BBMG CORPORATION

RULES OF PROCEDURES FOR THE AUDIT AND RISK COMMITTEE OF THE BOARD OF DIRECTORS

(Reviewed and approved by the second meeting of the first session of the Board of Directors of the Company held on 10 March 2006, reviewed the first amendment by the first meeting of the second session of the Board of Directors of the Company held on 28 April 2009, reviewed the second amendment by the ninth meeting of the second session of the Board of Directors of the Company held on 6 July 2010, reviewed the third amendment by the 16th meeting of the second session of the Board of Directors of the Company held on 13 December 2011, reviewed the fourth amendment by the eighth meeting of the third session of the Board of Directors of the Company held on 28 March 2014, reviewed the fifth amendment by the first meeting of the fifth session of the Board of Directors of the Company held in October 2018, reviewed the sixth amendment by the 27th meeting of the fifth session of the Board of Directors of the Company held on 30 December 2020, reviewed the seventh amendment by the 37th meeting of the sixth session of the Board of Directors of the Company held on 28 December 2023 and reviewed the eighth amendment by the fourteenth meeting of seventh session of the Board of Directors of the Company held on 27 August 2025)

*The original version of the Rules of Procedures for the Audit and Risk Committee of BBMG Corporation is in Chinese, and the English version of the Rules of Procedures for the Audit and Risk Committee is the translation from the Chinese original. Should there be any discrepancy between the Chinese and English versions of the Rules of Procedures for the Audit and Risk Committee, the Chinese version shall prevail.

CHAPTER 1 GENERAL PROVISIONS

Article 1 The Rules of Procedures for the Audit and Risk Committee (the "Rules") are formulated in accordance with the legal requirements of the Company Law of the People's Republic of China (the "Company Law"), Standards of Corporate Governance of Listed Companies, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (collectively the "Listing Rules"), Shanghai Stock Exchange Self-Regulatory Supervision Guidelines for Listed Companies No. 1 – Standardised Operation (the "Supervision Guidelines No. 1") and the Working Guidelines for the Audit Committee of the Listed Companies issued by the China

Association for Public Companies and the relevant requirements of the Articles of Association of BBMG Corporation (the "Articles of Association") with an aim to optimizing the corporate governance structure, promoting the work efficiency and decision making standard of the Board of Directors and establishing and regulating the audit and risk management system and procedures for BBMG Corporation (the "Company")

Article 2 The Audit and Risk Committee of the Board of Directors (the "Committee") is a designated committee of the Board of Directors responsible for integrating the functions of the audit and risk management, performing supervisory duties, and providing consultation or advices to the Board of Directors in relevant decision-making and is accountable and making report to the Board of Directors thereon.

Article 3 The Rules shall be applicable to the Committee and the relevant personnel and departments mentioned in the Rules.

CHAPTER 2 THE COMMITTEE AND THE CHAIRMAN

Article 4 The Committee comprises five to eight directors and its members shall be directors who do not serve as senior management of the Company, more than half of which shall be independent directors and one of which shall have the appropriate professional qualification as required under Rule 3.10(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Rule 3.5.7 of the Supervision Guidelines No. 1. The chairman (convener) shall be one of the independent directors who is an accounting professional. The members are nominated by the Chairman of the Board of Directors after negotiation with relevant directors and elected by the Board of Directors. The Committee shall have one committee secretary who shall be the person-in-charge of the Company's audit department.

The current or former partners of the Company's independent auditors shall not act as members of the Committee.

The Board of Directors may engage relevant professionals to present at the Committee meeting whenever necessary to promote the standard of work of the Committee and to ensure that the decision-making process of the Board of Directors is undertaken in a scientific, correct and legal manner.

Article 5 The term of office of the members shall be the same as the tenure of the directors. Upon the expiry of the term, the re-elected directors may also be re-elected as members of the

Committee. If any member ceases to be a director during his term, his tenure as the Committee member shall be ceased automatically. The Board of Directors shall as soon as possible elect a successor.

