

SHENZHEN EXPRESSWAY COMPANY LIMITED



RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS

(Passed by special resolutions at
the shareholders' meeting of the Company
held on 26th May 2009)

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

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SHENZHEN EXPRESSWAY COMPANY LIMITED

RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS

Chapter 1 General Principles

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

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

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

Chapter 2 The Board of Directors and the Directors

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

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

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 this Articles of Association before the new directors have been elected.

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

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

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

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

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

- (1) Basic Requirements — being tertiary educated or above with over 10 years working experience and being famous or successful in one of the professional areas with sufficient time and energy to discharge the duties and responsibilities of the directors;
- (2) Industriousness and Righteousness — being honest, faithful and responsible with good character and work ethics and willing to act in accordance with the decisions of the board of directors and to take responsibility of his own actions;
- (3) Teamwork — being able to cooperate with and listen to others, willing to give constructive opinions in open discussions;
- (4) Industry Knowledge — being knowledgeable in infrastructure construction and investment; and have a good grasp of the current situation of the industry and its future trends;
- (5) Management Know-how — being able to apply basic knowledge in corporate management and operations into actual situation;
- (6) Financial Acumen — being able to read balance sheet, profit and loss account, cash flow statement, and familiar with financial ratios and necessary indices for comparing results of the Company;
- (7) Crisis Management — being able to understand crisis normally faced by the Company and to master basic crisis management techniques;
- (8) Analysis and Judgment — being able to conduct overall analysis on the key and material matters of the Company and to make independent, thoughtful and mature judgment;
- (9) Comprehension and Communication Ability — being able to understand the meaning and intention as expressed by other people, to unequivocally express his own view and to offer inspiring insights to each other;
- (10) any other qualification requirements as stipulated in relevant regulatory documents.

Article 10 Any person being in the circumstances 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 non-executive directors shall also comply with the independence requirements relating to independent non-executive director as promulgated from time to time by China Securities Regulatory Commission and the HK Stock Exchange.

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

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

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

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

Article 14 A director may resign by submitting a written resignation to the board of directors before expiration of his/her term.

Article 15 If the number of directors falls below the minimum number required by laws as a result of the resignation of a director, the board of directors shall hold an extraordinary shareholders' general meeting to elect a new director to fill the

vacancy as soon as possible. The existing director shall perform his/her director's duties pursuant to laws and regulations and the requirements under the Articles of Association before a new director has been elected.

Article 16 Any resignation and changes of directors shall be notified the stock exchange and disclosure obligations shall be fulfilled in accordance with relevant requirements. In the event of resignation or removal of an independent non-executive director, the Company shall promptly notify the stock exchanges on which the securities of the company are listed of the reasons of such resignation or removal.

Article 17 A director who resigns without permission prior to the expiration of his/her term shall be liable to compensate the Company for any losses arising therefrom.

Article 18 The directors shall be entitled to the following rights:

- (1) to attend meetings of the board of directors, and exercise their voting right thereat;
- (2) to understand the operations and financial status of the Company;
- (3) to understand their responsibilities as a director of a listed company and to be provided regularly by the secretary to the board of directors with the relevant and latest information published by regulatory authorities;
- (4) in the case of an independent non-executive director who is required to provide an opinion, the independent non-executive director can request to consult independent professional institutions for advice at the expense of the Company;
- (5) to act for and on behalf of the Company in accordance with these Articles or by authorization of the board of directors;
- (6) to deal with the business of the Company in accordance with these Articles or by authorization of the board of directors;
- (7) without contravention to the Rules, to take other positions or professional office when required by duties;

- (8) other rights and duties granted at shareholders' general meeting or stipulated in these Articles.

