DONGJIANG ENVIRONMENTAL COMPANY LIMITED
RULES OF PROCEDURES FOR THE BOARD MEETING

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to further improve the governing structure of the Company, to safeguard the board of directors of the Company to exercise their powers and perform their duties independently, properly and effectively in compliance with the laws, so as to ensure the working efficiency and scientific decision-making of the Board, Dongjiang Environmental Company Limited (hereinafter referred to as the "Company") formulates these Rules in accordance with the requirements of the relevant laws and regulations of the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law") and "Shenzhen Stock Exchange Listing Rules" and the Standards for Corporate Governance of Listed Companies, the regulations of the securities regulatory authority of the Hong Kong Special Administrative Region and the "Articles of Association of Dongjiang Environmental Company Limited" (hereinafter referred to as the "articles of association of the Company").

Article 2 The board of directors shall be established by the Company in compliance with the laws. The board of directors shall act as the operational decision making body of the Company to operate and manage the properties of the legal person of the Company and shall be accountable to the general meeting of shareholders of the Company in accordance with the Company Law, relevant laws and regulations and the articles of association of the Company.

CHAPTER 2 STRUCTURE OF BOARD OF DIRECTORS AND ITS SUBORDINATE ORGANIZATIONS

Article 3 A board of directors comprising 9 directors shall be established by the Company. Not less than half of the members of the board of directors shall be external Directors (meaning directors who do not hold any positions within the Company, including independent directors). At least one-third (but at least three members) of the board of directors shall be independent directors.

The board of directors shall have one chairman and the board of directors may have several vice-chairmen, which number shall be determined according to the actual circumstances of the Company. The chairman of the board of directors and vice-chairman of the board of directors (if any) shall be directors of the Company, and shall be elected or removed by majority of the directors. The term of both the chairman of the board of directors and the vice chairman of the board of directors shall be three years, and the chairman and vice-chairman may serve consecutive terms.

In the event that the terms of Directors fall upon maturity whereas new members of the Board are not re-elected in time, or the resignation of any Director during his term of office results in the number of members of the Board falling below the statutory or minimum requirement, the existing Director shall continue to perform his/her duties in accordance with the laws, the administrative regulations and the Articles of Association until the re-elected directors assume their office.

A director who resigns shall submit a written notice to the Company, and the resignation shall become effective on the date the Company receives the notice. The resignation of a director shall become effective upon the delivery of the resignation report to the Board of Directors. However, in the circumstances described in the preceding article, the director shall continue to perform his/her duties.

Article 4 Special committees including strategic development committee, nomination committee, audit and risk management committee, and remuneration and assessment committee shall be established by the board of directors. Each of the special committee shall be accountable to the board of directors. All members of such special committees shall be the directors and shall comprise of at least three members in each committee. Independent directors shall act as the conveners and represent majority of the members in the audit and risk management committee, remuneration and assessment committee and nomination committee. A majority of the members of the audit and risk management shall not hold positions in the Company other than as directors and shall not have any relationship with the Company that may affect their independent and objective judgment, and the convener of the audit and risk management committee shall be an independent director who is an accounting professional. The board of directors is responsible for formulating the work procedures of the special committees and regulating the operation of the special committees.

Article 5 The strategic development committee under the board shall be responsible for conducting research of and making recommendations on the long-term development strategy and the major investment decision of the Company.

Article 6 The board of directors of the company shall establish an Audit and Risk Management committee to perform the duties of the Supervisory Committee in accordance with provisions under the Company Law.

The main duties of the audit and risk management committee of the board of directors shall be:

1. Supervise and evaluate external audit work, making recommendation on the appointment or replacement of the external auditors;

2. Supervise and evaluate internal audit work supervising the internal audit system of the Company and its implementation;

3. Coordinations communications between the internal and external auditors;

4. Monitor the financial information of the Company and its disclosure;

5. Supervise and evaluate the internal control of the Company;

6. Monitor and evaluate the risk management of the Company;

7. Any other matters authorized by the board of directors.

Article 7 The Remuneration Committee is responsible for formulating the assessment standards for directors and senior management personnel and conducting assessments, formulating and reviewing the remuneration decision mechanisms, decision-making processes, payment and cessation of payment recovery arrangements, and other remuneration policies and plans for directors and senior management personnel, as well as making recommendations to the board of directors on the following matters:

1. the remuneration of directors and senior management personnel;

2. the formulation or amendment of equity incentive plans, employee stock ownership plans, and the granting of rights to incentive recipients and the achievement of conditions for the exercise of such rights by incentive recipients;

3. the arrangement of stock ownership plans for directors and senior management personnel in the event of a proposed spin-off of a subsidiary;

4. other matters prescribed by laws, administrative regulations, regulatory provisions in the places where the Company is listed and these articles of association, and other matters as authorized by the board of directors.