The Board of Directors of the Company shall evaluate the independence and performance of duties of the members of the Committee on a regular basis, and may replace those who are not suitable to remain in the position when necessary.

CHAPTER 3 DUTIES AND AUTHORITIES

Article 6 The main duties and authorities of the Committee are:

(I) exercising functions and powers of the supervisory board prescribed in the Company Law;

(II) proposing recommendations to the establishment of the Company's audit and supervision system, supervising the formulation and implementation of the internal audit system, studying the annual audit plan, key audit tasks and important rectification and implementation matters, and supervising their implementation after approval by the Board of Directors and research on major audit conclusions and rectification work;

(III) the communication between the Company's internal and external audit organs; responsible for the coordination of internal audit and external audit, supervising and evaluating the work effectiveness of internal and external audit firms, making proposal to the adjustment of the person-in-charge of the audit department, making proposal to the appointment or removal of external audit firms and determining their remuneration; maintaining good communication with external audit firms;

(IV) reviewing the financial information of the Company and its disclosure; inspecting the financial condition of enterprises, reviewing financial reports, considering the proposals for changes in accounting policies and accounting estimates and proposing its recommendations to the Board of Directors;

(V) inspecting the implementation of relevant laws, regulations and rules by enterprises, guiding the setting up of enterprise risk management systems, internal control systems, compliance management systems and accountability systems for illegal business operations and investments and evaluating the soundness of the design of relevant systems and effectiveness of their

implementation; reviewing the Company's internal audit control mechanism and supervising the efficient implementation of internal control mechanism and evaluating the effectiveness of internal control mechanism;

(VI) reviewing and monitoring the work on the Company's corporate governance; inspecting the implementation of resolutions of the Board of Directors and the exercise of the authorization of the Board of Directors, supervising and reviewing the post-investment project evaluation work report, and proposing suggestions to the Board of Directors;

(VII) supervise the actions of directors and senior management in performing their duties, request for corrections when their actions harm the Company's interests, and propose accountability or removal of directors and senior management who violate laws, administrative regulations, state-owned assets supervision systems, Articles of Association, resolutions of general meetings or board resolutions;

(VIII) in accordance with the relevant provisions of the Company Law, proposing the initiation of litigation against directors and senior management who have caused losses to the enterprise as a result of performance of their duties in contravention of the laws, administrative regulations, state-owned asset supervision systems or the Articles of Association;

(IX) promptly report major issues, significant risks, and major anomalies of the enterprise to the Board of Directors;

(X) supervising the rectification of problems identified through internal and external audit, state-owned assets supervision and special inspections, and promoting the application of the results;

(XI) other matters prescribed by the laws, regulations and the Articles of Association or assigned by the Board of Directors.

Article 7 The following matters shall be submitted to the Board of Directors for consideration after the approval of more than half of all members of the Committee:

(I) disclosure of financial and accounting reports and financial information and appraisal report on internal control in periodic reports;

(II) engagement or dismissal of accounting firms that undertake audit business for list companies;

(III) appointment or dismissal of the chief financial officer of the list company;

(IV) changes in accounting policies and accounting estimates or correction of material accounting mistakes resulting from reasons other than changes in accounting standards;

(V) other matters required by laws, administrative regulations, the China Securities Regulatory Commission and the Articles of Association.

Article 8 The Committee is authorized by the Board of Directors to investigate any activities under its scope of authority. The Committee is authorized to access all the required information from all the staff or executive directors who are instructed to cooperate with the Committee on the requests made by the Committee.

Article 9 The Committee's authorization shall be disclosed on the websites of the Company and the Hong Kong Stock Exchange to make known and explain the role of the Committee and the authorization delegated by the Board of Directors. If the Board of Directors disagrees over the opinions on the selection, appointment, resignation or dismissal of external auditor, the Committee shall procure that its opinion be set out in the Corporate Governance Report in the Company's annual report and the reason of disagreement of the Board of Directors.

