

This English version is for reference only. If there is any discrepancy between the English and Chinese version, the Chinese version shall prevail.

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, 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 ("Company Law"), the Securities Law of the People's Republic of China, the Rules of General Meetings of Listed Companies, the Articles of Association (the "Articles") of Anhui Expressway Company Limited (the "Company"), 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. 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:
- (I) to receive dividends and other forms of profit distributions in proportion to the number of shares held by them;
 - (II) to attend and vote in person or appoint a proxy to attend and vote on his behalf at general meetings;
 - (III) to supervise and manage and to make suggestions or enquiries relating to the business operation activities of the Company;
 - (IV) to transfer their shares in accordance with relevant laws, administrative regulations and the Articles;

- (V) to receive relevant information in accordance with the Articles, including:
1. the right to obtain a copy of the Articles upon payment of the cost thereof;
 2. the right to inspect and receive copies of the following upon payment of reasonable charge:
 - (1) all parts of the register of shareholders;
 - (2) the personal particulars of each of the directors, supervisors, general managers and other senior management of the Company;
 - (3) the state of the Company's share capital;
 - (4) a report showing the aggregate nominal value, the quantity and the maximum and minimum prices paid by the Company in respect of each class of shares repurchased by the Company since the last financial year, and the aggregate amount paid by the Company for this purpose;
 - (5) minutes of general meetings.
- (VI) 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;
- (VII) 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;
- (VIII) other rights conferred by laws, administrative regulations and the Articles.

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

- (1) to abide by the Articles;
- (2) to pay subscription moneys according to the number of shares subscribed for and the means of subscription;
- (3) other obligations stipulated by laws, administrative regulations and the Articles.

Article 7 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 or supervisor of his duty to act honestly in the best interests of the Company;
- (2) to approve the expropriation by a director or supervisor (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 or supervisor (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 of the Company submitted to the general meeting for approval in accordance with the Articles.

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 Based on the nature of the decisions made by the general meeting, the functions and powers of general meeting are classified into ordinary functions and powers and special functions and powers.

Part I Ordinary functions and powers

Article 10 The ordinary functions and powers of general meeting:

1. to decide on the development objectives and strategies of the Company, and to approve the following business plans and investment proposals:
 - (1) Proposals for the acquisition or sales of assets (including ownership in enterprise, tangible assets or other property rights) that meet one of the following standards and are not connected transactions:
 - (i) The total amount of assets acquired or sold or the accumulated transaction consideration within twelve consecutive months exceeds 50% of the Company's latest audited total assets value;
 - (ii) The absolute value of the net profit or loss relating to the acquisition or sales of assets, or the absolute value of the net profit or loss arising from such transaction is RMB5,000,000 or more and accounts for 50% or more of the absolute value of the Company's latest audited net profit or loss.

Where the Company, within 12 consecutive months, continuously acquires or sells the same or related assets separately, the accumulated value thereof shall be used for calculating the amount or ratio involved in the said acquisition or sales of assets.

- (2) Business plans that meet the following standard and are not connected transactions:

In addition to the aforesaid projects or transactions of acquisition or sales of assets, any of the Company's projects or transactions involving external investments, lending, guarantee and other operating costs and expenses with an amount accounting for 50% or more of the Company's latest audited total assets value.

(3) Shares transaction

Transactions in which the total assets value or profits of assets acquired by the Company by way of issuing new shares account for 15% or more of the Company's latest audited total assets value or net profit, or involving a consideration equal to 15% or more of the Company's assets.

(4) Connected transaction

Any connected transaction with a total transaction consideration of more than RMB30,000,000 or 3% of the net book value of the Company's tangible assets on normal commercial terms as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or the Rules Governing the Listing of Shares on the Shanghai Stock Exchange shall be subject to shareholders' approval, unless exempted by the corresponding stock exchange on which the shares of the Company are listed.

