

## ASIA CERAMICS HOLDINGS PLC

### EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

#### 1. Definitions

"Annual General Meeting" or "AGM"	the annual general meeting of the Company convened for 12pm BST on 19 June 2014
"Articles of Association"	the articles of association of the Company
"Auditors"	the auditors of the Company
"Board" or "Directors"	the directors of the Company, whose names are set out in paragraph 4 of this document, and "Director" shall mean any of them
"Chairman"	the non-executive chairman of the Company, as set out in paragraph 4 of this document
"Company"	Asia Ceramics Holdings Plc
"Companies Law"	the Companies (Jersey) Law 1991 (as amended), and every order, regulation or other subordinate legislation made under it.
"AIM"	the market of that name operated by the London Stock Exchange plc
"Register of Members"	the register of members of the Company
"Resolutions"	the resolutions set out in the Notice of AGM and "Resolution" shall mean any of them
"Notice of AGM"	the notice convening the AGM which is included with this document
"Shareholders"	the holders of the Shares
"Shares"	ordinary shares of 0.5p (GBP0.005) each in the capital of the Company

## 2. Proxy Information

- 2.1. Only Shareholders, or their duly appointed representatives, are entitled to attend and vote at the Annual General Meeting. A Shareholder so entitled may appoint one or more proxies (whether they are Shareholders or not) to attend and, on a poll, to vote in place of the Shareholder.
- 2.2. A form of proxy is enclosed with this notice.
- 2.3. The form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company at 12 Castle Street, St. Helier, Jersey, JE2 3RT, Channel Islands not less than 48 hours before the time for holding the Annual General Meeting or adjourned meeting or poll (as the case may be) at which the person named in such form proposes to vote, and in default the form of proxy shall not be treated as valid.
- 2.4. Completed proxy forms may be delivered to the registered office either:
  - in hard copy form, by post or courier;
  - in electronic form, by email attaching a clear scanned copy to [sophie.lemee@capita.je](mailto:sophie.lemee@capita.je); or
  - by fax to 0044 1534 847001.
- 2.5. Delivery of a form of proxy shall not preclude a Shareholder from attending and voting in person at the Annual General Meeting or poll concerned and, in such event, the form of proxy shall be deemed to be revoked.
- 2.6. Any corporation which is a Shareholder may by resolution of its directors or other governing body authorise such persons as it thinks fit to act as its representatives at the Annual General Meeting, and the persons so authorised shall be entitled to exercise the same powers on behalf of the corporation which they represent as that corporation could exercise if it were an individual Shareholder.

## 3. Closure of Register

- 3.1. The Company specifies that only those Shareholders registered in the Register of Members of the Company as of 12pm BST on 17 June 2014 (being 48 hours before the Annual General Meeting in accordance with Article 15.4 of the Articles of Association) are entitled to attend or vote at the Annual General Meeting in respect to the number of Shares registered in their name at that time.
- 3.2. Changes to entries on the Register of Members after that time shall be disregarded when determining the rights of any person to attend or vote in the Annual General Meeting.

## 4. Directors

- 4.1. As at the date of the Notice, Directors of the Company are:
  - 4.1.1. Frank Lewis (Non-Executive Chairman) (aged 68)
  - 4.1.2. Dr Dingxin Pu (Chief Executive Officer) (aged 39)
  - 4.1.3. Weifeng Liu (Sales Director) (aged 36)
  - 4.1.4. Yangjing Zhang (Marketing Director) (aged 35)
  - 4.1.5. Alei Duan (Non-Executive Director) (aged 41)
  - 4.1.6. Wenxian Liu (Non-Executive Director) (aged 49)
  - 4.1.7. Shou Yuan Wu (Chief Financial Officer) (aged 40)

- 4.2. Article 20.1 states that at every annual general meeting, one-third of the Directors shall retire from office. Or, if their number is not three or a multiple of three, the number nearest to one third shall retire from office, but if any director has at the start of the annual general meeting been in office for three years or more since his last appointment or re-appointment, he shall retire at that general meeting.
- 4.3. Article 20.2 states that the Directors to retire by rotation shall be firstly those who wish to retire and not be re-appointed to office, and secondly, those who have been longest in office since their last appointment or re-appointment. As between persons who became or were last re-appointed directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. The directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the board at the date of the notice convening the annual general meeting. No director shall be required to retire by or be relieved from retiring or be retired by reason of any change in the number or identity of the directors after the date of the notice but before the close of the meeting, but no person shall be appointed to be a director if it would cause or permit a majority of directors to be resident in the United Kingdom.
- 4.4. A director who retires at an annual general meeting may, if willing to act, be re-appointed. If he is not re-appointed, he shall remain in office until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting.
- 4.5. CVs of all the Directors may be found on the Company's website:  
<http://www.asiaceramicplc.com>.

#### **5. Auditors and Auditor's Remuneration**

- 5.1. In relation to agenda item No.5 in the Notice of AGM regarding the re-appointment of the Auditors, under Article 109(2) of the Companies (Jersey) Law 1991 (as amended), the Company shall at each annual general meeting appoint auditors to hold office from the conclusion of that meeting to the conclusion of the next annual general meeting.
- 5.2. In relation to agenda item No.5 in the Notice regarding the authorisation of Directors to determine the Auditors' remuneration:-
  - 5.2.1. Shareholders should note that, in practice, the amount of auditors' remuneration for the year 2014 audit cannot be determined at the beginning of the financial year. This is because auditors' remuneration for any given year varies, in particular by reference to the scope and extent of the audit work which is undertaken during that year.
  - 5.2.2. In order to be able to charge the amount of Auditors' remuneration as operating expenses for the year ending 31 December 2014, Shareholders' approval to delegate the authority to the Directors to fix the Auditors' remuneration for the year ending 31 December 2014 is required at the Annual General Meeting.

#### **6. Right to demand a poll**

- 6.1. Article 16.8 of the Articles of Association provides that, all resolutions put to the vote of a general meeting shall be decided on a show of hands unless, before or on the declaration of the result of, a vote on the show of hands, or on the withdrawal of any other demand for a poll, a poll is duly demanded. Subject to the provisions of the Companies Law, a poll may be demanded by:
  - 6.1.1. the Chairman of the meeting; or
  - 6.1.2. (except on the election of the Chairman of the meeting or on a question of adjournment) at least five persons present at the meeting being members or a proxy or proxies for members in each case having the right to vote on the resolution; or

- 6.1.3. any person or persons present at the meeting being a member or members or a proxy or proxies representing not less than 10 per cent of the total voting rights of all the members having the right to vote on the resolution (excluding any voting rights attached to any shares held as treasury shares); or
  - 6.1.4. any person or persons present at the meeting being a member or members or a proxy or proxies holding shares conferring a right to vote on the resolution being shares on which an aggregate sum has been paid up equal to not less than 10 per cent of the total sum paid up on all the shares conferring that right (excluding any shares conferring a right to vote on the resolution which are held as treasury shares).
- 6.2. A demand by a person as proxy for a member shall be the same as a demand by the member.
- 6.3. Article 16.9 of the Articles of Association further provides that unless a poll is duly demanded (and the demand is not withdrawn before the poll is taken), a declaration by the Chairman that a resolution has carried or carried unanimously, or by a particular majority, or lost, or not carried out by a particular majority, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.
- 6.4. Article 16.11 of the Articles of Association provides that a demand for a poll may be withdrawn before the poll is taken, but only with the consent of the Chairman. A demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made. If the demand for a poll is withdrawn, the Chairman or any other member entitled may demand a poll.