For recommendations of the Remuneration Committee not being adopted or completely adopted by the board of directors, the opinions of the Remuneration Committee and reasons for non-adoption shall be recorded in the resolution of the board of directors, and shall be disclosed accordingly.

Article 8 The Nomination Committee is responsible for formulating the standards and procedures for selection of directors and senior management personnel, screening and reviewing the candidates for directors and senior management personnel and their qualifications, as well as making recommendations to the board of directors on the following matters:

1. nomination or dismissal of directors;

2. appointment or dismissal of senior management personnel;

3. other matters prescribed by laws, administrative regulations, regulatory provisions in the places where the Company is listed and these articles of association, and other matters as authorized by the board of directors.

For recommendations of the Nomination Committee not being adopted or completely adopted by the board of directors, the opinions of the Nomination Committee and reasons for non-adoption shall be recorded in the resolution of the board of directors, and shall be disclosed accordingly.

Article 9 All special committees are accountable to the board of directors. Proposals from all special committees shall be submitted for evaluation and decision by the board of directors.

Article 10 All special committees may engage advisors to provide professional opinion, the cost of which shall be borne by the Company.

Article 11 Working rules or rules of procedures of all special committees under the board of directors shall be established and shall be effective after obtaining approval by the board of directors.

CHAPTER 3 DUTIES OF THE BOARD OF DIRECTORS

Article 12 The board of directors shall stringently perform its duties required by relevant laws, regulations and the articles of association of the Company, ensure the Company to comply with the laws, regulations and the articles of association of the Company, ensure all shareholders are treated equally and observe interests of other beneficiaries.

Article 13 The board of directors shall be accountable to the general meeting of shareholders and perform the following functions and exercise the following powers:

(1) To convene the general meeting of shareholders, and report its work to the general meeting of shareholders;

(2) To implement resolutions adopted at the general meeting of shareholders;

(3) To determine the business plans and investment schemes of the company;

(4) To formulate the Company's annual financial budget and final accounts;

(5) To formulate the Company's profit distribution plan and loss recovery plan;

(6) To formulate and approve the plan of increasing or reducing registered capital, issuing bonds or other securities and listing;

(7) To formulate the plan of major acquisition, repurchase of the Company's shares or merger, spin-off, change in form of company, dissolution and liquidation etc;

(8) To formulate the plan of equity incentive scheme;

(9) To formulate the plan of changing the proceeds raised;

(10) To formulate amendments to the Articles of Association of the Company;

(11) To formulate the basic management system of the Company;

(12) To manage information disclosure of the Company;

(13) To decide on the set up of the internal management organization of the Company;

(14) To appoint or remove the chief executive officer of the Company, the secretary to the board; according to the nomination by the chief executive officer, to appoint or remove the deputy chief executive officer, chief financial officer and other senior management members, and to decide on matters related to their remuneration and reward and punishment;

(15) To listen to the work report by the Chief Executive Officer of the Company and review the work by the Chief Executive Officer;

(16) To submit the engagement, removal or non-reappointment of accounting firm to the shareholders' meeting;

(17) To consider and approve the following transactions (the transaction has the same meaning as defined under the listing rules of the stock exchanges where the company is listed, the specific approval authority for transaction matters shall be modified in accordance with the listing rules of the Shenzhen Stock Exchange and the HKEx revised from time to time):

(i) Total amount of the assets involved in the transaction represents 10% or more of the Company's audited total assets for the latest period; if total amount of the assets involved in the transaction represents 50% or more of the Company's audited total assets for the latest period, such transaction should be submitted to the Shareholders' meeting for approval; in case total assets involved in the transaction have carry value and appraised value simultaneously, the higher will be used in calculation.

