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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Beijing Capital Land Ltd., you should at once hand this circular, together with the enclosed form of proxy and reply slip, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**首創置業股份有限公司**  
**BEIJING CAPITAL LAND LTD.**

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2868)**

**(1) PROPOSED ISSUE OF DOMESTIC CORPORATE BONDS IN THE PRC**  
**(2) PROPOSED ADOPTION OF THE CORPORATE GOVERNANCE RULES**  
**AND**  
**(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

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Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A letter from the Board is set out on pages 3 to 8 of this circular.

A notice convening the EGM to be held on Tuesday, 8 January 2019 at 9:00 a.m. at F17, Red Goldage, No. 2, Guang Ning Bo Street, Beijing, the PRC, together with the reply slip and form of proxy are enclosed herein.

If you intend to attend the EGM, please complete and return the enclosed reply slip and form of proxy in accordance with the instruction printed thereon as soon as possible, and, in case of the reply slip, in any event no later than Monday, 31 December 2018, and, in case of the form of proxy, no less than 24 hours before the time appointed for the meeting or any adjourned meeting thereof.

Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting thereof and, in such event, the relevant form of proxy shall be deemed to be revoked.

19 December 2018

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Articles of Association”	the articles of association of the Company (as amended from time to time)
“A Share Offering”	the Company’s proposed initial public offering of not more than 370,000,000 A Shares in the PRC
“Board”	the board of Directors of the Company
“Bond Issue”	the proposed issue of Domestic Corporate Bonds by the Company
“Company”	Beijing Capital Land Ltd. (首創置業股份有限公司), a joint stock company incorporated in the PRC with limited liability and whose H Shares are listed on the main board of the Stock Exchange (stock code: 2868)
“CSRC”	China Securities Regulatory Commission
“Domestic Corporate Bonds”	the corporate bonds with an aggregate principal amount of not more than RMB10 billion as proposed under a non-public issuance by the Company
“Director(s)”	the director(s) of the Company
“EGM”	the Extraordinary General Meeting of the Company to be held at F17, Red Goldage, No. 2, Guang Ning Bo Street, Beijing, PRC to consider and approve, inter alia, the proposed issue of Domestic Corporate Bonds and the authorization thereof and the proposed adoption of the corporate governance rules
“EGM Notice”	the notice of the EGM
“H Share(s)”	the ordinary shares of RMB1.00 each of the Company, which are issued outside the PRC, listed on the Stock Exchange, and traded in Hong Kong dollars
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“PRC”	the People’s Republic of China excluding, for the purposes of this circular, Hong Kong, the Macau Special Administrative Region and Taiwan

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## DEFINITIONS

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“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“SSE”	The Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## LETTER FROM THE BOARD

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# 首創置業股份有限公司 BEIJING CAPITAL LAND LTD.

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2868)

*Non-executive Director:*

Li Songping (*Chairman*)

*Executive Directors:*

Zhong Beichen (*President*)

Li Xiaobin

Hu Weimin

Fan Shubin

*Non-executive Director:*

Su Jian

*Independent non-executive Directors:*

Li Wang

Wong Yik Chung, John

Liu Xin

*Legal address:*

Room 3071, 3/F Office,  
Block 4

No. 13 Kaifang East Road  
Huairou District  
Beijing, the PRC

*Place of business in the PRC:*

F17, Red Goldage  
No. 2, Guang Ning Bo Street  
Beijing  
PRC

*Place of business in Hong Kong:*

Suites 4602-05  
One Exchange Square  
Central, Hong Kong

19 December 2018

*To the Shareholders*

Dear Sir or Madam,

**(1) PROPOSED ISSUE OF DOMESTIC CORPORATE BONDS IN THE PRC**  
**(2) PROPOSED ADOPTION OF THE CORPORATE GOVERNANCE RULES**  
**AND**  
**(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

### **I. INTRODUCTION**

On 19 December 2018, the Board resolved to submit the following issues to the Shareholders for consideration and approval at the EGM, inter alia, (1) the proposed issue of Domestic Corporate Bonds with an aggregate principal amount of not more than RMB10 billion in one or more tranches, of which all the proceeds were intended to be applied to the settlement of the principal and interest of corporate debts; and (2) the proposed adoption of the corporate governance rules. The purpose of this circular is to provide you with information on the proposed issue of Domestic Corporate Bonds and the adoption of the corporate governance rules.

