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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a 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 Advanced Semiconductor Manufacturing Corporation Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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.

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**Advanced Semiconductor Manufacturing Corporation Limited**  
**上海先進半導體製造股份有限公司**

*(A foreign invested joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 3355)**

**ELECTION OF NON-EXECUTIVE DIRECTOR**  
**AND**  
**NOTICE OF EXTRAORDINARY GENERAL MEETING**

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A notice convening an EGM of the Company to be held at 10:00 a.m. on 18 March 2008 at Multi-Function Hall, 2nd Floor, Ramada Shanghai Caohejing Hotel, No. 509, Caobao Road, Shanghai, the People's Republic of China is set out in this circular.

If you intend to appoint a proxy to attend the EGM, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon. For holder of H-Shares, the proxy form should be returned to Computershare Hong Kong Investor Services Limited and for holder of non-H-shares, the proxy form should be returned to the Company's Board Secretariat in person or by post not less than 24 hours before the time appointed for holding the EGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or at any adjourned meeting should you so wish.

If you intend to attend the EGM in person or by proxy, you are required to complete and return the reply slip to Computershare Hong Kong Investor Services Limited for holder of H-shares or to the Company's Board Secretariat for holder of non-H-shares on or before 27 February 2008.

31 January 2008

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## CONTENTS

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	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	2
<b>Appendix I — Notice of Extraordinary General Meeting</b> .....	5
<b>Appendix II — Biography of the Candidate for the Non-executive Director</b> .....	8
<b>Appendix III — Service Contract For Non-executive Director</b> .....	9
<b>Appendix IV — Proposed Remuneration for the Non-executive Director</b> .....	18

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## DEFINITIONS

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

“Board or Board of Directors”	the Board of Directors of the Company
“Company”	Advanced Semiconductor Manufacturing Corporation Limited, a foreign invested joint stock limited company incorporated in the People’s Republic of China with limited liability, the H-shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at 10:00 a.m. on 18 March 2008 at Multi-Function Hall, 2nd Floor, Ramada Shanghai Caohejing Hotel, No. 509, Caobao Road, Shanghai, the People’s Republic of China
“EGM Notice”	the notice of the EGM
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region of the People’s Republic of China
“H-share(s)”	the Share(s) which have been admitted for listing on the Stock Exchange, for the purpose of this circular, including those held by NXP B.V. and SCIP (HK) Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“non-H-share(s)”	the Share(s) other than H-share(s) as defined above
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Service Contract For Non-executive Director”	the service contract to be entered into between the non-executive Director and the Company for his term of office from the date of the EGM to 1 March 2010
“Shareholder(s)”	holder(s) of the Shares in the registers of members of the Company as from time to time
“Share(s)”	ordinary share(s) of RMB one (1) yuan each in the share capital of the Company, including both the H-shares and the non-H-shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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LETTER FROM THE BOARD

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**Advanced Semiconductor Manufacturing Corporation Limited**  
**上海先進半導體製造股份有限公司**

*(A foreign invested joint stock limited company incorporated in the People's Republic of China with limited liability)*

(Stock Code: 3355)

***Executive Directors:***

Mr. LU Hsueh Cheng

Ms. CHENG Jianyu

***Non-executive Directors:***

Mr. RUAN Yanhua (*Chairman*)

Mr. ZHU Jian

Mr. Petrus Antonius Maria VAN BOMMEL

Mr. ZHU Peiyi

Mr. XIAO Yongji

***Registered Office:***

385 Hong Cao Road, Shanghai, PRC

***Principal Place of Business in Hong Kong:***

8th Floor, Gloucester Tower

The Landmark

15 Queen's Road Central

Hong Kong

***Independent Non-executive Directors***

Mr. Thaddeus Thomas BECZAK

Mr. James Arthur WATKINS

Mr. SHEN Weijia

31 January 2008

*To the Shareholders*

Dear Sir or Madam,

**ELECTION OF NON-EXECUTIVE DIRECTOR  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to give you the EGM Notice, and information regarding resolutions to be proposed at the EGM relating to the election of a non-executive Director, application of Service Contract For Non-executive Director and his remuneration.

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## LETTER FROM THE BOARD

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### ELECTION OF NON-EXECUTIVE DIRECTOR

Mr. Ajit Manocha has resigned as a non-executive Director of the Company with effect from 1 January 2008 due to his return to the US and his relinquishment of the role as chief manufacturing officer at NXP B.V., which has been announced on the websites of the Stock Exchange and the Company according to the provisions of the Listing Rules with the approval of the Board.

