

Guidelines on Managing Inside Information

1. Introduction

1.1. The Guidelines, which are formulated in accordance with laws and regulations in relation to securities, listing rules and information disclosure guidelines home and abroad, are meant to set forth the policy concerning information disclosure and specific measures for operation so that the market, as a whole rather than individual groups or persons, may obtain the Company's inside information on an immediate basis.

1.2. The Company believes that, under the precondition that the listing rules are observed, an active communication with the market will be beneficial to both the Company and market participants.

1.3. Regulatory bodies in the Guidelines refer to China Securities Regulatory Commission ("CSRC"), Securities and Futures Commission (HK) ("SFC"), Stock Exchange of Hong Kong Limited ("HKEx"), Listing Authority of UK ("UKLA"), Securities and Exchange Commission (US) ("SEC"), etc.

1.4. The Guidelines is applicable to the Company and its subsidiaries, including Zheshang Securities Co., Ltd.

2. Definition of Non-public Inside Information

2.1. Inside information refers to undisclosed information relating to the Company's operation, finance and management that has a material impact (positively or negatively) upon the market activity and price of the Company's stock price, including information in relation to new developments of the Company's business, changes in the Company's financial standing or business performance or changes in the Company's expected performance.

2.2. The degree of price-sensitivity differs. Therefore, the Company will not set a fixed standard of information amount or percentage to judge whether certain information belongs to inside information.

2.3. The Company, together with consultants when necessary, shall take the following factors into consideration when judging whether certain information belongs to inside information.

- Whether such development or information will have a material impact upon future EPS, profit before tax, liabilities or other factors that determine the stock price;
- The declaration of dividend distribution;
- Changes in directors, supervisors and the Company's senior management personnel;
- Profit warning;
- Share transaction by directors or major shareholders;
- Acquisition or disposition of a certain scale;
- Annul, semi-annual or quarterly performance; and
- Share placement, offering new shares or other securities, etc.

2.4. The Company believes that, in general, the more specific the information is, the degree of price-sensitivity would be higher. Therefore, as a specific guideline, the Company would avoid disclosing specific and non-public financial data, including revenue and profit, to certain groups rather than the market as a whole. When the Company communicates with its shareholders or other interested persons, it shall focus more on the Company's prospect, business environment and strategies, especially medium- to long-term strategies.

2.5. Generally speaking, the Company will not make an announcement on public information that may affect the price of the Company's listed securities but that has been widely known to the public (such as changes in interest rate), except when such development or information has unusual or exceptional impact upon the Company, or disclosed information is incomplete or incorrect, or when it is difficult for the investors (such as overseas investors) to obtain such information, or when supervisory bodies request the Company to make such announcement.

3. Delayed Disclosure

3.1. Although the principle underlying the disclosure of information requires the immediate announcement of non-public inside information, the premature disclosure may jeopardize normal business negotiations, or may be misleading, or may lead to heavy loss on the part of shareholders.

3.2. The Company will not announce items that have not been decided during the process of negotiation, and may provide the following parties with relevant information in a confidential manner:

- The Company's advisors or advisors of other parties that are related to such items;
- The Company's counterparts or potential counterparts in any business, financial or investment transactions (including the Company's underwriter candidates); and
- Any governmental agency or securities supervisory agency;

The Company shall make sure that recipients of such information shall not deal in the Company's stock prior to their knowledge that relevant information is made public.

3.3. In the event that the disclosure of information involves the Company's business secret or it may jeopardize the Company's lawful interest, the Company shall apply for an exemption at relevant supervisory bodies on a timely basis.

3.4. The disclosure of relevant information may be delayed unless the Company is assured that recipients listed in Article 3.2 herein may keep such information as a secret. If signs indicate that such information has been leaked, the Company is obliged to make an announcement on an immediate basis regardless of who shall be responsible for the leak of information. Please refer to Article 9 hereunder for the handling of the leak of confidential information and rumors.

3.5. In the event that the Company has problems concerning whether relevant information should be disclosed, it shall consult with the Company's advisors first. If necessary, it may consult with relevant supervisory bodies or exchanges either directly or through advisors.