2. to consider and approve any report submitted by the board of directors;
3. to consider and approve any report submitted by the supervisory committee;
4. to resolve on the Company's appointment, dismissal or non-renewal of the appointment of accountant firm;
5. to consider and approve the annual financial budget and final accounts of the Company;
6. to consider and approve the profit distribution plan and the plan for making up accrued losses of the Company;
7. to elect and change directors, and to determine their remuneration;
8. to elect and change supervisors who are the representatives of the shareholders and to determine their remuneration;
9. to consider any motion proposed by shareholders representing 3 per cent or more of the shares carrying the voting right of the Company;
10. any other matters submitted by the board of directors for general meeting to consider and approve.

Part II Special functions and powers

Article 11 The special functions and powers of general meeting:

1. to resolve on the increase or reduction in the registered capital of the Company; to repurchase the shares of the Company due to the reduction in the registered capital;
2. to resolve on such matters as merger, demerger, termination and liquidation of the Company;
3. to resolve on the issuance of bonds of the Company;
4. to resolve on the amendments to the Articles; and
5. to resolve on other matters which the general meeting considers will have significant impact on the Company.

Article 12 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, supervisor, manager or other officer 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.

Article 13 The general meeting has the right to make resolutions on other matters stipulated by laws, administrative regulations and the Articles.

Chapter 4 Convening of General Meetings

Part I Holding

Article 14 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.

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 15 The board of directors shall convene an extraordinary general meeting within two months upon 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 (6 persons) of the number (9 persons) 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;
4. when the board of directors considers it necessary or when the supervisory committee proposes to convene a general meeting;
5. upon request by more than half of independent directors;
6. other circumstances as prescribed by 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 16 Annual general meeting and general meeting convened at the request of shareholders or supervisory committee shall not adopt postal voting. Postal voting shall not be adopted for the following items at an extraordinary general meeting:

1. increase or reduction in the registered capital of the Company;
2. issuance of bonds of the Company;
3. demerger, merger, dissolution and liquidation of the Company;
4. amendment to the Articles;
5. profit distribution plan and plan for making up accrued losses;
6. appointment and removal of members of board of directors and the supervisory committee;
7. change of the use of proceeds from issuance of shares;

8. connected transaction which requires consideration at a general meeting;
9. acquisition or sale of assets which requires consideration at a general meeting;
10. change of firm of accountants;
11. other matters for which postal voting shall not be adopted according to the Articles.

Article 17 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, administrative 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.

The board of directors of the Company may also engage notary public to attend the general meeting.

Part II Convening and notice

Article 18 General meetings shall be convened by the board of directors and organised by the secretariat of the board of directors of the Company.

Article 19 When the Company convenes an annual general meeting, it shall at least 20 business days (when convening an extraordinary general meeting, the longer period between 10 business days or 15 days) prior to the date of the meeting give written notice 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 date on which a notice is delivered to the postal authority for posting by the Company or by the share registrar appointed by the Company shall be deemed to be the date on which notice is given under this Article.

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

- Article 20** After the issuance of the notice of general meeting by the board of directors, the general meeting cannot be postponed or cancelled without reason. 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. In the case of postponement, the notice shall state the adjourned date. The date for determining the right to attend general meeting shall not be changed if the general meeting is postponed by the Company.
- Article 21** An extraordinary general meeting shall not decide on any matters not set out in the notice convening that meeting. When shareholders consider matters as set out in the notice at an extraordinary general meeting, no amendment can be made to the motion in relation to Article 16 of these Rules. Any amendment will be considered as a new motion and cannot be voted at such general meeting.
- Article 22** A notice of a general meeting shall comply with the following requirements:
- (1) it shall be given in writing;
 - (2) it shall specify the place, the date and the time of the meeting;
 - (3) it shall state the matters to be discussed at the meeting;
 - (4) it shall provide to the shareholders such information and explanation as are necessary for them to make an informed decision on the matters proposed to be discussed. Without limiting the generality of the foregoing principle, when the Company proposes to merge with another, to repurchase its shares, to reorganise its share capital, or to restructure in any other way, details of the terms of and the contract (if any) for the proposed transaction shall be provided and the reason for and the effect of such proposal must be properly explained;
 - (5) if any director, supervisor, general manager or other officer has a material interest in any matter to be discussed, the notice shall disclose the nature and extent of his interest; if the effect of the matter to be discussed on such director, supervisor, general manager or other officer in his capacity as shareholder is different from the effect on the other shareholders of the same class, then such differences should be specified;
 - (6) it shall contain the text of any special resolution to be proposed at the meeting;
 - (7) it shall contain conspicuously a statement that all shareholders are entitled to attend and vote at meeting and are entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not be a shareholder of the Company;
 - (8) it shall specify the time and place for lodging proxy forms;
 - (9) share record date for the right to attend the general meeting;
 - (10) the contact person and telephone number for the meeting.