(ii) The net assets of subject matter of the transaction (such as equity) account for more than 10% or more of the company's audited net assets for the latest period and the absolute amount exceeds RMB10 million; but if the net assets of subject matter of the transaction account for more than 50% or more of the company's audited net assets for the latest period and the absolute amount exceeds RMB50 million, it should also be submitted to the general meeting of shareholders for consideration; if the net assets of subject matter of the transaction have both book value and assessed value, the higher one shall be used as the basis for calculation.

(iii) Operating income of subject matter of the transaction (such as equity) represents 10% or more of the Company's audited operating income for the latest accounting year, and the absolute amount exceeds RMB10 million; if the operating income of subject matter of the transaction (such as equity) represents 50% or more of the Company's audited operating income for the latest accounting year, and the absolute amount exceeds RMB50 million, such transaction should be submitted to the shareholders' meeting for approval.

(iv) Net profit of subject matter of the transaction (such as equity) for the latest accounting year represents 10% or more of the Company's audited net profit for the latest accounting year, and the absolute amount exceeds RMB1 million; if the net profit of subject matter of the transaction (such as equity) represents 50% or more of the Company's audited net profit for the latest accounting year, and the absolute amount exceeds RMB50 million, such transaction should be submitted to the shareholders' meeting for approval.

(v) Consideration of transaction (including assumed debts and expenses) represents 10% or more of the Company's audited net assets for the latest period, and the absolute amount exceeds RMB10 million; or within the scope of the company's main business, investment and capital expenditure items with a single investment amount of more than RMB200 million, the investment amount includes directly or indirectly related capital, physical assets, intangible assets, loans, guarantees, etc., but the consideration of transaction (including the assumed debts and expenses) represents 50% or more of the Company's audited net assets for the latest period, and the absolute amount exceeds RMB50 million, such transaction should be submitted to the general meeting of shareholders for approval.

(vi) Profit arising from transaction represents 10% or more of the Company's audited net profit for the latest accounting year, and the absolute amount exceeds RMB1 million; however, if the profit arising from transaction represents 50% or more of the Company's audited net profit for the latest accounting year, and the absolute amount exceeds RMB5 million, such transaction should be submitted to the shareholders' meeting for approval.

(vii) Transaction that the amount of material assets purchased and disposed by the Company within a year represents 10% to 30% of the Company's audited total assets for the latest period;

(viii) Investment or acquisition of non-principal business or non-productive fixed assets and intangible assets of RMB30 million or above.

(18) To consider and approve the guarantees provided by the Company;

(19) To consider and approve the related party transaction: If a connected transaction with a connected natural person with a transaction amount of above RMB300,000, or a connected transaction with a connected legal entity with a transaction amount of above RMB3,000,000 and representing over 0.5% of the absolute amount of the audited net assets of the Company for the latest period (excluding receipt of cash assets by the Company as gift and provision of guarantee by the Company). If the threshold for consideration at the shareholders' meeting is met, such transaction should be submitted to the shareholders' meeting for approval;

(20) Other function and powers a specified in law, regulations or the Articles of Association of the Company and authorized by the shareholders' meeting.

However, when a connected transaction involves entrusted financial management, provision of external financial assistance, external entrusted loan and risk investment, regardless of its size, it shall be considered by the Board of Directors. If the transaction meets the requirement for consideration at the shareholders' meeting, such transaction should be submitted to the shareholders' meeting for approval.

When the Board is considering related party transaction, connected director(s) or a director who has a material interest in a connected transaction shall refrain from voting and shall not vote on behalf of other directors as proxy. The Board meeting can be convened with the attendance of over half of the non-connected and disinterested directors. The resolution of Board meeting shall be passed by a simple majority of non-connected and disinterested directors. If less than three non-connected and disinterested directors attend the Board meeting, the Company shall submit the transaction for the consideration of the shareholders' meeting.

Notwithstanding anything contained therein, for Article 13 (17), (18) and (19), in the event that any transactions or guarantees and their approval procedures are subject to the requirements of the listing rules of the stock exchanges where the Company is listed, those transactions or guarantees shall comply with such requirements.

