

Red Star Macalline Group Corporation Ltd.
Working Rules of the Strategy and Investment Committee
under the Board of Directors

Chapter 1 General Provisions

- Article 1** In order to meet the strategic development needs of Red Star Macalline Group Corporation Ltd. (hereinafter referred to as the “Company”), strengthen the Company’s core competitiveness, determine the Company’s development plan, improve the investment decision-making process, enhance the rigour of decision-making, and increase the effectiveness and quality of major investment decisions, the Board of Directors of the Company has established a Strategy and Investment Committee under the Board and formulated these Rules in accordance with the *Company Law of the People’s Republic of China*, the Articles of Association of Red Star Macalline Group Corporation Ltd. (hereinafter referred to as the “*Articles of Association*”), the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (hereinafter referred to as the “*SSE Listing Rules*”), the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (hereinafter referred to as the “*Hong Kong Listing Rules*”), and other relevant provisions.
- Article 2** The Strategy and Investment Committee under the Board of Directors is a specialised working body under the Board, primarily responsible for studying the Company’s long-term development strategy and major investment decisions, and making recommendations to the Board.

Chapter 2 Composition

- Article 3** The Strategy and Investment Committee shall be composed of three to seven directors, including at least one Independent Non-executive Director.
- Article 4** Members of the Strategy and Investment Committee (hereinafter collectively referred to as “Members”) shall be nominated by the Chairman of the Board, a majority of the Independent Non-executive Directors, or more than one-third of all the directors, and shall be elected by the Board.
- Article 5** The Strategy and Investment Committee shall have one Chairman, who shall be taken by the Chairman of the Board.
- Article 6** The term of office of the Members of the Strategy and Investment Committee shall be the same as that of the Board. A Member may serve consecutive terms if re-elected upon the expiry of his/her term of office. If any Member ceases to serve as a director of the Company during the term, his/her membership of the Committee shall automatically lapse. A Member may submit a written resignation to the Board before the expiry of his/her term of office. Where a Member loses his/her qualification or resigns with approval, the Board shall fill the vacancy in accordance with Articles 3 to 5 above.

Article 7 A Working Group shall be established under the Strategy and Investment Committee. Members of the Working Group need not be Members of the Strategy and Investment Committee. The Working Group shall be responsible for evaluating equity and fixed asset investments and related decision-making matters, so as to ensure the feasibility, compliance and control over risks of such investments.

Chapter 3 Duties and Authorities

Article 8 The main duties and authorities of the Strategy and Investment Committee include:

- (I) Studying the Company's long-term strategic development plan and making recommendations thereon;
- (II) Studying major investment, financing, material capital operation and asset operation projects which require the approval of the Board or the shareholders' meeting under the *Articles of Association*, and making recommendations thereon;
- (III) Studying other major matters affecting the development of the Company and making recommendations thereon;
- (IV) Monitoring the implementation of the matters approved by the Board or the shareholders' meeting as referred to above; and
- (V) Reviewing other matters relating to strategic investment as stipulated by laws, regulations, regulatory documents, the *SSE Listing Rules*, the *Hong Kong Listing Rules*, the securities regulatory authorities in the place where the Company's shares are listed, the *Articles of Association*, the rules of procedure for the Board meetings, or as authorised by the Board.

Article 9 The Strategy and Investment Committee shall be accountable to the Board. Proposals formulated by the Committee after deliberation shall be submitted to the Board or the shareholders' meeting for consideration and decision.

Chapter 4 Working Procedures

Article 10 The Working Group under the Strategy and Investment Committee shall be responsible for the preliminary preparatory work in relation to the Committee's decision-making, and shall provide relevant information and materials.

Article 11 The Strategy and Investment Committee shall convene meetings to deliberate on proposals and submit the resolutions thereon to the Board of Directors.

