



FUGUINIAO CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

(the "Company")

Stock Code: 1819

Terms of Reference of the Strategy Committee (the "Strategy Committee") Under the Board of Directors (the "Board") of the Company

The Strategy Committee was established according to the resolution passed by the meeting of the Board on 9 July 2012, the terms of reference of which are as follow:

Chapter 1 General Provisions

- Article 1** The Strategy Committee is established and these terms of reference (these "**Terms**") have been prepared by the Board in accordance with the requirements of the Company Law of the People's Republic of China (the "**Company Law**"), the Articles of Association of Fuguiniao Co., Ltd. (the "**AOA**") and other relevant laws and regulations as well as regulatory documents in order to match up with the strategic development needs of the Company, strengthen its corporate core competitiveness and improve the decision-making procedures for strategic planning.
- Article 2** The Strategy Committee is an internal body set up by the Board for specific tasks, and the Strategy Committee reports to the Board.

Chapter 2 Composition

- Article 3** The Strategy Committee consists of three directors.
- Article 4** Members of the Strategy Committee (including one chairman) shall be elected by the Board. The chairman shall be in charge of convening and presiding over the meetings of the Strategy Committee. In the event of any inability or failure of the chairman to perform his duties, a member elected by the members of the Strategy Committee shall perform his duties as a chairman. If the members failed to elect a chairman, the Board shall re-elect a chairman.

Article 5 Members of the Strategy Committee shall serve for the same term as the directors and may be re-elected upon expiry of their terms of office. Any member of the Strategy Committee who ceases to be a director of the Company during his term of service shall become automatically disqualified from being a member of the Strategy Committee and a replacement shall be appointed to fill in the vacancy pursuant to these Terms.

Article 6 A member of the Strategy Committee may tender his resignation prior to the expiry of his term of office by submitting a resignation report to the Board in written form. The resignation report shall come into effect upon approval by the Board. The original member shall continue to perform the relevant duties pursuant to the requirement of these Terms before the newly elected replacement member assumes office.

Chapter 3 Duties and Responsibilities

Article 7 The Strategy Committee shall perform the following duties and authorities:

- (1) To study and make proposal on the long-term development strategy of the Company;
- (2) To study and make proposal on significant investment decisions and financing plans which are subject to the approval of the Board according to the AOA;
- (3) To study and make proposal on significant capital operations and asset operating projects which are subject to the approval of the Board according to the AOA;
- (4) To study and make proposal on other significant matters which affect the development of the Company;
- (5) To check and examine the implementation of the foregoing;
- (6) To handle such other matters as authorised by the Board.

Chapter 4 Decision-making Procedures

Article 8 Decision-making procedures of the Strategy Committee are as follows:

- (1) Chairman of the Strategy Committee shall designate relevant departments of the Company to be responsible for making preliminary preparation for meetings of the Strategy Committee, including organising and coordinating with relevant departments or intermediaries to prepare documents in relation to the meetings, and ensure the truth, accuracy and completeness of such documents. Such documents for meetings shall include but not limited to:
 - i. the Company's development strategic plan;
 - ii. Detailed analysis of the Company's development strategic plan;
 - iii. Advice on the adjustment of the Company's development strategic plan;
 - iv. Feasibility study reports on the Company's significant investment projects ;
 - v. Evaluation reports on the implementation of the Company's strategic plans.
- (2) Chairman of the Strategy Committee may request the relevant departments or intermediaries to amend or supplement the documents in relation to the meetings after his review. After the documents have been approved, the chairman shall convene the meeting of the Strategy Committee in a timely manner;
- (3) A resolution for the related matters shall be formed at the meeting of the Strategy Committee, and a written resolution shall be proposed to the Board for review;
- (4) If the majority of members of the Board disapprove the proposals of the Strategy Committee, the Board shall give feedback in written form to the Strategy Committee in a timely manner.

Chapter 5 Rules of Procedure

- Article 9** Members of the Strategy Committee may propose to convene a meeting. The chairman shall convene a meeting within 10 days after receipt of relevant proposals. When the chairman is unable to attend the meeting, he may appoint another member of the Committee to preside over the meeting on his behalf.
- Article 10** The holding of a meeting of the Strategy Committee shall be subject to the attendance of more than two-thirds of the members of the Strategy Committee. Each member of the Strategy Committee shall have one vote. Suggestions or resolutions proposed at the meeting of the Strategy Committee must be approved by a majority vote of all members.
- Article 11** The Strategy Committee shall vote by a show of hands or by a poll. A meeting may also be convened by way of voting through communications.
- Article 12** The secretary to the Board shall attend the meetings of the Strategy Committee and, when necessary, the Strategy Committee may invite other directors, supervisors, senior management officers of the Company and other persons associated with the matters to be discussed at the meetings to attend such Strategy Committee meetings at which all attendees may give explanations or illustrations on those matters.
- Article 13** Members of the Strategy Committee and members attending the meetings of the Strategy Committee shall have the obligation to keep undisclosed information confidential, and should not take advantage of any insider information for their own or others' benefits.

Article 14 Members of the Strategy Committee shall attend the meeting of the Strategy Committee in person. If a member is unable to attend a meeting of the Strategy Committee, he may appoint another member by a written power of attorney to attend on his behalf. If a member fails to attend a meeting of the Strategy Committee or does not appoint a proxy instead, he is deemed to have waived his right to vote at the meeting.

Article 15 If a member of the Strategy Committee is related to a matter to be considered and approved, the Strategy Committee shall submit such matter to the Board for consideration.

Article 16 The Strategy Committee may, if necessary, engage an intermediary to provide advice on its decisions at the cost of the Company.

Article 17 The Strategy Committee shall keep minutes or memorandum of its meetings, which shall be signed by the members present at the meeting. The minutes of meetings shall be kept by the secretary to the Board for a retention period of at least 10 years.

Article 18 Resolutions approved at the meetings of the Strategy Committee and the voting results thereon shall be reported to the Board of the Company in writing.

Chapter 6 Supplementary Provisions

Article 19 In these Terms, “more than” means “equals to or over”.

Article 20 Any formulation of and amendment to these Terms shall be effective after the consideration and approval of the Board.

Article 21 Any matter not covered herein or provisions in these Terms which are not in line with the provisions of applicable state laws and administrative regulations shall be dealt with in accordance with the relevant laws and administrative regulations.

Article 22 The right to interpret these Terms shall vest in the Board.