

*Please note that the Rules and Procedures of Shareholders' General Meetings are written in Chinese without an official English version. This English version is for reference only. In case of any inconsistency, the Chinese version shall prevail.*

## **COSCO SHIPPING ENERGY Transportation Co.,Ltd.**

### **Rules and Procedures of Shareholders' General Meetings**

#### **Considered and Approved by the Annual General Meeting Held in 2020**

#### **Chapter 1 General Provisions**

- Article 1            These rules are formulated in accordance with the laws and regulations including the Company Law of the People's Republic of China (the "Company Law"), the Securities Law of the People's Republic of China, the Mandatory Provisions in the Articles of Association of Companies Listed Overseas, Guidelines on the Articles of Association of Listed Companies, Rules for the Shareholders' General Meetings of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time (the "Hong Kong Listing Rules"), the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (the "Shanghai Listing Rules") and with the Articles of Association of COSCO SHIPPING Energy Transportation Co., Ltd. (the "Articles of Association"), in order to protect the lawful interests of COSCO SHIPPING Energy Transportation Co., Ltd. (the "Company") and its shareholders, clearly define the responsibilities and authorities of the general meeting, ensure the general meeting to operate in a standardized and efficient manner and perform its functions and powers under the laws.
- Article 2            These Rules are applicable to general meeting of the Company, and shall be binding on the Company, all shareholders, proxies, directors, supervisors and managers and other senior management personnel attending general meeting as non-voting participants.
- Article 3            General meetings can be classified as annual general meeting (the "AGM") and extraordinary general meeting. The AGM shall be convened once a year and shall be held within six months after the end of the preceding accounting year. Extraordinary general meetings which are convened irregularly shall be convened within 2 months in case that the meeting shall be convened as required by the Company Law and Articles of Association. Should the Company cannot convene a general meeting within the period mentioned in the preceding paragraph, it shall report to the local office of the China Securities Regulatory Commission at the place where the Company is located and the listing stock exchange(s) where the shares of the Company are listed, explain the reason and make announcement.

Article 4 The shareholders' general meeting is the organ of authority of the company, which exercises the following powers in accordance with the law:

- (I) to decide on the Company's operational policies and investment plans;
- (II) to elect or remove Directors and Supervisors who are not representatives of employees and decide on matters relating to the remuneration of Directors and Supervisors;
- (III) to consider and approve reports of the Board of Directors and the Supervisory Committee;
- (IV) to consider and approve the Company's proposed annual financial budget and final accounts;
- (V) to consider and approve the Company's proposals for profit distribution plans and recovery of losses;
- (VI) to decide on any increase or reduction of the Company's registered capital;
- (VII) to decide on issues such as merger, division, dissolution, liquidation or changing the form of the Company and other matters;
- (VIII) to decide on the issue of corporate bonds or other securities and the listing plan;
- (IX) to decide on the appointment or dismissal of accountants;
- (X) to amend the Company's Articles of Association;
- (XI) to consider and approve guarantees pursuant to Article 5;
- (XII) to consider and approve the Company's purchase or sale of major assets within one year with the transaction amount exceeding 30% of the latest audited total assets of the Company (other than acts of disposal between the Company and its controlling subsidiaries and among controlling subsidiaries of the Company);
- (XIII) to consider and approve matters relating to the changes in the use of proceeds from share offerings;
- (XIV) to consider and approve the equity incentive scheme;

- (XV) to consider proposals raised by the shareholders who represent more than 3% (including 3%) of the Company's shareholders with voting rights; and
- (XVI) to consider such other matters provided by the laws, administrative regulations, departmental rules and regulations, the listing rules of the stock exchange(s) on which the shares of the Company are listed, the Articles of Association or other institutional documents of the Company considered and approved by the shareholders' general meeting which shall be decided by the shareholders' general meeting.

The matters listed in sub paragraphs (VI), (VII), (VIII), (X), (XI) (the external guarantees in Clause II of Article 5 of these Rules), (XII) and (XIV), or specified in laws and regulations or the Articles of Association, or the matters are confirmed by an ordinary resolution of the general meeting to have an important influence on the Company and are to be approved through a special resolution, shall be approved by a special resolution at the general meeting. The above stipulations regarding a general and special resolution shall apply to the matters listed in sub paragraph (XV), depending on the particulars of the proposal.

All the matters listed in sub paragraphs (I), (II), (III), (IV), (V), (IX), (XI) (other external guarantees other than Clause II in Article 5 of these Rules), (XIII) and (XVI), or the matters other than those that are to be passed by special resolutions, shall be approved by ordinary resolutions at a general meeting.

#### Article 5

The following external guarantee provided by the Company shall be considered and approved by the shareholders' general meeting:

- (I) when the total of guarantee provided by the company and its controlling subsidiaries for external parties has reached or exceeded by 50% the latest audited net assets of the listed company;
- (II) any provision of guarantee, where the total amount of external guarantees provided by the Company reaches or exceeds 30% of the latest audited total assets of the listed company;
- (III) the guarantee provided to a guaranteed party whose assets to debt ratio exceeds 70%;
- (IV) when a single guaranteed amount exceeds 10% of the latest audited net assets;
- (V) the guarantee provided to shareholders, beneficial controlling shareholders and their related parties.