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

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

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

- (1) to act honestly in the best interests of the Company and shareholders as a whole rather than to consider only the interests or intentions of the shareholders he represents;
- (2) to exercise powers within, and not to exceed the scope of, his authority;
- (3) to exercise the discretionary power vested in him personally and not to be manipulated by others; no discretionary powers shall be transferred to other persons without the permission of laws or administrative regulations or the informed consent of the shareholders' general meeting;
- (4) to treat the shareholders of the same class equally and to be fair to the shareholders of different classes;
- (5) unless otherwise provided in these Articles or with the approval

granted with the informed consent of the shareholders' general meeting, no contract, transaction or arrangement shall be entered into with the Company;

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

general meeting in accordance with these Articles;

- (14) not to use his/her authority or persuade other directors and senior management for placing his/her relatives or friends in an important position or a senior management position of the Company.

Article 21 The directors shall not cause the following persons or bodies (“associates”) to do what he is prohibited from doing:

- (1) the spouse or minor children of that director;
- (2) a person acting in a trustee capacity of that director or any person referred to in paragraph (1) above;
- (3) a person acting in the capacity of a partner of that director or any person referred to in paragraphs (1) and (2) above;
- (4) a company in which that director solely, or jointly with one or more persons referred to in paragraphs (1), (2) and (3) above or jointly with other directors, supervisors, president and other senior management staff, has/have a de facto controlling interest;
- (5) the directors, supervisors, president and other senior management staff of the controlled company referred to in paragraph (4) above.

Article 22 The fiduciary duties of the directors do not necessarily cease upon expiry of his term of office. The obligations to keep the commercial secrets of the Company confidential shall survive the expiry of his term of office. The continuance of the other obligations shall be determined on a fair basis depending on the length of the time between its occurrence and his departure from office and the circumstances and conditions under which the relation with the Company was terminated.

Article 23 In the event that a director breaches the responsibilities of specific obligations, such responsibilities may be released by an informed consent given by the shareholders' general meeting, except for the following:

- (1) a director shall be liable for not acting in the interests of the Company and shareholders as a whole in good faith;

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

Article 24 Each of the directors is entitled to an appropriate remuneration based on his own situation which reflects the time spent and obligation undertaken by each director during his service at the board.

The aforesaid remuneration include:

- (1) the remuneration in respect of his service as a director or senior management of the Company;
- (2) the remuneration in respect of his service as a director, supervisor or senior management of any subsidiary of the Company;
- (3) the remuneration in respect of the provision of other services in connection with the management of the Company and any of its subsidiaries;
- (4) the payment by way of compensation for loss of office, or as a consideration for or in connection with his retirement from office.

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

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

Article 26 The shareholders' general meeting shall assess the performance of the board of directors annually.

Chapter 3 The Nomination and Election of Directors

Article 27

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

(1) the nomination of candidates

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

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

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

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

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

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

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

- (3) the confirmation of the nominees

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

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

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

- (1) the nomination of candidates

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

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

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

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

The Nomination Committee is responsible for the verification and assessment of the quality of the nominated candidate and submission

of a report of the same to the board of directors on time.

- (3) the confirmation of the nominees

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

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

Article 29 Special matters relating to the nominated candidate for independent non-executive director:

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

Regulatory Commission when convening of the shareholders' general meeting for the election of independent non-executive directors.

Article 30 Cumulative voting system is adopted for election of directors.

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

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

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

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

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

Chapter 4 The Powers of the Board of Directors

Article 31 The board of directors shall exercise the functions and power appointed or authorized by the shareholders' general meeting.

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

Article 33 The board of directors shall exercise the following powers on development strategies and management plan:

- (1) Powers requiring approval from shareholders' general meeting:
 - (a) to formulate the business policies and investment plans of the Company;
 - (b) to formulate proposals on investment, acquisition or disposals of assets that shall be submitted to shareholders' general meeting for approval (in accordance with these Articles and other applicable rules);
 - (c) to formulate proposals for an increase or reduction of the Company's registered capital and repurchase of the Company's shares;
 - (d) to formulate proposals for increases in the Company's share capital;
 - (e) to formulate proposals on merger, division and dissolution of

the Company;

- (f) to file a winding up petition for the Company;
- (g) to propose amendments to these Articles;
- (h) to put forward specific proposals on changing the use of proceeds from issuance of shares.