4. General Policy Concerning Information Disclosure Responsibility in Handling Inside Information

4.1. The Company's board of directors shall take charge of the overall policy in controlling and announcement of inside information, and the specific information disclosure is the responsibility of the secretary of the board of directors. The secretary of the board of directors shall attend meetings of the board of supervisors and meetings of the board of directors (including those of its subordinate committees), he shall also participate in meetings of the Company's Management (including working meeting with the presence of the president) and other meetings involving information disclosure so as to adequately control and coordinate information disclosure.

4.2. The Company shall adopt a spokesperson system. The Company designates the Chairman, President and the secretary of the board of directors to be its spokespersons, who shall communicate with analysts, investors and the news media. Any other employee of the Company shall not communicate with any person outside of the Company with regard to information which is beyond his scope of duty unless he has obtained the authorization or consent from such designated spokespersons. Staff members of the Secretariat of the board of directors shall assist the spokespersons in information disclosure, including the collection, analysis and preparation of relevant materials. However, they shall not provide any external persons with relevant information in any form without due authorization.

4.3. The Company shall adopt an associated information disclosure system. The departments of the Company and its subsidiaries shall actively coordinate with the Company's secretary of board of directors, they shall provide him with materials and information necessary for information disclosure. Accordingly, the departments of the Company and its subsidiaries shall designate dedicated liaison personnel to information disclosure-related affairs, and shall actively communicate and coordinate with the Company's secretary of board of directors when they are publicizing the information on financial standing, operation, investment and significant changes in personnel.

4.4. The Company shall respond to questions raised by market participants (including analysts, investors and journalists) [within 24 hours], unless such response is denied in accordance with the "No Comment" policy.

4.5. The Company shall publicize, both internally and externally, the Company's internal regulations and system regarding information disclosure, so that all of the Company's directors, supervisors and employees as well as the Company's related external persons (especially analysts, investors and journalists) can understand the Company's policy and the requirement of relevant laws and regulations and that they know who the spokespersons are.

4.6. The Company shall adopt an information confidentiality system to ensure that inside information could remain confidential until it is publicized.

Announcement of Inside Information

4.7. The Company's internally circulated documents, bulletins, internal newspapers and magazines and reports submitted to governmental agencies may contain inside information. The secretary of the board of directors shall keep a close eye on the impact of such information and shall consider whether such information shall be announced formally. In the event that information containing inside information have been leaked or will potentially be obtained by persons listed in Article 3.2 herein, the Company shall publicize the corresponding information on an immediate basis. Should relevant announcement can not be prepared and publicized in short time, the Company should consider apply to the HKEx for suspension of trading in the Company's shares (temporary suspension of trading), and apply for resumption of trading after the publication of relevant announcement.

4.8. Prior to the meeting with shareholders, investors, analysts or journalists, the Company shall make preparations on how to address questions relating to inside information. In the event that the Company plans to disclose inside information, it shall make an announcement to the market prior to such meetings. Otherwise, it shall not provide such information at such meetings.

4.9. In the event that the documents distributed to the shareholders or the announcements published in the market contain comments on the prospect of present or potential business, and that such documents or announcements are long, the Company shall place relevant information in a conspicuous place rather than hide it inside.

Retaining Advisors

4.10. When necessary, the Company shall make full use of advisors to handle information disclosure, including judging whether certain information is price-sensitive, timely evaluating the possible impact of such information, and whether an announcement is necessary.

4.11. In the event that the Company, upon discussion with the advisors, has doubts over the sensitivity degree of certain information, it shall consult with relevant supervisory bodies or exchanges, or make an announcement so as to avoid making selected disclosure to individual persons or groups.

4.12. The Company shall, together with its advisors, draft a "List of Inside Information" in accordance with the specific condition of the Company, setting forth the categories of inside information, so that the Company may effectively recognize relevant inside information on a timely basis. The Company and its advisors shall revise the List of Inside Information from time to time to be adapted to the latest disclosure requirement.