- (VI) any guarantee the total amount of which for 12 consecutive months exceeds 50% of the latest audited net assets of the Company and the absolute amount of which exceeds RMB50 million;
- (VII) Other guarantees required by the stock exchange(s) on which the shares of the Company are listed and the Articles of Association.

Article 6 “External guarantee” as mentioned in these Rules refers to guarantee provided by the Company for others, including guarantee provided by the Company for its holdings subsidiaries. “Total external guarantee of the Company and its holdings subsidiaries” refers to the sum of Company’s total external guarantee including the guarantee provided by the Company for its holdings subsidiaries plus the total external guarantee provided by the holdings subsidiaries of the Company. The Board Office of the Company is responsible for the preparations and organisations of general meetings.

Article 7 The Company shall engage lawyers to attend the general meeting and advise on the following issues with announcements made thereon:

- (I) Whether the convening of the general meeting and its procedures are in compliance with provisions of the laws, regulations, the listing rules of the stock exchange(s) the Articles of Association and these rules;
- (II) Verifying the legality and the validity of the convenor and the eligibility of attendees;
- (III) Whether the voting and the voting results of the meeting is lawful and valid;
- (IV) Legal opinions on other matters as requested by the Company.

Article 8 The Board of the Company shall duly perform its duties and organise general meetings earnestly and timely in strict compliance with the Company Law, regulations, the listing rules of the stock exchange(s), Articles of Association and regulations on the convening of the general meeting. All the directors of the Company shall perform their due diligence obligations to ensure that the general meeting can be held due and its powers can be exercised in accordance with the laws.

## **Chapter 2 Convening of General Meeting**

Article 9 The Board shall convene the general meeting within the period as required by the Article 3 of these rules on a timely basis.

Article 10 Independent shareholders are entitled to propose to the Board to convene an extraordinary general meeting in accordance with the Articles of Association. The Board shall, in accordance with the laws, regulations, the listing rules of the stock exchange(s) and the Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within ten (10) days after receiving such proposal from the independent directors. In the event that the Board agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within five (5) days after the passing of the relevant Board resolution; In the event that the Board does not agree to convene an extraordinary general meeting, reasons for such disagreement shall be given by way of announcement.

Article 11 The Supervisory Committee shall be entitled to propose to the Board to convene an extraordinary general meeting, provided that such proposal shall be made in writing. The Board shall, in accordance with the laws, regulations, the listing rules of the stock exchange(s) and these Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of an extraordinary general meeting within ten (10) days after receiving such proposal. In the event that the Board agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within five (5) days after the passing of the relevant resolution of the Board. Any change to the original proposal made in the notice requires prior approval of the Supervisory Committee. In the event that the Board does not agree to convene an extraordinary general meeting or does not furnish any reply within ten (10) days after receiving such proposal, the Board shall be deemed as incapable of performing or failing to perform the duty of convening a general meeting, in which case the Supervisory Committee may convene and preside over such meeting by itself.

Article 12 Shareholder(s) requesting extraordinary general meetings or class meetings shall abide by the following procedures:

- (I) Shareholder(s) either individually or collectively holding over ten (10) percents of the shares of the Company carrying the voting right shall sign one or more counterpart requisitions stating the object of the meeting and requiring the Board to convene an extraordinary general meeting or a class meeting. The Board shall, in accordance with the laws, regulations, the listing rules of the stock exchange(s) and the Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting or class meetings within ten (10) days after receiving such proposal. In the event that the Board agrees to convene an extraordinary general meeting or a class meeting, the notice of the meeting shall be issued within five days after the passing of the relevant resolution of the Board. Any changes to the original proposal made in the notice require prior approval of the shareholders concerned.

- (II) In the event that the Board does not agree to convene an extraordinary general meeting or a class meeting or does not furnish any reply within 10 days after receiving such proposal, shareholders either individually or collectively over 10 percent of the shares of the Company carrying the voting right shall be entitled to propose to the Supervisory Committee to convene an extraordinary general meeting or class meeting, provided that such proposal shall be made in writing. In the event that the Supervisory Committee agrees to convene an extraordinary general meeting or class meeting, the notice of the meeting shall be issued within five days after receiving such request. Any changes to the original proposal made in the notice shall require prior approval of the shareholder(s) concerned. Failure of the Supervisory Committee to issue the notice of the meeting shall be deemed as failure of the Supervisory Committee to convene and preside over a general meeting, and shareholder(s) individually or collectively holding 10% or more of the Company's shares for ninety (90) consecutive days or more may convene and preside over the meeting by himself or themselves.

The aforesaid shares shall be calculated based on the day when the shareholder(s) submit its (or their) written request.

Article 13 Where the Supervisory Committee or Shareholder(s) decide(s) to convene the extraordinary general meeting by itself/themselves, it/they shall send out a written notice to the Board, and shall put on the records of the dispatched office of China Securities Regulatory Commission at the locality of the Company and the stock exchange. The shareholding of the convening shareholder(s) shall not be lower than 10% prior to the announcement of the resolutions of the general meeting. The Supervisory Committee or the convening shareholder(s) shall submit relevant evidence to the local office of China Securities Regulatory Commission at the place where the Company is located and the stock exchange(s) where the Company's shares are listed upon the issuance of the notice of general meeting and the announcement of the resolutions of the general meeting.

