

- (I) The Company executed the articles of association conscientiously and seriously in accordance with the Company Law of the PRC, the Securities Law of the PRC, relevant regulations issued by China Securities Regulatory Committee and the listing rules of Shanghai Securities Exchange and The Stock Exchange of Hong Kong Limited. During the operation, the Company continuously standardises , improves its activities and the procedure of decision-making and business-discussing legal.

The Company is amending the articles of association recently according to the requirement of Standard for Corporate Governance for Listing Companies issued by the China Securities Regulatory Committee and China Economic and Trade Committee on January 7th, 2002.

- (II) The system of independent Directors has been executed since the issue of H share in August 1993. In all previous Board of Directors included 2 independent non-executive Directors who performed the duty of the independent non-executive Directors in accordance with relevant requirement and regulations. The Company would improve itself in the system of independent directors in accordance with the Directory Opinion Referring to Establish the Independent non-executive Director System in Public Holding Company.
- (III) The Company is independent of CSSC, the representative of holding state-owned shares of the Company in respect of the organization, personnel, business, assets and finance.