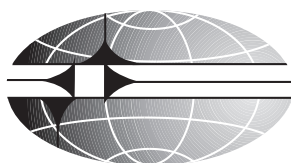

IMPORTANT

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

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



深圳高速公路股份有限公司

SHENZHEN EXPRESSWAY COMPANY LIMITED

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

(Stock Code: 548)

PROPOSAL FOR AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Notice convening the AGM to be held at the meeting room of the Shenzhen Expressway Company Limited ("the Company") at 19/F, Tower A, United Plaza, No.5022 Binhe Road North, Shenzhen, the PRC on 12 June 2006 (Monday) at 10:00 a.m. was published on 28 April 2006 and sent together with this circular. A form of proxy is also 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, 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or to the Company at 19/F, Tower A, United Plaza, No.5022 Binhe Road North, Shenzhen, the PRC as soon as possible and in any event not less than 24 hours before the holding of the relevant meeting. Completion and return of the proxy form will not prevent you from subsequently attending and voting at the AGM or any adjourned meeting(s) should you so wish.

28 April 2006

CONTENTS

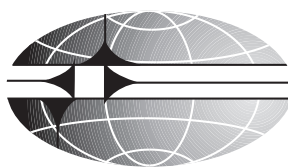
	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	2
Amendments to the Articles of Association	2
Procedures by which a poll may be demanded	3
Recommendation	3
APPENDIX — PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION	4

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at the meeting room of the Company at 19/F, Tower A, United Plaza, No.5022 Binhe Road North, Shenzhen, the PRC on 12 June 2006 (Monday) at 10:00 a.m. to approve, inter alia, the amendments to the Articles of Association;
“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, the H Shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited and the A Shares of which are listed on the Shanghai Stock Exchange;
“Company Law”	the Company Law of the PRC;
“Director(s)”	the director(s) of the Company;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“PRC”	The People’s Republic of China which, for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and the Taiwan region;
“Securities Law”	the Securities Law of the PRC;
“Share(s)”	share(s) of the Company; and
“Shareholder(s)”	shareholder(s) of the Company.

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: 548)

Executive Directors:

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

Non-executive Directors:

Mr. Li Jing Qi
Mr. Wang Ji Zhong
Mr. Liu Jun
Mr. Lin Xiang Ke
Ms. Zhang Yang
Mr. Chiu Chi Cheong, Clifton

Independent Non-executive Directors:

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

Legal Address:

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

Place of business in Hong Kong:

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

28 April 2006

To Shareholders

Dear Sir or Madam,

PROPOSAL FOR AMENDMENTS TO THE ARTICLES OF ASSOCIATION

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Pursuant to the newly amended and implemented Company Law, Securities Law and Guide for the Articles of Association of Listed Company, the Board will propose a special resolution at the AGM to approve, inter alia, the amendments to the Articles of Association. The proposed amendments are now set out in the Appendix to this circular.

LETTER FROM THE BOARD

PROCEDURES BY WHICH A POLL MAY BE DEMANDED

Pursuant to Article 71 of the Articles of Association, a general meeting shall be voted by show of hands unless a poll is demanded by the following person before or after any vote by show of hands:

- (1) the chairman of the meeting;
- (2) at least two Shareholders or proxies vested with voting rights; or
- (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.

RECOMMENDATION

The Directors consider that the amendments to the Articles of Association are in the best interests of the Company and its Shareholders and accordingly recommend that all Shareholders should vote in favour of the relevant resolution to be proposed at the AGM.

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

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

	Existing clauses	Proposed amendments
Article 3	Unless otherwise provided in these Articles of Association, the shareholders of the Company, including the shareholders of domestic capital shares and foreign capital shares as mentioned in Article 17, shall enjoy equal rights and undertake equal obligations.	<p>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.</p> <p>Unless otherwise provided in these Articles of Association, the shareholders of the Company, including the shareholders of domestic capital shares and foreign capital shares as mentioned in Article 17, shall enjoy equal rights and undertake equal obligations.</p>
Article 8	<p>These Articles of Association shall be passed by special resolution of the shareholders’ general meeting of the Company and shall become effective upon approval by the State Commission for Restructuring the Economy and registration with the State Administration for Industry and Commerce and these Articles of Association shall entirely replace the Articles of Association of the Company originally registered with the State 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 organisation and acts of the Company, the rights and obligations between the Company and the shareholders and among the shareholders.</p> <p>The Articles of Association shall be binding on the Company, its shareholders, directors, supervisors, general managers and other senior managerial officers. All persons mentioned above may claim rights relating to the affairs of the Company in accordance with these Articles of Association.</p>	<p>These Articles of Association shall be passed by special resolution of the shareholders’ general meeting of the Company and shall become effective upon approval by the State Commission for Restructuring the Economy and registration with the State Administration for Industry and Commerce and these Articles of Association shall entirely replace the Articles of Association of the Company originally registered with the State 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 organisation and acts of the Company, the rights and obligations between the Company and the shareholders and among the shareholders.</p> <p>The Articles of Association shall be binding on the Company, its shareholders, directors, supervisors, general managers and other senior managerial officers. All persons mentioned above may claim rights relating to the affairs of the Company in accordance with these Articles of Association.</p>

Existing clauses

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 managerial officers 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 14

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 the Company authorized by the State Council, the Company may create other classes of shares.

Proposed amendments

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 managerial officers 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.

Other senior managerial officers referred to in these Articles of Association shall include the deputy general managers, heads of business units, secretary to the board of directors, officer in charge of financial matters and any person designated or confirmed by the board of directors as the board of directors shall deem necessary from time to time.

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 the Company authorized by the State Council, the Company may create other classes of shares.

The total number of shares of the Company is 2,180,700,000 shares, all of which are ordinary shares.