Article 14 The Board and the secretary to the Board shall cooperate with respect to matters relating to a general meeting convened by the Supervisory Committee or shareholder(s) at its/their own discretion. The Board shall provide the register of shareholder(s) as of the date of record date. In the event that the Board fails to provide the register of members of the Company, the convener may apply to the securities registration and clearing institution for obtaining the register of member(s) with the relevant announcement on the convening of the general meeting. The register of the members of the Company obtained by the convener shall not be used for other purpose except the convening of the general meeting.

Article 15 Expenses arising from convening of a general meeting by the Supervisory Committee or shareholder(s) shall be borne by the Company.

### **Chapter 3 Proposal and Notice of the General Meeting**

Article 16 A proposal of the shareholders' general meeting refers to the specific documents for discussion in relation to the matters that shall be discussed and considered by the shareholders' general meeting.

Article 17 Content of proposals shall be matters falling within the functions and powers of general meeting. It shall have definite topics to discuss and specific matters to resolve and comply with the laws, regulations, the listing rules of the stock exchange(s) and the requirements in the Articles of Association.

Article 18 When the Company convenes a general meeting, the Board, Supervisory Committee and the shareholder(s) either individually or collectively holding 3% or more of the Company's shares may propose proposals by writing through the Board Office. Before the Board issues the notice convening the shareholders' general meeting, the secretary to the Board may call for proposals from the shareholders, supervisors and independent directors and submit them to the Board to be considered and approved as a resolution to be submitted to the shareholders' general meeting for consideration.

Article 19 Shareholder(s) either individually or collectively holding 3% or more of the Company's shares may submit their provisional proposals in writing to the convener ten (10) days before the meeting is convened. The convener shall issue a supplementary notice of the general meeting to announce the contents of the proposals. Other than the circumstances referred to in the preceding paragraph, after the convener has issued the announcement for the general meeting, no changes shall be made to the stated proposals in the notice of the meeting or the newly added proposals. The general meeting shall not vote on or resolve proposals not stated in the notice of the general meeting or proposals which do not meet the requirements in Article 17 of these Rules.

Article 20 The written notice of convening an annual general meeting shall be issued to the shareholders whose names appear in the register of shareholders twenty (20) days prior to such meeting, and the written notice of convening an extraordinary general meeting shall be issued to the shareholders whose names appear in the register of shareholders fifteen (15) days prior to such meeting, to notify the shareholders whose names appear in the register of shareholders of the matters proposed to be considered at the meeting and the time, date and venue of the meeting.

Notice of a general meeting shall be served on the shareholders (whether or not entitled to vote at the meeting), by delivery or prepaid mail to the registered address of such shareholders. For the holders of domestic shares, notice of the meeting may also be made by way of announcement.

The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities authority of the State Council; after the publication of notice, the holders of domestic shares shall be deemed to have received notice of the relevant general meeting.

Article 21 The notice of a general meeting shall be in writing and shall contain the following:

- (I) The time, venue and duration of the meeting;
- (II) Matters and meeting proposals to be considered at the meeting;
- (III) Provide shareholders with such information and explanation as necessary for them to make informed decisions on the matters to be considered; This principle includes (but not limited to) where a proposal is made to amalgamate the Company with another, to purchase shares, to reorganize the share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such proposal shall be properly explained;
- (IV) In the event that advice from independent shareholders is required for the matters to be discussed, their advices and reasons shall be disclosed when the notice of the general meetings or supplementary notice are published;
- (V) Disclose the nature and degree of the material interest of any director, supervisor and other senior management personnel in the matters which they have material interest to be considered; in case that the impact of the matters to be considered on such director, supervisor and other senior management personnel as a shareholder is different from that of other holders of a class of shares, the difference shall be clarified;
- (VI) Set out the full text of any special resolution proposed to be resolved at the meeting;



- (VII) Contain a prominent written statement that all the shareholders are entitled to attend and appoint proxies in writing to attend and vote on their behalf and that the proxy need not be a shareholder of the Company;
- (VIII) Specify the time and place for submitting proxy forms for the meeting;
- (IX) Registration date for shareholders who are entitled to attend the general meeting;
- (X) Name and telephone number of the contact person;
- (XI) In the event that the general meeting adopt online transmission or other ways, the time and procedures for voting via internet or by other ways will be specifically stated in the notice of the general meeting.

## Article 22

For the matter relating to the election of directors and supervisors is proposed to be discussed at the general meeting, the notice of the meeting shall fully disclose the detailed information of the candidates for directors and supervisors, which should at least include the following:

- (I) Personal information including educational background, working experience, and any part-time job;
- (II) Whether there is any connected relationship between them and the Company or its controlling shareholder(s) and actual controlling person(s);
- (III) Disclosure of their shareholdings in the Company;
- (IV) Whether they have been subject to any punishment by China Securities Regulatory Commission or other related authorities or stock exchange(s).

