

Rules and Procedures for Meetings of the Supervisory Committee

Chapter 1 General provisions

Article 1 These Rules and Procedures are formulated in accordance with the laws, regulations and other regulatory documents, such as the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited, the Mandatory Provisions for the Articles of Association of Companies Listed Overseas as well as the Articles of Association of Capinfo Company Limited (hereinafter referred to as the "Articles of Association") for the purpose of further defining the terms of reference and the rules and procedures of the Supervisory Committee of Capinfo Company Limited (hereinafter referred to as the "Company"), ensuring the fair, impartial and highly efficient operation of the Supervisory Committee and the consistent performance of supervisory duties.

Article 2 The Supervisory Committee is a standing regulatory organization elected by the general meeting and the staff of the Company democratically, supervising the operations and financial position of the Company as well as the operating and management activities of the board of directors, the directors, president and other senior management of the Company and protecting the legal rights and interests of the shareholders, the staff and the Company from being infringed.

Article 3 The activities in exercising supervisory rights which are carried out by supervisors and the Supervisory Committee pursuant to law are protected by the laws, and shall not be interfered by any organization or individual. During the discharge of duties by the supervisors, all business departments of the Company shall provide assistance, and shall not refuse the provision of, shift the responsibility of, or hinder the provision of such assistance.

Chapter 2 Composition of the Supervisory Committee

Article 4 The Supervisory Committee is comprised of three members, two of whom are representatives of shareholders, who shall be elected and removed by the general meeting, and one is a representative of staff of the Company, who shall be elected and removed democratically by staff of the Company. Directors, senior management of the Company shall not act as a supervisor.

Article 5 The supervisor's term of office is three years, and may be re-elected to serve another term of office upon the expiry of his term of office.

Article 6 A supervisor may resign before his term of office expires. In resigning from his duties, a supervisor shall tender resignation to the Supervisory Committee in writing. The remaining supervisors shall propose to convene an extraordinary general meeting or meeting of staff as soon as possible to elect another supervisor to fill such vacancy. If the term of office of a supervisor expires but re-election is not made in time or if any supervisor resigns during his term of office so that the number of members of the Supervisory Committee falls short of the quorum, the original supervisor shall continue fulfilling the duties as a supervisor pursuant to relevant laws, administrative rules and regulations and the Articles of Association until a new supervisor is elected.

Article 7 In case of resignation or expiry of the term of office, a supervisor shall still observe his obligation of confidentiality on the Company's trade secrets, and such obligation shall remain effective after the expiry of his term of office until such confidential information has entered the public domain without disclosure by such supervisor. The duration of other obligations that the supervisors undertake to the Company and shareholders shall be determined by principle of fairness and subject to the length of time between occurrence of the event and resignation and the circumstances and conditions under which the relationship with the Company terminates.

Article 8 The Supervisory Committee shall have one chairman. His appointment and dismissal shall be adopted by two-thirds or more of the supervisors.

The Supervisory Committee meeting shall be convened and presided by the Chairman of the Supervisory Committee; if the Chairman of the Supervisory Committee is unable or has otherwise failed to perform his duties, the meeting shall be convened and presided over by a supervisor recommended by a simple majority of the supervisors.

Article 9 External supervisors (supervisors not holding any position in the Company) shall make up half or more of the members of the Supervisory Committee.

Article 10 Qualifications of the supervisors:

- (1) Have not been the subject of public censure or declared as unfit to hold such position by the stock exchange in the past three years;
- (2) Have not been imposed of administrative penalties by the competent regulatory bodies during the past three years due to material illegal and non-compliance acts;
- (3) Have sound ethics and integrity, are familiar with the industry the Company is engaged in and have the ability to analyze and judge on macro economy and have related professional knowledge or working background; and
- (4) Meet other qualifications as required by the relevant laws, rules and regulations and the Articles of Association.

Article 11 The Supervisory Committee shall have one contact person, who shall be designated by the chairman of the Supervisory Committee and be responsible for work including the organization, coordination and liaison work of the meetings of Supervisory Committee.