Article 14 Resolutions of the Board of Directors on the following matters shall be passed by more than half of all members of the audit and risk management committee:

(1) disclosure of the financial information in financial and accounting reports and regular reports, and the evaluation report on internal control;

(2) appointment or dismissal of an accounting firm which undertakes audit work of the Company;

(3) appointment or dismissal of the person-in-charge of finance of the Company;

(4) amendment of significant accounting error or change in accounting policy or accounting estimate for reasons other than a change in accounting standards;

(5) any other matters stipulated by the laws and regulations, related provisions of the Shenzhen Stoke Exchange, the securities regulatory body of the Hong Kong Special Administrative Region, the securities regulatory body of the The State Council and the Articles of Association.

Article 15 In the event that the audited report in relation to the financial statements of the Company issued by the registered accountants contains a qualified opinion, the board of directors shall explain the same at the general meeting of shareholders.

Article 16 The board of directors shall confirm its power and limitation in investing the Company's assets and dealing with such assets, establish strict examination and decision-making procedures; material investment schemes and dealings in the assets should be evaluated by experts and professionals, and shall be submitted to the general meeting of shareholders for approval.

In the event the expected value of the fixed assets proposed to be disposed and the value of the fixed assets already disposed in the four months prior to such proposal for disposal, in aggregate, exceed 33% of fixed asset values shown on the balance sheet approved at the recent general meeting of shareholders, the board of directors must not dispose of or agree to dispose of such fixed assets until the approval from the shareholders' general meeting is obtained.

The abovementioned disposal of fixed assets includes actions to transfer certain rights and interest in assets, but excludes provision of guarantee by way of fixed assets.

The validity of the Company's disposal of fixed assets shall not be affected by violation of paragraph 1 of this article.

Article 17 The chairman of the board of directors shall exercise the following powers:

1. Chair the general meeting of Shareholders, convene and chair meeting of the board of directors;

2. Supervise press and examine the execution and implementation of resolutions adopted at the meeting of the board of directors;

3. Sign important documents of the board of directors and other documents which shall be signed by legal representatives of the Company;

4. Exercise the rights and powers of as the Company's legal representatives;

5. In the event there is any exceptional force majeure events, including natural disaster, exercise special management rights in relation to the Company's affair so far as permitted by the laws and regulations and in the interests of the Company, and report to the board of directors and general meeting of shareholders thereafter;

6. Other rights and powers conferred by the board of directors.

Article 18 In the event that the chairman of the board of directors cannot perform or fails to perform his rights and powers, the obligations of the chairman of the board of directors shall be performed by the vice chairman of the board of directors on his behalf (or by the vice chairman of the board of directors approved by a majority of the directors where there are two or more vice chairman of the board of directors). In the event that the vice chairman of the board of directors cannot perform or fails to perform his or her rights and powers, a director approved by a majority of the directors shall perform the abovementioned rights and powers.

Article 19 The duties of the external directors shall include but not limited to the following:

1. To attend the meetings of the board of directors of the Company and provide independent opinion on issues involving strategies, policies, performance of the Company, accountability, resources, major appointment and code of practice;

2. To take leadership role when possible conflict of interest issues emerge;

3. To supervise risk management and internal control;

4. To act as members of the audit and risk management committee, the remuneration and assessment committee and the nomination committee as invited; and

5. To verify in details if the performance of the Company has met the goals and objectives of the Company and to review and report matters related to the performance of the Company.

Article 20 In equal status as other members of the board of directors, the external directors shall regularly attend meetings of the board of directors, and meetings of the special committees (the audit and risk management committee, the remuneration and assessment committee and the nomination committee) where they are concurrently acting as members of, and shall actively involve in the matters of the board of directors by contributing their skills, professional knowledge and diversified backgrounds and qualifications. External directors shall attend general meeting of shareholders so as to obtain fair understanding of the opinions of the shareholders of the Company.

The external directors are required to offer positive contributions to the formulation of the strategy and policies of the Company by providing independent, constructive and substantiated opinions.

CHAPTER 4 SECRETARY OF THE BOARD OF DIRECTORS

Article 21 The secretary of the board of directors shall be established by the board of directors. The secretary of the board of directors shall be a senior management officer and shall report to the board of directors.