(2) Directors can exercise the following power independently without approval from the shareholders' general meeting:

- (a) to determine plans for improving the operation and management of the Company or for enhancing the operating results of the Company;
- (b) to decide on the business plans, audit work plans and investment proposal of the Company;
- (c) to determine plans for adjusting the important internal organs of the Company and establishing the working organs of the board of directors;
- (d) to decide on the setting-up of specialized committees and appointment or dismissal of the chairman and committee members of the specialized committees;
- (e) to formulate proposals on investment, acquisition or disposal of assets within the scope of power of the board of directors;
- (f) to decide on other major operational and management issues which are not specified to require shareholders' approval in the shareholders' general meeting under these Articles or the Rules.

Article 34 The board of directors shall exercise the following powers on financial management of the Company:

- (1) Powers requiring approval from shareholders' general meeting:

- (a) to consider and approve the Company's annual budget and final accounts;
 - (b) to formulate the Company's profit distribution plan and plan for making up accrued loss;
 - (c) to examine the financing plans of the Company, such as bond issuance plan;
 - (d) to consider and approve 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
 - (e) to formulate proposals for appointment or removal of accounting firm by the Company.
- (2) Directors can exercise the following powers independently without approval from the shareholders' general meeting:
- (a) to decide on the annual borrowing plan and guarantee plan of the Company within the scope of the annual budget approved by the shareholders' general meeting;
 - (b) to decide on proposals for asset disposition such as asset pledged, leased, subcontracted or transferred within the scope of power of the board of directors;
 - (c) to decide on implementation plan of lease contracts, transaction contracts within the Company's budget or plan;
 - (d) to determine the total amount of guarantee to be given by the Company in the year for the borrowings of its subsidiaries;
 - (e) to approve donations to social charity and other charitable and business sponsorship or donations not exceeding RMB 1,000,000 in aggregate;
 - (f) to manage matters relating to disclosure of the financial

information of the Company.

Article 35 The board of directors exercises the following powers on personnel matters of the Company:

- (1) Powers requiring approval from shareholders' general meeting:
 - (a) to fix the directors' remuneration scale;
 - (b) to propose candidates for directorship and review candidates for directorship nominated by shareholders; and
 - (c) to work with the supervisory committee to evaluate the performance of directors, and to propose the removal of directors based on the evaluation.

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

- (f) to approve retirement benefits scheme, pension scheme and other staff welfare schemes.

Article 36 The board of directors exercises the following powers on the supervision and examination on the development and operations of the Company:

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

Chapter 5 Specialized Committees of the Board of Directors

Article 37 The board of directors shall establish specialized committees according to its

actual needs.

Article 38 The members of the specialized committees are made up of directors. The specialized committees may appoint professional parties to be consultant of related issues according to their needs.

Article 39 The term of office of the members of the specialized committees shall be three years, which term is the same as the term of office of the directors.

Article 40 The Company shall formulate terms of reference of the specialized committees which shall be approved by the board of directors for every specialized committee to clearly delineate their scope of power. The terms shall be followed by every specialized committee as important guidelines and basis for their works. The specialized committees which are accountable to the board of directors shall act within the scope to execute the powers conferred by the board of directors and shall submit their work reports and make suggestions to the board of directors.

Article 41 The specialized committees may invite other directors, senior management, managers of departments or other relevant parties to be present at their meetings according to the need of the matters to be discussed.

Article 42 The specialized committees may retain advisers for professional advices, of which reasonable costs incurred shall be borne by the Company.

Section 1 — The Audit Committee

Article 43 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 44 The Audit Committee shall comprise three to five directors who have not taken specific position of operation and management in the Company, of which at least a simple majority shall be independent non-executive directors. The Audit Committee shall have a chairman, who shall be an independent non-executive director.

