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安徽皖通高速公路股份有限公司

ANHUI EXPRESSWAY COMPANY LIMITED

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

(Stock Code: 995)

ANHUI EXPRESSWAY COMPANY LIMITED

RULES OF PROCEDURES OF GENERAL MEETING

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ANHUI EXPRESSWAY COMPANY LIMITED

RULES OF PROCEDURES OF GENERAL MEETING

CHAPTER 1 GENERAL PROVISIONS

- Article 1** These Rules are formulated in order to ensure full exercise of the powers of the general meeting of Anhui Expressway Company Limited (hereinafter referred to as the “**Company**”), protect the shareholders’ interests and regulate the discussion and decision-making procedures and methods of the general meeting.
- Article 2** These Rules are formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as “**Company Law**”), the Securities Law of the People’s Republic of China (hereinafter referred to as “**Securities Law**”), the Rules of General Meetings of Listed Companies, the Articles of Association (hereinafter referred to as the “**Articles**”) of Anhui Expressway Company Limited, and other relevant laws and regulations.
- Article 3** General meeting is comprised of the shareholders of the Company, and is the highest organ of authority of the Company. General meeting exercises its functions and powers pursuant to the Articles and these Rules. The board of directors shall exercise its authority to earnestly organise the general meeting to be convened on schedule. All directors of the Company shall be diligent and responsible, to ensure the proper convening and exercise of powers of the general meeting in accordance with laws.

CHAPTER 2 RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

- Article 4** A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is entered in the register of shareholders.
- A shareholder shall enjoy the rights and assume the obligations attached to the class and number of shares held; shareholders holding the same class of shares shall be entitled to the same rights and assume equal obligations.
- Article 5** Holders of ordinary shares of the Company shall enjoy the following rights:
- (1) to obtain dividends and other forms of profit distributions in proportion to the number of shares held by them;
 - (2) to call for the holding of, convene, preside over, attend and vote in person or appoint a proxy to attend and vote accordingly on his/her behalf at general meetings according to laws;

- (3) to supervise and manage and to make suggestions or enquiries relating to the operation of the Company;
- (4) to transfer, give or pledge their shares in accordance with relevant laws, administrative regulations and the Articles;
- (5) to inspect and duplicate the Articles, register of shareholders, minutes of general meetings, resolutions of meetings of the board of directors, and financial reports. Shareholders who meet the requirements may inspect the Company's accounting books and certificates;
- (6) in the event of the termination or liquidation of the Company, to participate in the distribution of surplus assets of the Company in proportion with the number of shares held by them;
- (7) to require the Company to repurchase their shares if they do not agree to the resolutions concerning merger or demerger of the Company as made by the general meeting;
- (8) other rights stipulated by laws, administrative regulations, departmental rules or the Articles.

Article 6 Holders of ordinary shares of the Company shall assume the following obligations:

- (1) to abide by laws, administrative regulations and the Articles;
- (2) to pay subscription moneys according to the number of shares subscribed for and the means of subscription;
- (3) not to withdraw their share capital unless prescribed otherwise in laws and regulations;
- (4) not to abuse shareholders' rights to infringe upon the interests of the Company or other shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of shareholders to harm the interests of the Company's creditors;
- (5) to assume other obligations required by laws, administrative regulations and the Articles.

Any shareholder who abuses shareholders' rights and causes the Company or other shareholders to suffer a loss shall be liable for making compensation in accordance with the law. Any shareholder who abuses the status of the Company as an independent legal entity or the limited liability of shareholders to evade debts and severely harm the interests of the Company's creditors shall be jointly liable for the Company's debts.

Article 7

In addition to obligations imposed by laws and regulations or required by the listing rules of the stock exchange where the Company's shares are listed, when exercising his rights as a shareholder, a controlling shareholder shall not, by virtue of the exercise of his voting rights, cause a decision to be made in a manner prejudicial to the interests of all or part of the shareholders in connection with the following matters:

- (1) to relieve a director of his duty to act honestly in the best interests of the Company;
- (2) to approve the expropriation by a director (for his own benefit or for the benefit of another person) in any manner of the Company's assets, including without limitation opportunities beneficial to the Company;
- (3) to approve the deprivation by a director (for his own benefit or for the benefit of another person) of the personal benefits of other shareholders, including without limitation rights to distributions and voting rights, but not including a restructuring proposal of the Company submitted to the general meeting for approval in accordance with the Articles.

The controlling shareholders and actual controllers of the Company shall not prejudice the Company's interests by taking advantage of their related relationships. They shall be liable for compensation for losses caused to the Company as a result of their violation. The controlling shareholders and actual controllers of the Company shall have an obligation of good faith towards the Company and public shareholders. The controlling shareholders shall exercise the rights of a contributor in strict compliance with the law. The controlling shareholders shall not prejudice the legitimate rights and interests of the Company and public shareholders by taking advantage of distribution of profits, restructuring of assets, foreign investment, appropriation of funds, loan guarantees and other means, and shall not prejudice the interests of the Company and public shareholders by taking advantage of their controlling position.

Article 8 A controlling shareholder referred to in the preceding Article means a person who satisfies any one of the following conditions:

- (1) he alone or acting in concert with others has the power to elect more than half of the directors;
- (2) he alone or acting in concert with others has the power to exercise or to control the exercise of 30% or more of the voting rights in the Company;
- (3) he alone or acting in concert with others holds 30% or more of the issued shares of the Company;
- (4) he alone or acting in concert with others has de facto control of the Company in any other manner.