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## LETTER FROM THE BOARD

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### II. PROPOSED ISSUE OF DOMESTIC CORPORATE BONDS IN THE PRC

#### 1. Background

The Board resolved to submit to the Shareholders for consideration and approval the proposed issue of Domestic Corporate Bonds with an aggregate principal amount of not more than RMB10 billion in one or more tranches at the EGM. The Company intends to utilize all the proceeds from the issuance of Domestic Corporate Bonds for the settlement of the principal and interest of corporate debts.

According to the Company Law of the PRC and the Articles of Association, the Bond Issue is subject to the approval of the general meeting. The timetable for the Bond Issue depends on the conditions of the PRC bond market and the capital needs of the Company.

#### 2. Proposed issue of Domestic Corporate Bonds

The proposed arrangements for the Bond Issue are as follows (such arrangements are subject to the conditions of the PRC bond market):

- |     |                     |   |
|-----|---------------------|---|
| (1) | Issuer:             | Beijing Capital Land Ltd.   |
| (2) | The Place of Issue: | The People's Republic of China  |
| (3) | Size of Bond Issue: | Not more than RMB10 billion and shall be issued in one or more tranches   |
| (4) | Arrangement:        | Non-public issuance to qualified investors  |
| (5) | Nominal Value:      | The nominal value shall be RMB100   |
| (6) | Target Subscribers: | The Company intends to issue the Domestic Corporate Bonds to up to 200 Qualified Investors as stipulated in the Administrative Measures for the Issuance and Trading of Corporate Bonds, who have the competence to identify and bear respective risks  |
| (7) | Maturity:           | Not more than seven years (inclusive), which can either be in a single category or various categories   |
| (8) | Use of Proceeds:    | The proceeds are intended to be used for the settlement of the principal and interest of the corporate debts. Subject to the granting of authorization to any one of the executive Directors by the general meeting, the specific use of proceeds shall be determined by such executive Director in accordance with the capital needs of the Company within the scope approved at the general meeting |

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## LETTER FROM THE BOARD

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|------|--------------------------------------|---|
| (9)  | Surplus cash management:             | Without prejudice to the normal progress of the use of proceeds as planned, the Company may apply the temporarily idle proceeds to cash management and invest in products with a high level of safety and liquidity, such as treasury bonds, policy bank loans, local government bonds, reverse repurchase of exchange bonds etc.. Subject to the granting of authorization to any one of the executive Directors by the general meeting, the specific plan for surplus cash management shall be determined by such executive Director in accordance with the capital needs of the Company within the scope approved at the general meeting |
| (10) | Trading Venue:                       | SSE   |
| (11) | Term of Validity of the Resolutions: | The term of validity will expire 36 months after the date of passing the resolutions at the EGM   |

### **3. Granting of authorization to any one of the executive Directors to deal with matters relating to the Bond Issue**

To ensure the smooth issue of the proposed Domestic Corporate Bonds, it is proposed that any one of the executive Directors be granted the general and unconditional mandate by the Shareholders at the EGM to handle all matters relating to the Bond Issue, which include but not limited to the following:

- (a) to formulate a specific plan for this issue of Domestic Corporate Bonds according to actual market conditions, including but not limited to the timing of issuance, whether to issue in tranches, types of bonds, aggregate amount of each tranche, methods of issuance, maturity, use of proceeds, surplus cash management, coupon rates and pricing methods, relevant guarantee arrangements, rating arrangements, arrangements for the repayment of principal and the payment of interests, repayment security matters, listing, bidding and transfer venue, etc.;
- (b) to decide and appoint relevant intermediaries and entrusted manager for this Bond Issue;
- (c) to deal with any relevant matters relating to this listing, bidding and transfer of the bonds;
- (d) to take any and all necessary, beneficial or appropriate actions in relation to this issue, bidding and transfer of Domestic Corporate Bonds, including but not limited to approving and executing all necessary contracts, agreements and documents, and disclosing relevant information pursuant to applicable regulatory requirements, and to approve, confirm and ratify such actions and steps as undertaken by the authorized Director in relation to the Bond Issue;