Article 45 The members of the Audit Committee shall be well versed in the characteristics of the business and the mode of operation of the Company, and shall have a relatively good financial knowledge, solid commercial experience and enterprise management skills. At least one member of the Audit Committee shall be accounting professional who meets the requirements as stipulated by regulatory bodies including China Securities Regulatory Commission and the HK Stock Exchange.

Article 46 The Audit Committee shall meet at least twice annually. The meetings shall respectively be convened prior to the adoption by the board of directors of the interim reports and annual results report of the Company.

Section 2 — Strategy Development and Investment Committee

Article 47 The Strategy Committee of the Company is principally responsible for examining and formulating policies for long-term development strategies of the Company.

Article 48 The Strategy Committee shall comprise four to five directors. It shall include the chairman of the board of directors, at least one other director who is an employee of the Company and one independent non-executive director. The chairman of the Strategy Committee shall be the chairman of the board of directors.

Article 49 The members of the Strategy Committee shall have a full grasp of the characteristics of the business development and operation of the Company, relatively good business acumen and comprehensive judgment, and an understanding of the trend of macro-economic policy of China and the trend of domestic and overseas economic and industry development.

Article 50 The Strategy Committee shall meet at least once a year.

Section 3 — Remuneration Committee

Article 51 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 52 The Remuneration Committee shall comprise three to five directors, of which

at least a simple majority shall be independent non-executive director. The Remuneration Committee shall have a chairman, who shall be an independent non-executive director.

Article 53 The Remuneration Committee shall meet at least once a year.

Section 4 — Nomination Committee

Article 54 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 55 The Remuneration Committee shall comprise three to five directors, of which at least a simple majority shall be independent non-executive director. The Remuneration Committee shall have a chairman, who shall be an independent non-executive director.

Article 56 The Remuneration Committee shall meet at least once a year.

Section 5 — Risks Management Committee

Article 57 The Risks Management Committee (the "Risks Committee") of the Company is principally responsible for managing the Company's overall risks which shall be controlled within a reasonable extent. The preliminary work of the Risks Committee focuses on enhancing the Company's management systems and procedures of the Company's investment related business, as well as providing support to the Company's business decision-making and operations through risks analysis and control of the Company's substantive investment projects.

Article 58 The Risks Committee shall comprise three to five directors, one of which shall be the chairman of the Risks Committee.

Article 59 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 60 The Risks Committee shall meet at least once a year.

Chapter 6 Chairman of the Board of Directors

Article 61 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 62 The eligibility requirements for the post of chairman:

- (1) integrity and industriousness; a capability to set an example through personal conduct, honesty and uprightness; impartiality and righteousness;
- (2) a good democratic work style, broadness in mind, appointment by merits, good leadership, an ability to close ranks;
- (3) extensive experience in enterprise management and market acumen; sharp thinking; innovativeness; an ability to analyze and judge correctly on the domestic, foreign and macro-economic situation and market development trend; and ability to take an overview and overall control, and to organize and coordinate; good at decision making; willingness to take responsibilities;
- (4) a relatively strong work ability in the field; a good ability to coordinate between the board of directors, specialized committees, senior management, and other internal organizations of the Company; an ability to bring all positive factors into full play to work together for the goal of the Company;
- (5) more than 10 years' experience in management, at least five years of which shall be experience of enterprise management, a versatility with the macro-conditions and basic knowledge of the field; a good grasp of the relevant policies, laws and administrative regulations of the State;
- (6) youthfulness and dynamism, a relatively strong sense of mission, responsibility and pioneering spirit; an ability to turn a new leaf in complicated, and particularly difficult circumstances.