The phrase “acting in concert” referred to in this Article means two or more than two persons by way of agreement (whether orally or in writing) reaching a consensus with an aim to obtain or consolidate control of the Company, through one person acquiring voting rights of the Company.

CHAPTER 3 FUNCTIONS AND POWERS OF GENERAL MEETING

Article 9 The general meeting shall have the following powers:

- (1) to elect and change directors who are not the staff representatives and to determine their remuneration;
- (2) to consider and approve any report submitted by the board of directors;
- (3) to consider and approve the profit distribution plan and the plan for making up accrued losses of the Company;
- (4) to resolve on the increase or reduction in the registered capital of the Company;
- (5) to resolve on merger, demerger, termination, liquidation or change of form of the Company;
- (6) to resolve on the issuance of bonds of the Company;

- (7) to resolve on the Company's appointment, dismissal or non-renewal of the appointment of accountant firm;
- (8) to amend the Articles;
- (9) to consider any motion proposed by shareholders representing more than 1 per cent of the shares carrying the voting right of the Company;
- (10) to consider and approve the guarantee matters as stipulated in Article 52A of the Articles;
- (11) to consider the material purchase or sale of any asset of the Company within one year, the amount of which exceeds 30% of its latest audited total assets;
- (12) to consider the approval for the change of the use of proceeds;
- (13) to consider the share incentive scheme and employee stock ownership plans;
- (14) any other matters required by laws, administrative regulations, departmental rules and the Articles to be determined at a general meeting.

Article 10 Save and except that the Company is in the crisis and so on in the peculiar circumstance, the Company shall not, without the approval of a general meeting by special resolution, enter into any contract with any person other than a director or senior management of the Company whereby the responsibility for the management of the whole or a substantial part of the business of the Company is delegated to such person.

CHAPTER 4 CONVENING OF GENERAL MEETINGS

Part I Holding

Article 11 General meetings are divided into annual general meetings and extraordinary general meetings. Annual general meetings shall be held once every year within six months after the end of previous financial year. Extraordinary general meetings which are not convened regularly shall be convened within 2 months from the date upon the occurrence of the circumstance specified in Article 12 of these Rules.

When the Company is unable to convene general meeting within the aforementioned period, the Company shall report the matter to the branch of China Securities Regulatory Commission where the Company is located and the stock exchange on which the shares of the Company are listed, with the reasons stated, and publish an announcement of the same accordingly.

Article 12 The Company shall convene an extraordinary general meeting within two months from the date of the occurrence of any of the following events:

1. when the number of directors is less than the number (5 to 19 persons) prescribed by the Company Law or less than two thirds of the number prescribed by the Articles;
2. when the accumulated losses of the Company amount to one third of the total amount of its share capital actually received;
3. upon the written requisition of holders of 10 per cent or more of the issued shares of the Company carrying the voting rights individually or jointly;
4. when the board of directors considers it necessary;
5. when the audit committee proposes to convene a general meeting;
6. upon request by more than half of independent directors and convention of the meeting is agreed by the board of directors;
7. other circumstances as prescribed by laws, regulations and the Articles.

The number of shares held by the shareholders as at the date of the written requisition shall be taken as the number of shares held by them for the purposes of clause 3 above.

Article 13 When the Company holds a general meeting, the board of directors shall retain lawyers to issue legal opinion on the following questions and make the relevant announcement:

1. whether the procedures for convening and holding the meeting are in compliance with laws, regulations and the Articles;
2. whether the qualifications of the attendees and the convener are lawful and valid;
3. whether the voting procedures and the voting results of the meeting are lawful and valid;
4. any other relevant questions raised by the Company.

Part II Convening and notice

Article 14 General meetings shall be convened by the board of directors and organised by the secretariat of the board of directors of the Company.

Article 15 When the Company convenes an annual general meeting, it shall at least 21 days (when convening an extraordinary general meeting, at least 15 days) prior to the date of the meeting notify all shareholders by means of public announcement to all shareholders registered in the register of shareholders and shall inform all the registered shareholders of the matters proposed to be considered at the meeting and the date and venue of that meeting.

In determining the period of notice, the date on which the notice is despatched and the date of the meeting shall be excluded.

The Company will also provide voting through the internet for the shareholder's convenience for attending the general meeting. The shareholder attending the general meeting through the above ways will be deemed as attendance.

Article 16 After the issuance of the notice of general meeting, the general meeting cannot be postponed or cancelled without reason and the resolutions proposed in the notice shall not be canceled without proper reasons. If the Company has to postpone or cancel a general meeting for special reason, the Company shall issue a notice and state the reason at least 2 working days before the scheduled date of the original general meeting. The date for determining the right to attend general meeting shall not be changed if the general meeting is postponed by the Company.

Article 17 An extraordinary general meeting shall not decide on any matters not set out in the notice convening that meeting. Any amendment in the matters as set out in the notice at an extraordinary general meeting will be considered as a new motion and cannot be voted at such general meeting.

Article 18 In the event that the election of directors is to be discussed at a general meeting, the notice or circular of the general meeting shall fully disclose details of candidates for the directors, and shall at least include the following particulars:

- (1) their educational background, work experience, concurrent positions and other personal details;
- (2) whether or not they have any related relationship with the Company or its controlling shareholder(s) and actual controller(s);
- (3) number of shares of the Company they hold;

- (4) whether or not they have been penalized by the China Securities Regulatory Commission and other relevant departments, and disciplined by the stock exchange.

In addition to adopting the cumulative voting system to elect directors, a single proposal on each of the candidates for directors shall be submitted.