Article 10 The Committee shall be provided with adequate resources for the performance of its duties.

Article 11 The Committee, subject to the compliance of the relevant laws, statues and regulations of the relevant regulatory bodies, shall perform the following obligations and duties:

(I) In terms of financial reports:

Review the significant accounting matters reported.

Review the audit results with the management and external auditor, including any matter arising in the course of audit.

Review the accounting judgement and estimation made by management.

Review the completeness and accuracy of the Company's financial reports, annual reports and accounts, interim reports and quarterly reports and review the significant opinions in financial reporting set out in the statements and reports, in particular:

1. any change to the accounting policies and practices;
2. matters involving significant decision;
3. significant adjustment arising from audit;
4. assumption for going concern of the corporate and any qualified opinion;
5. review the financial information of the interim and annual reports and ensure the consistency between the two;
6. review the Company's compliance with accounting standards, the requirements of Listing Rules and laws and statutes on financial reporting.

Review jointly with the management and the external auditors on all the matters which required communication with the Committee under the requirements of "Generally Accepted Auditing Standards".

The Committee shall consider whether full disclosure has been made with respect to the relevant matters in the financial statements and whether fair disclosure has been made as regards the nature of connected transactions. The Committee shall pay particular attention to the disclosure of the connected transactions and any unusual items during the review period.

With respect to the review of the Company's financial statements and reports, the members of the Committee shall work closely with the Board of Directors and members of senior management. The Committee shall at least meet with the auditor twice every year. The Committee shall consider any significant or extraordinary matters reflected or to be reflected in such reports and statements and give due consideration to the matters proposed by the Company's staff who is responsible for compiling the accounting and financial information or auditor.

To discuss the minutes with respect to the significant transactions not undertaken in the ordinary course of business which involve the participation of the management and determine whether the transaction is reasonable and whether the risk of fraudulence has been taken into consideration.

(II) Supervise the Company's financial reporting system and the internal control procedures:

Review the Company's systems on financial control, internal control and risk management.

Review the financial risk aversion and control mechanism in the decision-making process of the Board of Directors and the financial risks shall mainly include profit risk, financial reporting risk and finance risk.

Discuss with the management on the internal control system to ensure that the management has performed its duties in setting up an effective internal control system. The scope of discussion shall also include the discussion on whether resources, staff qualification and experience are sufficient in the Company's accounting and financial reporting functions and whether the staff has received sufficient training and whether the budget is sufficient.

Review whether the Company has in place an internal control and risk management mechanism to ensure the proper implementation of the strategy of the management, to protect the Company's assets, to avoid and investigate fraudulence and error, to prepare complete accounting records and to timely prepare reliable financial information. Study the results on major investigation on matters relating to internal control and the response of the management on the results of investigation.

Ensure the coordination of the work of internal and external auditors and ensure that internal audit functions are supported by sufficient internal resources of the Company with appropriate standing and review and monitor their effectiveness.

Review the financial and accounting policies and practices of the Company and its subsidiaries.

Examine the Audit Explanatory Letter issued by the external auditors to the management and the significant queries on books of accounts and records, financial records or control system raised to the management and the responses made by the management.

Ensure the timely response of the Board of Directors to the matters raised by the external auditors in the Audit Explanatory Letter issued to the management. Report to the Board of Directors on the matters above.

(III) Regarding internal control:

1. Assess the appropriateness of the design of the Company's internal control system;
2. Review the self-evaluation report on internal control;
3. Review the audit report on internal control issued by external auditors, and communicate with external auditors on the issues identified and the improvement methods;
4. Assess the results of the evaluation and audit on internal control, and supervise the rectification of deficiencies in internal control.