	Existing clauses	Proposed amendments
Article 18	<p>Three promoters subscribed for 1,268,200,000 domestic capital shares upon incorporation of the Company, out of which 745,780,000 state-owned shares were held by Shenzhen Freeway Development Company (currently known as Xin Tong Chan Development (Shenzhen) Company Limited), 457,780,000 state-owned legal person shares were held by Shenzhen Shen Guang Hui Highway Development Company and 64,640,000 state-owned legal person shares were held by Guangdong Roads & Bridges Construction Development Company (currently known as Guangdong Roads & Bridges Construction Development Company Limited).</p> <p>On 21 February 1997, the Company obtained approval from the State Council Securities Committee to issue 747,500,000 overseas listed foreign capital shares (H Shares) which were subscribed for in Hong Kong dollars and listed overseas, to foreign investors. The same were listed on the Hong Kong Stock Exchange on 12 March 1997.</p> <p>On 2 November 2000, in accordance with “The Approval for Changes in the Holders of Certain Stated-owned Shares of the Five Expressway Joint Stock Limited Companies Including Anhui Wan Tong” (Guo Zi Qi Fa No. 27 [1998]) (《關於變更安徽皖通等五家高速公路股份有限公司部份國家股持股單位的批覆》[1998] 27號) issued by State Assets Administration Bureau, “The Notice in relation to the State-owned Interests in the Five Expressway Joint Stock Limited Companies Including Anhui Wan Tong Owned by the Ministry of Communications Through its Investments by way of Vehicle Purchase Surcharges to be Held by Huajian Transportation and Economic Development Centre” (Jiao Cai Fa No. 129 [1998]) (《關於交通部以車輛購置附加費投資安徽皖通等五家高速公路股份有限公司形成的國家股權由華建交通經濟開發中心持有的通知》交財發[1998]129號) issued by the Ministry of Communications, “The Approval for Matters in Relation to the Holding and Management of the Relevant State-owned Interests in Certain Toll Road</p>	<p>Three promoters subscribed for 1,268,200,000 domestic capital shares upon incorporation of the Company, out of which 745,780,000 state-owned shares were held by Shenzhen Freeway Development Company (currently known as Xin Tong Chan Development (Shenzhen) Company Limited), 457,780,000 state-owned legal person shares were held by Shenzhen Shen Guang Hui Highway Development Company and 64,640,000 state-owned legal person shares were held by Guangdong Roads & Bridges Construction Development Company (currently known as Guangdong Roads & Bridges Construction Development Company Limited).</p> <p>On 21 February 1997, the Company obtained approval from the State Council Securities Committee to issue 747,500,000 overseas listed foreign capital shares (H Shares) which were subscribed for in Hong Kong dollars and listed overseas, to foreign investors. The same were listed on the Hong Kong Stock Exchange on 12 March 1997.</p> <p>On 2 November 2000, in accordance with “The Approval for Changes in the Holders of Certain Stated-owned Shares of the Five Expressway Joint Stock Limited Companies Including Anhui Wan Tong” (Guo Zi Qi Fa No. 27 [1998]) (《關於變更安徽皖通等五家高速公路股份有限公司部份國家股持股單位的批覆》[1998] 27號) issued by State Assets Administration Bureau, “The Notice in relation to the State-owned Interests in the Five Expressway Joint Stock Limited Companies Including Anhui Wan Tong Owned by the Ministry of Communications Through its Investments by way of Vehicle Purchase Surcharges to be Held by Huajian Transportation and Economic Development Centre” (Jiao Cai Fa No. 129 [1998]) (《關於交通部以車輛購置附加費投資安徽皖通等五家高速公路股份有限公司形成的國家股權由華建交通經濟開發中心持有的通知》交財發[1998]129號) issued by the Ministry of Communications, “The Approval for Matters in Relation to the Holding and Management of the Relevant State-owned Interests in Certain Toll Road</p>

Existing clauses

Listed Companies by Huajian Transportation and Economic Development Centre” (Cai Guan Zi No. 156 [1999]) (《關於華建交通經濟開發中心持有並管理有關公路上市公司國有股權問題的批覆》財管字[1999]156號) issued by the Ministry of Finance and “The Forward Issue of the Notice of Approval for Matters in Relation to the Holding and Management of the State-owned Interests in Certain Toll Road Listed Companies by Huajian Transportation and Economic Development Centre” (Jiao Cai Fa No. 366 [1999]) (《關於轉發關於華建交通經濟開發中心持有並管理有關公路上市公司國有股權問題的批覆的通知》交財發[1999]366號) issued by the Ministry of Communications, Shenzhen Freeway Development Company (currently known as Xin Tong Chan Development (Shenzhen) Company Limited) and Huajian Transportation and Economic Development Centre entered into an agreement for change of state-owned shares and the related supplemental agreement under which Shenzhen Freeway Development Company (currently known as Xin Tong Chan Development (Shenzhen) Company Limited) transferred 91,000,000 state-owned shares to Huajian Transportation and Economic Development Centre and such shares were converted into state-owned legal person shares. Upon completion of the transfer, Shenzhen Freeway Development Company (currently known as Xin Tong Chan Development (Shenzhen) Company Limited) held 654,780,000 state-owned shares, Shenzhen Shen Guang Hui Highway Development Company held 457,780,000 state-owned legal person shares, Guangdong Roads & Bridges Construction Development Company (currently known as Guangdong Roads & Bridges Construction Development Company Limited) held 64,640,000 state-owned legal person shares and Huajian Transportation and Economic Development Centre held 91,000,000 state-owned legal person shares.

Proposed amendments

Listed Companies by Huajian Transportation and Economic Development Centre” (Cai Guan Zi No. 156 [1999]) (《關於華建交通經濟開發中心持有並管理有關公路上市公司國有股權問題的批覆》財管字[1999]156號) issued by the Ministry of Finance and “The Forward Issue of the Notice of Approval for Matters in Relation to the Holding and Management of the State-owned Interests in Certain Toll Road Listed Companies by Huajian Transportation and Economic Development Centre” (Jiao Cai Fa No. 366 [1999]) (《關於轉發關於華建交通經濟開發中心持有並管理有關公路上市公司國有股權問題的批覆的通知》交財發[1999]366號) issued by the Ministry of Communications, Shenzhen Freeway Development Company (currently known as Xin Tong Chan Development (Shenzhen) Company Limited) and Huajian Transportation and Economic Development Centre entered into an agreement for change of state-owned shares and the related supplemental agreement under which Shenzhen Freeway Development Company (currently known as Xin Tong Chan Development (Shenzhen) Company Limited) transferred 91,000,000 state-owned shares to Huajian Transportation and Economic Development Centre and such shares were converted into state-owned legal person shares. Upon completion of the transfer, Shenzhen Freeway Development Company (currently known as Xin Tong Chan Development (Shenzhen) Company Limited) held 654,780,000 state-owned shares, Shenzhen Shen Guang Hui Highway Development Company held 457,780,000 state-owned legal person shares, Guangdong Roads & Bridges Construction Development Company (currently known as Guangdong Roads & Bridges Construction Development Company Limited) held 64,640,000 state-owned legal person shares and Huajian Transportation and Economic Development Centre held 91,000,000 state-owned legal person shares.

Existing clauses

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

Proposed amendments

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

The original holders of state-owned shares and state-owned legal person shares together held 1,268,200,000 domestic shares, all of which were non-circulating shares. On 27 February 2006, the aforesaid shareholders transferred an aggregate of 52,800,000 domestic shares to A Shares shareholders in exchange for the circulating rights of the remaining 1,215,400,000 shares in the A Shares market. After implementation of the proposal, Xin Tong Chan Development (Shenzhen) Company Limited holds 654,780,000 circulating shares with selling restriction; Shenzhen Shen Guang Hui Highway Development Company holds 411,459,887 circulating shares with selling restriction; Huajian Transportation and Economic Development Centre holds 87,211,323 circulating shares with selling restriction and Guangdong Roads & Bridges Construction Development Company Limited holds 61,948,790 circulating shares with selling restriction. The number of unrestricted A Shares is 217,800,000.

