

ANRONG (HONG KONG) CREDIT RATINGS COMPANY LIMITED

Rating Analyst Rotation Policy

1.Purpose

To comply with the Code of Conduct for Persons Providing Credit Rating Services under the Hong Kong Securities and Futures Ordinance for the avoidance of any actual or potential conflicts of interest between a rating analyst and a rated entity or its related third-party due to a long-standing working relationship, gradual rotation of credit analysts on a rated entity rating is carried out according to the following defined periods, the Cooling Off Period and the Engagement Period.

2.Cooling Off Period

The Cooling Off Period is set for a period of consecutive two years during which a credit analyst has not rated the applicable rated entity or been in relation with a related third party prior to the commencement of a new credit rating assignment to the credit analyst with either one of them.

3.Engagement Period

The Engagement Period is the period that begins when a credit analyst (a) starts to become the key analyst of a rated entity or the related third party, or (b) resumes the role of key analyst of a rated entity or related third party after the Cooling Off Period, and it ends when the rating analysis on the respective rated entity or the related third party has completed. A key analyst after his Cooling Off Period is entitled to be involved in any number of Engagement Periods as long as he has completed his relevant Cooling Off Period in between each such Engagement Period.

4.Implementation

(1) Key Analyst

For each rated entity, a project team of credit rating analyst is set up, and at least

one key analyst is assigned to be in-charge of and is involved in the credit rating analysis of the respective rated entity. The maximum Engagement Period of a Key analyst with respect to the rated entity or the related third party is four years.

(2) Quality Assurance Analyst

To ensure the quality of a credit rating analysis, the respective Quality Assurance Analysts are appointed. Quality Assurance Analyst is an analyst involved in rating the respective rated entity, takes up the role of measuring rating results, assessing rating processes and choose rating standards. The maximum period for a quality assurance analyst who is not a key analyst during the current Engagement Period is five years.

(3) Director of Credit Rating

The Director of Credit Rating is the person who approves the initial credit ratings proposed by the key credit rating analyst before the final credit ratings are approved by the Credit Rating Committee. The Director of Credit Rating is neither a key analyst nor a quality assurance analyst.

5. Rating Methodology Reviewer

Non-Executive Directors or external experts such as relevant university professors will be invited to help review the existing rating standards and methodology regarding their validity and effectiveness in a changing market from time to time.