Article 63

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

- (1) to preside over the shareholders' general meeting; and to examine the materials passing for resolutions and various reports provided by the Company to the shareholders;
- (2) to convene and preside over the meetings of the board of the directors, to coordinate the work of the specialized committees of the board of directors, and to lead the day-to-day work of the board of directors;
- (3) to supervise and monitor the implementation of the resolutions of the board of directors;
- (4) to sign shares and securities issued by the Company;
- (5) to ensure that the board of directors perform its duties; and to examine, approve and sign contracts and documents and make payments within the scope of authority granted to it pursuant to resolutions of the shareholders' general meeting or the board of directors;
- (6) to cast a vote when two different sides have the same number of votes in a proposed motion of a meeting of the board of directors;
- (7) to exercise special discretion right and right of disposal pursuant to laws, regulations and in the interests of the Company during emergencies, such as war or major natural disasters, and subsequently make a report on the matter to the board of directors and the shareholders' general meeting;
- (8)
- (9) to approve the designation or recommendation of the candidates of directors, supervisors or senior management to those enterprises invested by the Company;
- (10) to examine and supervise the honesty and self-disciplinary of the directors who have taken specific position of operation and

management in the Company, president and other senior management of the Company;

- (11) to ensure the timely flow of information to the board of directors, to assess the reasonableness and timeliness of the proposals and information of the relevant documents submitted by the management;
- (12) such other functions and powers as conferred by the board of directors or stipulated by these Articles.

Article 64 If the chairman, for some reason, cannot perform its functions and powers for a short period of time, the chairman shall designate other directors to temporarily perform his functions and powers on his behalf.

Article 65 The chairman shall bear the following responsibilities:

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

Article 66 The chairman shall exercise strict self-disciplinary regarding the following matters:

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

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

Chapter 7 Independent Non-executive Directors

Article 67 One-third of the members of the board of directors of the Company shall be independent non-executive directors and at least one of them shall be a professional accountant. The independent non-executive directors shall act in good faith in the performance of their duties to protect the interests of the Company and in particular to prevent the lawful interests of the public shareholders from being infringed.

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

Article 68 The board of directors or the Supervisory Committee of the Company or shareholders individually or collectively holding more than 1% of the issued share capital of the Company may nominate candidates for the position of independent non-executive directors that are to be elected at shareholders' general meeting.

Article 69 Material connected transactions of the Company (as defined by the relevant regulations of the China Securities Regulatory Commission) or appointment or removal of an accounting firm shall only be proposed for consideration by the board of directors if approved by more than half of the independent non-executive directors. With the consent by more than half of the independent non-executive directors, independent non-executive directors may request the board of directors to summon extraordinary general meeting or board of directors' meeting and may publicly collect votes from shareholders before convening of the shareholders' general meeting. Independent non-executive directors may independently engage an external auditing firm or consultancy firm for audit or consultation of a particular matter

of the Company and the relevant expenses shall be borne by the Company.

Article 70 Independent non-executive directors shall attend board of directors' meeting as scheduled, understand the production and operation activities of the Company and take initiatives to investigate in and obtain information and materials necessary for making decisions. Independent non-executive directors shall submit an annual report in the name of all the independent non-executive directors at the annual general meeting of the Company, describing in detail the performance of their duties.

Article 71 The Company shall establish a working system for independent non-executive directors. The secretary to the board of directors shall actively assist the independent non-executive directors to perform their duties. The Company shall ensure the independent non-executive directors enjoy the access to information as other directors do, provide relevant information and materials to independent non-executive directors on a timely basis, report the operations of the Company to independent non-executive directors on a regular basis, and if necessary, organize site-visits for independent non-executive directors.

Article 72 The term of service for independent non-executive directors shall be the same as other directors of the Company and shall be re-elected upon expiry of the term, provided the term of consecutive service shall not be more than 6 years. Independent non-executive directors shall not be removed without proper cause before the expiry of the term of service. In case of removal before the expiry of the term of service, the Company shall disclose the same as a specific disclosure event.

