

The procedures for shareholders to propose a person for election as a director of China New Energy Limited is available for viewing in English and traditional Chinese. If there is any inconsistency between the English and the traditional Chinese versions of the procedures for shareholders to propose a person for election as a director of China New Energy Limited, the English version shall prevail over the traditional Chinese version.



China New Energy Limited

(the “Company”)

(Incorporated in Jersey, Channel Islands with limited liability and carrying on business in Hong Kong as “Zhongke Tianyuan New Energy Limited”)
(Stock Code: 1156)

PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR OF THE COMPANY

1 PROVISIONS IN THE COMPANY’S ARTICLES OF ASSOCIATION

1.1 The provisions for a shareholder to propose a person for election as a director of the Company are laid down in Article 19.4 of the Company’s Articles of Association.

1.2 Article 19.4 is set out below:

“No person other than a Director retiring (by rotation or otherwise) may be eligible for election to the office of Director at a general meeting unless:

- (a) he is recommended by the Board; or
- (b) notice in writing by a Member (other than the person to be proposed) qualified to vote at the meeting of the intention to propose that person for appointment or reappointment has been lodged at the Office. The notice shall (i) state the particulars which would, if the proposed Director were appointed or reappointed, be required to be included in the Company’s register of Directors, and (ii) be accompanied by notice given by the proposed Director of his willingness to be appointed or reappointed. The period for lodgement of the notices required under this Article will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days.”

2 REQUIREMENTS UNDER THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “LISTING RULES”)

2.1 Pursuant to Rules 13.70 and 13.74 of the Listing Rules, the Company shall:

- publish an announcement or issue a supplementary circular upon receipt of a notice from a shareholder to propose a person for election as a director at the general meeting where such notice is received by the Company after the publication of the notice of meeting;
- include in the announcement or supplementary circular the particulars of such person proposed to be elected as a director required under Rule 13.51(2) of the Listing Rules; and
- assess whether or not it is necessary to adjourn the meeting of the election to give shareholders at least 10 business days (as defined in the Listing Rules) to consider the relevant information disclosed in the announcement or supplementary circular.

3 PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR

- 3.1 After the publication of the notice of a general meeting by the Company, according to Article 19.4 of the Company’s Articles of Association, if a shareholder of the Company wishes to propose a person (the “**Candidate**”) for election as a director of the Company at the general meeting, he/she shall deposit a written notice (the “**Notice**”) at the Company’s head office or registration office.
- 3.2 The Notice (i) must include the personal information of the Candidate as required by Rule 13.51(2) of the Listing Rules; and (ii) must be signed by the shareholder concerned and signed by the Candidate indicating his/her willingness to be elected and consent of publication of his/her personal information.
- 3.3 The period for lodgement of the Notice shall commence no earlier than the day after the despatch of the notice of general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting and the minimum length of the period during the Notice to the Company may be given will be at least 7 days.
- 3.4 In order to allow the Company’s shareholders to have sufficient time to consider the proposal of election of the Candidate as a director of the Company, shareholders who wish to make the proposal are urged to submit and lodge the Notice as early as practicable before the relevant general meeting.

4 REQUISITION OF AN EXTRAORDINARY GENERAL MEETING BY SHAREHOLDERS

- 4.1 Shareholder(s) may request the Company to convene an extraordinary general meeting for the purpose of nominating a person as a director of the Company.
- 4.2 Other than election of a director of the Company at the general meetings, pursuant to Article 9.3 of the Company's Articles of Association, extraordinary general meetings shall also be convened by the board of directors of the Company on the requisition of one or more shareholder of the Company holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings of the Company. Such requisition shall be made in writing to the board of directors or the secretary of the Company for the purpose of requiring an extraordinary general meeting to be called by the board of directors of the Company for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. In the event the board of directors of the Company fails to proceed to convene a meeting within 21 days of deposit of the requisition, such shareholder(s) who made the requisition may do so in the same manner.

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