In addition to the adoption of the accumulative voting system to elect directors and supervisors, each of the candidates for directors or supervisors shall be proposed in a separate proposal.

Where the general meeting intends to discuss the election of independent non-executive directors, the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting should set out:

- (I) The process used for identifying the individual and why the Board believes the individual should be elected and the reasons why it considers the individual to be independent;

- (II) If the proposed independent non-executive director will be holding his/her seventh (or more) listed company directorship, why the Board believes the individual would still be able to devote sufficient time to the Board;
- (III) The perspectives, skills and experience that the individual can bring to the Board; and
- (IV) How the individual contributes to diversity of the Board.

Article 23 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the general meeting and the resolutions passed at the general meeting.

Article 24 After despatching the notice of general meeting, the general meeting shall not be postponed or cancelled without proper reasons. The proposals stated in the notice of general meeting shall not be cancelled. In the event that the general meeting was postponed or cancelled, the convener shall make announcement at least two (2) business days advance prior to the date of the previous general meeting and set out the reasons. If the listing rules of the stock exchange(s) on which the Company's shares are listed have other provisions on the matters specified hereinabove, such provisions shall be complied with.

#### **Chapter 4 Convening of General Meeting**

Article 25 The Company shall convene the general meeting at the domicile of the Company or such other place as notified by the general meeting convener. General meetings will set meeting venue and be convened by ways of on-site meetings. The Company will also provide online transmission or other ways for the convenience of the shareholders to attend general meeting. Shareholders who attend the meeting in the aforesaid manners shall be deemed as present.

Article 26 In the event that the general meeting adopt online transmission or other ways, the time and procedures for voting via internet or by other ways will be specifically stated in the notice of the general meeting. The beginning time for voting via internet or other ways for the general meeting shall not be earlier than 3:00 p.m. of the day prior to the general meeting, and shall not be later than 9:30 a.m. of the day when the onsite general meeting is convened and its closing time shall not be earlier than 3:00 p.m. of the day when the onsite general meeting is closed. If the listing rules of the stock exchange(s) on which the Company's shares are listed have specific provisions, such provisions shall be complied with.

Article 27 The Board and other convener shall take such necessary measures to ensure the normal order of the general meeting. For any disturbance to the order of the meeting and acts infringing the lawful interests of the shareholders, measures shall be taken to prevent them, and the relevant authority will be reported to pursue the matter.

Article 28 All shareholders or their proxies whose names appeared in the Register of the Company on the date of registration are entitled to attend the general meeting, and exercise their voting rights in accordance with relevant laws, regulations, the listing rules of the stock exchanges(s) and Articles of Association of the Company. Any shareholder who is entitled to attend and vote at a general meeting shall be entitled to appoint one or more persons (whether a shareholder or not) as his proxy to attend and vote on his behalf. A proxy so appointed shall exercise the following rights pursuant to such authorization:

- (I) The shareholder 's right of speech at the meeting;
- (II) The right to demand or join in with the others to demand for a poll;
- (III) The right to vote in accordance with laws, regulations and the Articles of Association. However, a proxy of a shareholder who has appointed more than one proxy may only vote on a poll.

Article 29 Individual shareholders attending the general meeting in person shall submit their own identity cards or valid certificates or certifications or stock account cards which can show their capacities; Proxies shall submit personal valid identity certificates and the power of attorney of the shareholder when they attend the meeting. A legal person shareholder shall appoint its legal representative or a proxy authorised by the legal representative to attend the meeting. Legal representatives shall submit personal valid identity certificates and valid proofs of their legal representative identity when they attend the meeting; Proxies shall submit their own identity cards and the power of attorney issued by the legal representative of the legal person shareholder when they attend the meeting.

Article 30 The instrument appointing a proxy shall be in writing signed by the appointer or his attorney appointed in writing; if the appointer is a legal entity, either under seal or signed by a director or attorney duly authorized. The power of attorney appointing a proxy to attend the shareholders' general meeting on his/her behalf as issued by the shareholder shall state the following:

- (I) Name of the proxy;
- (II) Whether empowered with right to vote;

- (III) Instructions to vote in favour of, against or abstain from, as the case may be, each matter in the agenda of the general meeting;
- (IV) The date of issuance of the power of attorney appointing the proxy and the expiration date;
- (V) Signature (or seal) of the appointer. In the case that the appointer is a legal person shareholder, the power of attorney shall bear the official seal of that legal person;
- (VI) The number of shares of the appointer represented by proxy shall be contained;
- (VII) Such proxy form shall contain the number of shares represented by proxy in case several proxies are appointed. If the listing rules of the stock exchange(s) on which the Company's shares are listed have specific provisions on the power of attorney, such provisions shall be complied with.

#### Article 31

The proxy form shall be deposited at the address of the Company or another place specified in the notice of the meeting not less than twenty-four (24) hours prior to the time appointed for the holding of the meeting for voting or twenty-four (24) hours prior to the time appointed for voting. Where the proxy form is signed by a person authorised by the appointer, the power of attorney or other authorisation instruments shall be notarised. The notarised power of attorney and other authorisation instruments, together with the proxy form, shall be lodged at the address of the Company or such other place as specified in the notice to the meeting. In the case that the appointer is a legal person, the proxy shall be authorised by the legal representative, the Board or other authority body of that legal person to attend the Company's general meeting.