	Existing clauses	Proposed amendments
Article 23	Unless otherwise provided by laws and administrative regulations, the shares of the Company shall be freely transferable and free from any lien.	Unless otherwise provided by laws and administrative regulations, the shares of the Company shall be freely transferable and free from any lien. Shares in the Company held by the promoters shall not be transferred within one year since the Company's establishment. The shares which have already been issued before the public offer shall not be transferred within one year since the shares of the Company have been listed on the stock exchange. The Company shall not accept the pledge of its own shares as security.
Article 27	The Company may repurchase its shares upon the approval granted by the relevant supervisory authorities of the State 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.	The Company may repurchase its shares upon the approval granted by the relevant supervisory authorities of the State 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.

	Existing clauses	Proposed amendments
Article 49	<p>A holder of ordinary shares of the Company shall enjoy the following rights:</p> <ol style="list-style-type: none">(1) to receive dividends and other forms of profit distribution in accordance with the number of shares he holds;(2) to attend and to vote at shareholders' general meetings personally or by proxy;(3) to supervise and manage the business, operation and activities of the Company, and to make proposals or enquiries in relation thereto;(4) to transfer shares in accordance with laws, administrative regulations and the provisions of these Articles of Association;(5) to receive information in accordance with provisions of these Articles of Association, including:<ol style="list-style-type: none">a. these Articles of Association upon payment of the cost thereof;b. upon payment of reasonable charges, be entitled to inspect and copy:<ol style="list-style-type: none">(i) all parts of the register of shareholders;(ii) personal particulars of the directors, supervisors, general managers and other senior managerial officers of the Company, including:<ol style="list-style-type: none">(a) present and former names and aliases;(b) principal address (residence);	<p>A holder of ordinary shares of the Company shall enjoy the following rights:</p> <ol style="list-style-type: none">(1) to receive dividends and other forms of profit distribution in accordance with the number of shares he holds;(2) to attend and to vote at shareholders' general meetings personally or by proxy;(3) to supervise and manage the business, operation and activities of the Company, and to make proposals or enquiries in relation thereto;(4) to transfer shares in accordance with laws, administrative regulations and the provisions of these Articles of Association;(5) to receive information in accordance with provisions of these Articles of Association, including:<ol style="list-style-type: none">a. these Articles of Association upon payment of the cost thereof;b. upon payment of reasonable charges, be entitled to inspect and copy:<ol style="list-style-type: none">(i) all parts of the register of shareholders;(ii) personal particulars of the directors, supervisors, general managers and other senior managerial officers of the Company, including:<ol style="list-style-type: none">(a) present and former names and aliases;(b) principal address (residence);

Existing clauses**Proposed amendments**

- | | |
|---|---|
| (c) nationality; | (c) nationality; |
| (d) full-time occupation and all other part-time occupations or positions; | (d) full-time occupation and all other part-time occupations or positions; |
| (e) identification document and the number thereof. | (e) identification document and the number thereof. |
| (iii) the share capital of the Company; | (iii) the share capital of the Company; |
| (iv) a report on the total nominal value, number, highest and lowest prices and all payments made by the Company in respect of each class of its shares repurchased since the last accounting year; | (iv) a report on the total nominal value, number, highest and lowest prices and all payments made by the Company in respect of each class of its shares repurchased since the last accounting year; |
| (v) minutes of shareholders' meetings. | (v) minutes of shareholders' meetings. |
| (6) to participate in the distribution of the remaining assets in accordance with the number of shares held upon the dissolution or liquidation of the Company; | (6) to participate in the distribution of the remaining assets in accordance with the number of shares held upon the dissolution or liquidation of the Company; |
| (7) other rights conferred by laws, administrative regulations and these Articles of Association. | (7) other rights conferred by laws, administrative 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.

	Existing clauses	Proposed amendments
Article 51	<p>Save for the obligations required under the laws, administrative regulations or the listing rules of a recognized stock exchange on which the shares of the Company are listed, in exercising its rights as a shareholder, a controlling shareholder shall not exercise his voting rights to make the following decisions which would prejudice the interests of all or some of the shareholders:</p> <ol style="list-style-type: none">(1) to exempt the directors or supervisors from the obligation to act in good faith in the best interests of the Company;(2) to authorize the directors or supervisors (in the interests of himself or themselves or other persons) to deprive the Company in any manner of its assets, including but not limited to any opportunities beneficial to the Company;(3) to authorize the directors or supervisors (in the interests of himself or themselves or other persons) to deprive the personal rights of other shareholders, including but not limited to any entitlement to distribution or voting rights but excluding a reorganization of the Company submitted to and passed at a shareholders' general meeting pursuant to these Articles of Association.	<p>Save for the obligations required under the laws, administrative regulations or the listing rules of a recognized stock exchange on which the shares of the Company are listed, in exercising its rights as a shareholder, a controlling shareholder shall not exercise his voting rights to make the following decisions which would prejudice the interests of all or some of the shareholders:</p> <ol style="list-style-type: none">(1) to exempt the directors or supervisors from the obligation to act in good faith in the best interests of the Company;(2) to authorize the directors or supervisors (in the interests of himself or themselves or other persons) to deprive the Company in any manner of its assets, including but not limited to any opportunities beneficial to the Company;(3) to authorize the directors or supervisors (in the interests of himself or themselves or other persons) to deprive the personal rights of other shareholders, including but not limited to any entitlement to distribution or voting rights but excluding a reorganization of the Company submitted to and passed at a shareholders' general meeting pursuant to these Articles of Association. <p>Controlling shareholders and persons in de facto control of the Company shall not prejudice the Company's interests through their connected relationship with the Company. If they violate the rules and cause damages to the Company, they shall be liable to pay compensations.</p>

	Existing clauses	Proposed amendments
	<p>The controlling shareholders of the Company and persons in de facto control of the Company have fiduciary duties towards the Company and the public shareholders. The controlling shareholders shall exercise their rights as investors strictly in accordance with the laws. The controlling shareholders cannot damage the lawful rights of the Company and public shareholders by means of connected transaction, profit distribution, assets restructuring, external investment, use of capital and loan guarantee etc. The controlling shareholders shall not use their position to damage the interests of the Company and the public shareholders.</p>	<p>The controlling shareholders of the Company and persons in de facto control of the Company have fiduciary duties towards the Company and the public shareholders. The controlling shareholders shall exercise their rights as investors strictly in accordance with the laws. The controlling shareholders cannot damage the lawful rights of the Company and public shareholders by means of connected transaction, profit distribution, assets restructuring, external investment, use of capital and loan guarantee etc. The controlling shareholders shall not use their position to damage the interests of the Company and the public shareholders.</p>
Article 55	<p>The shareholders' general meeting shall exercise the following powers:</p> <ol style="list-style-type: none"> (1) to determine the business policies and investment plans of the Company; (2) to elect and replace directors and to determine the remuneration of the directors; (3) to elect and replace supervisors who represent the shareholders and to determine the remuneration in respect of such supervisors; (4) to examine and to approve the report of the board of directors; (5) to examine and to approve the report of the supervisory committee; (6) to examine and to approve the annual financial budgets and final accounts of the Company; (7) to examine and to approve the plans for profit distribution and making up of losses of the Company; 	<p>The shareholders' general meeting shall exercise the following powers:</p> <ol style="list-style-type: none"> (1) to determine the business policies and investment plans of the Company; (2) to elect and replace directors and to determine the remuneration of the directors; (3) to elect and replace supervisors who represent the shareholders and to determine the remuneration in respect of such supervisors; (4) to examine and to approve the report of the board of directors; (5) to examine and to approve the report of the supervisory committee; (6) to examine and to approve the annual financial budgets and final accounts of the Company; (7) to examine and to approve the plans for profit distribution and making up of losses of the Company;