Pursuant to relevant provisions of the Company's Articles of Association, the Board of Directors shall consist of eleven (11) Directors. The minimum length of the period, during which notice to the Company of the intention to propose a person for election as a Director, and during which notice to the Company by such person of his willingness to be elected may be given, will be at least 7 days and the period for lodgment of the notices to the Company of the intention to propose a person for election as a Director will commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than 7 days prior to the date of such meeting.

Therefore, the Board resolved to convene the EGM to elect a non-executive Director to fill the vacancy caused by the resignation of Mr. Ajit Manocha, whose tenure will end at 1 March 2010, and to consider the application of the Service Contract For Non-executive Director to him and his remuneration.

Having due regard to the need for a balance of skills and experience required for promoting the success of the Company and for directing the Company's affairs, the Board hereby recommends Mr. Hendricus Cornelis Maria van der Zeeuw as a non-executive Director of the second session of the Board of Directors. His biography is set out in detail in Appendix II; the proposed Service Contract for Non-executive Director is set out in Appendix III; the proposed remuneration for non-executive Director is set out in Appendix IV.

### FORMS OF PROXY

Any Shareholder who is entitled to attend and vote at a general meeting of the Company shall be entitled to appoint one (1) or more persons (whether such person is a Shareholder or not) as his proxies to attend and vote on his behalf.

The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorized in writing, or if the appointor is a legal entity, either under seal or under the hand of a director or an authorized person or a duly authorised attorney of the legal entity. The letter of authorisation shall contain the number of the Shares to be represented by the proxy. If several persons are authorised as the proxies of the Shareholder, the letter of authorisation shall specify the number of Shares to be represented by each proxy.

The instrument appointing a voting proxy and, if such instrument is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority shall be deposited at Computershare Hong Kong Investor Services Limited (in respect of holders of H-shares) or at the Company's Board Secretariat (in respect of

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## LETTER FROM THE BOARD

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holders of non-H-shares) in person or by post not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). The address of Computershare Hong Kong Investor Services Limited is Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. The address of the Company's Board Secretariat is 385 Hong Cao Road, Shanghai, PRC.

### REPLY SLIP

If you intend to attend the EGM in person or by proxy, you are required to complete and return the reply slip to Computershare Hong Kong Investor Services Limited for holder of H-shares or to the Company's Board Secretariat for holder of non-H-shares on or before 27 February 2008.

### RIGHT TO DEMAND A POLL

Pursuant to the Company's Articles of Association, at any Shareholders' general meeting, a resolution shall be decided on a show of hands unless a poll is demanded:

- (1) by the chairman of the meeting;
- (2) by at least two (2) Shareholders present in person or by proxy entitled to vote thereat;
- (3) by one (1) or more Shareholders (including proxies) representing 10% or more of Shares (held solely or in combination) carrying the right to vote at the meeting, before or after a vote is carried out by a show of hands.

Unless a poll is demanded, a declaration by the chairman that a resolution has been passed on a show of hands and the record of such in the minutes of the meeting shall be conclusive evidence of the fact that such resolution has been passed. There is no need to provide evidence of the number or proportion of votes in favour of or against such resolution.

The demand for a poll may be withdrawn by the person who demands the same.

### RECOMMENDATION

The Board considers that appointing the proposed candidate as non-executive Director, entering into the relevant service contract and approving the recommended remuneration are in the best interests of the Company and its Shareholders. Accordingly, the Board recommends the Shareholders to vote in favour of the resolutions which will be proposed at the EGM.

Yours faithfully,  
By Order of the Board  
**Advanced Semiconductor Manufacturing Corporation Limited**  
**RUAN Yanhua**  
*Chairman*



**Advanced Semiconductor Manufacturing Corporation Limited**  
**上海先進半導體製造股份有限公司**

*(A foreign invested joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 3355)**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (“EGM”) of Advanced Semiconductor Manufacturing Corporation Limited (the “Company”) will be held at 10:00 a.m. on 18 March 2008 at Multi-Function Hall, 2nd Floor, Ramada Shanghai Caohejing Hotel, No. 509, Caobao Road, Shanghai, the People’s Republic of China to consider and, if thought fit, to pass the following resolutions. Unless otherwise indicated, capitalised terms used herein shall have the same meaning as those defined in the circular of the Company dated 31 January 2008 (the “Circular”).