- Article 23** Notices of general meetings shall be served to all shareholders (whether or not entitled to vote thereat) by personal delivery or prepaid mail, and the address of the recipient shall be the address appearing on the register of shareholders.
- Article 24** In respect of holders of domestic shares, notices of general meetings may be served in accordance with the foregoing paragraph or 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 25** 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.
- Article 26** Accidental omission to give notice of a meeting to any person entitled to receive such notice or the non-receipt of notice of a meeting by such person shall not invalidate the meeting or any resolutions passed at that meeting.

Part III Shareholder proxy

- Article 27** 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 28** 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 29** The proxy form issued by shareholder authorising another person to attend general meeting shall specify the following:
- (1) the name of the proxy;
 - (2) whether the proxy has the right to vote;

- (3) instruction for voting for or against, or abstaining from voting on each item as stated in the agenda of the general meeting;
- (4) whether the proxy has the right to vote on any provisional motions that may be included in the agenda of the general meeting, and if so, specific instruction on how to exercise such right;
- (5) the date of issuance and expiry of the proxy form;
- (6) 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 30 The proxy form shall be deposited at the legal address of the Company or such other place prescribed in the notice convening the meeting at least 24 hours prior to the holding of such meeting or 24 hours prior to the time designated for voting. If a proxy form is signed by a person authorised by the appointer, the power of attorney or other documents of authorisation under which the proxy form is signed shall be notarised. The notarised power of attorney or other documents of authorisation shall be deposited together with the said proxy form at the legal address of the Company or such other place as prescribed in the notice for convening the meeting.

Article 31 Any proxy form template provided to shareholders by the board of directors for appointing proxies shall enable the shareholder, according to his intention, to instruct the proxy to vote in favour of or against each resolution to be proposed at the meeting. Such a proxy form shall contain a statement that in the absence of instructions, the proxy may vote as he thinks fit.

Article 32 If a shareholder is a recognised clearing house (“Clearing House”) as defined in the Securities and Futures (Clearing Houses) Ordinance (Cap. 420), 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.

Article 33 A vote given by a shareholder proxy in accordance with his proxy form shall be valid notwithstanding the death or loss of capacity of the appointer, or the revocation of the proxy form or the authorisation under which the proxy form was executed, or the transfer of the relevant shares, provided that no written notice about these matters has been received by the Company prior to the commencement of the relevant meeting.

Chapter 5 Conducting of General Meetings

Part I Attendance at the meeting

Article 34 An individual shareholder personally attending a meeting shall present his identity card and evidence of shareholding. A proxy attending a meeting on behalf of another person shall present his identity card, proxy form and evidence of shareholding.

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

Article 35 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.

Part II Chairman of the meeting

Article 36 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 duties or does not perform his duties, the vice chairman shall preside over the meeting; where the vice chairman is unable to perform his duties or does not perform his 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 proxy) present at the meeting holding the greatest number of shares carrying the right to vote shall be the chairman of the meeting.

Article 37 The chairman of the meeting shall be responsible for deciding whether or not a resolution of the general meeting is passed. His decision shall be final and shall be declared at the meeting and recorded in the minutes of the meeting.

Article 38 If the chairman of a meeting has any doubt as to the results of a vote on a resolution, he may conduct a count of the votes cast. If the chairman of the meeting fails to conduct a count of votes, any shareholder who is present in person or by proxy and who objects to the results declared by the chairman of the meeting may immediately after the declaration of results demand a count of votes, and the chairman of the meeting shall conduct a count of votes immediately.