Article 19 Notice of general meeting shall include the following contents:

- (1) the time, the place, and the duration of the meeting;
- (2) matters and motions to be considered at the meeting;
- (3) containing a conspicuous statement that all ordinary shareholders (including preference shareholders with restored voting rights) are entitled to attend at the general meeting, and a shareholder may appoint a proxy in writing to attend the meeting and vote on his/her behalf and such proxy is not necessarily be a shareholder of the Company;
- (4) share record date for the right to attend the general meeting;
- (5) the contact person and telephone number for the meeting;
- (6) voting time and voting procedure of voting via internet or by other ways.

Details of all proposals as well as all of information or explanations required for shareholders to make sound judgment of the matters to be discussed shall be fully and completely disclosed in the notice of the general meeting and its supplementary notice. In the event that independent directors are required to express their opinions on the matters to be discussed, a notice of general meeting or a supplementary notice shall, when given, also disclose the opinions and reasons of the independent directors.

The time to start voting via internet or by other means shall not be earlier than 3:00 p.m. of the day preceding the date of the onsite general meeting or later than 9:30 a.m. of the date of the onsite general meeting, and shall not conclude earlier than 3:00 p.m. of the date of the onsite general meeting.

The interval between the share record date and the date of the meeting shall not be more than seven working days. Once the share record date is confirmed, no change may be made thereto.

- Article 20** Notices of general meetings shall be served to all shareholders (whether or not entitled to vote thereat) by personal delivery or prepaid mail and/or electronic communication, and if sent by mail, the address of the recipient shall be the address appearing on the register of shareholders.
- Article 21** In respect of holders of domestic shares, notices of general meetings may be served by way of public announcement. The announcement shall be published prior to the date of the general meeting in one or more newspapers specified by the State Council securities regulatory authority. Once the notice is published, all holders of domestic shares shall be deemed to have received the relevant notice of general meeting.
- Article 22** In respect of holders of foreign shares, notices of general meetings shall be published pursuant to the requirements of the Listing Rules of the Hong Kong Stock Exchange, as well as made to the Hong Kong Stock Exchange, share registrar in Hong Kong and other relevant entities and parties of the meeting. Delivery of notice of general meeting to registered shareholders of the Company may be entrusted to Hong Kong Registrars Limited.

Part III Shareholder proxy

- Article 23** Any shareholder or shareholder proxy entitled to attend and vote at a general meeting may exercise the following rights at the general meeting:
- (1) the right to speak at a general meeting;
 - (2) the right to demand or to demand jointly with others a poll; and
 - (3) the right to vote by a show of hands or by a poll, but where a shareholder has appointed more than one proxy, such proxies may only vote by a poll.
- Article 24** A shareholder shall appoint his proxy in written form, which shall be signed by the appointer or his proxy duly authorised in writing. If the appointer is a legal person, its legal representative or such person authorised by resolution of its board of directors or other decision-making organisations to act as its representative may attend the general meeting, and the proxy form shall be signed under its seal or signed by its director or the proxy duly authorised by it in writing.

Article 25 The proxy form issued by shareholder authorising another person to attend general meeting shall specify the following:

- (1) the name of the appointor, the class and number of shares of the Company held by him/her;
- (2) the name of the proxy;
- (3) specific instructions from shareholders, including instructions for voting for or against, or abstaining from voting on each item as stated in the agenda of the general meeting;
- (4) the date of issuance and expiry of the proxy form;
- (5) signature (or seal) of the appointer; if the appointer is a corporate shareholder, the proxy form shall be affixed with the seal of the corporate shareholder.

Article 26 If a shareholder is a clearing house (“**Clearing House**”) as defined in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, it may authorise one or more persons to act as its representative at any general meeting or any meeting of any class of shareholders. However, if more than one person is so authorised, the power of attorney shall specify the class and number of shares in respect of which each such person is so authorised. The person so authorised shall be entitled to exercise rights on behalf of the Clearing House (or agent thereof) as if the Clearing House (or agent thereof) were an individual shareholder of the Company.

CHAPTER 5 CONDUCTING OF GENERAL MEETINGS

Part I Attendance at the meeting

Article 27 An individual shareholder personally attending a meeting shall present his identity card or other valid proof or evidence of their identities as well as stock account cards, in the case of attendance by proxies, the proxies shall produce valid proof of their identities and the proxy forms from shareholders.

For a corporate shareholder, its legal representative or the proxy appointed shall attend the meeting. Legal representative attending a meeting shall present his identity card, and valid proof of his capacity as legal representative. A proxy authorised by the legal representative to attend a meeting shall present his identity card, and written power of attorney duly issued by the legal representative of the corporate shareholder.

Article 28 An attendance register for the meeting shall be compiled by the Company. The attendance register shall list the name (or name of entity), identity card number and home address of the attendees, the number of shares carrying right to vote held by the attendees or held on behalf of others, as well as the name of the appointer (or name of entity) and so on.

Shareholders (or their proxies) attending the meeting shall comply with on-site management and observe meeting procedures in accordance with relevant laws, regulations, supervisory requirements and the Company's meeting protocols.

Part II Chairman of the meeting

Article 29 General meetings shall be convened by the board of directors, and presided by the chairman of the Company as the chairman of the meeting. Where the chairman is unable to perform his/her duties or does not perform his/her duties, the vice chairman (in case of two or more vice chairmen in the Company, the vice chairman elected by more than half of the directors) shall preside over the meeting; where the vice chairman is unable to perform his/her duties or does not perform his/her duties, a director jointly elected by more than half of the directors shall preside over the meeting, and if for any reason no director is so elected to preside over the meeting, the shareholder (including his/her proxy) present at the meeting holding the greatest number of shares carrying the right to vote shall be the chairman of the meeting.