If the shareholder is a recognized clearing house (the "recognized clearing house") (or agent thereof) as defined in the relevant ordinance as enacted from time to time of Hong Kong, the said shareholder may authorize one or more persons as he deems appropriate to act on his behalf at any general meeting or class general meeting; however, where several persons are thus authorized, the power of attorney shall specify the numbers and classes of shares involved by the said persons. The persons thus authorized may exercise rights on behalf of the recognized clearing house (or agent thereof) as if the said persons were the personal shareholders of the Company.

#### Article 32

Any form issued to a shareholder by the Board of the Company for use by him for appointing a proxy to attend and vote at a meeting of the Company shall be such as to enable the shareholder, according to his intention, to instruct the proxy to vote in favour of or against or abstain from each resolution dealing with business to be

resolved at the meeting. Such proxy form shall contain a statement that, in the absence of specific instructions from the shareholder, the proxy may vote at his discretion.

Article 33 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or loss of capacity of the appointer or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no notice in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company before the commencement of the meeting at which the proxy is used.

Article 34 The meeting attendance lists shall be prepared by the Company. The register of names is to be set out, including participants' (individuals or entities) names, identity card numbers, addresses, shares held or represented carrying voting rights, the appointer's (individuals or entities) names, etc.

Article 35 The convener and the legal advisers retained by the Company shall verify the legal eligibility of the shareholders based on the register of shareholders provided by the securities registration and clearing authority and shall register the name of the shareholders together with the numbers of shares with voting rights in their possession. Before the chairman of the meeting declares the number of shareholders and proxies present at the meeting as well as the total number of shares with voting rights in their possession, registration for the meeting shall be ended.

Article 36 When convening a general meeting, all directors, supervisors and the secretary to the Board shall attend the meeting in person while the general manager and senior management personnel shall attend the meeting as non-voting participants.

Article 37 General meetings shall be presided over by the chairman of the Board. Should the chairman is unable or fails to perform his duties, the vice-chairman shall preside over the meeting. If the vice-chairman cannot perform or fails to perform his duties, the meeting shall be presided over by a director elected by more than half members of the Board. The general meeting convened by the Supervisory Committee shall be presided over by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee cannot perform or fails to perform his duties, a supervisor shall be jointly elected by more than half of the supervisors to chair the meeting. Shareholder(s) may convene the meeting themselves and a representative nominated by the convener(s) shall preside over the meeting. If for any reason, the shareholders shall fail to elect a chairman of the meeting, then the shareholder (including proxy) present and holding the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.

When the general meeting is held and the chairman of the meeting violates these Rules which makes it difficult for the general meeting to continue, a person may be elected at the general meeting to act as the chairman of the meeting, subject to the approval of more than half of the shareholders having the voting rights who are present at the meeting. If for any reason, the shareholders shall fail to elect a chairman of the meeting, then the shareholder (including proxy) present and holding the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.

Article 38 At the annual general meeting, the Board and the Supervisory Committee shall report to the general meeting for their work over the previous year, and each of the independent directors shall also submit his/her work report.

Article 39 Directors, Supervisors and the senior management personnel should respond and explain to the questioning of shareholders at the general meeting.

Article 40 Chairman of the meeting should announce the number of shareholders and proxies present at the venue of the meeting and the total shares held by them with voting rights, and the number of shareholders and proxies present at the venue of meeting and the shares held by them with voting rights shall be the number recorded by the meeting.

## **Chapter 5 Voting and Resolution of General Meeting**

Article 41 Resolutions of general meetings shall be divided into ordinary resolutions and special resolutions. To adopt an ordinary resolution, more than one half of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed. To adopt a special resolution, more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed.

Article 42 Shareholders (including proxies) exercise their voting rights in proportion to their shareholdings with voting rights, and each share entitles the shareholder one voting right upon voting at the general meeting. The shares held by the Company have no voting rights, and that part of the shareholding is not counted as the total number of shares with voting rights held by shareholders attending the meeting. The Board, independent directors and shareholders who meet the relevant requiring conditions may gather the shareholders' voting rights. Where any shareholder is, under the applicable laws and regulations and listing rules of the stock exchange(s) on which the shares of the Company are listed, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution at any general meeting, any votes cast by such shareholder (or their proxies) in contravention of such requirement or restriction shall not be counted.