**Ordinary Resolutions:**

- 1 “**THAT** the appointment of Mr. Hendricus Cornelis Maria van der Zeeuw as a non-executive Director of the second session of the board of Directors with a term of office from the date of the EGM to 1 March 2010 be and is hereby approved.”
- 2 “**THAT** the application of Service Contract For Non-executive Director (as set out in Appendix III of the Circular) between the Company and Mr. Hendricus Cornelis Maria van der Zeeuw be and is hereby approved.”
- 3 “**THAT** the proposed remuneration (as set out in Appendix IV of the Circular) be and is hereby approved.”

By Order of the Board  
**Advanced Semiconductor Manufacturing Corporation Limited**  
**RUAN Yanhua**  
*Chairman*

Shanghai, the PRC  
31 January 2008

**Notes:**

- (1) **Biography** (Please refer to Appendix II of the Circular).
- (2) **Closure of register of members and eligibility for attending the EGM**

To determine the list of Shareholders who have the right to attend the EGM, the register of members will be closed from 17 February 2008 to 18 March 2008 (both days inclusive) during which period, no transfer of Share will be effected. Shareholders whose names appear on the register of members of the Company on 18 March 2008 are entitled to attend the EGM.

Holders of H-shares who wish to attend the EGM but have not registered the transfer documents are required to deposit the transfer document together with the relevant share certificates at the H-share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on 15 February 2008.

- (3) **Proxy**

Any Shareholder who is entitled to attend and vote at a general meeting of the Company shall be entitled to appoint one (1) or more persons (whether such person is a Shareholder or not) as his proxies to attend and vote on his behalf.

The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorized in writing, or if the appointor is a legal entity, either under seal or under the hand of a director or an authorized person or a duly authorised attorney of the legal entity. The letter of authorisation shall contain the number of the Shares to be represented by the proxy. If several persons are authorised as the proxies of the Shareholder, the letter of authorisation shall specify the number of Shares to be represented by each proxy.

The instrument appointing a voting proxy and, if such instrument is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority shall be deposited at Computershare Hong Kong Investor Services Limited (in respect of holders of H-shares) or at the Company's Board Secretariat (in respect of holders of non-H-shares) in person or by post not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). The address of Computershare Hong Kong Investor Services Limited is Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. The address of the Company's Board Secretariat is 385 Hong Cao Road, Shanghai, PRC.

**(4) Reply Slip**

If you intend to attend the EGM in person or by proxy, you are required to complete and return the reply slip to Computershare Hong Kong Investor Services Limited for holder of H-shares or to the Company's Board Secretariat for holder of non-H-shares on or before 27 February 2008.

**(5) Other business**

The EGM is expected to last for half a day. Shareholders (in person or by proxy) attending the EGM are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending the EGM shall produce their identity documents.

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## APPENDIX II BIOGRAPHY OF THE CANDIDATE FOR NON-EXECUTIVE DIRECTOR

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Subject to the Shareholders' approval at the EGM, Mr. Hendricus Cornelis Maria van der Zeeuw will enter into a Service Contract For Non-executive Director as set out in Appendix III of the Circular with the Company for a term from the date of the Extraordinary General Meeting to 1 March 2010 and will be entitled to a remuneration as set out in Appendix IV of the Circular.

As at the date of the Circular, Mr. Hendricus Cornelis Maria van der Zeeuw does not have any interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed herein, Mr. Hendricus Cornelis Maria van der Zeeuw has no relationship with any Directors, Supervisors, senior management, substantial or controlling Shareholders of the Company and did not hold any directorship with any listed companies in the last three years.

In addition, there is no other matter that needs to be brought to the attention of the Shareholders of the Company and there is no information relating to Mr. Hendricus Cornelis Maria van der Zeeuw which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

### **Non-executive Director Candidate:**

**Mr. Hendricus Cornelis Maria van der Zeeuw**, age 53, is a candidate for Non-executive Director of the second session of the Company's Board of Directors. Mr. van der Zeeuw is currently the executive vice president and chief operations of NXP B.V., formerly the semiconductors product division of Philips Group ("Philips Semiconductors"). Mr. van der Zeeuw joined Philips Group in 1982 and held a variety of positions. He began his career with Philips Semiconductors in the field of components and IC domains. In 1995, he was appointed as director of the consumer IC business line in Nijmegen, the Netherlands. Thereafter, Mr. van der Zeeuw was promoted as senior vice president of Philips Semiconductors and held general management responsibilities for the telecommunication terminals business unit. From 1999 to 2002, Mr. van der Zeeuw served as CEO of Philips Optical Storage, a segment of Philips Group's components product division. By the end of 2002, Mr. van der Zeeuw returned to Philips Semiconductors to head the multi-market business unit as executive vice president and general manager. In January 2008, he was appointed as chief operations of NXP B.V.. Mr. van der Zeeuw received a doctor of physics degree from the University of Leiden of the Netherlands.