(IV) Regarding internal audit:

1. Review the effectiveness of the work of internal audit;
2. Review the Company's annual internal audit plan;
3. Supervise the implementation of the Company's internal audit plan;
4. Review the internal audit report, assess the internal audit results as well as supervise the rectification of significant issues;
5. Provide guidance on the effective operation of the internal audit department.
6. Regularly and independently meet with the staff-in-charge of internal audit to discuss on matters which are considered by the Audit and Risk Committee and internal auditors not to be discussed openly.
7. If any staff reports any possible irregularities on the Company's financial, internal control or other matters, the Committee shall take effective measures to ensure that the Company will undertake fair and independent investigation and take appropriate measures to avoid the occurrence of irregularities.

(V) Regarding external audit:

Act as the principal representative of the Company between the external auditor and the Company and monitor the relationship between the two parties.

Be mainly responsible for undertaking appropriate examination and evaluation on the appointment, re-appointment and dismissal of external auditors and provide written recommendation thereon to the Board of Directors; to review the remuneration and terms of engagement of external auditors and provide written recommendation thereon to the Board of Directors; and handle any matters relating to the resignation or dismissal of such auditor.

Discuss the nature and scope of audit and the reporting responsibilities with the external auditors before the commencement of the audit.

Review the audit scope and method proposed by the external auditors, including its cooperation with the internal auditor.

Review and monitor whether independence and objectivity of the external auditors is maintained according to the appropriate standards. The Committee will review and confirm the independence of the external auditors by the statement of independence provided by the auditor and monitor the adoption of the policies and procedures in the implementation of relevant rules, the statement shall include an explanation on the non-audit services, the discussion on the services provided by the auditor and provisions relating to the change of partner and staff of the audit firm.

Review and monitor whether the audit procedures are legal and effective under the applicable standard.

Regularly meet at least once a year with the external auditors, in the absence of the Company's management, to discuss matters relating to the audit fee, matters arising in the course of audit, other matters raised by the external auditors and matters which are considered by the Committee or the external auditors not to be discussed openly as well as to discuss any fraudulent act found and to judge and evaluate the impact and the necessary measures to be taken.

Ensure the independence or objectivity is not impaired with the provision of non-audit services by the external auditor and in evaluating the independence or objectivity of the non-audit services provided by the external auditor, the Committee shall take into consideration of the followings:

1. In terms of capability and experience, whether the external auditors are suitable for providing such non-audit services to the Company;

2. Whether precautionary measures are in place to ensure that the objectivity and independence of the audit work of the external auditors will not be threatened by the provision of non-audit services;

3. The nature of the non-audit services and the level of charges for such services and the fee charged for individual service and the aggregated fee charged by such auditor;

4. The standard for determining the remuneration of the staff of the auditor.

The Committee may consider to work with the Board of Directors to formulate policy on the Company's employment of the staff or former staff of the external auditors, and monitor the implementation of such policy. The Committee shall consider whether such situation would impair or appear to impair the judgement or independence in the audit work of the auditor.

(VI) To formulate and implement policy on the provision of non-audit services provided by the external auditors. In this regard, external auditors shall include any entity under common control, ownership or management of the firm engaged in the audit work, or any third party who reasonably knows all the relevant information, and any other entity which can be reasonably judged as part of the domestic or international business operations of the audit firm. The Committee shall report to the Board of Directors on the necessary actions to be taken or improvements to be made and make suggestions thereon.

(VII) Regarding connected transactions

1. The Committee shall confirm the name list of the connected persons of the Company and make timely report to the Board of Directors.

2. In case the Company intends to undertake significant connected transaction with a connected person of the Company, the Committee shall review such connected transaction and provide written opinion to the Board of Directors for review. The Committee may engage independent financial adviser to issue report as the basis of its judgement. The standard for the major connected transactions shall be formulated with the Connected Transactions Management Protocol (《關聯交易管理辦法》).

3. With respect to the major connected transaction where the Company intends to purchase assets with the price exceeding 100% of the book value from a connected person, the Committee shall issue opinion on such connected transaction and the opinion shall include the followings:

(1) the reasons supporting its opinion and the factors considered;

(2) whether the consideration of the transaction is fair and reasonable and in the interests of the Company and its shareholders as a whole;

(3) to make recommendation to the non-connected directors and non- connected shareholders on agreeing or disagreeing the connected transaction.