Article 73 Independent non-executive directors may resign before expiry of the term of service. Upon resignation, the independent non-executive director shall submit resignation report in writing to the board of directors, describing any matters relevant to his resignation that shall be brought to the attention of shareholders and creditors of the Company.

If resignation of independent non-executive directors renders the number of independent non-executive directors or members of the board of directors less than the minimum requirements under the laws or these Articles, prior to the commencement of service by the replacement, independent non-executive directors shall perform their duties in accordance with laws, administrative regulations and these Articles. The board of directors shall

summon a shareholders' general meeting within 2 months for the replacement of independent non-executive directors. Shall a shareholders' general meeting not summoned within the stipulated period, independent non-executive directors may cease to perform their duties.

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

Article 74 In the board of directors, there shall be secretary and secretariat to the board of directors to assist the board of directors with daily administrative works.

Article 75 Secretary to the board of directors shall be nominated, appointed and removed by the chairman of the board of directors.

Article 76 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 lawyers of the legal 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 77 The secretary to the board of directors shall be a natural person having requisite professional knowledge and experience with a minimum of university qualification and over three years' working experience in finance, auditing and accounting, business management, law or the area of the secretary to the board of directors of listed companies, etc, join the training and pass the test for the secretary to the board of directors organized by the China Securities Regulatory Commission and other professional institutions. His coordination must be strong with fine work. He must faithfully discharge his duties, have good writing skills and be able to handle administrative works.

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

Article 78 The principal duties of the secretary to the board of directors are as follows:

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

- (12) other duties requested to be performed by the securities regulatory authorities, the HK Stock Exchange and Shanghai Stock Exchange.

Article 79 The Secretariat to the board of directors is the daily operation organs of the board of directors. Its principal duties are:

- (1) handle daily administrative works in accordance with the requests of the board of directors and the chairman of the board of directors; coordinate the works among divisions in the board of directors;
- (2) responsible for the relevant documents and letters of the board of directors; and as required, prepare all proposals to be submitted to the board of directors for discussion;
- (3) prepare the meetings of the board of directors and the shareholders' general meeting; responsible for works in relation thereto; prepare minutes for the meetings; take initiative to investigate the execution of the relevant resolutions;
- (4) draft, amend, issue and dispatch the interim reports and annual reports of the Company;
- (5) coordinate and organize the disclosure of information to the outsiders; establish a complete information disclosure system; participate in all of the Company's meetings involving the disclosure of information; keep informed of the material operation decisions and related information in a timely manner;
- (6) as required by the board of directors, participate in the consultation on and analysis of the matters to be decided by the board of directors, offering relevant opinion and suggestions;
- (7) take initiative and actively communicate with the management of the Company; securities regulatory authority, professional parties and media; provide the relevant circumstances of the Company to the board of directors and the supervisory committee for reference;
- (8) manage the paper files of the shareholding and the board of directors of the Company; retain the register of shareholders, register of directors, record of the shares held by the substantial shareholders

and directors of the Company;

(9) complete other matters designated by directors.

Article 80 The secretariat to the board of directors shall work closely with the Company's related departments, take initiative to work good on investor relationship, including coordinating organizations for market promotion and reception of visitors, answering queries, coordinating matters between the Company and its investors, maintain the contact with the investors, professional parties and media, for the purpose of enhancing the reputation and transparency of the Company.

Chapter 9 Board Meeting

Article 81 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 82 The board of directors shall convene full board meetings prior to the respective publication of the annual results and interim results. When compared to the resolutions passed by circulation of the documents, full board meetings must be attended by a majority of the directors in person, discussing and passing the resolutions.

Every director must at least attend one of the meetings.

Article 83 The chairman of the board of directors shall convene a provisional board meeting within five working days upon occurrence of any of the following circumstances:

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

- (6) Shareholders holding 10% or more of the voting rights.