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## LETTER FROM THE BOARD

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- (e) to determine whether to proceed this issuance of the Domestic Corporate Bonds according to the new policies and recommendations made by regulatory authorities or new market conditions, and make relevant adjustments to matters relating to the specific arrangement of this issue of the Domestic Corporate Bonds in the event that there are changes in the policies relating to the issuance of Domestic Corporate Bonds by the regulatory authorities or changes in prevailing market conditions, save as matters that require re-approval at the general meeting pursuant to the requirements of relevant laws, regulations and the Articles of Association;
- (f) to handle matters relating to the repayment of principal and interests of Domestic Corporate Bonds;
- (g) to deal with relevant information disclosure and approval in accordance with the requirements of the Listing Rules; and
- (h) to decide and handle all other matters relating to the Bond Issue.

The authority granted to any one of the executive Directors to deal with the above matters relating to the issuance of Domestic Corporate Bonds shall take effect from the date of obtaining approval at the general meeting until the date when all the authorized matters in relation to the Domestic Corporate Bonds have been completed.

#### **4. Measures to be implemented by the Company to settle the Domestic Corporate Bonds**

In the event of expected inability to repay the principal or interests of the Domestic Corporate Bonds as scheduled or the Company is unable to repay the principal or interests of the Domestic Corporate Bonds as they become due, the Company will implement, as a minimum, the following measures:

- (a) no dividends shall be distributed to the Shareholders;
- (b) suspend capital expenditure, such as major external investments, acquisitions and mergers;
- (c) reduce or suspend the payment of salary and bonus to the Directors and senior management; and
- (d) no key officers shall be allowed to resign from office.

#### **5. Reasons of the proposed issue of the Domestic Corporate Bonds and benefits for the Shareholders**

The Board is of the view that the issuance of the Domestic Corporate Bonds will facilitate the Company to maintain smooth channels of debt financing and optimise the financing structure for lower financing costs, thereby enhancing the market competitiveness of the Company. As a result, the relevant terms of the issuance of the Domestic Corporate Bonds are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### III. PROPOSED ADOPTION OF THE CORPORATE GOVERNANCE RULES

Reference is made to the announcement dated 17 September 2018. The Company has submitted the application to withdraw its application for the proposed A Share Offering from CSRC and the proposed A Share Offering will not proceed at this time. The Articles of Association as amended by way of a special resolution at the general meeting on 29 May 2018 shall remain effective. Thus, in order to maintain compliance with the current Articles of Association and the actual situation in terms of corporate governance, the Board approved the proposed adoption of the new corporate governance rules of the Company.

1. Proposed Rules of Procedure of the General Meeting of Shareholders;
2. Proposed Rules of Procedure of Meetings of Directors;
3. Proposed Rules of Procedure of Meetings of Supervisors;
4. Proposed Measures for Administration of Related Party Transactions;
5. Proposed Measures for Administration of the Provision of External Guarantees; and
6. Proposed Measures for Administration of External Investment.

### IV. EXTRAORDINARY GENERAL MEETING

Set out on pages EGM-1 to EGM-5 of this circular is a notice of the EGM to be held on Tuesday, 8 January 2019 at 9:00 a.m. at F17, Red Goldage, No.2, Guang Ning Bo Street, Beijing, PRC for the purpose of approving the proposed issue of Domestic Corporate Bonds by special resolutions and the proposed adoption of the corporate governance rules of the Company by ordinary resolutions.

The Articles of Association provide that the Shareholders who intend to attend any general meeting of the Company shall lodge a written reply to the Company seven days before the date of the meeting (the "Reply Date"). In case the written replies received from the Shareholders indicating their intention to attend the EGM represent holders of less than one half of the total number of Shares with voting rights, the Company shall within five days after the Reply Date inform the Shareholders in the form of a public announcement the matters to be considered at the EGM, and the date and place of the meeting. The relevant general meeting may be held after such announcement has been published.