Article 22 The secretary of the board of directors shall be a natural person with a university bachelor degree or above and shall have more than three years working experience in the banking, financial or legal sector. The secretary of the board of directors shall have professional knowledge in the financial, taxation, legal, banking and corporate management fields, good character and professional ethics, comply strictly with the related laws, regulations and rules, perform duties with integrity and loyalty, and be capable in managing public affairs; and shall have taken part and passed the relevant professional trainings and examinations for secretary of board of directors organized by the CSRC or other organizations.

Any person who satisfies the following shall not serve as the secretary of the Board:

1. Any conditions which a person is prohibited from serving as a director or senior manager in accordance with the Company Law;

2. Having received administrative penalty from the China Securities Regulatory Committee within the past three years;

3. Having been publicly condemned or criticized in a circular for over three times by the stock exchange in the past three years;

4. Any person banned from market entry by the China Securities Regulatory Committee and still in the period of banning;

5. Unable to ensure sufficient time and commitment on the affairs of the Company during the terms of office in order to perform the duties of the secretary of the board of directors;

6. Other conditions required by the laws, regulations or the articles of association of the Company.

Article 23 The main responsibilities of the secretary of the board of directors include:

1. To ensure the organizations documents and records of the Company is complete;

2. To ensure the Company to prepare and submit all reports and documents to the regulatory authorities as required by the laws;

3. To ensure the proper establishment of the register of the shareholders of the Company, and to ensure timely access to the relevant minutes and documents by the individuals who are entitled to access such information;

4. To organize and arrange the meetings of the board of directors and the general meetings of Shareholders, to prepare documents for the meetings, to arrange affairs of the meetings concerned, to record minutes of the meetings, to ensure the accuracy of the minutes, to maintain the documents and the minutes of such meetings, to actively keep track of the implementation of the resolutions approved at such meetings, and to report and provide recommendations to the board in case of material issues in implementation of the resolutions;

5. To ensure the major matters decided by the board of directors of the Company in strict compliance with the requirements of the relevant regulations, to organize the consultation and analysis of matters and to provide relevant comments and recommendations on matters to be decided by the board if so requested by the board, and to be appointed to handle the daily operation of the board of directors and its relevant committees;

6. To act as the contact person between the Company and the securities regulatory authorities, to organize the preparation and ensure timely delivery of the documents required by the regulatory authorities, and be responsible for taking up and completing any assignments ordered by the regulatory authorities;

7. To coordinate and organize the information disclosure of the Company, to establish a sound system of information disclosure, to participate in all meetings related to information disclosure of the Company, and to notice in a timely manner any major operational decisions made by the Company and the related information;

8. To be responsible for the confidentiality of price sensitive information of the shares and to establish effective systems and measures on confidentiality. In the event that any price sensitive information of the shares is leaked out for various reasons, to take necessary remedial actions, to offer timely explanation and clarification, to notify foreign regulatory authorities where the Company is listed and the securities regulatory authority of the State Council;

9. To organize and coordinate marketing activities, to coordinate the reception of guests, to handle the investor relationship, to communicate with investors, advisory and the media, to coordinate and respond to questions raised by the public, and to ensure the investors receive information disclosed by the Company in a timely manner. To organize and arrange the domestic and foreign marketing and promotional activities of the Company, to prepare summary reports on activities such as marketing and important visits, and to organize the reporting of the relevant matters to the securities regulatory authority of the State Council record;

10. To manage and keep records of information, including the of the register of shareholders, the register of the directors, the number of shares held by major shareholders and the shares held by the directors, and the register of holders of bonds issued externally, and may keep the Company seal and establish a sound management system of the Company seal;

11. To assist the directors and the chief executive to exercise their powers and to perform their duties in compliance with the domestic and foreign laws and regulations, and the articles of association of the Company and other relevant requirements. In the event that the secretary of the board of directors acquires knowledge that the Company is reaching or may reach resolutions in breach of the relevant requirements, he or she has the duty to offer timely warning and has the power to honestly report such information to the securities regulatory authority State Council and other regulatory authority;

12. To coordinate the submission of necessary information required by the Company's Audit and Risk Management Committee and other regulatory committees in order to perform their supervision duties, and to assist in investigation of the integrity of the chief financial officers, directors and chief executive of the Company;

13. To perform any other duties and exercise any other powers authorized by the board of director and other requirements of foreign regulatory authorities where the Company's listed.

Article 24 Directors, vice president, financial controller or other senior management personnel can serve as the secretary of the Board of directors. But the president of the Company shall not serve as Secretary of the Board of directors concurrently.