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**APPENDIX III SERVICE CONTRACT FOR NON-EXECUTIVE DIRECTOR**

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\_\_\_\_\_ , 2008

**ADVANCED SEMICONDUCTOR MANUFACTURING CORPORATION LIMITED**

**And**

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**SERVICE CONTRACT FOR  
NON-EXECUTIVE DIRECTOR**

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**APPENDIX III SERVICE CONTRACT FOR NON-EXECUTIVE DIRECTOR**

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**CONTENTS**

<b>CLAUSE</b>	<b>PAGE</b>
Service Contract for Non-executive director .....	9
1. Appointment and Duties .....	11
2. Term of the Contract .....	11
3. Restrictions on Other Activities of the Non-executive director .....	11
4. Remuneration .....	13
5. Undertakings .....	13
6. Termination .....	14
7. Arbitration .....	15
8. Non-Transferable .....	16
9. Miscellaneous .....	16
10. Effectiveness of the Contract .....	17
11. Governing Law .....	17

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## APPENDIX III SERVICE CONTRACT FOR NON-EXECUTIVE DIRECTOR

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### SERVICE CONTRACT FOR NON-EXECUTIVE DIRECTOR

THIS CONTRACT is made on \_\_\_\_\_:

#### BETWEEN:

Advanced Semiconductor Manufacturing Corporation Limited (the *Company*) of 385 Hong Cao Road, Shanghai, PRC; and

\_\_\_\_\_ (the *Non-executive Director*) of \_\_\_\_\_.

#### IT IS AGREED THAT:

#### 1. APPOINTMENT AND DUTIES

- 1.1 The Company has appointed the Non-executive Director as a non-executive director of the Company's second session of the Board of Directors at its Extraordinary General Meeting held on \_\_\_\_\_. The Non-executive Director undertakes that during the term of this contract (the *Contract*), the Non-executive Director shall do his best to perform the duties to be assigned to him by the Company pursuant to the Contract.
- 1.2 The Non-executive Director shall make himself readily available in connection with his role as a non-executive director of the Company, including attendance of meetings of the directors of the Company in Shanghai in the People's Republic of China or in such other places as the Company may from time to time determine.

#### 2. TERM OF THE CONTRACT

- 2.1 The term of the Contract shall start from \_\_\_\_\_ and end on 1 March 2010 (the *Term*), subject to the early termination of the Contract in accordance with the provisions of Clause 6 of the Contract. At the expiry of the Term, the Company and the Non-executive Director may renew the employment in accordance with the Articles of Association. The Company may forthwith terminate the Contract pursuant to Article 95 of the Articles of Association and Clause 6 of the Contract and the Non-executive Director may terminate the Contract by providing the Company a written notice three months in advance.

#### 3. RESTRICTIONS ON OTHER ACTIVITIES OF THE NON-EXECUTIVE DIRECTOR

- 3.1 During the Term, save for matters disclosed in his Form H (as defined below) dated \_\_\_\_\_, the Non-executive Director shall promptly inform the Company in writing as to any other business which may from time to time compete

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## APPENDIX III SERVICE CONTRACT FOR NON-EXECUTIVE DIRECTOR

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with, or tend to compete with, the businesses carried out by the Company, its subsidiaries or any other entity in which the Company has a direct or indirect interest (together with the Company, the **Group**), (i) in which the Non-executive Director is engaged, (ii) the conduct of which he is concerned, or (iii) by which he is employed, directly or indirectly. For the avoidance of doubt, the Non-executive Director shall not be restricted from owning (directly or through any agent) not more than five per cent of the shares of any company listed on a stock exchange which competes, or intends to compete, with the Company's businesses.

3.2 The Non-executive Director, during the Term and for a period of five years after the termination of the Non-executive Director's employment, shall not disclose (unless otherwise specified by this Clause and by the Articles of Association):

- (a) information related with the transactions, businesses, products, expertise, science and technology, accounts, finance, clients or any other secret or internal information on other issues of any member of the Group; or
- (b) any secret or internal information on the procedures or inventions found or made by the Non-executive Director during the term of the employment or used by any member of the Group; or
- (c) any secret or internal information any member of the Group is required to keep confidential by any third party (during the confidentiality term as being agreed by any member of the Group and the third party),
  - (i) to any other person, except for such persons who have a right to know any of the above information; or
  - (ii) make use of any of the above information for private purpose; or
  - (iii) disclose any of the above information without proper authorisation in a manner that fails to take into account any necessary prudence and care.