Part III Voting at the meeting

Article 39 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.

However, the passing of any resolution shall be subject to any special rights or restrictions as to voting rights for the time being attached to any class of shares.

Article 40 The board of directors, independent directors and shareholders individually or jointly holding more than 5% of shares of the Company carrying the right to vote may solicit voting rights of shareholders of the Company at a general meeting. The solicitation of voting rights shall be conducted with nil consideration, subject to adequate disclosure of relevant information to the persons whose voting rights are being solicited.

Article 41 At any general meeting, a resolution shall be decided on a show of hands unless a poll is (before or after any vote by show of hands) demanded by the following persons:

- (1) the chairman of the meeting; or
- (2) at least two shareholders having the right to vote present in person or by proxy;
- (3) one or more shareholders present in person (or by proxy) who alone or together hold 10% or more of the shares carrying the right to vote at that meeting.

Unless a poll is demanded, a declaration by the chairman as to the results of the vote on a resolution based on the results of the show of hands and a record to that effect in the minutes of the meeting, shall be conclusive evidence of that fact. It shall not be necessary to certify the number or proportion of the votes cast in favour of or against such resolution at that meeting.

The demand for a poll may be withdrawn by the person or persons who demanded it.

Nonetheless, where the listing rules of the stock exchange(s) on which the shares of the Company are listed require voting at general meetings to be taken by way of poll, a resolution put to the vote of any general meetings shall be decided by a poll.

Article 42 If the matter in respect of which a poll is demanded relates to the election of the chairman of the meeting or the adjournment of the meeting, the poll shall be taken forthwith. A poll demanded on any other matter shall be taken at such time as the chairman of the meeting decides, and the meeting may continue to proceed to discuss other matters. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

- Article 43** On a poll taken at a meeting, a shareholder (including his proxy) entitled to two or more votes need not cast all his votes in the same way.
- Article 44** 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 45** 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, no amendment shall be made to any motion in relation to matters set out in Article 16 of these Rules. Any amendment will be considered as a new motion and cannot be voted at that general meeting.
- Article 46** The votes on each matter under consideration shall be counted by two shareholder representatives and one supervisor and the voting results shall be announced on the spot by the representative of the persons who have counted the votes.
- Article 47** 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, the representative of such connected shareholder cannot be representative of shareholders for counting the result of voting. Where the connected shareholders cannot avoid voting under special circumstances, the Company may, upon approval of the relevant authority, conduct voting following the normal procedures and provide detailed explanations in the public announcement in relation to the resolutions of the general meeting.
- Article 48** In considering motions on the election of directors and supervisors at a general meeting, shareholders shall vote on the candidates of directors and supervisors individually. Where the motions on election of directors and supervisors are passed, the new directors and supervisors shall assume office upon conclusion of the general meeting.
- Article 49** The shares of the Company shall be suspended from trading during the general meeting. 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 50 Motion of general meeting is made for specific matters to be discussed at the general meeting, and general meeting shall make resolutions specific motions. Motion of general meeting shall satisfy the following conditions:

- (1) its content shall not violate law, regulation and the Articles and fall within the business scope of the Company and the scope of power of general meeting;
- (2) has specific discussion topic and specific matter to be resolved;
- (3) presented or delivered to the board of directors in written form.

Article 51 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 52 After issuing a notice of general meeting, the board of directors shall not raise any new motion which is not included in the notice of general meeting. Amendment to an original motion shall be announced 15 days before the date of convening of general meeting. Otherwise, the date of the meeting shall be adjourned to ensure an interval of not less than 15 days.

Article 53 When the Company convenes a general meeting, the board of directors, supervisory committee and shareholders, singly or jointly, holding more than 3% of the shares of the Company carrying rights to vote, are entitled to propose ad hoc motion to the Company.

Ad hoc motion, which is not included in the notice of board of directors and dealt with matter stated in Article 16 of these Rules, the person putting the motion shall deliver the 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. Apart from the situation stipulated in the previous sub-clauses, 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 any new proposed resolution.