Existing clauses	Proposed amendments
(8) to resolve on the increase or reduction in the registered capital of the Company;	(8) to resolve on the increase or reduction in the registered capital of the Company;
(9) to resolve on matters such as merger, division, dissolution and liquidation, etc. of the Company;	(9) to resolve on matters such as merger, division, dissolution and liquidation or change of nature of the company , etc. of the Company;
(10)to resolve on the issue of debentures by the Company;	(10)to resolve on the issue of debentures by the Company;
(11)to resolve on the appointment, dismissal or discontinuance of the accounting firm of 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;	(12)to amend these Articles of Association;
(13)to examine any motion put forward by shareholders representing in aggregate 5 per cent or more of the voting rights of the Company;	(13)to examine any motion put forward by shareholders representing in aggregate 5 per cent or more of the voting rights of the Company;
(14)other matters to be resolved at shareholders' general meeting in accordance with the requirements of laws, administrative regulations and these Articles of Association.	(14)to consider and approve the provisions of guarantee which are required to be approved in shareholders' general meetings;
	(15)to consider and approve the acquisition or disposal of material assets which are required to be approved in shareholders' general meetings;
	(16)to consider and approve the change of the use of proceeds from funds raisings;
	(17)to consider and approve the share incentive scheme;
	(18)other matters to be resolved at shareholders' general meeting in accordance with the requirements of laws, administrative regulations and these Articles of Association.

Existing clauses**Proposed amendments**

Article 59 When the Company convenes an annual general meeting, shareholder(s) who holds in aggregate 5 per cent or more of the voting rights of the Company or the Supervisory Committee shall be entitled to propose **extraordinary** 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.

The Company shall formulate the Rules of Procedures for the Shareholders' General Meeting, 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, minutes of meeting and signing of the minutes, as well as the principle of authorization to the board of directors by the shareholders' general meeting.

When the Company convenes an annual general meeting, shareholder(s) who holds in aggregate 5 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 contents of the motions should 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, administrative 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.

At the annual general meeting, the board of directors and the supervisory committee shall report to the meeting their work in the previous year, and the independent non-executive directors shall also prepare a report of their work.

Existing clauses**Proposed amendments**

The Board of Directors shall review the aforesaid proposed motions to be brought forward at annual general meeting in accordance with the following principles:

- (1) **Relevance.** The Board of Directors shall review tentative motions proposed by shareholders. The motions which are directly related to the Company and do not contravene the laws, regulations nor exceed the scope of functions of general meetings under the Article of Association of the Company shall be proposed at the shareholders' general meeting for discussion. If the motion does not comply with the aforesaid requirements, it will not be proposed to the shareholders' general meeting for discussion. In the event that the Board decide not to present any motions proposed by shareholders to shareholders' general meeting for voting, the Board of Directors shall explain and state the reasons therefore at such meeting.
- (2) **Procedural matters.** The Board of Directors may make a decision in respect of procedural matters in connection with a motion proposed by shareholders. If the motion is to be separated or consolidated with other motions, the consent from the shareholder proposing the motion shall be obtained. If the shareholder proposing the motion does not consent to the change, the chairman may refer the procedural matters to the shareholders' general meeting for a decision, and the motion shall be discussed according to the procedures adopted at the shareholders' general meeting.

	Existing clauses	Proposed amendments
Article 61	<p>A notice of shareholders' general meeting shall satisfy the following requirements:</p> <ol style="list-style-type: none">(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 as are necessary for a prudent decision to be made by the shareholders on the business to be transacted, which shall include (but not limited to) the provision of concrete terms and contract (if any) of the proposed transaction together with a detailed explanation of the causes and consequences thereof in the event of 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, general manager and other senior managerial officers is materially interested in matters to be discussed, he shall disclose the nature and the extent of such interest; if the effect of the matters to be discussed on such director, supervisor, general manager or senior managerial officers 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;	<p>A notice of shareholders' general meeting shall satisfy the following requirements:</p> <ol style="list-style-type: none">(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 as are necessary for a prudent decision to be made by the shareholders on the business to be transacted, which shall include (but not limited to) the provision of concrete terms and contract (if any) of the proposed transaction together with a detailed explanation of the causes and consequences thereof in the event of 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, general manager and other senior managerial officers is materially interested in matters to be discussed, he shall disclose the nature and the extent of such interest; if the effect of the matters to be discussed on such director, supervisor, general manager or senior managerial officers 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;

Existing clauses

- (7) it shall expressly specify in writing that the shareholders entitled to attend and vote at the meeting shall have the right to appoint one or more than one proxy to attend the meeting in his stead and to vote thereat and the proxy or proxies need not be a shareholder;
- (8) it shall specify the time and place for the delivery of the instrument for appointing proxy to vote at the meeting;
- (9) it shall specify the date of registration of the voting rights for shareholders who are entitled to attend in the shareholders' general meeting.

Proposed amendments

- (7) it shall expressly specify in writing that the shareholders entitled to attend and vote at the meeting shall have the right to appoint one or more than one proxy to attend the meeting in his stead and to vote thereat and the proxy or proxies need not be a shareholder;
- (8) it shall specify the time and place for the delivery of the instrument for appointing proxy to vote at the meeting;
- (9) it shall specify the date of registration of the voting rights for shareholders who are entitled to attend in the shareholders' general meeting.

If the shareholders' general meeting intends to discuss matters relating to the election of directors and supervisors, the notice of the meeting shall fully disclose the detailed information of the candidates for directors and supervisors, that shall at least include the candidates' personal particulars such as educational background, work experience and part-time job; whether there is any connected relationship between the candidates and the Company or the controlling shareholders and the de facto controllers of the Company; disclosure of the candidates' shareholdings in the Company; and whether or not the candidates have been penalized by the relevant supervising authorities or organisation.

Existing clauses**Proposed amendments**

Article 70 A shareholder (including proxy) may exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one vote.

A shareholder (including proxy) may exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one vote.

Chairman of the meeting should announce the number of shareholders and proxies present at the meeting and the total number of voting shares held by them before voting. The record of the meeting which states the number of shareholders and proxies present at the meeting and the total number of voting shares held by them shall prevail.

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 accumulative voting system is adopted in accordance with the requirements of these Articles of Association or the resolutions of the shareholders' general meeting. The accumulative voting system 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 directors or supervisors to be elected. The shareholders may cast all their votes on one candidate.