The Committee, before making the judgement, may engage independent financial advisor to issue report as the basis of its judgement.

(VIII) To organize and complete the studies and investigation on projects designated by the Board of Directors and to provide report to the Board of Directors thereon.

(IX) To review the Company's arrangement on the following issues: the Company's employees can surreptitiously raise concern over any misconduct regarding the Company's financial reporting, internal control and other matters. The Committee shall ensure proper arrangement to be in place to allow the Company to carry out impartial and independent investigation over such matters and take appropriate actions.

(X) To review and monitor the Company's work on corporate governance, including but not limited to:

1. formulate and review the Company's corporate governance policies and practices and propose recommendations to the Board of Directors;

2. review and monitor the training and continuous professional development of directors and members of senior management;

3. review and monitor the Company's policies and practices on the compliance of legal and regulatory requirements;

4. formulate, review and monitor the code of conduct and compliance manual (if any) of the employees and directors; and

5. review the Company's compliance with the Code of Corporate Governance under Appendix C1 of the Listing Rules and disclose it in the Corporate Governance Report.

(XI) To study other matters as assigned by the Board of Directors.

Article 12 The Committee shall report to the Board of Directors the measures or improvements that shall be taken or made in its opinion, and make relevant recommendations.

Article 13 The Committee may engage intermediary institutions to provide professional advice when it deems necessary. The costs incurred shall be borne by the Company.

Article 14 In respect of the appointment or change of external auditors of the Company, the Committee shall form a review opinion and propose recommendations to the Board of Directors as a prelude for the latter's consideration and review.

Article 15 The chairman of the Committee has the following duties:

(1) to convene and preside over meetings of the Committee;
(2) to supervise and review the work of the Committee;
(3) to sign the relevant documents of the Committee;
(4) to report the work of the Committee to the Board of Directors;
(5) to perform other duties as required by the Board of Directors.

CHAPTER 4 WORK PROCEDURES

Article 16 Procedure for the submission and acceptance of resolution:

(1) the Board Secretary shall review whether the proposer meets the qualification for submitting proposal and whether such proposal is in compliance with the relevant requirements and report to the chairman of the Committee thereon;

(2) qualification for submitting the proposal, format and content of the proposal shall be in compliance with the Articles of Association, the Rules of Procedures of Shareholders' General Meeting, the Rules of Procedures of the Board of Directors, the Rules and other requirements of the Company and the proposal and the information annexed shall be passed to the Committee;

(3) Any proposal not qualified shall be returned to the proposer with explanation for the reason of rejection.

The Company's audit department shall prepare and provide the relevant information required for the meeting and coordinate and communicate with the relevant departments (including the relevant professionals, experts in the society, scholars and intermediary institutions engaged by the Committee in the course of discussion).

The Board Office of the Company shall co-ordinate with the audit department for performing the relevant duties of the Committee.

Article 17 The chairman of the Committee, upon receiving the relevant resolution referred by the Board of Directors, shall timely organize relevant professional team to undertake research, studies and evaluation. It clarifies that the Company's audit department, as the leading support department, shall cooperate with the legal, finance, accountability and other departments to support the Audit and Risk Committee to attend the meetings related to business supervision of the enterprise.

Article 18 The Board Office shall assist the arrangement wherever it is necessary to engage external planning or consultation body.

Article 19 The Committee shall report to the Board of Directors for its decision and recommendation. The resolution to the Board of Directors validated as feasible upon the completion of research and studies shall be proposed to the Board of Directors by the Board Office. With respect to proposal which is not feasible, it will be returned to the proposer with reasons explained and attached with amendment or opinion for improvement. During such course, the chairman may convene meeting for all Committee members for discussion.

CHAPTER 5 WORK PROCEDURES FOR THE ANNUAL REPORT

Article 20 Upon the end of each accounting year, the Committee shall, prior to the commencement of the annual audit work, be responsible to discuss with the certified public accountant engaged in the annual audit work to ascertain the schedule of the audit work for the annual financial reporting.