General meetings convened by the audit committee shall be presided by the convener of the audit committee. If the convener of the audit committee is unable to or does not perform his/her duty, a majority of the members of the audit committee may nominate another individual to act as chairman. For a general meeting convened by shareholders, the convener or his/her representative shall preside over the meeting.

If a general meeting is unable to continue as a result of the chairman's violation of the rules and procedures of a general meeting, the general meeting may continue upon the election of an individual to be the chairman by a majority of shareholders with voting rights who are present at the general meeting.

Article 30 The chairman shall announce the number of shareholders and proxies present at the meeting and their total number of shares carrying voting rights prior to voting. The total number of shareholders and proxies present at the meeting, and the total number of shares carrying voting rights shall be determined in accordance with record of registration of the meeting.

Part III Voting at the meeting

- Article 31** At a general meeting at which a vote is to be taken, shareholders (including proxies) may exercise their voting rights in respect of the number of shares held by them which carry the right to vote. Each share shall carry one vote.
- If a shareholder purchases voting shares of the Company in violation of the provisions of the first paragraph and the second paragraph of Article 63 of the Securities Law, the voting rights of the shares that exceed the prescribed proportion shall not be exercised within 36 months after the purchase, and such shares shall not be included in the total number of shares that have the right to vote at the general meeting.
- Article 32** The board of directors, independent directors and shareholders holding more than one percent of voting Shares, or investor protection institutions established according to laws and regulations may publicly collect the voting rights from shareholders. The shareholder, whose votes are being collected, must be fully informed as to, inter alia, the voting preference. The collection of votes conducted by way of payment or disguised payment is prohibited. Except for statutory conditions, the Company shall not impose any minimum shareholding requirement in respect of collection of votes.
- Article 33** Any vote of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.
- Article 34** In case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a casting vote.
- Article 35** An extraordinary general meeting shall not decide on any matters not set out in the notice of that meeting. When shareholders consider matters as set out in the notice at an extraordinary general meeting, any amendment will be considered as a new motion and cannot be voted at that general meeting.
- Article 36** Before the general meeting votes on a proposal, two shareholders' representatives shall be elected to participate in the vote counting and vote scrutiny. When a shareholder is related to a matter being considered, he/she and his/her proxy(ies) may not participate in the vote counting or vote scrutiny. When votes are cast on proposals at the general meeting, attorneys and representatives of the shareholders shall be jointly responsible for scrutinising and counting votes and shall announce the voting results at the meeting. The voting result shall be recorded in the meeting minutes. Shareholders of the Company or their proxies, who have cast their votes by online voting or by other means, shall have the right to check the voting results in the way in which they have cast their votes.

Article 37 When the general meeting votes on a connected transaction, a shareholder relating to the connected transaction shall abstain from voting in respect thereof and the number of shares held by him which carry the right to vote shall be excluded from the total number of shares held by the shareholders attending the meeting which carry the right to vote. The public announcement in relation to the resolution of general meeting shall fully disclose the votes of non-connected shareholders.

Save and except the Articles provide otherwise, such connected shareholder shall abstain from voting for matters in relation to the connected transaction at general meeting. Furthermore, under such circumstances, such connected shareholder and his/her/its representative cannot be representative of shareholders for counting the result of voting.

Article 38 In considering motions on the election of directors at a general meeting, shareholders shall vote on the candidates of directors individually. Where the motions on election of directors are passed, the new directors shall assume office upon conclusion of the general meeting.

Article 39 The board of directors shall ensure that the general meeting will be continuously held during reasonable working hours, until a final resolution is formed. If the general meeting fails to be convened properly or no resolution can be made due to force majeure or other exceptional circumstances, the board of directors shall provide reasons to the stock exchange and make a public announcement, and is obligated to take necessary measures to resume the meeting as soon as possible.

Part IV Motion of the meeting

Article 40 The substance of the motion proposed shall fall within the scope of power of the general meeting, have specific discussion topic and specific matter to be resolved, and be in compliance with laws, administrative regulations and the relevant requirements set forth in the Articles.

Article 41 The board of directors shall state in the notice of general meeting matters to be discussed at the general meeting and fully disclose the contents of all motions put forward by the board of directors. If amendment is required to be made to a resolution passed at the previous general meeting, the content of the motion shall be complete, and shall not just state the proposed amendment.

Matters included into “any other business” but without stating specific content shall not be treated as a motion and general meeting cannot vote for that.

Article 42

When the Company convenes a general meeting, the board of directors, audit committee and shareholders, singly or jointly, holding more than 1% of the shares of the Company carrying rights to vote, are entitled to propose ad hoc motion to the Company.

The shareholder(s) individually or jointly holding more than 1% of the Company's shares may propose an extra motion to the convener in writing on 10 days before the date of convention of general meeting. The convener shall within 2 days from the date of receipt of such proposal issue a supplementary notice, in respect of the announcement of the contents of the temporary proposal, and such extra motion shall be submitted to the general meeting for consideration, unless such extra motion is in violation of any law, administrative regulation or the Articles fails to fall within the scope of power of the general meeting.

Apart from the situation stipulated in the previous paragraph, after the issuance of the notice of general meeting, the convener shall not amend proposed resolution stated in notice of the general meeting or add new proposed resolution.