However, the above restrictions shall not apply to information or knowledge accessible or obtainable by the public (not including information that is accessible or obtainable due to the error of the Non-executive Director).

3.3 During the Term and for a period of two years after the termination of the employment, the Non-executive Director shall not:

- (a) solicit any client or supplier of any member of the Group or endeavour to entice any of them away from any member of the Group; or

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## APPENDIX III SERVICE CONTRACT FOR NON-EXECUTIVE DIRECTOR

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(b) solicit any director or senior employee of any member of the Group to leave his post or endeavour to entice any of them away from any member of the Group.

3.4 Any note, memo, record and document made by the Non-executive Director in relation with any business of any member of the Group shall remain the property of the relevant member of the Group and the Company may at any time request the Non-executive Director to provide to, or hand over to, the Company any such note, memo, record or document. When leaving his post due to any reason, the Non-executive Director must return all the above documents to the Company as soon as possible.

### 4. REMUNERATION

4.1 During the Term, the Company shall reimburse the Non-executive Director for all reasonable out-of-pocket expenses incurred in relation to the Non-executive Director's attendance at any of the Company's board meetings, including any travelling, transportation and accommodation expenses. In addition, the Company shall pay, monthly in 12 equal instalments, the Non-executive Director an amount of HK\$[●] per annum as administrative subsidies, [which, for PRC residents, shall be paid in Renminbi at the middle exchange rate announced by State Administration of Foreign Exchange on the payment date]. For the avoidance of doubt, the administrative subsidies for any year with less than 12 months shall be calculated on a pro rata basis.

### 5. UNDERTAKINGS

5.1 The Non-executive Director undertakes to the Company (and, in the case of (b) below, to the Company as agent for each shareholder of the Company) that during the Term, the Non-executive Director shall:

(a) perform the duties required by the PRC Company Law;

(b) observe and comply with his obligations to shareholders stipulated in the Articles of Association; 19A.54(2)

(c) perform the duties pursuant to the terms specified on the Declaration and Undertaking (*Form H*) to be submitted to The Stock Exchange of Hong Kong Limited (the *Stock Exchange*) and ensure that all of the statements contained in the Form H are true and accurate without any omission of any key information;

(d) observe and comply with the provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited promulgated from 19A.54(1)

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## APPENDIX III SERVICE CONTRACT FOR NON-EXECUTIVE DIRECTOR

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time to time by the Stock Exchange (the *Listing Rules*), as well as the Articles of Association, the provisions of the Company Law, the Regulations and other Chinese or local laws, regulations and rules in relation to the governance, operation, activities or supervision of listed companies (as defined in the Listing Rules);

- (e) procure the Company to comply with the Hong Kong Codes on Takeovers and Mergers and Share Repurchases;
- (f) during his term of service as a director of the Company (and for a period of 12 months thereafter), promptly inform the Stock Exchange in writing upon the receipt of any notice issued by any administrative or governmental authorities, or upon litigation being brought against, or accusation made against, the Company or any of its affiliates or any of its directors with respect to breaches of the provisions of the Company Law, the Regulations and other laws, regulations and rules in relation with the governance, operation, activities or supervision of listed companies (as defined in the Listing Rules);
- (g) observe and comply with the Hong Kong Codes on Takeovers and Mergers and Share Repurchases and any other securities related laws and regulations; exercise his powers and carry out his duties as the Company's director and procure the Company to comply with the above regulations, as well as other related laws and regulations; and 19A.54(1)
- (h) faithfully and diligently provide his services to the Company, as well as endeavour to promote the Company's businesses and interests and protect the Company's assets.