Article 12 Remunerations of the supervisors and made of payment shall be determined by the general meeting of shareholders.

Chapter 3 Powers and Duties of the Supervisors

Article 13 The supervisors shall honestly discharge their duties and exercise the following powers and duties in accordance with the laws, administrative rules and regulations and the Articles of Association:

- (1) To be present at the meetings of the Supervisory Committee, give independent advice and form resolutions of the Supervisory Committee;
- (2) To raise proposals to the general meeting and to convene extraordinary general meetings;
- (3) To attend the general meetings of the Company upon being invited. To verify the financial information to be submitted by the Board to the general meeting, such as financial reports, business reports and profit distribution plans, and to supervise the replies or explanations from the Board to questions and queries raised by shareholders, and to supervise and investigate into the implementation of the resolutions of the general meetings;
- (4) To attend the meetings of the Board of the Company upon being invited, to supervise the matters, including the legality of the procedures of the convening of the meetings of the Board of the Company, the abstention of directors as connected persons from voting and whether or not the contents of the resolutions of the meeting of the Board conform to the requirements of the laws, rules and regulations and the Articles of Association and meet the actual needs of the Company;
- (5) To attend the meetings upon being invited, including but not limited to the work meetings of the President that involve material operating activities of the Company;
- (6) To supervise the acts of the directors, president and senior management of the Company in their performance of duties, those are in violation of the laws, administrative rules and regulations or the Articles of Association;
- (7) To request the Directors, president and senior management of the Company to make rectification where their acts have caused damages to the interests of the Company;
- (8) To represent the Company in negotiations with, or bring legal actions against, the Directors;
- (9) To examine the finance of the Company;
- (10) To verify the financial information to be submitted by the Board to the general meeting, such as financial reports, business reports and profit distribution plans, and if any problem is found, to appoint certified public accountants and qualified accountants for a re-examination in the name of the company; and

- (11) Such other powers and duties as required in the relevant laws, rules and regulations, regulatory documents or the Articles of Association and in a general meeting.

The Supervisory Committee may, during exercise of its powers and duties, engage professionals such as lawyers, certified public accountants and qualified auditors to provide assistance and the expenses so incurred reasonably shall be borne by the Company.

Chapter 4 Meetings of the Supervisory Committee

Article 14 Meetings of the Supervisory Committees include both regular and extraordinary meetings with at least two regular meetings each year; the extraordinary meetings can be convened at the request of supervisors. The resolutions of such extraordinary and regular meetings are resolutions of the Supervisory Committee, and shall have the same validity.

Article 15 The supervisors should attend the meetings of the Supervisory Committee in person, failure of which for any reason, such supervisors may appoint other supervisors in writing to act as their proxies and vote on their behalf. A supervisor not present at the meeting of the supervisory committee nor appoint a proxy to attend the meeting on his behalf shall be deemed to have waived his voting rights at such meeting.

Article 16 If a supervisor fails to attend or appoint other supervisors to attend on his behalf the meetings of the Supervisory Committee for two consecutive times, he shall be deemed to have failed to perform his duties. The Supervisory Committee shall propose to the general meeting or staff representative meeting to have such supervisor removed and replaced.

Article 17 Any power of attorney for appointing a proxy shall be made in writing. Such power of attorney shall include the name of the proxy, the matters to be dealt with, the scope of authority and the period of validity, and shall bear the signature or seal of the person appointing the proxy. Such power of attorney shall be served to the liaison officer of the Supervisory Committee one (1) day prior to the meeting. Such liaison officer of the Supervisory Committee shall be responsible for registration of proxies and announcing the proxy arrangement to all attendees at the commencement of the meeting.

Article 18 The time, venue, agenda, attendees of the meeting of the Supervisory Committee shall be decided by the chairperson of the meeting. The liaison officer shall circulate the notice of the meeting to the relevant persons after being signed by the chairperson and shall prepare for the meeting.