Section 1 — Meeting Preparation and Notices

- Article 84 The written notice of a regular board meeting shall be given to all directors by hand, by fax, by mail or by other method agreed by the directors 14 days before the date of such meeting. All directors shall be notified of the ad hoc board meetings by the above manners five days before the date of such meeting.
- Article 85 In case of emergency where compliance with the above time-frame is not possible, all directors may sign a letter to agree and accept convening of a board meeting within a short time.
- Article 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 In case if managers have any proposal, such resolutions shall be proposed by persons entitled to propose such resolutions three working days prior to the issue of the notice of the board of directors meeting and the related materials shall be submitted to the chairman of the board of directors for review within the above prescribed timeframe. If the proposer fails to submit the materials on time or such proposal is not included in the agenda of the present meeting, such proposal shall not be discussed in the present meeting. The chairman shall explain the non inclusion of such proposal in the agenda.
- Article 88 After adopting the proposal into the proposed resolutions upon review by the chairman, the relevant department and staff shall give the formal proposed resolutions to the secretariat to the board of directors within three days upon issuing the notice of board meeting. Relevant materials shall be given to all directors by hand, by fax, by courier or by other methods agreed by the directors at least three days prior to the date of the meeting. Directors can request for supplementary materials.
- Article 89 The agenda in the meetings of the board of directors generally include the followings:
- (1) matters relating to the convening of and the proposed resolutions to be submitted to the shareholders' general meetings;

- (2) material events leading to the possible substantial price movement of the Company;

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

- (a) material change in the business policy and business scope of the Company;
- (b) decision for material investments and purchase of material assets;
- (c) material contracts which may have major effect on the financial and operating positions of the Company;
- (d) incurrence of material debts and default arising from inability to repay material debts when due;
- (e) incurrence of material operating loss or incurrence of material loss exceeding 10% of the net asset value of the Company;
- (f) material change to the outside circumstances of the operation of the Company;
- (g) change of the chairman, above one-third of the directors, president or secretary to the board of directors;
- (h) material change to the shares held by the shareholders of the Company who holds more than 5% shares of the Company;
- (i) decision for capital reduction, merger, division, dissolution or application for winding up;
- (j) material litigation of the Company;

- (k) other matters prescribed by law or administrative rules.
- (3) matters to be handled by the board of directors authorised by the shareholders' general meetings;
- (4) give explanation to the qualified opinion of the audited reports issued by the external auditors in the shareholders' general meeting;
- (5) other matters within the scope of authority of the board of directors as prescribed by the relevant laws, regulations, rules or systems.

Article 90 The directors shall confirm as soon as practicable upon receipt of the notice of the meeting of the board of directors whether to attend board meeting or not, or after receipt of the materials of board meeting appoint by an instrument of appointment other director to attend board meeting on his behalf.

Article 91 When more than one-third of the directors or at least two independent non-executive directors consider that the information is inadequate or the proposed resolution is uncertain, they may jointly request to postpone board meeting in writing or adjourn part of the proposed resolutions in agenda, the board of directors shall follow the same.

Article 92 If the chairman of the board of directors is unable to chair board meeting, he shall designate one of the directors to convene and hold board meeting on his behalf. If the chairman of the board of directors does not designate any director to perform duties on his behalf, above half of the directors may jointly nominate one director to convene and chair such board meeting.

Section 2 — Convening of Meeting

Article 93 Board meeting shall only be convened upon more than half of the directors attending board meeting.

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

Article 94 If the directors are unable to attend board meeting for reasons, he may appoint in writing other director to exercise his powers in board meeting on his behalf. The written instrument of appointment shall state the nominee's name,

scope of appointment and authorization, period of validity, and the appointing director shall sign or seal the written instrument.

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

Article 95 The director who is unable to attend board meeting and has not appointed other director to vote on his behalf shall be treated to have had waived his vote in such board meeting. The director waiving his vote shall not exonerate his joint liability for any resolutions passed in such board meeting.