5.2 The Non-executive Director agrees that the Company shall have the remedies provided under the Articles of Association. 19A.54(1)

5.3 The Non-executive Director agrees that neither the Contract nor his position as non-executive director of the Company is capable of assignment. 19A.54(1)

### 6. TERMINATION

6.1 In the event of the occurrence of any of the following, the Company shall have the right to dismiss the Non-executive Director from his position as non-executive director, in accordance with the Articles of Association, and the Non-executive Director shall not be entitled to receive any compensation:

- (a) the Non-executive Director, for no proper reason, is unable to, or fails to, or refuses to, efficiently and diligently perform his duties as non-executive director;

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## APPENDIX III SERVICE CONTRACT FOR NON-EXECUTIVE DIRECTOR

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- (b) the Non-executive Director becomes incapacitated or bankrupt;
- (c) the Non-executive Director is convicted of any criminal offence, negligence, or neglect of duties;
- (d) the number of days on which the Non-executive Director fails to perform his duties during any period of 12 consecutive months due to poor health, accident or any other reason (except for circumstances under (b) above) is more than 180; or
- (e) the Non-executive Director breaches any provision of the Contract.

6.2 In the event that the Non-executive Director is dismissed as the Company's non-executive director by the shareholders of the Company in general meeting, in accordance with the Company's Articles of Association, the Contract shall be terminated automatically.

### 7. ARBITRATION

- 7.1 Whenever any disputes or claims arise from the contract, the Company's Articles of Association or any rights or obligations conferred or imposed by the Company Law or other relevant laws and administrative regulations concerning the affairs of the Company between (i) the Company and the Non-executive Director; and (ii) a holder of overseas listed foreign shares in the Company and the Non-executive Director, the parties concerned shall resolve such disputes and claims through arbitration. 19A.54(3)(a)
- 7.2 Where a dispute or claim described above is referred to arbitration, the entire dispute or claim shall be resolved through arbitration; all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, if they are shareholders, directors, supervisors, manager or other officers of the Company or the Company, shall submit to arbitration. 19A.54(3)(b)
- 7.3 Disputes over who is a shareholder and over the share register do not have to be resolved through arbitration. 19A.54(3)(c)
- 7.4 The party seeking arbitration may elect to have the dispute or claim arbitrated either by the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or by the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. Once the party seeking arbitration submits a dispute or claim to arbitration, the other party must submit to the arbitral body selected by the party seeking the arbitration. 19A.54(3)(d)

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## **APPENDIX III SERVICE CONTRACT FOR NON-EXECUTIVE DIRECTOR**

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- 7.5 If the party seeking arbitration elects to arbitrate the dispute or claim at the Hong Kong International Arbitration Centre, then either party may apply to have such arbitration conducted in Shenzhen according to the securities arbitration rules of the Hong Kong International Arbitration Centre. 19A.54(3)(e)
- 7.6 The laws of the People's Republic of China shall govern the arbitration of disputes or claims described in Clause 7.1 above, unless otherwise provided by law or administrative regulations. 19A.54(3)(f)
- 7.7 The award of the arbitral body is final and shall be binding on the parties thereto. 19A.54(3)(g)
- 7.8 This agreement to arbitrate is made by the Non-executive Director with the Company on its own behalf and on behalf of each shareholder. 19A.54(3)(h)
- 7.9 Any reference to arbitration shall be deemed to authorise the arbitral tribunal to conduct hearings in open session and to publish its award. 19A.54(3)(i)

### **8. NON-TRANSFERABLE**

- 8.1 The Non-executive Director shall not transfer the Contract or his position to any other person.

### **9. MISCELLANEOUS**

- 9.1 The expiry or termination of the Contract (regardless of the reason) shall not have any effect on the effectiveness of the provisions that are stipulated to survive such expiry or termination as specified in the Contract.
- 9.2 Each notice, demand or any other communication sent out in connection with the Contract shall be in writing and sent by hand or mail to the concerned parties at the addresses specified at the beginning of the Contract (or any other address as being notified by the recipient to the other party five days in advance).

Any notice, demand or any other communication sent to the address of the concerned party in the above form shall be deemed to be received on the arrival date.

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## **APPENDIX III SERVICE CONTRACT FOR NON-EXECUTIVE DIRECTOR**

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### **10. EFFECTIVENESS OF THE CONTRACT**

10.1 The Contract shall have four originals with each party holding two copies. Upon the execution by both parties and the affixation of the company seal by the Company, the Contract shall come into effect from the day on which the Non-executive Director's Term begins. Both the English and Chinese versions of the Contract shall be equally authentic and valid.

### **11. GOVERNING LAW**

11.1 The Contract shall be governed by Chinese laws and regulations.

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**APPENDIX IV      PROPOSED REMUNERATION FOR NON-EXECUTIVE DIRECTOR**

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It has been proposed that the remuneration for the non-executive Director will consist of administrative subsidies only, at an amount of HK\$200,000 per annum. The above remuneration is determined at a market rate.