

**Shanghai Stock Exchange- Risk Disclosure Statement on Trading of
Shares under Delisting Arrangement**

Shares under delisting arrangement refer to shares for which Stock Exchange has made decision of delisting while the trading of which is still underway during delisting arrangement period. Transactions of shares under delisting arrangement may contain liquidity risks, and investors, after buying such stocks, may suffer from losses if they failed to sell the shares prior to the delisting. Before making any transaction decisions of shares under delisting arrangement, investors are required to have sufficient understanding of the following issues:

1. Shares under delisting arrangement, although tradable during delisting arrangement period, will be delisted upon expiry of a certain period as Stock Exchange has made a decision of delisting, hence suggesting comparatively higher risks.
2. Transactions of shares under delisting arrangement are limited within an accumulative period of 30 trading days, and upon expiry of trading deadlines, delisting will immediately come into force. Investors shall keep close watch on the remaining trading days and the last trading day of shares under delisting arrangement, otherwise may miss opportunities to sell the shares and suffer from unnecessary losses.

During delisting arrangement period, for stocks listed at main and SME boards, days with full-day trading suspension shall not be included into the term of 30 trading days. Number of days with full-day trading suspension shall be limited within 5 trading days.

For buying and selling shares under delisting arrangement, investors shall adopt limit order instruction. The daily price up/down limit of shares under delisting arrangement is $\pm 10\%$.

3. Transactions of shares under delisting arrangement may imply liquidity risks, and investors, after buying such stocks, may suffer from losses if failed to sell the shares prior to delisting.
4. Clients can trade Shares under Delisting Arrangement by using the Haitong International Securities Online Trading System or by calling your Account

Executive or Dealing Hotline at (852) 2213 8333.

5. Investors, prior to participating in transactions of shares under delisting arrangement, shall have full understanding of delisting mechanism, trading rules of shares under delisting arrangement and fundamentals of companies which are subject to delisting arrangement, and shall make prudent decision whether or not to buy shares under delisting arrangement based upon adequate considerations of own financial condition, actual demands and risk tolerance capability, etc.
6. Listed companies under delisting management, after being delisted from stock market due to financial conditions or other legal violations, will be transferred to OTC trading market (including but not limited to Agency Share Transfer System) for share transfer. Investors shall be fully aware of new delisting regulations, and effectively identify and control risks exclusively arising from delisting of company stocks as well as investment risks from the transfer after delisting.
7. According to relevant existing regulations, though listed companies, after being delisted from main and SME boards, are permitted to apply to stock exchange for relisting. However, there are uncertainties whether such companies will meet relisting conditions and get relisted.
8. Investors are required to pay special attention to risk reminder announcements released by the listed companies during delisting arrangement period, and timely obtain relevant information from designated information disclosure Medias, websites of listed companies and securities companies.
9. Investors shall fully understand and abide by the “caveat emptor” principles in financial market. Investors should have full understanding of trading risks of shares under delisting arrangement, make rational judgments and own decisions based on relevant market information and take any consequences of transactions. Investors shall not decline to undertake performance responsibility for transactions of shares under delisting arrangement with an excuse of inconformity with eligibility requirements.
- 10. This Risk Disclosure Statement only lists out part of the risks herein involved, rather it does not enumerate all risks related to the trading of company stocks to be delisted during delisting consolidation period. Before participating in the transaction, investors shall have a clear understanding**

that the Disclosure only lists certain risks, rather than detailing all the trading risks of shares under delisting arrangement. Investors shall carefully read relevant laws, regulations, provisions, self-regulation rules and other normative references related to stock delisting arrangement period published and implemented by stock exchanges and other securities regulatory authorities, so as to have a good understanding of all risks related to shares under delisting arrangement. Please do prudently participate in the transaction of Shares under delisting arrangement on your own actual conditions such as the risk tolerance and capacity.