

The Company has operated strictly in compliance with the requirements as stipulated in the Company Law of PRC, Security Law of PRC and other relevant laws and regulations.

1. Shareholders and shareholders' meeting: the Company can ensure that all shareholders, especially minority shareholders, enjoy equal status, and that all shareholders can fully exercise their rights; the Company convenes and holds shareholders' meetings strictly in accordance with the requirements in the Criterion for Shareholder Meeting, with lawyers witness the meetings.
2. Connected transactions: the connected transactions of the Company have been entered into on a fair and reasonable basis, and the relevant connected transactions are adequately disclosed in accordance with the requirements of domestic and overseas regulatory authorities.
3. In connection with the relation between controlling shareholders and the Company: the controlling shareholders exercise their legal rights as investors via the shareholders' meetings lawfully, without direct or indirect interference with the decision-making or operation activities of the Company by overriding the shareholder meeting; the Company has its own independent personnel, assets, finance, organisations and operation from its holding shareholders. The Board, Supervisory Committee and the internal organisations of the Company are operating independently according to the relevant laws.
4. In connection with the Director and the Board: the Company elected its Directors strictly in accordance with the selection and appointment procedures contained in the Company's Articles of Association, and the number and composition of the members of the Board comply with the requirements in laws and regulations; the Directors are diligent and responsible, doing their best to maintain the overall interests of the Company and the rights and benefits of the minority shareholders. In the Board, the Development Strategy Committee, Investment Committee, Achievements Evaluation Committee and Audit Committee were established on 23 December 1999, and continuous research has been made on the scientific operation modes of the specialised committees.
5. In connection with the Supervisors and Supervisory Committee: the number and composition of the members of the Supervisory Committee comply with the requirements in laws and regulations; the Supervisors perform their duties earnestly, and supervise the Directors, General Manager and other senior management to perform their duties in accordance with laws and regulations.
6. In connection with performance evaluation, stimulation and restriction mechanism: the Company is working positively to establish a set of fair and transparent performance evaluation criteria and a stimulative restriction mechanism for the Directors, the Supervisors and the Senior Management; the selection and appointment of executive personnel are open and transparent, complying with the relevant regulations in the Articles of Association of the Company.
7. The parties whose interests are related: the Company has enough respect for and safeguard the interests of the creditors, the clients and the employees, and those parties whose interests are related, and pushes forward the sustainable and healthy development of the Company jointly.

Corporate Governance

8. In connection with disclosure and transparency of information: the Company has appointed a Company secretary to centralise the distribution of information; the Company discloses its relevant information strictly in accordance with the provisions in laws, regulations and the Articles of Association of the Company truly, accurately, completely and timely.
9. Independent Directors' duties: the Company introduced the system of independent directors since 1994, and the Independent Directors have played an important role in the operation of the Company. The Independent Directors have taken an active part in the operational decision-making activities with conscientious attitude, expressing their independent comments on significant events of the Company.

The Company will improve its corporate governance and enhance the construction level of various internal control systems in accordance with the requirements in the "Governing Criteria for Listed Companies".