Article 25 The secretary of the board of directors of shall be nominated by the chairman of the board of directors, and shall be appointed or removed by the board of directors.

In the event that a director serves concurrently as the secretary of the board of directors, and the matter concerned shall be conducted by the director and the secretary of the board of directors separately, such person serving concurrently as director and secretary of the board of directors shall not conduct such matter with double identities.

Article 26 The Company shall employ a new secretary of the board of directors within three months of the end of service of the original secretary of the board of directors. During the period of vacancy, the board of directors shall appoint a director or a senior management officer to perform the duties of the secretary of the board of directors and shall promptly confirm the candidates of the new secretary of the board of directors at the same time. The chairman of the board of directors shall perform the duties of the secretary of the board of directors before the Company appoints the deputy secretary of the board of directors. The chairman of the board of directors shall perform the duties of the secretary of the board of directors after the period of vacancy exceeds three months until the Company employs a new secretary of the board of directors.

While appointing the secretary of the board of directors, the Company shall also appoint a securities affairs representative to assist the secretary of the board of directors in performing the duties. When the secretary of the board of directors is unable to perform his/her duties, the securities affairs representative shall exercise his/her rights and perform his/her duties. During this period, the secretary of the board of directors shall not be exempted from the responsibility of the secretary of the board of directors to the Company.

CHAPTER 5 CONVENING OF MEETING OF THE BOARD

Article 27 The board of directors shall convene at least four meetings of the board every year, and shall convene once every season approximately, and the meeting shall be convened by the chairman of the board of directors.

Article 28 A meeting of the board of directors shall be convened by the chairman of the board of directors within 10 days when:

1. The chairman of the board of directors consider necessary;
2. Proposed by one-third or more of the directors jointly;
3. Proposed by the Audit and Risk Management Committee of the Company;
4. Proposed by the Chief executive of the Company;
5. Proposed by shareholders representing more than 10% of the voting right of the Company;
6. Proposed by more than half of the independent director;
7. Required by the laws, administrative regulations, departmental rules or this articles.

Article 29 Notice calling for a meeting of the board of directors or an extraordinary meeting of the board of directors may be delivered in-person, by way of written notice, email, telephone or facsimile. The notice shall be in Chinese, with English version if necessary, and shall include an agenda of the meeting.

All directors of the Company shall be notified of a meeting of the board of directors fourteen days before the meeting. All directors of the Company shall be notified of an extraordinary meeting of the board three days before the meeting is held. No notices shall be required if the time and venue of a regular meeting of the board of directors is stipulated by the board of directors beforehand.

If a director attending a meeting, and has not disputed the receipt of notice at or before the meeting, it shall be deemed that the notice has been issued to him.

Article 30 The notice convening a meeting of the board of directors shall include the following information:

1. Date and venue of the meeting;

2. Duration of the meeting;

3. Reasons for and agenda of the meeting;

4. The date of issue of such notice.

Article 31 A meeting of the board of directors shall only be held with more than half of the directors (including their representatives) present. Each director shall have one vote. Any resolution shall be approved by a majority of all directors.

Opinions expressed by independent directors shall be recorded in the resolutions of the meeting of the board of directors.

Any director who is related to the entity involved in the resolutions of the meeting of the board of directors or has a material interest in the resolutions shall not exercise his or her voting right on such resolutions, and shall not authorize other directors to exercise his/her voting rights. Such meeting of the board of directors may convene when more than half of the unconnected and disinterested directors are present, and its resolution should be approved by votes from more than half of the unconnected and disinterested directors. Should there be fewer than three unconnected and disinterested directors at the meeting of the board of directors, the item shall be submitted for discussion at the general meeting of shareholders.

Article 32 For matters that need to be approved by the interim board meeting, if the board of directors has sent the proposal to all directors, and number of directors who sign and agree with the proposal has reached the number required to make the decision in accordance with the provisions of Article 31 of these Provisions, it may become a resolution without convening the board of directors meeting.

Article 33 All material matters to be approved by the board of directors shall be notified to all directors in advance in accordance with this Articles, and the directors shall be provided with sufficient information at the same time. The directors may request information be provided. When more than two of independent directors consider the information as incomplete or the reasoning as insufficient, they may jointly propose to postpone the meeting of the board of directors, or to postpone discussion on certain matters, and such proposal shall be accepted by the board of directors and the Company shall disclose relevant information in the timely manner.