- Article 43 If the matters required to be subjected to decision by ballot is election of the chairman or suspension of the meeting, then voting by ballot shall be conducted immediately. for other matters so required, the chairman will decide when the voting should be conducted, and the meeting may continue with discussions of other matters. The voting result will be considered as a resolution adopted at the meeting all the same.
- Article 44 The shareholders' general meeting takes the votes by poll. On a poll taken at a meeting, a shareholder (including proxy) entitled to two (2) or more votes need not cast all his votes in favour of or against.
- Article 45 In the case of equivalency between the negative votes and affirmative vote, the chairman of the meeting has the right to cast one more vote.
- Article 46 The chairman shall, based on the voting results, determine whether a resolution is passed. His decision is final and conclusive and shall be announced at the meeting and recorded in the minutes.
- Article 47 For connected transactions to be considered at a shareholders' general meeting, connected shareholders shall abstain from voting on such connected transactions, and the number of shares they represent carrying voting rights shall not be counted into the valid quorum to vote; the announcements of resolutions passed at the general meeting shall fully disclose the voting of non-connected shareholders.
- Article 48 In the course of the election of directors and supervisors, the accumulative voting mechanism may be adopted in accordance with the provisions of the Articles of Association or resolutions of the general meeting. The accumulative voting mechanism in the preceding paragraph means, each share carrying voting right is entitled to such number of votes equivalent to the number of director and supervisor candidates which may be pooled in the course of the election of directors and supervisors at the shareholders' general meeting. The Board shall make an announcement to the shareholders concerning the biographies and general information of the candidates for directors and supervisors.
- Article 49 Except the accumulative voting mechanism, all the proposals shall be voted at the general meeting item by item. In case of different proposals for the same matter, the proposals shall be voted chronologically with resolutions adopted accordingly. Unless a general meeting is suspended or no resolution can be adopted due to force majeure or other special reasons, no proposal shall be set aside or rejected for voting at the general meeting.
- Article 50 When considering a proposal at the general meeting, no change shall be made thereto.

Otherwise, the relevant change shall be treated as a new proposal which shall proceed for voting at the then general meeting.

Article 51 The same voting right can only be exercised by electing to vote at the scene, via internet or by other ways. In the event that the same voting right has been exercised twice, the result of the first voting shall prevail. The shareholders' general meeting takes the votes by poll.

Article 52 Shareholders attending the general meeting shall submit their voting in the following ways: "for", "against" or "abstain". Ballot papers that are left in blank, unduly completed or illegible or that have not been used, are deemed as void votes to mean that the voter has waived his rights, and the voting results corresponding to the shares in their possession shall be treated as "Abstain from voting".

Article 53 Before a resolution is voted on at a general meeting, two (2) representatives of the shareholders shall be elected as vote counters and scrutinizers. Any shareholder who is interested in the matter under consideration and proxies of such shareholder shall not participate in vote counting or scrutinizing. When the shareholders are voting on the proposals, lawyers, shareholder representatives and supervisory representatives shall count and scrutinize the votes jointly, and the voting result will be announced forthwith. Voting on the resolutions will be recorded in the minutes of meeting. Shareholders of listed companies or their proxies that vote on line or by other ways shall have the right to check and inspect their voting results through the relevant voting system.

Article 54 The end time of on-site general meeting shall not be earlier than the general meeting via internet or by other ways. The convener shall announce the voting results of each proposal, and announce if the proposal is passed pursuant to voting results. Prior to announcement of the voting results, companies, vote counter, scrutinizer, substantial shareholder, network voting service provider and other relevant parties in relation to voting at on-site general meeting, via internet or other ways shall bear the confidentiality responsibility for the voting results.

Article 55 If the chairman of the meeting has any doubt as to the result of a resolution put to the vote at the meeting, he may have the votes counted; If the chairman of the meeting fails to have the votes counted, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the voting result, the chairman of the meeting shall have the votes counted immediately.

Article 56 Providing that the ballots shall be counted at the general meeting, the counting results shall be recorded into the minutes of the meeting. The meeting minutes together with the shareholders' signing attendance book and proxy forms shall be kept at the address of the Company.



Article 57 Shareholders may consult photocopies of the minutes of meetings free of charge during the business hours of the Company. In the event of any shareholder asking for photocopies of such minutes, the Company shall deliver the photocopies in 7 days after receiving a rational expenses.

Article 58 Minutes of a general meeting shall be recorded by the secretary to Board and include the followings:

- (I) Time, place, agenda of meeting and the name of the convener;
- (II) Names of the chairman of the meeting, directors, supervisors and senior management personnel attend or present at the meeting;
- (III) Number of shareholders (including domestic shareholders and overseas listed foreign shareholders (if any)) and proxies present at the meeting, total number of the shares with voting rights held by them, and the percentage of shares with voting rights held by them to the total number of shares of the Company;
- (IV) Process of consideration for each proposal, the gist of the speech made and voting results;
- (V) Reply or explanation to shareholders' questions or recommendations;
- (VI) Names of the lawyer, vote counter and the scrutinizer;
- (VII) Other matters which shall be recorded in the meeting minutes pursuant to the Articles of Association.

Directors, the secretary to the Board, the convener or his representative and the chairman of the meeting shall sign on the minutes of the meeting and ensure that the contents of minutes of the meeting are true, accurate and complete. The minutes of the meeting should be maintained with the register for signing of attending shareholders and the proxy form of their proxies and valid information on voting via internet and other manners, and the maintaining period shall not be less than ten (10) years.