Training

4.13. The Company shall ensure adequate training for the spokespersons and other persons that participate in information disclosure (especially the staff of the Secretariat of the Board of Directors) so that they master the knowledge and skills in recognizing and handling non-public inside information. Such training shall include: inside information shall be kept confidential until it is required to be

publicized and the necessary information disclosure procedures; and the communication skills with external persons (including analysts; the Company's legal, financial and PR advisors; journalists; institutional and private investors; and supervising personnel).

4.14. The Company shall also provide other employees with proper training so as to ensure that they will not unintentionally violate any regulation and that they will let appropriate persons in the Company to handle any information disclosure in relation to inside information.

5. Handling Unexpected Events

5.1. In the event that the Company is faced with an unexpected event, such as heavy foreign exchange loss, then it shall make an announcement immediately after the investigation yields to a successful result. If the event is complicated and its confirmation calls for a longer period of time, the Company shall make an interim announcement, providing the brief introduction of the event, the reasons why a comprehensive announcement is impossible and the commitment to make further announcements. If the unexpected event is serious in nature, the Company may apply for suspension of stock dealing at the relevant stock exchange until the Company clarifies the event.

5.2. In the event that certain inside information is unintentionally disclosed to some persons (such as analysts or journalists), the Company shall take immediate measures once it realizes such disclosure. It shall make a comprehensive announcement so as to ensure that all market participants may obtain the same information.

6. Annual Reports and Shareholders' Annual Meetings

Annual Reports

6.1. The Company shall make use of all opportunities to communicate with investors, especially by means of annual reports and the speeches made by the Chairman at shareholders' annual meetings. It shall use plain language (and avoid jargons when possible) to deliver and enhance the message of the Company and provide the Company's future direction.

Shareholders' Annual Meetings

6.2. The Company shall provide shareholders with speech opportunities at the shareholders' meetings so as to orderly express the shareholders' opinions.

6.3. In the event that inside information is discussed at shareholders' meetings, the Company shall disclose relevant information prior to the convening of such meetings.

7. Profit Forecast

7.1. The Company shall be prudent and responsible as regards forecast or plan information and commitments. When the performance announcements and other announcements contain forecast or forward-looking statements concerning the Company's prospect, financial and operational conditions, the Company shall take relevant policy and market risk factors into adequate consideration. Any employee of the Company shall avoid directly or indirectly make any forecast on the Company's future revenue or profit, unless the forecast on revenue or profit has already been publicized in the form of announcement.

7.2. When the disclosed forecast information and commitments are deemed unrealistic and may be misleading for the market, the Company shall disclose such information on a timely basis, and shall make necessary explanations and descriptions.

8. Guidelines for Analysts

Response to analysts' questions and corrections for analysts' forecast

8.1. The Company believes that analysts play a positive role in helping the market to understand the Company and to properly evaluate the Company. Therefore, the Company shall make use of publicized information to explain to them such public information or discuss with them the market in which the Company's businesses lie.

8.2. However, if the individual or accumulated responses to questions raised by analysts will contain inside information, the Company shall avoid answering such questions. In the event that the analysts' opinions or viewpoints are incorrect (such as improper estimation on income growth), the Company shall call on the analysts to pay attention to certain public information.

8.3. Not all non-public information is price-sensitive. In the event that certain non-public information per se or the combination of such information with other information is not price-sensitive, such information may be used in answering questions raised by analysts without separate announcements.

8.4. The Company is not obliged to make public corrections for the analysts' improper forecast. However, if the Company has noticed that the nature of such improper forecast is serious, that such forecast has been widely spread in the market and that it has led to serious misunderstanding by the market, the Company shall consider making public corrections.

Draft of the Analyst Report

8.5. In the event that an analyst requests the Company to provide comments on the draft of his analysis report, under normal circumstances the Company should decline such request. The Company is not obliged to correct improper inside information or assumptions, and is entitled to refuse to provide opinion on any part of the draft of the analyst report.

8.6. Only under the precondition that various listing rules are observed, having sought advice from

advisors, and that no correction would mislead the market will the Company provide comments on the draft of the analyst report.

8.7. The Company shall ensure that it will not provide inside information when correcting the draft of the analyst report. In case non-public inside information is provided due to carelessness, the Company shall make an announcement immediately.