Article 96 Board meeting may be convened by communications facilities, including but not limited to telephone, fax or other similar communication methods. Provided that the attending directors are able to hear clearly the other directors, understand their opinion and communicate with each other, all attending directors shall be deemed to have attended board meeting in person. If more than half of the directors consider the agenda of the provisional board meeting is not material and discussion is not required, the directors may sign on the proposed resolutions submitted by the secretariat to the board of directors to agree or not to agree the resolutions and return to the secretariat to the board of directors by fax or by courier. The secretary to the board of directors may use this to formulate board resolutions.

Section 3 — Validity of Resolutions and Directors' Responsibility

Article 97 Every director has one vote. In case of equality between vote for and vote against a resolution, the chairman of the board of directors has one casting vote.

Article 98 The board of directors may pass resolutions by majority vote. The following matters shall be passed by two-third of the directors:

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

(5) application for winding up of the Company.

Article 99 When a director has personal interest and conflict with a proposed resolution in board meeting, such director shall be abstained from voting and shall not be counted in the quorum.

Article 100 The directors shall have responsibility for board resolutions.

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

(1) the director who votes for the resolutions or appoints other director to exercise his power and such entrusted director votes for the resolutions shall bear the direct responsibility;

(2) upon inspection, the director who states his objection when vote and requests such objection to be recorded in board minutes shall be exonerated from the responsibility;

(3) the director who abstains his votes or neither attends nor appoints other person to attend board meeting shall not exonerated from the responsibility;

(4) the director who states his objection in the discussion but does not vote against the resolutions or who votes anonymously and does not request to record his objection in board minutes shall not exonerated from the responsibility;

(5) when the independent non-executive directors have conflicting view with other directors and this is recorded in board minutes, the independent non-executive directors and other directors shall bear respective responsibility accordingly.

Section 4 — Rules of Procedure

Article 101 The board of directors may pass resolutions upon convening board meeting and signing written resolutions.

Article 102 The procedures for the board meeting convened by the board of directors in accordance with the agenda as set out in the notice of the board meeting:

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

Article 103 The board of directors may pass written resolutions on non-material matters. The procedure for formulating the resolutions are as follows:

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

Article 104 In order to enhance efficiency of decision making, the board of directors may grant certain authorities to the executive directors in respect of external investment, acquisitions and disposals of assets, pledges of assets,

connected transactions, etc. The executive directors may pass resolution(s) in the meeting of executive directors. The resolutions passed in the meeting of executive directors within the authority granted shall have the same effect with the resolutions passed by the board of directors.

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

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

Section 5 — Others

Article 107 The Board of directors shall prepare minutes of meeting for the decision made in relation to the matters considered in the meeting. The directors who attended the meeting and the secretary to the board of directors shall sign the minutes of meeting. The minutes of meeting of the board of directors, together with the signatories of the directors and the proxy forms, shall be retained as the Company's archives for a period of 10 years.

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 meeting of the board of directors;
- (3) agenda of the meeting;
- (4) key points of the directors' speeches;
- (5) voting method and results of each of the resolutions.

Proposed amendments

The meeting of the board of directors may also be kept by way of conference

recording, etc. so as to formulate a reference to the minutes of meeting.

Article 108 Unless with the prior notice, non-director president and supervisors may attend board meetings, have the rights to receive notice of board meetings and speak in such meetings. The board of directors may as required by work invite other persons to attend the meetings. The secretariat to the board of directors shall give notice of and arrange the schedule of board meetings. Attendees do not have rights to vote.

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

Chapter 10 Supplementary Provisions

Article 109 The term “accounting firm” in the Rules shall have the same meaning as the terms “accountants” and “auditors”.

Article 110 Where there is any matters not covered in the Rules or where there is any inconsistency between the Rules and the relevant laws, administrative rules and securities regulations of the place of listing as promulgated from time to time and these Articles, those laws, administrative regulations, rules and systems shall prevail.

Article 111 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.