Article 59 The convener should ensure that the meeting is proceeding continuously until resolutions have been resulted. When special reasons such as force majeure have led to the termination or failing to make resolution in the meeting, measures should be taken to resume the meeting, or to end the meeting directly with a timely announcement. The convener should also report to the local office of China

Securities Regulatory Commission and the stock exchange(s). If the listing rules of the stock exchange(s) on which the Company's shares are listed have specific provisions on termination or postponement, such provisions shall be complied with.

Article 60 In the event that a proposal in relation to election of directors or supervisors is passed at a general meeting, those newly elected shall assume office in accordance with the Articles of Association.

Article 61 Should a general meeting pass proposals regarding cash distribution, bonus issue or transfer of surplus reserve into share capital, the specific proposals shall be implemented within two (2) months after the close of the general meeting.

Article 62 The resolutions passed at the general meeting are invalid should they are in violation of any law, regulation. Should the procedures for convening a general meeting, or the way of voting, be in violation of any law, regulation or the Articles of Association of the Company, or a resolution be in violation of the Articles of Association of the Company, the shareholders may, within sixty (60) days from the day when the resolution is made, request the People's Court to revoke it. If the listing rules of the stock exchange(s) on which the Company's shares are listed have specific provisions, such provisions shall be complied with.

## **Chapter 6 Special Procedures for Voting by Holders of Class Shares**

Article 63 Shareholders holding different classes of shares are referred to as holders of class shares should different classes of shares be issued by the Company. A holder of class shares shall, in accordance with laws, regulations and the Articles of Association, enjoy rights and assume obligations.

Article 64 Rights conferred on any class of shareholders in the capacity of shareholders ("class rights") may not be varied or abrogated unless approved by a special resolution of shareholders in general meeting and by holders of shares of that class at a separate meeting conducted in accordance with Articles 66 to 70 of these rules. Any change or abolition of any rights of holders of class shares resulted from a change of domestic or overseas laws, regulations and the listing rules of the stock exchange(s) where the shares of the Company are listed and as a result of any decisions or orders legally announced by domestic or overseas regulatory authorities shall not be subject to approvals of shareholders meeting or meeting of holders of class shares.

- Article 65 The following circumstances shall be deemed to be a variation or abrogation of the rights of holders of certain class shares:
- (I) The increase or decrease of the number of shares of such class, or the increase or decrease of the number of shares of a class having voting rights, distribution rights, or other privileges equal or superior to the shares of such class;
  - (II) To convert all or part of a class of shares into another class, or to convert all or part of another class of shares into that class of shares, or to grant such conversion right;
  - (III) The removal or reduction of rights to accrued dividends or cumulative dividends attached to shares of such class;
  - (IV) The reduction or removal of a dividend preference or a liquidation preference attached to shares of such class;
  - (V) To add, remove or reduce conversion privileges, options, voting rights, transfer or preemptive rights or rights to acquire securities of the Company of such class;
  - (VI) To remove or reduce rights to obtain payables in specific currencies from the Company attached to shares of that class;
  - (VII) To create a new class of shares having voting rights, distribution rights or other privileges equal or superior to the shares of such class;
  - (VIII) To restrict the transfer or ownership of such class of shares or impose additional restrictions thereto;
  - (IX) To issue rights to subscribe for, or convert into, shares of such class or another class;
  - (X) To increase the rights or privileges of shares of another class;
  - (XI) To conduct the proposed restructuring of the Company in such a way that may result in the holders of different classes of shares to assuming liability disproportionately; and
  - (XII) The variation or abrogation of the provisions of this chapter.

Article 66 Shareholders of the affected class, whether or not otherwise entitled to vote at shareholders' general meetings, shall nevertheless be entitled to vote at class meetings in respect of matters concerning sub paragraphs (2) to (8), (11) and (12) of Article 66, but interested shareholder(s) shall not be entitled to vote at class meetings. The meaning of "interested shareholder(s)" as mentioned in the preceding paragraph is:

- (I) in the case of a repurchase of shares by pro rata offers to all shareholders or public dealing on a stock exchange under the Articles of Association of the Company, an "interested shareholder" refers to a controlling shareholder within the meaning of the Articles of Association of the Company;
- (II) in the case of a repurchase of the company's own share by an agreement under the Articles of Association of the Company, "an interested shareholder" refers to the shareholder who is related to the agreement;
- (III) in the case of a restructuring of the Company, "an interested shareholder" refers to a shareholder within a class who bears less than a proportionate burden imposed on that class under the proposed restructuring or who has an interest in the proposed restructuring different from the interest of shareholders of that class.

Article 67 Resolutions of a class meeting shall be passed by votes representing more than two-thirds of the voting rights of shareholders of that class represented at the relevant meeting who are entitled to vote at class meetings in accordance with Article 65.

Article 68 The written notice of convening a class meeting shall be given with reference to the requirements for the notice period for convening a general meeting as specified in Article 20 of these Rules, to notify shareholders whose names appear in the register of shareholders of such class shares of the matters proposed to be considered and the date, time and place of the meeting. If the listing rules of the stock exchange(s) where the Company's shares are listed have special provisions, such provisions shall be complied with.