Other than the accumulative voting system, the shareholders' general meeting will vote on all motions one by one, and for the different motions on the same matter, voting will be proceeded according to the order of the times these motions are put forward. Other than special reasons such as force majeure which results in the interruption of the meeting or makes it impossible to come to resolution, the shareholders' general meeting shall not postpone the motions and shall vote on them.

	Existing clauses	Proposed amendments
Article 74	<p>The Company shall, with its priority to ensure that the shareholders' general meeting is legal and effective, enlarge the proportion of public shareholders participating in the shareholders' general meeting through all practicable manners and means including providing modern information technological means such as voting platform through internet.</p>	<p>The Company may facilitate the shareholders participating in the shareholders' general meeting through all practicable manners and means including providing modern information technological means such as voting platform through internet, 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.</p> <p>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.</p>
Article 79	<p>Shareholders, the Supervisory Committee or independent non-executive directors who request to convene an extraordinary general meeting or a class shareholders' meeting shall follow the procedures below:</p> <p>(1) Shareholder(s) who hold(s) in aggregate 10 per cent or more of the shares vested with voting rights in such a meeting, the Supervisory Committee or half of the independent non-executive directors 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.</p>	<p>Shareholders who request to convene an extraordinary general meeting or a class shareholders' meeting shall follow the procedures below:</p> <p>(1) 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.</p>

Existing clauses

- (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, **subject to the consent of China Securities Regulatory Commission or its representative office** may convene a meeting within four months of the receipt of the said requisitions by the board of directors, **whereas the Supervisory Committee and independent non-executive directors making such requests, subject to the consent of China Securities Regulatory Commission or its representative office, may convene a meeting within three months of the receipt of the said requisitions by the board of directors.** The procedure 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 fault of their duties.

Proposed amendments

- (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 procedure 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 fault of their duties.

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

Existing clauses**Proposed amendments**

Article 81 The chairman of the meeting shall be responsible for determining whether a resolution of the shareholders' general meeting is passed or not and his determination shall be final and the same shall be announced at the meeting and entered into the minutes of the meeting.

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

When the shareholders' general meeting approves the motion in relation to the election of directors or supervisors, the terms of office of the newly elected directors or supervisors shall, for re-election upon expiration of the session of the board of directors or the supervisory committee, start from the next day after the day when the terms of office of the previous session of the board of directors or the supervisory committee expires; in other circumstances, start from the time when the shareholders' general meeting ends.

Article 95 The directors shall be elected or replaced 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 relevant notice to nominate the director in writing shall be lodged seven days before the shareholders' meeting and the candidate is allowed to issue a notice to the Company acknowledging his intention to be elected.

The directors shall be elected or replaced 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 relevant notice to nominate the director in writing shall be lodged seven days before the shareholders' meeting and the candidate is allowed to issue a notice to the Company acknowledging his intention to be elected.

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 circumstance where the terms of office of the directors have expired but no directors are re-elected on time, the original directors should continue to discharge their director's duties in accordance with the laws, administrative rules, departmental regulations and these Articles of Association until the newly elected directors assume their offices.

Existing clauses

The election of the director shall adopt the accumulated voting system whereby, on election of the directors, the number of votes of each shareholder equals to the number of shares that he holds multiplies the number of directors he has the right to elect. Each shareholder may elect a director by using all the votes that he holds or may allocate his votes to all the candidates or elect two or more candidates by using all his votes. The candidate with more votes will be elected. The voting on the election of independent non-executive directors and non-independent directors shall be conducted separately.

Commencing on the second date after the dispatch of the notice of the meeting appointed for election of director(s), a shareholder is entitled to lodge a notice in writing to the Company to nominate directors, the period (during which the candidate is allowed to issue a notice to the Company acknowledging his intention to be elected) for lodgment of such notice shall be 7 days. In any event, the aforesaid period shall end seven days before the date of such meeting.

Article 97

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;

Proposed amendments

The election of the director shall adopt the accumulated voting system whereby, on election of the directors, the number of votes of each shareholder equals to the number of shares that he holds multiplies the number of directors he has the right to elect. Each shareholder may elect a director by using all the votes that he holds or may allocate his votes to all the candidates or elect two or more candidates by using all his votes. The candidate with more votes will be elected. The voting on the election of independent non-executive directors and non-independent directors shall be conducted separately.

Commencing on the second date after the dispatch of the notice of the meeting appointed for election of director(s), a shareholder is entitled to lodge a notice in writing to the Company to nominate directors, the period (during which the candidate is allowed to issue a notice to the Company acknowledging his intention to be elected) for lodgment of such notice shall be 7 days. In any event, the aforesaid period shall end seven days before the date of such meeting.

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;

Existing clauses	Proposed amendments
(5) to prepare the plans for profit distribution and recovering losses for 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 and proposals for the issue of debenture of 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;	(7) to draw up proposal for material acquisition, repurchase of the Company's shares and merger, division or dissolution of the Company;
(8) to decide on the set-up of the internal management structure of the Company;	(8) to decide on the set-up of the internal management structure of the Company;
(9) to appoint or dismiss the general manager of the Company and to appoint or dismiss senior managerial officers (deputy general manager or person in charge of financial affairs) and to determine their remuneration matters;	(9) to appoint or dismiss the general manager and secretary to the board of directors of the Company and to appoint or dismiss other senior managerial officers in accordance with the recommendations of the general manager and to determine their remuneration, reward and punishment matters ;
(10) to set up the basic management system of the Company;	(10) to set up the basic management system of the Company;
(11) to draw up proposal for amending these Articles of Association;	(11) to draw up proposal for amending these Articles of Association;
	(12) to manage the disclosure of information of the Company;
	(13) to propose to the shareholders' general meeting on the appointment or dismissal of accountancy firm for the audit of the Company's accounts;
	(14) to listen to the report of the general manager of the Company and monitor his/her work performance;

Existing clauses

- (12) to determine the setting-up of ad hoc committees and to appoint and dismiss the relevant persons in charge;
- (13) to determine other material business and administrative affairs not required by these Articles of Association to be determined at the shareholders' general meeting;
- (14) subject to compliance with the requirements of relevant laws, regulations, rules and within the scope of authority delegated by shareholders in general meeting, to exercise the Company's powers to raise capital and to borrow money and to decide on the charging, letting, subcontracting or assignment of the Company's assets; and
- (15) to perform other functions as authorised by shareholders' general meeting and these Articles of Association.

Except the resolutions provided for in paragraphs (6), (7) and (11) which require more than two-thirds approval 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.

Proposed amendments

- (15)** to determine the setting-up of ad hoc committees and to appoint and dismiss the relevant persons in charge;
- (16)** to determine other material business and administrative affairs not required by these Articles of Association to be determined at the shareholders' general meeting;
- (17)** subject to compliance with the requirements of relevant laws, regulations, rules and within the scope of authority delegated by shareholders in general meeting, to exercise the Company's powers to raise capital and to borrow money and to decide on the charging, letting, subcontracting or assignment of the Company's assets; and
- (18)** to perform other functions as authorised by shareholders' general meeting and these Articles of Association.