Any new distribution motion proposed by the largest shareholder shall be submitted to the board of directors for announcement 10 days before the annual general meeting. If less than 10 days are left, the largest shareholder shall not propose any new distribution motion at this annual general meeting.

Motions other than the aforesaid may be submitted by the proposer to the board of directors in advance for announcement, or directly proposed at the annual general meeting.

Article 54 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 55 Motions in respect of investment, disposal of assets and acquisition and merger, etc. shall fully state the details of the matter, including the amount involved, consideration (or the method of calculation), the book value of the asset, the impact on the Company, the status of the approval etc. If valuation of asset, audit or the report to be issued by independent financial adviser is required pursuant to the relevant regulations, the board of directors shall disclose the valuation of asset, audit result or the report issued by independent financial adviser at least 5 working days before the convening of the general meeting.

Article 56 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 57 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 58 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 59 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 60 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.

Article 61 At the annual general meeting, the supervisory committee shall read its supervisory special report of the Company for the last year which shall include:

- (1) the examination of the financial situation of the Company;
- (2) the performance of duties by the board of directors and senior management and implementation of relevant laws, regulations, the Articles and resolutions of general meetings;
- (3) other major events which the supervisory committee considers appropriate to report to the general meeting.

If the supervisory committee considers necessary, it may give opinion on the motion examined at the general meeting and deliver an independent report.

Part V Procedure for appointment of directors and supervisors

Article 62 The list of candidates of directors and supervisors 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 and supervisors to the shareholders.

Article 63 The nomination of directors and supervisors may adopt the following method and procedure:

- (1) The board of directors or supervisory committee may pass a resolution to put proposal for changing directors or supervisors at general meeting.
- (2) If shareholders, singly or jointly holding more than 3% of the shares carrying rights to vote, propose change of directors or supervisors, 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, or supervisory committee may propose ad hoc motion for election or change of directors or supervisors.
- (4) At the time of request of the board of directors to convene extraordinary general meeting, requisitioning shareholder or supervisory committee, may in written form request the board of directors for motion for election or change of directors or supervisors.
- (5) Representative of employees, who will be a supervisor, shall be elected by the employees of the Company.

Article 64 In the event that the election of directors and supervisors is to be discussed at a general meeting, the notice of the general meeting shall fully disclose details of candidates for the directors and supervisors, 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) to disclose 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 and supervisors, a single proposal on each of the candidates for directors and supervisors shall be submitted.

Article 65 Independent directors shall be nominated, elected and replaced in the following way:

- (1) The board of directors of the Company, the supervisory committee of the Company and the 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.
- (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 and other basic information of the nominee. The nominator shall also opine on the qualification of the candidate to be an independent director and his independence. The nominee shall make a public declaration that he does not have any relationship with the listed company which will affect his independent objective judgment. Before the general meeting is convened for election of independent directors, the board of directors shall announce the above in accordance with the relevant requirements.
- (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 term of office, he 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 thrice consecutively, the board of directors shall recommend in the general meeting to remove such independent director. Unless in the above circumstances and in circumstances as specified in Company Law where a person is prohibited from acting as a director, no independent director shall be removed from office without reason before the expiry of his term of office.
- (5) An independent director may resign before the expiry of his term of office. In resigning his duties, the independent director shall tender a resignation to the board of directors in writing and specify any matter which is related to his resignation or which he considers necessary to bring to the attention of the Company's shareholders and creditors. If an independent director resigns, the resignation of such director shall not become effective until the vacancy is filled up by a succeeding independent director.

Article 66 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 67 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 68 The nominator of the independent director shall obtain the consent of the nominee prior to the nomination. The nominator shall fully understand the occupation, education, title, detailed working experience and all concurrent positions, etc. of the nominee. The nominator shall also opine on the qualification of the candidate to be an independent director and his independence. The nominee shall make a declaration that he does not have any relationship with the Company which will affect his independent objective judgment.

Article 69 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 70 Resolutions of general meetings are divided into ordinary resolutions and special resolutions.