Article 43

As regards the ad hoc motions of annual general meeting referred to in the preceding Article, the board of directors shall examine the motion based on the following principles:

- (1) Relevancy. For motion of shareholder dealing with matter directly related to the Company and not beyond the scope of power of general meeting prescribed by laws, regulations and the Articles, the board of directors shall present it to the general meeting for discussion. Motion not complying with such requirement cannot be presented to general meeting for discussion.
- (2) Procedure. The board of directors may decide on procedural issues relating to the motions of shareholder. If the motions are separated or combined for voting, the board of directors shall obtain the consent of original proposer. If the original proposer does not agree to the amendment, the chairman of the general meeting may request the general meeting to vote in respect of the procedural issue and the discussion shall be conducted in accordance with the procedures as decided by the general meeting.

Where the board of directors decides not to submit the shareholder's motion to the general meeting for voting, it shall make an explanation and a statement at that general meeting. If the shareholder, making the motion, disagrees with the board of directors' decision not to include his motion to the agenda of the general meeting, he can convene an extraordinary general meeting in accordance with the procedures specified in these Rules.

- Article 44** The board of directors raising any motion for change of the use of proceeds from issuance of shares shall state in the notice of general meeting the reasons for the change, overview of the new project and the future impact on the Company.
- Article 45** Matters that need to be submitted to the China Securities Regulatory Commission, such as those involving public issuance of shares, shall be put forward as special motions.
- Article 46** After the board of directors considers and approves the annual report, the board of directors shall resolve on the profit distribution proposal which will be a motion in annual general meeting. When the board of directors proposes the conversion of capital reserve to share capital, it shall state the reasons in detail and disclose the same in an announcement. When making an announcement about share distribution or proposal of conversion of capital reserve to capital, the board of directors shall disclose the net asset value per share and earning per share before and after the distribution and conversion and the impact on the future development of the Company.
- Article 47** The board of directors shall give prior notice to the relevant firm of accountant before its proposal for removal or non-renewal of such firm of accountant. The board of directors shall give reasons to the general meeting. The firm of accountant has the right to present its opinion at the general meeting.
- If the board of directors with proper cause removes a firm of accountant at the time other than during the general meeting, the board of directors may temporarily engage another firm of accountant, but such engagement shall be ratified by shareholders at the next general meeting.
- Article 48** If the firm of accountant resigns, the board of directors shall state the reasons at the next general meeting. The resigning firm of accountant has the obligation to send a representative to attend general meeting to state or state in writing whether the Company has any fault.

Part V Procedure for appointment of directors

- Article 49** The list of candidates of directors shall be presented in the form of motion to general meeting for resolution. The board of directors shall provide the resume and general information of the candidates of directors to the shareholders.

Article 50 The nomination of directors may adopt the following method and procedure:

- (1) The board of directors may pass a resolution to put proposal for changing directors at general meeting.
- (2) If shareholders, singly or jointly holding more than 3% of the shares carrying rights to vote, propose change of directors, shareholders shall deliver a motion with the simple resume and general information of the candidate in written form to the board of directors for their examination of relation and procedure in accordance with the articles of association. After passing the examination, the board of directors will in the form of motion state in public announcement for convention of general meeting for voting by shareholders.
- (3) Before the convention of annual general meeting, shareholders, singly or jointly holding more than 3% of the shares carrying rights to vote, may propose ad hoc motion for election or change of directors.
- (4) At the time of request of the board of directors to convene extraordinary general meeting, requisitioning shareholder, may in written form request the board of directors for motion for election or change of directors.
- (5) The board of directors of the Company and the shareholders, singly or jointly holding more than 1 per cent of the shares carrying rights to vote, may propose candidates of independent director, who will be elected at general meeting.

Article 51 In the event that the election of directors is to be discussed at a general meeting, the notice of the general meeting shall fully disclose details of candidates for the directors, and shall at least include the following particulars:

- (1) their educational background, work experience, concurrent positions and other personal details;
- (2) whether or not they have any related relationship with the Company or its controlling shareholder(s) and actual controller(s);
- (3) number of shares of the Company they hold;
- (4) whether or not they have been penalized by the China Securities Regulatory Commission and other relevant departments, and disciplined by the stock exchange;

In addition to adopting the cumulative voting system to elect directors, a single proposal on each of the candidates for directors shall be submitted.

Article 52

Independent directors shall be nominated, elected and replaced in the following way:

- (1) The board of directors, audit committee and shareholders, singly or jointly holding more than 1% of the shares of the Company, may propose a candidate of independent director, who will be elected at the general meeting. The nominator shall not nominate any person who has an interest in him/her or any other person who has a close relationship with him/her that may affect the independent performance of his/her duties as an independent director candidate.
- (2) The nominator of the independent director shall obtain the prior consent of the nominee. The nominator shall fully understand the occupation, education, title, detailed working experience, all concurrent positions, any adverse records such as significant breaches of trust and other basic information of the nominee. The nominator shall also opine on the candidate's compliance with the independence and other requirements for serving as an independent director. The nominee shall make a public declaration that he/she meets the independence and other requirements for serving as an independent director. Before the general meeting is convened for election of independent directors, the board of directors shall disclose relevant information in accordance with the aforementioned requirements and submit all materials pertaining to the candidates for independent directors to the stock exchange. The materials submitted shall be truthful, accurate and complete. The stock exchange will, in accordance with the regulations, review the relevant materials of independent director candidates, carefully assess whether they meet the qualifications for the position, and have the authority to issue an opinion of objection. If the stock exchange issues an opinion of objection on a candidate, the listed company shall not submit to the general meeting for election.
- (3) Each term of office of the independent director will be the same as that of other directors of the Company. Upon completion of his/her term of office, he/she is eligible to be re-elected but the term shall not be more than 6 years consecutively.

