

Order of China Securities Regulatory Commission

(No. 57)

The Decisions on Amending Some Provisions on Cash Dividends by Listed Companies, which have been deliberated and adopted at the 240th chairman's executive meeting of China Securities Regulatory Commission on October 7, 2008, are hereby promulgated and shall come into force on October 9, 2008.

Chairman of China Securities Regulatory Commission, Shang Fulin

October 9, 2008

Decisions on Amending Some Provisions on Cash Dividends by Listed Companies

The cash dividends by listed companies is an important form for the investors to achieve investment returns, and it plays a very important role in fostering the philosophy of long-term investment in capital market and in enhancing the attraction and vitality of the capital market. For the purpose of directing and regulating the cash dividends by listed companies, we hereby make the decisions on the relevant matters as follows:

I. A paragraph that "Note: The company shall prescribe the policy on cash dividends in the articles of association, and the profit distribution policy shall maintain the continuity and stability. " shall be added to Article 155 of the Guidelines on the Articles of Association of Listed Companies (Revised in 2006) as the second paragraph.

II. The provision that "A listed company may conduct the interim cash dividend." shall be added to Article 4 (1) of the Some Provisions on Strengthening the Protection of the Rights and Interests of the General Public Shareholders.

III. Article 8 (5) of the Administrative Measures for the Issuance of Securities by Listed Companies that “The profits which it has accumulatively distributed in cash or in stocks in the recent 3 years shall not be less than 20% of the average annual distributable profits realized in the recent 3 years” shall be amended as “The profits which it has accumulatively distributed in cash in the recent 3 years shall not be less than 30% of the average annual distributable profits realized in the recent 3 years” .

IV. Article 37 of the Standards Concerning the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No.2--Contents and Formats of Annual Reports (Revised in 2005) shall be amended as “A listed company shall disclose the advance plan for the current profit distribution or for the increase of share capital converted from the capital accumulation funds. The company that has made profits in the current reporting period but does not present an advance plan for cash profit distribution shall explicitly explain the reasons for failing to distribute dividends, and the purpose for the capitals kept in the company that are not used for dividends. The company shall disclose the situation of implementation of the cash dividends policy in the current reporting period. It shall also explicitly disclose the amount and the ratio of the cash dividends to the net profits in the first three years by giving a list. ”

V. Article 37 (1) of the Standards Concerning the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No.3--Contents and Formats of Semi-annual Reports (Revised in 2007) shall be amended as “The company shall disclose the situation of implementation of plans for profits distribution, share capital converted from the accumulation funds, or issuance of new shares, which are worked out before and implemented in the reporting period. Simultaneously, it shall disclose the implementation of the cash dividends policy and explain whether the board of directors has formulated the advance plan for cash dividends. ”

VI. An article that “The company shall explain the situation of implementation of the cash dividends policy in the current reporting period.” shall be added after Article 13 of Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No.13--Specific Provisions on Contents and Formats of Quarterly Reports (Revised in 2007) as Article 14.

VII. The CSRC representative offices, Shanghai Stock Exchange, Shenzhen Stock Exchange, and China Securities Depository & Clearing Corporation Limited shall urge listed companies to amend articles of associations and perform the obligations of information disclosure according to these Decisions, and shall do a good job in the supervision and service.

VIII. These Decisions shall come into force on October 9, 2008. The Notice on Some Issues about Regulating the Conduct of Listed Companies (No.7 [1996] of China Securities Regulatory Commission) shall be abolished at the same time.