The Committee shall supervise the certified public accountant to submit the audit report within the time agreed and the manner, frequency and the result of the supervision shall be recorded in writing with confirmation signed by the relevant person-in-charge.

Article 21 The Committee shall review the financial statements prepared by the Company and formulate written opinion prior to the review of the annual report by the certified public accountant for annual audit (the "Certified Public Accountant for Annual Audit").

Article 22 The Committee shall, after the commencement of work of the Certified Public Accountant for Annual Audit, strengthen the communication with the Certified Public Accountant for Annual Audit and review again the Company's financial statements and formulate written opinion after the issue of initial audit opinions by the Certified Public Accountant for Annual Audit.

Article 23 The Committee shall vote on the annual financial report and submit the resolution to the Board of Directors for review; meanwhile, it shall also submit to the Board of Directors the summary report for the Company's annual audit work undertaken by the certified public accountant and the proposal for re-appointment or new appointment of certified public accountant for the subsequent year.

The Committee's documents prepared for the Company's annual audit work and the summary report for the performance of duties of the Audit and Risk Committee shall be disclosed in the Company's annual report.

CHAPTER 6 SYSTEM OF MEETING

Article 24 The general meeting of the Committee (the "Meeting") shall be convened and held in a convenient, efficient, democratic, diligent, pragmatic and thrifty manner.

Article 25 The system for Committee Meeting is as follow:

(I) Meetings can be classified as regular meeting and extraordinary meeting. The Committee shall at least hold one meeting on a quarterly basis. Meetings may only be held with the attendance of more than two-thirds of the members. The Committee may require members of senior management, internal and external auditors to attend Meetings and answer questions of concern. The opinions of the Audit and Risk Committee will be submitted to the Board of Directors for consideration in accordance with relevant regulations and procedures.

Prior to the holding of a regular meeting by the Board of Directors each year, the Committee shall hold a meeting with all members attended in person to discuss the opinions and recommendation proposed to the Board of Directors.

The Committee may convene extraordinary meetings when needed. An extraordinary meeting may be convened when it is proposed by two or more members of the Committee or when the convener deems it necessary. Meeting can be held with the attendance of the members or through other means of communication. Member who is not available to attend the meeting may entrust another member to attend on his behalf, but he shall submit his own written opinion.

If the Committee convenes a meeting, the Company shall, in principle, provide relevant materials and information no later than three days before the meeting of the Committee. The Company shall keep the above meeting materials for at least ten years.

If any member of the Committee fails to attend in person or entrust other member of the Committee as his representative to attend the Meeting for two consecutive times, with the number of attendance of meetings each year less than three quarters of the total number of meetings, and has not submitted any written opinion prior to the Meeting, such member shall be deemed to have failed to perform his duties, and the Board of Directors may propose to adjust the composition of the Committee pursuant to the Rules.

(II) Meeting shall be convened and presided over by the chairman and in failure of which, it can be convened and presided over by another member being entrusted who is an independent director. Notice for convening the Meeting shall be served to all members five working days before. Meeting shall only be proceeded with the attendance of two-thirds of the members. Representatives from external auditors, Directors, the General Manager, Chief Accountant (in-charge of finance) and other members of senior management and managers from the relevant department and unit of the Company may be invited to attend the Meeting convened by the Committee according to the topics to be discussed in the Meeting.

(III) Committee Meeting is generally held on-site. In special circumstances, provided that the members of the Committee can fully communicate and express their opinions and with the consent of the chairman, the Meeting can be held by communications. In case the Meeting is held by communications, members of the

Committee shall submit written opinion on the matters to be resolved to the Board of Directors within the time limit specified in the notice of Meeting.