- (4) If an independent director has not personally attended board meetings twice consecutively and does not delegate another independent director to attend the meeting on his/her behalf, the board of directors shall within 30 days from the date of occurrence of such event, propose to convene a general meeting to remove such independent director from his/her position. Unless in the above circumstances, in circumstances as specified in Company Law where a person is prohibited from acting as a director and the failure to comply with the provisions of Article 133 (1) and (2) of the Articles, no independent director shall be removed from office without reason before the expiry of his/her term of office.
- (5) An independent director may resign before the expiry of his/her term of office. In resigning his/her duties, the independent director shall tender a resignation to the board of directors in writing and specify any matter which is related to his/her resignation or which he/she considers necessary to bring to the attention of the Company's shareholders and creditors. The Company shall disclose the reasons for the resignation of independent directors and the matters of concern. If the resignation of an independent director causes the proportion of independent directors in the board of directors of the Company to fall below one third or the absence of an accounting professional in the independent directors or the number of directors to fall below two thirds of the number of directors stipulated in the Articles, or where there is a lack of an accounting professional among the independent directors, the independent director who intends to resign shall continue to fulfill his/her duties until the date on which a new independent director is appointed. The listed company shall complete the by-election within 60 days from the date of the resignation of the independent director.
- (6) No independent director shall be removed from office without reason before the expiry of his/her term of office. If an independent director is removed before his/her term of office expires, the Company shall disclose the removal as a special disclosure. If the removed independent director considers the Company's reason for his/her removal unjustifiable, the independent director can make a public statement.

Article 53

The Company shall disclose the detailed information of candidates of directors before the convening of general meeting so as to ensure the shareholders have sufficient understanding of the candidate at the time of voting.

Article 54 Any candidate of director shall before the convening of general meeting make a written undertaking that he accepts the nomination, that the information of him, publicly disclosed, is true and complete, and that he will duly perform his duties as a director if elected.

Article 55 The election process of directors shall fully reflect the opinion of the minority shareholders. Cumulative voting shall be adopted for the election of directors at general meeting.

At the time of election of directors, the votes of each shareholder are equal to the number of his shareholding times the number of directors to be elected. Each shareholder may cast all his votes on one candidate of director, distribute his votes to all candidates of director as he desires, or use all his votes to vote for two or more candidates of directors, and the person having the most votes will be elected. Independent directors and non-independent directors shall be voted separately.

Part VI Meeting resolutions, minutes and announcements

Article 56 Resolutions of general meetings are divided into ordinary resolutions and special resolutions.

An ordinary resolution shall be passed by more than half of the total voting rights held by the shareholders present in person (or by proxy) at a general meeting.

A special resolution shall be passed by more than two thirds of the total voting rights held by the shareholders present in person (or by proxy) at a general meeting.

Article 57 The following matters shall be approved by ordinary resolution of a general meeting:

- (1) work reports of the board of directors;
- (2) proposals formulated by the board of directors for distribution of profits and for making up accrued losses;
- (3) appointment and removal of members of the board of directors, their remuneration and method of payment;
- (4) all matters other than those required to be approved by way of special resolution under any laws, administrative regulations or the Articles.

Article 58 The following matters shall be approved by special resolution of a general meeting:

- (1) the increase or reduction of registered capital and the issue of any class of shares, warrants and other similar securities by the Company; repurchasing the shares of the Company due to reduction of its registered capital;
- (2) issuance of corporate bonds;
- (3) the demerger, spin-off, merger, dissolution and liquidation of the Company;
- (4) any amendment to the Articles;
- (5) purchase or sale of any material asset or providing a guarantee by the Company within one year, the amount of which exceeds 30% of its latest audited total assets;
- (6) share incentive scheme;
- (7) other matters as required by the laws, administrative regulations or the Articles, and determined by way of ordinary resolution at general meeting as having a potentially material effect on the Company and should be approved by special resolution.

Article 59 Upon the determination of the resolutions of general meeting, the Company shall notify the stock exchange on which the shares of the Company are listed and give public announcement on newspapers and/or the website of such stock exchange no later than the next day. All aspects of the resolution shall also be notified to other entities and parties with demands as soon as practicable depending on the content of such resolutions.

Article 60 The Company shall notify the stock exchange on which the shares of the Company are listed immediately after resolving on the following matters:

- (1) amendments to the Articles;
- (2) changes in the members of the board of directors and important changes in administrative positions;
- (3) changes in shares and related rights;
- (4) changes in the secretary to the board of directors and the principal place of business of auditors in Hong Kong.

- Article 61** For matters referred to in Articles 57 and 58 above, the Company shall notify relevant institutions and persons such as the Hong Kong Companies Registry, share registrar in Hong Kong, and the administrative authority for industry and commerce or go through relevant procedures in a timely manner as required.
- Article 62** All motions listed on the agenda of the general meeting shall be voted in order and voting shall not be withheld or omitted by any reason. Where different motions have been proposed on the same matter in the annual general meeting, the matter shall be resolved by voting in the order of time of proposal of such motions.
- Article 63** After the profit distribution plan and proposal for conversion of reserve into registered capital are approved by the general meeting, the board of directors of the Company shall complete the distribution (or conversion) of dividends (or shares) within two months after the convening of the relevant general meeting.
- Article 64** Directors and senior management shall respond and explain to the inquiries made by shareholders at the general meetings.
- Article 65** At the annual general meeting, the board of directors shall provide a report of the previous year's business to the general meeting. Each independent director shall also report his duties.
- Article 66** There shall be minutes for the general meeting, which is the responsibility of the secretary of the board of directors. The minutes consist of the following:
- (1) the meeting time, place, agenda and the name of the convenor;
 - (2) the names of chairman of the meeting and directors and senior management who attended the meeting;
 - (3) the number of shareholders (including proxy) present at the meeting, the total shares carrying voting rights and the proportion to the total shares of the Company;
 - (4) the consideration process of each motion, the main points of the speech and the voting result;
 - (5) inquiries and proposals by the shareholders and the respective replies or explanations;