8.8. To reduce the possibility of unintentional disclosure of inside information, the Company shall only correct the fundamental data on the basis of which the analyst draws his conclusion and shall not make any comment or revision on the conclusion itself if it decides to provide comments on the draft of the analyst report.

8.9. In the event that the Company decides to provide comments on the draft of the analyst report, and it has to use non-public inside information to avoid misleading the analyst, the Company shall not provide comments until it makes an announcement on the related inside information.

Analysts' Meetings

8.10. When the Company holds meetings with analysts, a minimum of two representatives of the Company shall be present, and the Company shall make detailed and accurate records as regards the issues discussed at such meetings.

8.11. When circumstances permit, the Company shall hold analysts' meetings in a manner as open as possible so that more persons (including journalists and investors) may obtain the same information at the same time. Accordingly, the Company may hold analysts' meetings concerning the disclosure of performance and extraordinary analysts' conference calls in an open manner by the following means:

- Live broadcast of the conference proceedings on-line;
- Publication of audio-visual materials of the meetings at the Company's website;
- In the event of a conference call, the Company may, when circumstances permit, arrange interested persons to audit the conference by dialing-up (but they shall not make any speech).

8.12. When analysts visit the Company's on-site facilities, the Company shall inform the hosts of certain precautions, especially the scope and nature of information communication so as not to disclose non-public inside information (see Article 4.13).

9. Handling Media Speculation

9.1. A healthy relationship with the press and other media usually will have positive results for both the Company and the market. However, when potential inside information is involved, such relationship shall be carefully managed.

9.2. The Company will handle press coverage of the Company in accordance with listing rules home and abroad. In the event that relevant report is void of factual basis, and that the Company does not

have inside information to disclose, then the Company is not obliged to make any announcement (unless required by supervisory bodies or relevant false reporting may result in price fluctuation of the Company's shares). In the event that relevant report is accurate, and it is related to on-going developments or developments under negotiation, then the Company shall not make an announcement on relevant developments unless such developments are successfully achieved or relevant information is leaked to the market.

9.3. If signs indicate that inside information has been leaked, the Company shall make an announcement on an immediate basis, especially on the specific and accurate details in relevant reports. For instance, the Company shall make a judgment as to whether inside information is leaked in accordance with different conditions. The company shall, when necessary, consult with relevant advisors, or have private consultations with relevant regulatory bodies or exchanges.

9.4. Price fluctuation due to certain report is not the sole factor for relevant supervisory bodies or exchanges to request the Company to make an announcement. Accordingly, the Company shall adopt a "No Comment" policy for undecided issues during the process of negotiation and during the period when no inside information is available for publication.

9.5. The Company is aware of the fact that at times, the denial of some report will also lead to fluctuation of stock price. Accordingly, if the Company decides to deny some inaccurate report so as to eliminate market chaos due to such report, it shall make a formal announcement, and shall place a denial statement in a conspicuous position.

9.6. The Company shall take all reasonable prudent measures to ensure that any public statement, forecast and other information does not contain any misleading, false and fraud information, and shall not have any serious omission. Accordingly, for some valid report, the Company shall make no response ("No Comment") or confirm certain issues instead of denying everything.

9.7. When relevant regulatory bodies or exchanges make inquiries from the Company or the Company's advisors as regards the issues reported by the media, the Company shall make comprehensive clarifications concerning the related issues and shall describe the genuine condition of the Company. The Company shall not be misleading to them in any way.

10. Period of No-trading for Directors

10.1. Period of no-trading for Directors refers to the longer period between the following:

- (1) From the date on which the relevant financial period ends (i.e., December 31 and June 30 of every year, and if the Company announces quarterly results, it shall also include March 31 and September 30 of every year) to the date on which the Company announces the corresponding results;
- (2) Two months prior the announcement of annual results, and one month prior to the announcement of interim and quarterly results.

10.2. During the Period of no-trading for Directors, Directors of the Company shall not trade or in any other form dealing with the Company's shares.