The members of the Committee shall attend the Meeting in person, and give definite opinions on the issues to be considered. When a member fails to attend the Meeting in person, he/she may submit the authorization letter signed by him/her to entrust another member to attend the Meeting and give opinions on his/her behalf. The authorization letter shall clearly specify the scope and period of authorization. Each member may accept the entrustment of a maximum of one member. An independent director shall review the meeting materials in advance, provide the clear opinions, and entrust another independent director to attend the Meeting on his/her behalf when he/she fails to attend such Meeting in person.

(IV) The Meeting shall discuss all the matters individually specified in the notice of Meeting. Each member shall have one vote at the Meeting. Minutes shall be prepared for the Committee Meeting, and the members attending the Meeting shall sign the minutes of the Meeting. The opinions of the independent directors shall be stated in the minutes of the Meeting. The first draft and the final draft of the minutes of Meeting shall be served to all the members of the Committee within 7 days after the Meeting, and the first draft shall be provided to the members for expressing their opinions while the final draft shall be provided for their record. The minutes of the Meeting shall be true, accurate and complete, detail the matters discussed by the attendees and record the opinions of the members being discussed one by one. Minutes of the Meeting shall be prepared after the Meeting shall be in force after the meeting records are signed and confirmed by all the members who attended the Meeting. Meeting records and minutes of the Meeting shall be kept by the Board Office.

(V) A member shall abstain from attending the Meeting if he is interested in the matters discussed in the Meeting.

(VI) Upon the conclusion of the Meeting, the Board Secretary shall timely report the state of affairs on convening and holding of the Meeting to all the absent members.

(VII) Any opinions passed at the Meeting shall be submitted in writing to the Board of Directors of the Company.

Article 26 Members who attend the Meeting and persons who are present at the Meeting shall have the obligation for maintaining confidentiality and shall not disclose any information in relation thereto and shall strictly comply with the relevant requirements of the Company.

Article 27 The expenses of the Committee shall refer to the expenses incurred in the performance of work which are mainly used for studies and research, photocopying, meeting, training, inviting or engaging intermediary organizations for providing professional opinions and shall be borne by the Company. Such expenses shall be included in the budget of the Board of Directors and reviewed by the chairman of the Committee and approved by the chairman of the Board of Directors.

CHAPTER 7 INFORMATION DISCLOSURE

Article 28 The Company shall disclose the information on the members of the Committee, including the composition of members, their professional backgrounds and their working experiences for the past five years, as well as the changes in the members of the Committee.

Article 29 The Company shall also disclose the annual performance of duties of the Committee on the website of the Shanghai Stock Exchange when publishing its annual report, primarily including its performance of duties and the convening of Meetings by the Committee.

Article 30 The Company shall timely disclose the material issues identified in the performance of duties of the Committee and the rectifications thereon if such issues are required to be disclosed under the information disclosure standards set out in the "Rules Governing the Listing of Stocks on Shanghai Stock Exchange".

Article 31 If the Committee puts forward its opinions to the Board of Directors of the Company within the scope of its duties and those opinions are not taken by the Board of Directors, the Company shall disclose such issues with adequate justifications.

Article 32 The Company shall disclose the special opinions issued by the Committee on the significant issues of the Company in accordance with the relevant requirements of laws, administrative regulations, departmental rules, the "Rules Governing the Listing of Stocks on Shanghai Stock Exchange" and other relevant regulatory documents.

CHAPTER 8 SUPPLEMENTARY PROVISIONS

Article 33 The Rules of Procedures shall be effective from the date of its publication after being considered and amended by the board meeting of the Company.

Article 34 For matters not mentioned in the Rules, or for any inconsistencies between the Rules and the requirements of the relevant laws, statutes, Listing Rules or Articles of Association and the Rules of Procedures of the Board of Directors, the relevant laws, statutes, Listing Rules, Articles of Association and the Rules of Procedures of the Board of Directors shall prevail. Meanwhile, the Rules shall be amended correspondingly and such amendments shall be reported to the Board of Directors for consideration and approval.

Article 35 The Board of Directors of the Company shall be responsible for the interpretation and amendment of the Rules.