



PALMPAY CHINA (HOLDINGS) LIMITED

中國掌付(集團)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 8047)

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

(Updated on 30 March 2012)

1. Provisions in the Company's Bye-Laws

1.1 The provisions for a shareholder to propose a person for election as a director of the Company are laid down in Bye-law 85 of the Company's Bye-laws.

1.2 Extract of Bye-law 85 is set out below:

“No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that (if the Notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such Notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.”

2. Requirements under the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”)

2.1 Pursuant to Rules 17.46A and 17.46B of the GEM Listing Rules, the Company shall:

**For identification purposes only*

- 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 publication of the notice of meeting;
- include in the announcement or supplementary circular the particulars required under Rule 17.50(2) of such person proposed to be elected as a director;
- publish such announcement or supplementary circular not less than 10 business days before the date of the relevant general meeting; and
- assess whether or not it is necessary to adjourn the meeting of the election to give shareholders at least 10 business days 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 If a shareholder wishes to propose a person (the “Candidate”) for election as a director of the Company at a general meeting, he/she shall deposit a written notice (the “Notice”) at the Company’s head office at Unit 1601, 16/F., Ruttonjee House, Ruttonjee Centre, 11 Duddell Street, Central, Hong Kong.
- 3.2 The Notice (i) must include the personal information of the Candidate as required by Rule 17.50(2) of the GEM 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 Notice shall be lodged at least seven (7) days and that (if the Notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such Notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.
- 3.4 In order to allow the Company’s shareholders have sufficient time to receive and consider the proposal of election of the Candidate as a director of the Company, shareholders are urged to submit and lodge the Notice as early as practicable.

Note: If there is any inconsistency between the English and Chinese versions of the Procedures for shareholders to propose a person for election as a director of the Company, the English version shall prevail.