- (6) names of the lawyer, vote-counter, and the scrutineer;
- (7) the number of shares carrying voting rights held by holders of domestic shares and holders of overseas listed foreign shares attending the general meeting, as well as holders of ordinary shares and class shareholders, and the proportion of such shares relative to the Company's total share capital; the voting results of holders of domestic shares and holders of overseas listed foreign shares attending the general meeting, as well as holders of ordinary shares and class shareholders on each resolution;
- (8) other matters stipulated in the Articles that shall be recorded in the minutes of the meeting.

Directors, the secretary of the board of directors, and the convener or his/her representative who are present at the meeting, shall sign on the minutes together with the chairman and shall ensure the truthfulness, preciseness and completeness of the contents of the minutes. The minutes of meeting shall be kept together with the signature book of the shareholders present at the scene, the proxy forms, and effective materials obtained from the network and other channels, with a retention period of not less than 10 years.

Article 67 Copies of meeting minutes shall be available to shareholders for free inspection during business hours of the Company. If any shareholder request for the copies of the relevant meeting minutes, the Company shall deliver the same within seven days from the receipt of a reasonable charge.

Article 68 For any motion not passed at the general meeting, any major modifications to the motion by the general meeting or any alteration to the resolution of the previous general meeting, the board of directors shall give a detailed account thereof in the announcement setting out the resolutions of the general meeting.

Article 69 The announcement setting out the resolutions of a general meeting shall state the number of shareholders (or proxies thereof) present, the total number of shares represented by such shareholders (or proxies) and its proportion to the total number of shares which carry right to vote of the Company, the manner of voting, the result of voting on each resolution, and the details of all resolutions adopted. Resolutions on the motions proposed by shareholders shall set out the names and shareholding percentage of the proposing shareholders and the content of the motion.

CHAPTER 6 SHAREHOLDERS OR INDEPENDENT DIRECTORS PROPOSING TO CONVENE AN EXTRAORDINARY GENERAL MEETING

Article 70 If shareholders request to convene an extraordinary general meeting or a class meeting, the following procedures shall be followed:

Holders of shares, solely or jointly, holding more than 10 per cent shares of the Company have the right to propose the board of directors to convene extraordinary general meetings, which shall be given in writing. The board of directors must act according to the laws, administrative rules and the Articles, and provide written reply on whether they agree or disagree to convene the extraordinary general meeting within 10 days of the date of receipt of the request. The shareholdings referred to above shall be calculated as at the date of the request.

If the board of directors agrees to convene an extraordinary general meeting, a notice of general meeting shall be issued within 5 days after such a board resolution is made. Amendment to any original proposal to be stated in the notice shall be agreed by the related shareholders.

If the board of directors does not agree to convene the extraordinary general meeting or does not reply within 10 days upon receiving the request, holders of shares of the Company, solely or jointly, holding more than 10 per cent shares of the Company have the right to propose the audit committee to convene extraordinary general meetings, which shall be given in writing.

If the audit committee agrees to convene an extraordinary general meeting, a notice of general meeting shall be issued within 5 days upon receiving the request. Amendment to any original proposal to be stated in the notice shall be agreed by the related shareholders.

If the audit committee fails to serve any notice of an extraordinary general meeting within the prescribed period, the audit committee is deemed not to convene and preside over such meeting, the holders of shares, solely or jointly, holding more than 10 per cent shares of the Company for more than ninety consecutive days may convene and preside over the meeting by themselves.

Article 71 Independent directors, after being approved by the majority of all independent directors, have the right to propose the board of directors to convene extraordinary general meetings. Upon requisition by independent directors to convene an extraordinary general meeting, the board of directors must act according to the laws, administrative regulations and the Articles, and provide written reply on whether they agree or disagree to convene the extraordinary general meeting within 10 days of the date of receipt of the proposal. If the board of directors agrees to convene an extraordinary general meeting, a notice of general meeting shall be issued within 5 days after such a board resolution is made; If the board of directors does not agree to convene an extraordinary general meeting, reasons must be given and announced.

Article 72 The audit committee have the right to propose the board of directors to convene extraordinary general meetings, which shall be given in writing. The board of directors must act according to the laws, administrative rules and the Articles, and provide written reply on whether they agree or disagree to convene the extraordinary general meeting within 10 days of the date of receipt of the proposal.

If the board of directors agrees to convene an extraordinary general meeting, a notice of general meeting shall be issued within 5 days after such a board resolution is made. Amendment to any original proposal to be stated in the notice shall be agreed by the audit committee.

If the board of directors does not agree to convene the extraordinary general meeting or does not reply in writing within 10 days upon receiving the request, the board of directors will be considered as unable or refused to fulfill the obligation to convene general meetings and the audit committee may convene and preside over the meeting by itself.