Except the resolutions provided for in paragraphs (6), (7) and (11) which require more than two-thirds approval 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.

The board of directors shall compose the Rules of Procedures for the Board of Directors so as to ensure that it will execute the resolutions passed in the shareholders' general meeting, enhance its work efficiency and ensure scientific decision-making.

Existing clauses	Proposed amendments
<p data-bbox="178 353 853 510">Article 98 The board of directors shall not decide on the matters which are required to be approved by the general meeting under the laws and regulations, including but not limited to:</p> <p data-bbox="363 555 853 981">(1) The board of directors shall not dispose or agree to dispose of any fixed assets of the Company without the prior approval of a 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 general meeting.</p> <p data-bbox="411 1025 853 1211">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.</p> <p data-bbox="363 1256 853 1384">(2) 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.</p> <p data-bbox="363 1429 853 1973">(3) The Company shall not provide guarantees externally without the consent of two-third of the members of the board of directors or the approval of the general meeting. The Company shall not provide guarantee directly or indirectly for liabilities of subjects with a debt-asset ratio of more than 70%; the controlling Shareholder of the Company or other related parties whereby the Company is holding less than 50% equity interest, and any illegal units or persons. The amounts guaranteed by the Company should not exceed 50% of the net assets set out in the consolidated accounting report of the latest financial year.</p>	<p data-bbox="890 353 1404 481">The board of directors shall not decide on the matters which are required to be approved by the general meeting under the laws and regulations, including but not limited to:</p> <p data-bbox="890 555 1404 981">(1) The board of directors shall not dispose or agree to dispose of any fixed assets of the Company without the prior approval of a 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 general meeting.</p> <p data-bbox="938 1025 1404 1211">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.</p> <p data-bbox="890 1256 1404 1384">(2) 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.</p> <p data-bbox="890 1429 1404 1973">(3) The Company shall not provide guarantees externally without the consent of two-third of the members of the board of directors. The following external guarantees provided by the Company shall be considered and approved by the shareholders' general meeting:</p> <p data-bbox="938 1697 1404 1883">i. any guarantees after the total amount of external guarantees provided by the Company and its controlling subsidiaries reaches 50% or more of the latest audited net assets;</p>

Existing clauses

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.

Proposed amendments

- ii. **any guarantees after the total amount of external guarantees of the Company reaches 30% or more of the latest audited total assets;**
- iii. **guarantees provided to a guaranteed party whose debt-to-asset ratio exceeds 70%;**
- iv. **a single guarantee which guaranteed amount exceeds 10% of the latest audited net assets;**
- v. **guarantees provided to shareholders, persons in de facto control 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.

The board of directors should clarify 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. Substantial investment proposals should be examined by relevant experts and professionals, and submitted to the shareholders' general meeting for approval.

	Existing clauses	Proposed amendments
Article 100	<p>The board of directors should 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 meeting of the board of directors.</p> <p>Extraordinary board meetings may be convened under any of the following circumstances:</p> <ol style="list-style-type: none">(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 general manager;(5) proposed by more than one half of the total number of the independent non-executive directors.	<p>The board of directors should 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 meeting of the board of directors.</p> <p>Extraordinary board meetings may be convened under any of the following circumstances:</p> <ol style="list-style-type: none">(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 general manager;(5) proposed by more than one half of the total number of the independent non-executive directors;(6) proposed by shareholder(s) with over one-tenth of the voting rights.

Existing clauses**Proposed amendments**

- Article 101
- (1) Where the time and venue for regular board meetings or extraordinary board meetings have been predetermined by the board of directors, no notice of the meeting shall be required.
- (2) If the time and venue for regular board meetings or extraordinary board meetings have not been predetermined by the board of directors, the chairman of the board of directors shall notify the directors of the time and venue for board meetings by way of telephone, cable, facsimile, express mail, registered post or courier in advance.

- (1) Where the time and venue for regular board meetings or extraordinary board meetings have been predetermined by the board of directors, no notice of the meeting shall be required.
- (2) If the time and venue for regular board meetings or extraordinary board meetings have not been predetermined by the board of directors, the chairman of the board of directors shall notify the directors of the time and venue for board meetings by way of telephone, cable, facsimile, express mail, registered post or courier in advance. **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 attends the meeting without protesting against, before or at its commencement, any lack of notice.

The notice of a board meeting shall be deemed to have been given to a director if he attends the meeting without protesting against, before or at its commencement, any lack of notice.

The meeting of the board of directors may be held on a communication basis, including but not limited to through telephone, facsimile or other similar communication facilities. During the meeting held on a communication basis, 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.

The meeting of the board of directors may be held on a communication basis, including but not limited to through telephone, facsimile or other similar communication facilities. During the meeting held on a communication basis, 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.

	Existing clauses	Proposed amendments
Article 108	<p>When the board is resolving a matter which a director is interested in, such director shall not be present and shall not have any right to vote. Such director shall not be counted in the quorum of the relevant meeting. If the number of disinterested directors in the meeting is less than half of the number of the directors, the interested directors can attend and vote and be counted the in quorum of the meeting approval from relevant supervising authorities are obtained. The Company shall explain the matter in the relevant announcement</p> <p>Directors shall abstain from voting at the board meeting on any matter in which any of his associates (as defined in the Listing Rules of the Hong Kong Stock Exchange) has a material interest and are not to be counted towards the quorum of the relevant board meeting.</p>	<p>Directors, who are connected with the enterprises involved in the motions which are going to be resolved by the board of directors, should neither exercise their voting rights nor exercise voting rights on behalf of other directors on such resolutions. The quorum of such meeting of the board of directors shall be more than half of the unconnected directors attending the meeting. The resolutions should be passed with the consent from over half of the unconnected directors. Should the number of unconnected directors who attend the meeting of the board of directors is under 3, such resolutions shall be submitted to the shareholders' general meeting for approval.</p> <p>Directors shall abstain from voting at the board meeting on any matter in which any of his associates (as defined in the Listing Rules of the Hong Kong Stock Exchange) has a material interest and are not to be counted towards the quorum of the relevant board meeting.</p>
Article 121	<p>The general manager of the Company shall be accountable to the board of directors and shall perform the following functions:</p> <ol style="list-style-type: none"> (1) to be in charge of the production and business operation of the Company and to organize 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; 	<p>The general manager of the Company shall be accountable to the board of directors and shall perform the following functions:</p> <ol style="list-style-type: none"> (1) to be in charge of the production and business operation of the Company and to organize 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;

Existing clauses

- (5) to formulate basic rules and regulations of the Company;
- (6) to propose for the appointment or dismissal of deputy general managers 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.

Proposed amendments

- (5) to formulate basic rules and regulations of the Company;
- (6) to propose for the appointment or dismissal of deputy general managers 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.