Article 69 If service of notice for convening the class meeting is adopted, notice of class meeting only required to be served on shareholders entitled to vote thereat. Any class meeting shall be conducted as similarly as possible as any general meeting. Provisions in the Articles of Association which relate to any general meeting shall apply to any class meeting.

**Article 70** Apart from holders of other classes of shares, holders of domestic shares and overseas listed overseas shares shall be regarded as holders of different classes of shares.

The special procedures for voting by holders of class shares shall not apply to the following circumstances:

- (I) Where the Company issues, upon the approval by a special resolution of its shareholders in general meeting, either separately or concurrently once every twelve months, not more than twenty (20) percent of each of its existing issued domestic invested shares and overseas-listed foreign-invested shares;
- (II) Where the Company's plan to issue domestic shares and overseas-listed shares at the time of its establishment is carried out within fifteen (15) months from the date of approval of the securities authority under the State Council;
- (III) Where a domestic shareholder of the Company, upon approval by the securities authority under the State Council, transfers the shares held by him/her to an overseas investor for overseas listing and trading.

## **Chapter 7 Subsequent Events and Announcement**

**Article 71** The Board shall execute the regulations of the securities authorities and the stock exchange(s) on which the Company's shares are listed, and announce the discloseable proposals or resolutions of the general meeting on the designated media on a full, timely and accurate basis. The Company shall report information concerning significant events to the stock exchange(s) in accordance with the laws, regulations and the requirements of the relevant provisions of the securities regulatory authority of the place of listing and file such information with relevant regulatory authorities.

**Article 72** Resolutions of a general meeting shall be announced timely in accordance with the Listing Rules of the Stock Exchange(s) where the shares of the Company are listed, and the announcement shall contain the number of shareholders and proxies present, the total number of voting rights and the percentage of their voting rights to the total of voting shares of the Company, means of voting, the voting result for each proposal and the details of each of the resolutions. The attendance and voting results of the holders of domestic shares and overseas-listed shares shall be respectively counted and published in the announcement. If a proposal of the meeting is not passed, or if a resolution of the previous general meeting is changed by the present general meeting, special notes in connection therewith should be made by the Board

in the announcement of the resolutions of the general meeting. The announcement of the resolutions of the general meeting shall be published on the designated newspapers.

Article 73 The Board Office shall be responsible for keeping written information, such as the register of the attendees, power of attorneys, voting statistical sheet, minutes of meeting, and legal opinions of a lawyer as witness and announcements of resolutions. If the listing rules of the stock exchange(s) where the Company's shares are listed have special provisions, such provisions shall be complied with.

Article 74 The Board is a permanent operational decision-making body of the Company and performs its duties in accordance with the Company Law, the Articles of Association and other relevant laws and regulations and is responsible and report to the general meeting. The Board exercises its powers in accordance with the authorization of the general meeting:

- (I) To exercise the powers of the Board in accordance with the Articles of Association;
- (II) To consider other matters other than matters such as major transactions requiring consideration by the shareholders' general meeting in accordance with the listing rules of the stock exchange(s) where the Company is listed and the relevant laws and regulations.

Article 75 When the Board makes decision on the matters authorised by the general meeting as mentioned in the previous article, it shall discuss and verify the matters thoroughly and may appoint intermediaries to provide advices if necessary, to ensue scientific and correct decision-making on the matters. The Company shall perform its information disclosure obligation in respect of the Board's decision on the matters authorised as mentioned in the previous article under the supervision of shareholders, Supervisory Committee of the Company and relevant securities regulatory authorities in accordance with the laws, regulations and the relevant provisions of the securities regulatory authority of the place of listing.

## **Chapter 8 Supplementary Provisions**

Article 76 Any matters not covered in these Rules shall be subject to relevant national laws and regulations, the listing rules of the place where the shares of the Company are listed and the Articles of Association. If these Rules are inconsistent with the laws and regulations promulgated by the State in the future, the listing rules of the place where the shares of the Company are listed or the Articles of Association after being revised by legal procedures, it shall be implemented in accordance with the

provisions of relevant national laws and regulations, the listing rules of the place where the shares of the Company are listed and the Articles of Association, and shall be revised immediately and submitted to the Board for consideration and approval.

- Article 77 The announcements or circulars referred to herein refer to the relevant information disclosures published on the newspapers designated by the securities regulatory authorities. The length of an announcement or a circular is relatively long and listed companies may choose to publish a summary of the relevant content on the newspaper(s) designated by the securities regulatory authorities but the full text shall be published simultaneously on the web site designated by the securities regulatory authorities. The supplementary notice of the general meeting referred to herein shall be published on the same designated newspaper(s) on which the meeting notice is published. If the listing rules of the stock exchange(s) on which the Company's shares are listed have specific provisions on these Rules, such provisions shall be complied with.
- Article 78 Unless otherwise stated, terms used in these rules shall have the same meanings as those defined in the Articles of Association of the Company.
- Article 79 These rules and its amendments are the appendix to the Articles of Association and shall come into effect after the approval of the general meeting.
- Article 80 These Rules shall be amended by way of an amendment proposed by the Board to the shareholders' general meeting for consideration and approval.
- Article 81 These rules shall be interpreted by the Board.