Chapter 5 Rules of Procedure

- Article 12** Meetings of the Strategy and Investment Committee shall be convened as required, upon the request of the Board or upon the proposal of a Member of the Committee, and notices shall be given to all Members three days prior to the meeting. In the event of emergency, a notice may be given at any time for convening an extraordinary meeting without being subject to the aforesaid notice period, and the Chairman of the Strategy and Investment Committee shall make an explanation at the meeting. The meetings shall be presided over by the Chairman. If the Chairman is unable to attend the meeting, he/she may appoint another Member to preside over the meeting.
- Article 13** The meetings may be held on site and in the form of written circular. If a meeting is held on site, telephone, video, etc. may be used to facilitate the Members in attending the meeting. Any Member who attends the meeting via the above-mentioned approaches shall be deemed as having attended the meeting on site.
- Article 14** A meeting of the Strategy and Investment Committee shall be held only if more than two-thirds of the Members are present. Each Member shall be entitled to one vote. Resolutions made at the meeting shall be passed by a majority of all the Members.
- Article 15** Voting at meetings of the Strategy and Investment Committee shall be conducted by a show of hands or by poll. Where a Member is unable to sign the resolutions made at a telephone or video conference meeting in real time, the Member may orally give his/her opinion first and shall duly complete the signing procedures in writing, provided that the subsequent written signature shall be consistent with the oral opinion expressed at the meeting. Meetings may also be convened by way of communication voting.
- Article 16** Where a Member of the Strategy and Investment Committee has an interest in a matter to be deliberated by the Committee, the interested Member shall abstain from voting on such matter. Where the number of Members present at the meeting falls below the quorum required under these Rules after the abstention of interested Members, all Members (including the interested Members) shall adopt a resolution on procedural matters, including submission of the proposal to the Board for consideration, and the Board shall deliberate on such proposal.
- Article 17** The senior management have the responsibility to provide the Strategy and Investment Committee with sufficient and timely information to assist it in making informed decisions. The information provided shall be complete and reliable. The Strategy and Investment Committee and its Members may make further enquiries and have independent and direct access to the senior management when they consider it necessary.
- Article 18** The chairperson of the Working Group established under the Strategy and Investment Committee may attend meetings of the Strategy and Investment Committee. When necessary, directors and senior management of the Company, as well as other staff members not belonging to the Strategy and Investment Committee, may be invited to attend the meetings.
- Article 19** If necessary, the Strategy and Investment Committee may engage intermediaries to provide independent professional advice for its decision-making, with the costs to be borne by the Company.

- Article 20** The convening procedures and voting methods of the meetings of the Strategy and Investment Committee, and the proposals adopted thereat, shall comply with relevant laws and regulations, the *SSE Listing Rules*, the *Hong Kong Listing Rules*, other provisions of the securities regulatory authorities in the place where the Company's shares are listed, the *Articles of Association* and the relevant provisions of these Rules.
- Article 21** Minutes shall be kept for meetings of the Strategy and Investment Committee, and shall be signed by the Members present. The minutes shall be retained by the Secretary to the Board in accordance with the Company's document retention policies for a period of no less than ten years. The minutes shall record, in sufficient detail, the matters considered and decisions reached at the meeting, including any concerns or dissenting opinions raised by any Member.
- Article 22** Proposals and voting results adopted at meetings of the Strategy and Investment Committee shall be reported to the Board of the Company in writing, unless such reporting conflicts with the general responsibilities of the Committee or is prohibited by laws, regulations or regulatory requirements (such as restrictions on disclosure due to regulatory requirements).
- Article 23** Members present at the meeting and other attendees shall be obliged to keep confidential all matters discussed at the meeting. Unless the matters have been considered and approved by the Board or the shareholders' meeting and publicly disclosed, no unauthorised disclosure of relevant information shall be made to any person.

Chapter 6 Supplementary Provisions

- Article 24** The phrases "more than" and "at least" as referred to herein are inclusive, while "majority" is exclusive.
- Article 25** These Rules and the amendment thereof shall be subject to consideration and approval of the Board of the Company before becoming effective.
- Article 26** Matters not covered herein shall be subject to the relevant provisions of applicable laws and regulations, the *SSE Listing Rules*, other provisions of the securities regulatory authorities in the place where the Company's shares are listed, and the relevant provisions in the *Articles of Association*. If any provision of these Rules conflicts with any relevant laws and regulations, the *SSE Listing Rules*, the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, other provisions of the securities regulatory authorities in the place where the Company's shares are listed, or the *Articles of Association* as promulgated or amended thereafter, such provision shall be subject to the relevant laws and regulations, the *SSE Listing Rules*, the *Hong Kong Listing Rules*, other provisions of the securities regulatory authorities in the place where the Company's shares are listed, and the *Articles of Association* (whether current or as amended thereafter).
- Article 27** The authority to formulate and interpret these Rules shall be vested in the Board of the Company.