Article 19 The notice of the regular and extraordinary meetings shall be given to all supervisors and relevant parties to be present or in attendance at the meeting at least three (3) days prior to the date scheduled for such meeting, either by hand, facsimile, email or other means. In urgent cases where an extraordinary meeting shall be convened as soon as possible, the notice for such meeting may be served, among others, verbally or by telephone. The convener shall explain the reasons for the urgency of the convening of such extraordinary meeting at the meeting.

Chapter 5 Procedures for the Consideration of Matters and Voting at Meetings of the Supervisory Committee

Article 20 Any proposals required to be submitted to the Supervisory Committee by supervisors and other relevant personnel for examination, discussion and/or determination shall be submitted in advance to the liaison officer of the Supervisory Committee. Such proposals shall be compiled and collated by the liaison officer for submission to the chairperson who shall review and decide whether such proposals should be put on the agenda.

Article 21 The substance of the proposed resolutions for the meeting of the Supervisory Committee shall not be in contravention with the laws, regulations and the Articles of Association, and shall fall within the business scope of the Company and the scope of duties of the Supervisory Committee and shall be in the interests of the Company and shareholders as a whole.

Article 22 The chairperson shall specify reasons to the proposer in respect of the resolutions not included in the agenda.

Article 23 The Supervisory Committee may request the related persons such as the president and senior management members of the Company to be present at the meeting when particular matters are considered, and such attendees shall withdraw from other discussions. Such attendees have the right to speak but do not have voting right.

Article 24 Resolutions of the Supervisory Committee shall be come into effect subject to the adoption by two-thirds or more of its members.

Article 25 Voting on resolutions at a meeting of the Supervisory Committee shall be conducted by show of hands. Each supervisor shall cast one vote. Where a supervisor is connected with the proposed resolution, such supervisor shall withdraw from the meeting and abstain from voting.

Article 26 Supervisors may cast affirmative votes or dissenting votes or abstain from voting. All supervisors present at the meeting shall cast either an affirmative or dissenting vote, or abstain from voting. Where a supervisor does not choose any form of vote above or chooses two forms of vote, the chairperson shall require such supervisor to make his choice again, otherwise such supervisor shall be deemed to have abstained from voting; any supervisor who leaves the meeting midway without returning to the meeting and has not made a decision on the vote shall be deemed to have abstained from voting.

Article 27 Resolutions shall be adopted at the meetings of the Supervisory Committee, which shall bear the signature of supervisors present at the meeting. If any resolution of the Supervisory Committee violates any laws, rules and regulations or the Articles of Association, thereby the Company shall suffer loss, the supervisors participating in voting for the resolution shall indemnify the Company provided that any supervisor who has voted against such resolution and has been recorded in the minutes of the meeting shall not be held liable.

Article 28 Resolutions of the meetings of the Supervisory Committee and the related documents shall be kept by the secretary to the Board of the Company for 10 years.

Article 29 Supervisors shall supervise the implementation of the resolutions by relevant personnel. The status of implementation of the resolutions adopted shall be reported to other supervisors by the chairperson at subsequent meetings of the Supervisory Committee.

Chapter 6 Supplementary Provisions

- Article 30** Where any matter is not covered by these Rules or where these Rules are inconsistent with the laws, regulations, other relevant regulatory documents and provisions of the Articles of Association, those laws, regulations, relevant regulatory documents and provisions of the Articles of Association shall prevail.
- Article 31** These Rules shall be interpreted by the Supervisory Committee as authorized by the general meeting.
- Article 32** These Rules are formulated by the Supervisory Committee and shall come into effect upon approval by the general meeting. Any amendment to these Rules shall be proposed by the Supervisory Committee in form of an amendment proposal, and shall come into effect upon approval of the general meeting.
- Article 33** The phrase “or more” herein in respect of a number shall include such number while the terms “majority”, “exceed”, “less than” and “more than” in respect of a number shall exclude such number.

Capinfo Company Limited

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