An ordinary resolution shall be passed by more than one 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 71 The following matters shall be approved by ordinary resolution of a general meeting:

- (1) work reports of the board of directors and the supervisory committee;
- (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 and the supervisory committee, their remuneration and method of payment;
- (4) annual budget and final accounts, balance sheet, profit statement and other financial statements of the Company;
- (5) all matters other than those required to be approved by way of special resolution under any laws, administrative regulations or the Articles.

Article 72 The following matters shall be approved by special resolution of a general meeting:

- (1) the increase or reduction of share capital of the Company and the issuance of any class of shares, warrants and other similar securities by the Company;
- (2) the issuance of bonds of the Company;
- (3) the demerger, merger, dissolution and liquidation of the Company;
- (4) any amendment to the Articles;
- (5) in the Company's acquisition or disposal of assets or provision of guarantee, whether the subject matters of the transactions are related or not, if the total accumulative value of assets or considerations involved in the period of 12 consecutive months exceeds 30% of the Company's latest audited total asset value;
- (6) share incentive scheme;
- (7) other matters which the general meeting has resolved by way of ordinary resolution as having a potentially material effect on the Company and should be approved by special resolution in accordance with the Articles.

Article 73 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 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.

Except the resolutions concerning routine business passed at the annual general meeting, the executed and certified copies of all resolutions of the Company must be delivered to the Hong Kong Stock Exchange within 15 days after the resolutions being passed as requested by the Hong Kong Stock Exchange.

Article 74 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 75** For matters referred to in Articles 71 and 72 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 76** 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 77** For any motion not passed at the 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 78** 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 79** If a count of votes is carried out at a general meeting, the results thereof shall be entered into the minutes of the meeting. The minutes of general meetings together with the attendance book signed by the shareholders present at the meeting and the instruments for the appointment of proxies present at the meeting shall be kept at the legal address of the Company.
- Article 80** Except for matters relating to trade secrets of the Company which cannot be disclosed at the general meeting, the board of directors and supervisory committee shall reply or give explanation to queries and proposals made by shareholders.
- Article 81** At the annual general meeting, the supervisory committee shall read out their supervisory special report of the Company for the last year which shall include:
- (1) the examination of the Company's financial position;
 - (2) the evaluation of the performance of the board of directors and senior management and the implementation of relevant laws, regulations, the Articles and the resolutions of the general meetings;
 - (3) other significant events which in the opinion of the supervisory committee shall be reported to the general meeting.

Where the supervisory committee considers as necessary, it may express its opinions on the motions considered at the general meeting and may submit an independent report.

Article 82 There shall be minutes for the general meeting, which shall specify:

- (1) the number of shares carrying right to vote represented by holders of domestic shares (including proxies thereof) and foreign shares (including proxies thereof) present at the general meeting, their respective proportions to the total number of shares of the Company, and the number of shares which carry right to vote represented at the meeting and its proportion to the total number of shares of the Company;
- (2) the date and place of the meeting;
- (3) the name of the chairman of the meeting and the agenda of the meeting;
- (4) main points of each speaker in respect of each resolution considered;
- (5) voting result for each resolution, with respective records of the voting results of holders of domestic shares and foreign shares for domestic listing for each resolution;
- (6) inquiries and proposals by the shareholders and the replies or explanations made by the board of directors or supervisory committee in relation thereto;
- (7) other matters considered by the general meeting and stipulated in the Articles that shall be recorded in the minutes of the meeting.

The aforesaid minutes of meeting, attendance books and proxy forms shall be kept by the secretary to the board of directors and shall not be destroyed within 10 years.