The general manager shall formulate working rules and regulations of the general manager and implement such rules and regulations upon approval of the board of directors. Such rules and regulations shall include: (1) conditions for, procedures of and participants of the general manager's meeting; (2) the respective and specific duties of the general manager and other senior managerial officers as well as their division of labour; (3) the limits of authority in utilizing the capital and assets of the Company and executing material contracts, and the reporting system to the board of directors and the supervisory committee; (4) other matters deemed necessary by the board of directors.

	Existing clauses	Proposed amendments
Article 126	<p>(1) The supervisory committee shall be formed by 3 persons where one of them shall act as the chairman of the supervisory committee. The term of office of the supervisor shall be 3 years, eligible for re-election and re-appointment.</p> <p>(2) 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.</p>	<p>(1) The supervisory committee shall be formed by 3 persons where one of them shall act as the chairman of the supervisory committee. The term of office of the supervisor shall be 3 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, administrative regulations and these Articles of Association prior to the assumption of office(s) by the newly elected supervisor(s).</p> <p>(2) 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.</p>
Article 128	<p>The Company’s directors, general manager, deputy general managers and officers in charge of financial matters shall not at the same time act as supervisors.</p>	<p>The Company’s directors, the general manager and other senior managerial officer shall not at the same time act as supervisors.</p>
Article 129	<p>The Supervisory Committee shall convene at least 2 meetings every year and the same shall be convened by the chairman of the Supervisory Committee.</p> <p>If the supervisor is unable to attend in person for the Supervisory Committee meetings for two consecutive times, he shall be deemed to have failed to perform his duties and shall be dismissed and replaced by the shareholders’ general meeting and the worker representatives’ meeting.</p>	<p>The Supervisory Committee shall convene at least 2 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.</p> <p>The notice of a 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.</p> <p>If the supervisor is unable to attend in person for the Supervisory Committee meetings for two consecutive times, he shall be deemed to have failed to perform his duties and shall be dismissed and replaced by the shareholders’ general meeting and the worker representatives’ meeting.</p>

Existing clauses	Proposed amendments
<p>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:</p>	<p>The supervisory committee shall be accountable to the shareholders’ general meeting and shall carry out the following duties and powers in accordance with laws:</p>
(1) to inspect the finances of the Company;	(1) to inspect the finances of the Company;
(2) to supervise the acts of the directors, general manager and other senior managerial officers of the Company who have contravened the laws, administrative regulations or these Articles of Association in carrying out their duties of the Company;	(2) to supervise the acts of the directors, general manager and other senior managerial officers of the Company who have contravened the laws, administrative 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, administrative regulations, these Articles of Association or resolutions of the shareholders’ general meetings;
(3) to request the directors, general manager and other senior managerial officers of the Company to rectify their acts which have prejudiced the interests of the Company;	(3) to request the directors, general manager and other senior managerial officers of the Company to rectify their acts which have prejudiced the interests of the Company;
(4) to 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 registered accountants and the certified public auditors;	(4) to review and advise in written form 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 registered accountants and the certified public auditors; inquire where there is anything unusual is found; and instruct professional bodies to assist when necessary;
(5) to propose the convening of a shareholders’ extraordinary meeting;	(5) to propose the convening of a shareholders’ extraordinary meeting or to propose motions to the shareholders’ general meetings;

Existing clauses	Proposed amendments
<p>(6) to represent the Company in negotiating with or in instituting legal proceedings against the directors;</p> <p>(7) other functions and powers provided in these Articles of Association.</p> <p>The Supervisors have the right to attend meetings of the board of directors.</p>	<p>(6) to represent the Company in negotiating with or in instituting legal proceedings against the directors;</p> <p>(7) other functions and powers provided in these Articles of Association.</p> <p>The Supervisors have the right to observe meetings of the board of directors, to make inquiry or suggestions to the resolutions of the board of directors.</p> <p>The supervisory committee shall formulate the Rules of Procedures for the Supervisory Committee to clarify the ways of reaching resolutions and voting procedures of the meetings of the supervisory committee so as to ensure the work efficiency and scientific decision-making of the supervisory committee.</p>
<p>Article 134 The occurrence of any one of the following events shall disqualify a person from being a director, supervisor, general manager or other senior managerial officers of the Company:</p> <p>(1) lacking capacity in taking civil action or such capacity being restricted;</p> <p>(2) 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;</p>	<p>The occurrence of any one of the following events shall disqualify a person from being a director, supervisor, general manager or other senior managerial officers of the Company:</p> <p>(1) lacking capacity in taking civil action or such capacity being restricted;</p> <p>(2) 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;</p>

Existing clauses

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

Proposed amendments

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

Existing clauses	Proposed amendments
<p data-bbox="178 689 852 786">Article 140 Director, supervisor and general manager of the Company may resign prior to expiry of his term of office.</p> <p data-bbox="363 824 852 884">The general manager shall resign according to his employment contract of the Company.</p> <p data-bbox="363 922 852 1115">The directors (including independent non-executive directors) shall not be removed before expiry of their term without a cause, except being prohibited to be qualified as directors under the Company Law and China Securities Regulatory Commission.</p> <p data-bbox="363 1153 852 1384">In the event that a director's resignation results in the number of directors being less than the quorum, the resignation report of such director shall become effective only when the vacancy arising from his resignation has been filled by a new director.</p> <p data-bbox="363 1422 852 1787">The board of directors consisting of the remaining directors shall convene an extraordinary shareholders' meeting as soon as possible to elect a director to fill the vacancy arising from the resignation of such director. The power of the resigning director and the board of directors consisting of the remaining directors shall be subject to due restrictions until the shareholders' general meeting has made a resolution in respect of the re-election of the director.</p> <p data-bbox="363 1825 852 1919">The relevant provisions to the resignation of directors are applicable to the resignation of supervisors.</p>	<p data-bbox="890 353 1407 651">Any election, appointment or hiring of directors, supervisors, the general manager or other senior managerial officers that is in breach of this Article will be void. Any directors, supervisors, the general manager or other senior managerial officers who fall within one of the above categories during their terms of service shall be removed by the Company.</p> <p data-bbox="890 689 1407 786">Director, supervisor and general manager of the Company may resign prior to expiry of his term of office.</p> <p data-bbox="890 824 1407 884">The general manager shall resign according to his employment contract of the Company.</p> <p data-bbox="890 922 1407 1115">The directors (including independent non-executive directors) shall not be removed before expiry of their term without a cause, except being prohibited to be qualified as directors under the Company Law and China Securities Regulatory Commission.</p> <p data-bbox="890 1153 1407 1384">In the event that a director's resignation results in the number of directors being less than the quorum, the resignation report of such director shall become effective only when the vacancy arising from his resignation has been filled by a new director.</p> <p data-bbox="890 1422 1407 1787">The board of directors consisting of the remaining directors shall convene an extraordinary shareholders' meeting as soon as possible to elect a director to fill the vacancy arising from the resignation of such director. The power of the resigning director and the board of directors consisting of the remaining directors shall be subject to due restrictions until the shareholders' general meeting has made a resolution in respect of the re-election of the director.</p> <p data-bbox="890 1825 1407 1919">The relevant provisions to the resignation of directors are applicable to the resignation of supervisors.</p>

Existing clauses

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

Article 141 The liability of a director, supervisor, general manager and other senior managerial officers 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 51 of these Articles of Association.

