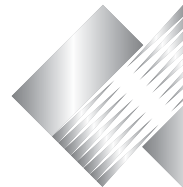


Corporate Governance Structure



1. The Company has been improving its corporate governance structure and standard operation strictly in accordance with the Company Law, Security Law and other laws and regulations, and were essentially in compliance with the normative documents published by the China Securities Regulatory Commission regarding corporate governance of listed companies.

2. “Five Independence”

Due to existing personnel management system, among the eleven directors of the Company, there were five directors concurrently holding positions of director in the parent company. However, these five directors all have sufficient time and energy to participate in the work of the Board of Directors of the Company. The management of the Company is totally independent of the parent company and did not receive any remuneration from the parent company. Furthermore, some of them did not receive remuneration from the holding company. In addition, the Company and the controlling shareholder basically operate separately in terms of personnel, asset, finance, organisation and business. The Company's directors, supervisors and internal management operate independently.

3. Independent directors' performance of their duties

1. The attendance of Independent Directors of the Board's meeting during the reporting period

Name of Independent Directors	Attendance of Board meetings in the year	Attending in person (times)	Attending by proxy (times)	Absence (times)
Dai Zhiliang	5	5	Nil	Nil
Zhong Pengrong	5	5	Nil	Nil
Xi Shengyang	5	5	Nil	Nil
Dong Chao	5	5	Nil	Nil

2. Dissenting opinions to related matters submitted by Independent Directors of the Company during the reporting period

Name of Independent Directors	Matters subjecting to dissenting opinions	The specific content of dissenting opinions
Dai Zhiliang	Nil	N/A
Zhong Pengrong	Nil	N/A
Xi Shengyang	Nil	N/A
Dong Chao	Nil	N/A

During the reporting period, the Independent Directors performed their duties seriously and participated in the material decisions of the Company with their working experiences and professional knowledge fully utilized. They gave independent opinions on material events such as the connected transactions of the Company, appointments of Directors, senior management; actually safeguarded the legal rights of the Company and shareholders as a whole; and facilitated the regulated operations of the Company.

4. Appraisal and incentive mechanism and relevant reward system for senior management staff during the reporting period

An annual salary package and risk deposit system have been implemented for the senior management staff. The Board of Directors will directly conduct appraisal of, grant award to or impose punishment on senior management staff in terms of their performance and efficiency on the basis of relevant operation benchmarks and management standards. Besides, the Company has embarked on revising and improving a fair and transparent performance assessment standard and an incentive regulatory mechanism for senior management staff.