Article 73 When the audit committee or the shareholders decide to convene general meeting by itself, it shall give written notice to the board of directors and at the same time make filing at the stock exchange. Prior to the announcement of the resolutions of the general meeting, the shareholding of ordinary shareholders convening the meeting shall not be less than 10 per cent shares of the Company. Audit committee and shareholders convening the meeting shall provide relevant evidences to the stock exchange prior to issuing the notice of general meeting and announcing resolutions of the general meeting.

The board of directors and the secretary of the board of directors shall cooperate with the audit committee or the shareholder(s) who convene(s) the general meeting on their own. The board of directors shall provide the register of shareholders as at the share record date. If the board of directors fails to provide the register of shareholders, the convener may apply to the securities registration and clearing institution with the relevant announcement on the notice of convening the general meeting to obtain the same. The register of shareholders obtained by the convener may not be used for purposes other than that of convening the meeting.

The expenses required for a general meeting convened by the audit committee or shareholders shall be borne by the Company.

CHAPTER 7 CLASS MEETINGS

Article 74 Shareholders holding different classes of shares are class shareholders.

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

Article 75 Any proposal by the Company to vary or abrogate the rights of any class shareholder must, prior to its implementation, be approved by special resolution of a general meeting and by the affected holders of shares of that class at a separate meeting conducted in accordance with Articles 106 to 111 of the Articles.

Part I Variation of rights

Article 76 The following events shall be deemed to be a variation or abrogation of the rights of a class of shares:

- (1) an increase or reduction in the number of shares of such class, or an increase or reduction in the number of shares of a class having the same or preferential voting or distribution rights as or other privileges to the shares of such class;
- (2) an exchange of all or part of the shares of such class for shares of another class, or an exchange of all or part of the shares of another class for the shares of such class or to a grant of a right to such conversion;
- (3) a removal or reduction of the rights to accrued dividends or the rights to cumulative dividends attached to such class of shares;

- (4) a reduction or removal of a preferential right to dividends or to a distribution of assets upon the liquidation of the Company attached to such class of shares;
- (5) an increase, removal or reduction of conversion privileges, options, voting rights, transfer rights or pre-emptive rights or rights to acquire securities of the Company which are attached to such class of shares;
- (6) a removal or reduction of rights attached to such class of shares to receive moneys payable by the Company in particular currencies;
- (7) a creation of a new class of shares having the same or preferential voting or distribution rights or other privileges as or to the shares of such class;
- (8) an imposition of or an increase in restrictions on the transfer or ownership of the shares of such class;
- (9) an issuance of rights to subscribe for, or convert into, shares of such class or another class;
- (10) an increase of the rights or privileges of another class of shares;
- (11) the restructuring of the Company which results in different classes of shareholders bearing disproportionate responsibilities in such restructuring; and
- (12) the variation or abrogation of the provisions of the Articles.

Article 77

Shareholders of an affected class, whether or not carrying the rights to vote at a general meeting, shall nevertheless be entitled to vote at class meetings in respect of matters concerning paragraphs (2) to (8), (11) and (12) of Article 105 of the Articles, but interested shareholder(s) shall have no voting rights at class meetings.

The meaning of the aforesaid “interested shareholder” is as follows:

- (1) in the case of a repurchase of shares by the Company by way of a general offer to shareholders in equal proportion or on a stock exchange through open trading in accordance with relevant laws, an “interested shareholder” means the controlling shareholder as defined in Article 50 of the Articles;

- (2) in the case of a repurchase of shares by the Company by an off-market agreement outside a stock exchange in accordance with relevant laws, an “interested shareholder” means the shareholder to which the proposed agreement relates; and
- (3) in the case of a restructuring proposal of the Company, an “interested shareholder” means a shareholder whose obligations will become disproportionately less than the obligations of other shareholders of the same class or a shareholder who has an interest different from the interests of the other shareholders of that class.

Part II Notice and voting

Article 78 When the Company convenes a class meeting, the term of giving written notice shall be the same as the term of giving the written notice of the non-class meeting to be convened together with such class meeting. Written notice shall inform all the registered class shareholders of the matters proposed to be considered at the meeting and the date and place of that meeting.

Article 79 Notice of class meetings need only be served on shareholders entitled to vote thereat.

Class meetings shall be conducted in a manner as nearly as possible as that applicable to general meetings. The provisions of these Rules relating to the proceedings of general meetings shall apply to class meetings.

Article 80 Resolutions of a class meeting shall be passed by the holders of more than two thirds or more of the total number of votes held by the shareholders of that class and who are permitted to vote at the class meeting under Article 106 of the Articles.

Article 81 In addition to holders of other classes of shares, holders of domestic shares and holders of overseas listed foreign shares shall be deemed to be different classes of shareholders.

The special voting procedures for class shareholders shall not apply to the following:

- (1) Where, upon approval by a special resolution passed at a general meeting, the Company issues domestic shares and overseas listed foreign shares either separately or concurrently once every 12 months, and the total number of the domestic shares and overseas listed foreign shares so proposed to be issued do not exceed 20% of their total issued number respectively;

- (2) Where the Company plans to issue domestic shares and overseas listed foreign shares on its establishment, and such plan is implemented within 15 months from the date of approval by the securities commission of the State Council.

CHAPTER 8 SUPPLEMENTARY PROVISIONS

- Article 82** Any matters not covered by these Rules shall be governed under the provisions of the Company Law, the Articles, Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, and other related laws and regulations and normative documents.
- Article 83** In case of any inconsistency or conflict between these Rules and the Articles, the Articles shall prevail.
- Article 84** These Rules shall be implemented upon approval by the general meeting of the Company, and shall be subject to the interpretation of the board of directors of the Company. The original Rules of Procedure of General Meeting shall be repealed at the same time.