget report for the year 2012;
6. To consider and approve that PricewaterhouseCoopers Zhong Tian CPAs Company Limited be re-appointed as the auditors of the Company for 2012, to perform consolidated audit on the annual financial statements and internal control, and undertake the role of the international auditors in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and to authorise the board of directors of the Company to fix their fees;

NOTICE OF THE AGM

SPECIAL RESOLUTIONS

7. To consider and approve the resolution in relation to the grant of a general mandate to the board of directors of the Company to issue debentures denominated in Renminbi:
- (1) the grant to the board of directors of the Company of a general mandate (“General Mandate”) to issue debentures denominated in Renminbi (“Debentures”), in one or more tranches, including but not limited to medium-term notes, short-term commercial papers, extra-short-term commercial papers, asset-backed commercial papers, corporate bonds, private bonds and overseas RMB bonds, etc. from the date on which this resolution is approved to the date on which the 2012 annual general meeting is held with a maximum outstanding repayment amount of the Debentures to be issued under this General Mandate not exceeding RMB3 billion in aggregate and the issue size for each category of Debentures not exceeding the limit of that category of Debentures that may be issued under relevant national laws and regulations be approved;
 - (2) the board of directors or any two directors of the Company duly authorised by the board of directors are hereby generally and unconditionally authorised to determine and approve the specific terms, conditions and related matters of the Debentures to be issued under the General Mandate according to the needs of the Company and the market conditions and to prepare and execute all necessary documents, and make all necessary arrangement for the implementation of the issue and listing (if applicable) of the relevant Debentures.
8. To consider and approve the following proposals in relation to the amendments to the Articles of Association of the Company and its schedules and to authorise any one of the executive directors or the secretary to the board of the directors of the Company to arrange for the respective procedures of approvals, disclosures, registrations and filings in relation to the amendments to the Articles of Association and/or its schedules, and to make any necessary and suitable editorial amendments, if any, to the amended versions as he/she thought fit in accordance with the actual circumstances of the Company and the amendments requirements raised by the exchange where the Company is listed and the relevant regulatory authority from time to time:
- (1) to consider and approve the amendments to the Articles of Association;
 - (2) to consider and approve the amendments to the Rules of Procedures for the Shareholders’ Meeting;
 - (3) to consider and approve the amendments to the Rules of Procedures for the Board of Directors; and
 - (4) to consider and approve the amendments to the Rules of Procedures for the Supervisory Committee.

NOTICE OF THE AGM

The full text of the revised Articles of Association, the Rules of Procedures of the Shareholders' Meeting, the Rules of Procedures for the Board of Directors and the Rules of Procedures for the Supervisory Committee are set out in the circular of the Company dated 12 April 2012.

By Order of the Board
Yang Hai
Chairman

Shenzhen, the PRC, 12 April 2012

Notes:

I. ELIGIBILITY FOR ATTENDING THE AGM

Shareholders of the Company whose names appear on the registers of shareholders of the Company at the close of business on 27 April 2012 shall have the right to attend the AGM after complying with the necessary registration procedures.

II. REGISTRATION PROCEDURES FOR ATTENDING THE AGM

1. Shareholders intending to attend the AGM should deliver to the Company, on or before 8 May 2012, either in person, by post or by fax, the reply slip (together with any required registration documents) for attending the AGM.
2. Holders of H shares of the Company should note that the register of holders of H shares of the Company will be closed from 28 April 2012 to 28 May 2012 (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 AGM must deliver their instruments of transfer together with the relevant share certificates to Hong Kong Registrars Limited, the registrar of H shares of the Company, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, at or before 4:30 p.m. on 27 April 2012.

III. PROXY

1. Shareholders entitled to attend and vote at the AGM are entitled to appoint, in written form, one or more proxies (whether a shareholder or not) to attend and vote on his behalf.
2. 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 authorisation or other authorisation documents of such attorney should be notarised. In order to be valid, for holders of domestic shares of the Company, the written authorisation or authorisation documents which have been notarised together with the completed proxy form must be delivered to the Company not less than 24 hours before the time of the holding of the AGM. In order to be valid, for holders of H shares of the Company, the above documents must be delivered to Hong Kong Registrars Limited, at Floor 17M, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, within the same period.
3. Shareholder or his proxy should produce identity proof when attending the AGM.

NOTICE OF THE AGM

IV. NOTICE ON RELEVANT MATTERS ABOUT FINAL DIVIDEND

The board of directors recommended the payment of a final dividend of RMB0.16 (tax included) per share to all shareholders for the year ended 31 December 2011, subject to the approval by the shareholders at the AGM to be held on 28 May 2012 (Monday). The record date for shareholder to be eligible for dividend payment, payment procedures and other matters to note will be separately notified.

V. POLL

Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, voting at the AGM on the resolutions set out in the notice of the AGM will be taken by poll.

VI. OTHER MATTERS

1. The duration of the AGM is expected not to exceed one day. Shareholders or proxies who attend the AGM shall arrange for food, accommodation and other relevant expenses at their own cost.

2. Address of Hong Kong Registrars Limited (for share transfer):

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

3. Address of the Company:

Podium Levels 2-4, Jiangsu Building, Yitian Road, Futian District, Shenzhen, PRC
Postal code: 518026

Tel.: (86) 755 – 8285 3332

Fax: (86) 755 – 8285 3411