Article 34 Directors shall attend the meeting of the board of directors in person. If for any reason the directors are unable to attend with reason, they may authorize other directors in writing to attend on their behalf.

The power of attorney shall clearly state the full name of the representative, the matters they represent the scope of authority, and the effective period of such power of attorney, and shall be signed or sealed by the principal.

The representatives of the directors attending the meeting shall exercise their authorities within the scope so authorised. Any director absent from the meeting of the board of directors who fails to appoint a representative is deemed to have waived their voting rights at such meeting.

The following shall be observed when appointing a proxy and accepting the appointment as proxy in attending the board meeting:

(1) If any connected transaction is to be considered, a non-connected director shall not appoint a connected director to attend the meeting on his behalf, and a connected director shall not accept the appointment by a non-connected director;

(2) An independent director shall not appoint a non-independent director to attend the meeting on his behalf, and a non-independent director shall not accept the appointment by an independent director;

(3) A director shall not give any other director carte blanche to attend the meeting and vote on his behalf without giving his/her own views and voting instruction, and the relevant director shall not accept the carte blanche or any unspecified appointment;

(4) A director shall not accept appointments from more than two directors, and a director shall not appoint any other director who has been appointed by two other directors to attend the meeting and vote on their behalf.

CHAPTER 6 RESOLUTION OF THE BOARD OF DIRECTORS

Article 35 Voting of the board of directors shall be conducted by a show of hands, name-recording ballots or ballots by correspondence.

Ballots by correspondence (video telephone, conference call, fax, mail, etc.) shall be accepted for voting and reaching resolutions at the extraordinary meeting of the board of directors, under the condition that the directors have fully expressed their opinions and have acquired detailed understanding of the matters and issues of the meeting and the information concerned. The resolution reached shall be signed by the directors present at the meeting.

Article 36 Minutes shall be kept for all meeting of the board of directors. Directors present at the meeting, secretary of the board of directors and the minute-taker shall sign on the minutes. Directors present at meeting have the right to request their speech at the meeting to be recorded as a statement. Minutes of the meetings of the board of directors shall be kept as company documents for no less than ten years.

Article 37 The minutes of the meeting of the board shall include the following:

1. Date, venue and convener of the meeting;

2. Names of directors and representatives authorized by the directors (representative) present at the meeting;

3. Agenda of the meeting;

4. Summary of key points made by the directors at the meeting;

5. The voting methods and the voting results on each matter (the voting result shall clearly state the number of votes for, against and abstain).

Article 38 Directors shall sign on the resolutions approved at the meeting of the board of directors and shall bear the responsibility for the resolutions. Should any resolution approved at the meetings of the board of directors be in breach of the laws, regulations, the articles of association of the Company or resolutions approved at the general meeting of Shareholders, and thus causes the Company to suffer losses, the directors who attended the meeting and approved the abovementioned resolution shall be liable to compensate for the loss of the Company. The directors may provide proof that they have expressed their disputes to the abovementioned resolution and if such views are recorded in the minutes, they may be exempted from the liability for the above compensation.

Article 39 The secretary of the board of directors shall promptly submit the resolutions of the meeting of the board of directors and the announcement regarding the resolutions to the stock exchange in accordance with the "Shenzhen Stock Exchange Listing Rules".

Article 40 The files of the meetings of the board of directors, including the notice and materials of the meeting, power of attorney for directors' present at the meeting, ballots, minutes of the meetings signed by the directors present at the meeting, resolutions, shall be kept by the secretary of the board of directors.

The files of the meetings of the board shall be maintained for at least 10 years.

CHAPTER 7 SUPPLEMENTARY PROVISIONS

Article 41 The Rule shall become effective from the date of approval at the shareholders' meeting. The rules of procedure of the effective date of approval by the Shareholders' Meeting Amendments to this rules shall be proposed by the board of directors and submitted for consideration and approval at general meeting of shareholders.

Article 42 This rules shall form part of the appendix of the articles of association of the Company and shall be interpreted by the board of directors.

(This document is originally prepared in Chinese. In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.)

** For identification purpose only*