Article 83 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 84 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 85 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, and the result of voting on each resolution. 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 the Supervisory Committee Proposing to Convene an Extraordinary General Meeting

Article 86 If shareholders request to convene an extraordinary general meeting or a class meeting, the following procedures shall be followed:

- (1) two or more shareholders holding 10% or more of the shares which carry right to vote at the general meeting proposed to be convened may sign a written request in one or more counterparts requesting the board of directors to convene an extraordinary general meeting or class meeting, and submit the agenda for the meeting and complete motion to the board of directors in writing. The written request shall be filed with the local branch of China Securities Regulatory Commission and the stock exchange on which the shares of the Company are listed.
- (2) Where the board of directors fails to give notice to convene the meeting within 30 days upon the receipt of the said written request, the requisitioning shareholder may convene by himself a meeting within four months upon the receipt of the said request by the board of directors. A meeting convened by the requisitioning shareholder shall be convened in the same manner, as nearly as possible, as that in meetings convened by the board of directors.

Reasonable charge incurred in convening a meeting by the shareholders themselves as a result of the failure of the board of directors to convene such meeting upon the aforesaid request shall be borne by the Company and the same shall be deducted from outstanding payments due to the directors who are in default of their duties.

Article 87 The board of directors shall, within 15 days upon the receipt of the written request from the supervisory committee, issue a notice convening the general meeting.

Article 88 The board of directors shall, within 15 days upon the receipt of the aforesaid written request, inform the requisitioning shareholder or the supervisory committee of their decision, and report to the local agent of China Securities Regulatory Commission and the stock exchange on which shares of the Company are listed.

- (1) When the board of directors has made a decision to agree convening a general meeting, it shall issue a notice convening a general meeting, and any amendments to the original motion shall be made with the prior consent of the requisitioning shareholder. The board of directors shall not propose new motions after issuing the notice, and shall not change or postpone the time scheduled for the general meeting without the prior consent of the requisitioning shareholder.

- (2) If the board of directors is of the opinion that the motion made by the requisitioning shareholder is violating the laws, regulations and the provisions of the Articles, the board of directors shall make the decision for not agreeing to the convention of general meeting. Notice of the decision of the board of directors shall be given to the requisitioning shareholder.

The requisitioning shareholder may, within 15 days from the date of receipt of such notice, decide to withdraw the request for convention of general meeting, or issue a notice of extraordinary general meeting by himself.

Where the requisitioning shareholder withdraws his request for convention of general meeting, report shall be made to the local branch of China Securities Regulatory Commission and the stock exchange on which the shares of the Company is listed.

- (3) When the requisitioning shareholder decides to convene extraordinary general meeting by itself, it shall give written notice to the board of directors and at the same time notify the local branch of China Securities Regulatory Commission and make filing at the stock exchange before issuing the notice for convening the extraordinary general meeting, the content of which shall comply with the following requirements:

1. new content shall not be added to the motion, otherwise the requisitioning shareholder shall make request to the board of directors again for convention of meeting in accordance with the above provisions;
2. the venue for the meeting shall be the legal address of the Company.

- (4) The board of directors and the secretary to the board of directors shall perform their duties diligently in connection with the extraordinary general meetings convened by the requisitioning shareholder on his own. The board of directors shall ensure the proper order of the meeting and any reasonable expenses so arising shall be borne by the Company. The convening of the meeting shall satisfy the following requirements:

1. The meeting shall be convened by the board of directors. The secretary of the board of directors shall attend the meeting, directors and supervisors should attend the meeting, and the meeting shall be presided by the chairman of the board of directors. Where the chairman of the board of directors cannot perform his duty due to special reasons, the meeting shall be presided by the vice chairman or another director;
2. The board of directors shall engage a lawyer to issue a legal opinion according to the provisions of Article 17 herein;
3. The convening procedures shall comply with the relevant provisions of these Rules.

Chapter 7 Class Meetings

Article 89 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 90 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 125 to 130 of the Articles.

Part I Variation of rights

Article 91 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 92 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 124 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 Article 35 of articles of association of the Company, an “interested shareholder” means the controlling shareholder as defined in Article 60 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 Article 35 of the Articles, 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 93 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 94 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 95 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 125 of the Articles.

Article 96 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 97 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.

Article 98 In case of any inconsistency or conflict between these Rules and the Articles, the Articles shall prevail.

Article 99 These Rules shall be implemented upon approval by the general meeting of the Company, and shall be subject to the interpretation and amendment of the board of directors of the Company.