11. Procuring External Persons as Insiders

11.1. Sometimes, the Company may need to provide relevant information, in a confidential manner, to major shareholders and other parties under negotiation. Prior to the convening of meetings at which relevant inside information will be submitted, the confidentiality procedures shall be performed unless the participating parties are automatically confidentiality parties (such as the Company's financial advisors or legal advisors). Relevant participating parties shall be explicitly informed that if they attend such meetings, they shall not deal in the stock of the Company, and the Company shall obtain a written record indicating their willingness of being "insiders".

11.2. In order to ensure that relevant listing rules are observed, except for obtaining the consent from relevant parties, the Company shall make a comprehensive announcement on the inside information submitted in the manner described in the foregoing clause on a timely basis so that relevant confidentiality duty may be genuinely guaranteed within a relatively short period of time.

11.3. In the event that the Company has a joint transaction with an investment bank, it shall not establish a regular connection with analysts and salespersons of such investment bank. The Company shall discuss with appropriate persons of such investment bank as regards potential inside information so that the Company and such investment bank will not be in a position to betray confidential matters.

12. Procuring Employees as Insiders

12.1. The Company's employees may become insiders. Some employees may have frequent access to inside information due to their professional duties, while other employees may occasionally possess inside information. All employees that may have access to non-public inside information shall be aware of the confidentiality of such information at all times.

12.2. Descriptions of the Company's prospect and business performance published in the Company's internal reports or publications as well as the internal speeches made by the Company's senior management personnel belong to confidential information. None of the employees shall intentionally or unintentionally disclose such information.

12.3. Detailed information or reports on the Company's business departments or subsidiaries shall be marked with the class of confidentiality.

12.4. The Company may provide certain employees with inside information on the basis of confidentiality, and such employees would be deemed as "insiders". However, it would be more likely that confidential information may be betrayed if more people know about inside information.

Accordingly, if the Company is aware that there is the possibility of a leak, it shall make an announcement before providing employees with inside information.

13. Registration and Filing of Insiders

13.1. The Company manages insiders with registration and filing procedures.

13.2. Secretarial Office to the Board (including offices with comparable responsibilities at subsidiaries) is responsible for registering insiders; persons who come across inside information have obligation to file relevant information with the Secretarial Office to the Board as soon as possible.

13.3. Registration of insiders should include content of inside information, time and venue where the event took place, identity as well as contact details of insiders.

13.4. For insiders who leak inside information, dealing with inside information or recommend others to dealing with inside information, the Company may pursue responsibilities of relevant insiders depending on severity of breach; those whose action may have violated laws will be turned over to relevant authorities for further pursuing legal responsibilities.

14. Coordination of Information Disclosure at Different Listing Venues

14.1. Given that the Company's stock is listed both on Hong Kong Stock Exchange and London Stock Exchange, the information disclosure of the Company shall be made simultaneously so that investors everywhere may obtain relevant information at the same time.

14.2. In the event that information disclosure requirement differs at different venues, the following principles of information disclosure shall be followed: the content of report shall be richer, the report preparation period shall be shorter, and the report requirement shall be stricter.

14.3. Differences due to different accounting systems shall be explained and described in different information disclosure reports.

15. Application of the Internet

15.1. Internet communication is quick and has a broader scope. The Company shall fully exert such advantages and improve information disclosure by making use of the Company's website and other Internet measures so that more investors may better understand the Company more quickly.

15.2. The information formally disclosed by the Company shall be publicized at the Company's website within one hour.

15.3. When the Company publishes information on the Internet, it shall observe relevant sustained responsibilities stipulated in relevant listing rules. Accordingly, it shall make an announcement on any

non-public inside information that goes on-line, or it shall publish such information at the information disclosure system of relevant regulatory bodies.

15.4. In the event that not all information published on the Internet may be transmitted to the information disclosure system of relevant regulatory bodies (such as images), the Company shall describe, in the relevant announcement, the nature of on-line information, gist of inside information and the website.

15.5. Information dissemination through the Internet is only a positive supplementary measure for information disclosure by the Company, and it shall not replace the formal announcement. The Company shall not neglect certain (possibly negative) details in the formal announcement and publish such details on-line so that the formal announcement may be deemed to contain misleading information.