Proposed amendments

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

The liability of a director, supervisor, general manager and other senior managerial officers 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 51 of these Articles of Association.

Without the legal authorization 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 personal capacity is acting on behalf of the Company or the board of directors, then the director should clarify his position and capacity in advance.

	Existing clauses	Proposed amendments
Article 160	<p>The profit of the Company shall be distributed in the following order of priority after payment of relevant taxes:</p> <p>(1) recovery of losses;</p> <p>(2) allocation to the statutory common reserve fund;</p> <p>(3) allocation to the statutory public welfare fund;</p> <p>(4) allocation to the discretionary common reserve fund;</p> <p>(5) payment of dividends on ordinary shares.</p> <p>The particular proportion of distribution in each year in respect of paragraphs (4) and (5) 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.</p> <p>The Company's common reserve fund shall be divided into surplus reserve fund and capital reserve fund. The surplus reserve fund shall be divided into statutory common reserve fund and discretionary common reserve fund.</p>	<p>The profit of the Company shall be distributed in the following order of priority after payment of relevant taxes:</p> <p>(1) recovery of losses;</p> <p>(2) allocation to the statutory common reserve fund;</p> <p>(3) allocation to the discretionary common reserve fund;</p> <p>(4) payment of dividends on ordinary shares.</p> <p>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.</p> <p>The Company's common reserve fund shall be divided into surplus reserve fund and capital reserve fund. The surplus reserve fund shall be divided into statutory common reserve fund and discretionary common reserve fund.</p>
Article 161	<p>No dividend shall be distributed by the Company before losses are recovered and the allocation to statutory common reserve fund and statutory public welfare fund is made.</p>	<p>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.</p>
Article 163	<p>The Company shall allocate 10 per cent of the profit after taxation to the statutory public welfare fund and for use in collective welfare of the staff and workers of the Company.</p>	<p>(Deleted)</p>

	Existing clauses	Proposed amendments
Article 164	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.	(Re-number as Article 163)
Article 164		(Insert as Article 164) 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.
Article 166	The common reserve fund of the Company shall be used only for the following purposes: <ol style="list-style-type: none"> (1) recovery of losses; (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 pro rata 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. 	The common reserve fund of the Company shall be used only for the following purposes: <ol style="list-style-type: none"> (1) recovery of 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 pro rata 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.

Existing clauses

Article 186 The merger of the Company may take the two forms of merger by absorption and merger by formation of a new corporation.

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 **90** 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. **Where the Company fails to repay its debt or provide corresponding guarantees for such debts, the Company may not be merged.**

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.

Proposed amendments

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

In the case of merger, a company absorbs any other company and the absorbed company is dissolved; in the case of consolidation, 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.

	Existing clauses	Proposed amendments
Article 187	<p>In the event of a division of the Company, its assets shall be divided accordingly.</p> <p>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 90 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. Where the Company fails to repay its debt or provide corresponding guarantees for such debt, the Company may not be divided.</p> <p>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.</p>	<p>In the event of a division of the Company, its assets shall be divided accordingly.</p> <p>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.</p> <p>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.</p>
Article 192	<p>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.</p>	<p>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.</p> <p>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.</p>

	Existing clauses	Proposed amendments
Article 193	<p>The liquidation committee shall during the liquidation process perform the following functions and powers:</p> <ol style="list-style-type: none">(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.	<p>The liquidation committee shall during the liquidation process perform the following functions and powers:</p> <ol style="list-style-type: none">(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. <p>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 position to accept bribes or other illegal proceeds, nor may he 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.</p>

	Existing clauses	Proposed amendments
Article 194	<p>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.</p> <p>The assets of the Company shall be used in accordance with the following priority:</p> <p>(1) to pay liquidation expenses;</p> <p>(2) to pay all wages due to the staff and workers of the Company and labour insurance expenses;</p> <p>(3) to effect payment of taxes due;</p> <p>(4) to settle the debts of the Company.</p> <p>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.</p> <p>During the liquidation process, no new business activities shall be commenced by the Company.</p>	<p>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.</p> <p>The assets of the Company shall be used in accordance with the following priority:</p> <p>(1) to pay liquidation expenses;</p> <p>(2) to pay all wages due to the staff and workers of the Company and labour insurance expenses;</p> <p>(3) to effect payment of taxes due;</p> <p>(4) to settle the debts of the Company.</p> <p>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.</p> <p>During the liquidation process, no new business activities shall be commenced by the Company. The assets of the Company shall not be distributed to the shareholders before the repayment is made in accordance with the above provision.</p>

Existing clauses**Proposed amendments**

Article 195 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.

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.

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 201

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.**

Notices, information or written statements sent by the Company to shareholders of H shares, shall be delivered by hand to each shareholder of registered H shares according to the address of such shareholder of H shares set out in the register of shareholders, or delivered by post to each shareholder of H shares according to his address set out in the register of shareholders.

Notices, information or written statements sent by the Company to shareholders of H shares, shall be delivered by hand to each shareholder of registered H shares according to the address of such shareholder of H shares set out in the register of shareholders, or delivered by post to each shareholder of H shares according to his address set out in the register of shareholders.

For notices issued by the Company to the shareholders of domestic capital shares, announcements and other information that is required to be disclosed, an advertisement shall be published in one or more newspapers designated by the securities supervisory authorities of the State and all shareholders of domestic capital shares shall be deemed to have received the relevant notice, announcement or other information that is required to be disclosed.

For notices issued by the Company to the shareholders of domestic capital shares, announcements and other information that is required to be disclosed, an advertisement shall be published in one or more newspapers designated by the securities supervisory authorities of the State and all shareholders of domestic capital shares shall be deemed to have received the relevant notice, announcement or other information that is required to be disclosed.

	Existing clauses	Proposed amendments
Article 202	If the notice is sent by post in an envelope with prepaid postage and with the address and the name (description) of the addressee clearly stated thereon it shall be deemed to have been received 24 hours after posting.	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 first announcement is published.
Article 206	The board of directors of the Company shall formulate the “Rules of Procedures for the Shareholders’ General Meeting” and the “Rules of Procedures for the Board of Directors” in accordance with laws, administrative rules and these Articles of Association, the Supervisory Committee of the Company shall formulate the “Rules of Procedures for the Supervisory Committee” in accordance with laws, administrative rules and these Articles of Association. The “Rules of Procedures for the Shareholders’ General Meeting”, the “Rules of Procedures for the Board of Directors” and the “Rules of Procedures for the Supervisory Committee” shall be attached to these Articles of Association as schedules and effective upon approval by the shareholders’ general meeting.	The Company shall compose 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, administrative rules and these Articles of Association, that shall be effective upon approval by the shareholders’ general meeting. The rules shall not contradict with these Articles of Association. In case of inconsistency, these Articles of Association shall prevail.