A form of proxy for use at the EGM is enclosed. Whether or not you intend to attend the EGM in person, please complete the form of proxy and return it to the Company's place of business in the PRC (for holders of Domestic Shares and non-H foreign shares) or the Company's place of business in Hong Kong or the office of the Company's H Share registrar (for holders of H Shares) as soon as possible, and in any event no later than 24 hours before the time appointed for the meeting.

In view of the above requirements in respect of the EGM convened by the notice of the EGM, you are urged to complete and return the form of proxy and the reply slip enclosed, whether or not you intend to attend the EGM. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof should you desire and in such event, the relevant form of proxy shall be deemed to be revoked.

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## LETTER FROM THE BOARD

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Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by a poll. Therefore, all resolutions proposed at the EGM will be voted by a poll.

No Shareholder is required to abstain from voting for the resolutions proposed at the EGM as no Shareholder is interested in the proposed issue of Domestic Corporate Bonds and the amendments to the corporate governance rules.

### **V. RECOMMENDATIONS**

The Board believes that the proposed issue of Domestic Corporate Bonds and the adoption of the corporate governance rules are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole. Therefore, the Board recommends that all Shareholders vote in favour of the relevant resolutions as set out in the EGM Notice.

Yours faithfully,  
By order of the Board  
**Li Songping**  
*Chairman*

**BEIJING CAPITAL LAND LTD.  
RULES OF PROCEDURE OF THE GENERAL MEETING OF SHAREHOLDERS****Chapter I General Provisions**

**Article 1** These rules of procedure (hereinafter referred to as these “Rules”) are hereby formulated to improve the corporate governance structure of Beijing Capital Land Ltd. (hereinafter referred to as the “Company”), identify the roles and authorities of the Company’s General Meeting of Shareholders (hereinafter referred to as the “General Meeting”) and ensure that the proceedings and resolutions of the General Meeting are legal and valid, in accordance with the Company Laws of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Provisional Regulations on Certain Issues in the Establishment of Foreign-Funded Joint Stock Companies Limited (hereinafter referred to as the “Provisional Regulations”), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the “Special Regulations”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong (hereinafter referred to as the “Listing Rules”) and applicable national laws and regulations, while taking into consideration the Articles of Association of Beijing Capital Land Ltd. (hereinafter referred to as the “Articles of Association”).

**Article 2** These Rules constitute a basic code of conduct for the General Meeting.

**Chapter II Nature and Authority of the General Meeting**

**Article 3** The General Meeting, consisting of Shareholders of the Company, serves as the top authority of the Company and also the primary means by which the Shareholders exercise their rights under laws.

**Article 4** The General Meeting has the following authorities under laws:

- (I) To determine the Company’s operational guidelines and investment plans;
- (II) To elect or replace Directors and to make decisions on matters related to remuneration of relevant Directors;
- (III) To elect or replace Supervisors who are representatives of Shareholders and to make decisions on matters related to the remuneration of relevant Supervisors;
- (IV) To consider and approve reports submitted by the Board;
- (V) To consider and approve reports submitted by the Supervisory Committee;
- (VI) To consider and approve annual financial budget plans and final accounts plans of the Company;
- (VII) To consider and approve the Company’s profit distribution plans and plans for loss recovery;

- (VIII) To resolve on the increase/decrease of the Company's registered capital;
- (IX) To resolve on the issuance of bonds of the Company;
- (X) To resolve on the merger, demerger, dissolution or liquidation of the Company;
- (XI) To amend the Articles of Association;
- (XII) To resolve on the appointment/dismissal/non-renewal of an accounting firm by the Company;
- (XIII) To consider the motion put forward by a Shareholder or Shareholders representing 3 per cent. or more of the shares of the Company carrying voting rights;
- (XIV) To consider connected transactions, major transactions and external guarantees that are subject to consideration of the General Meeting as required by laws, regulations, normative documents of securities regulatory authorities and stock exchange and the Articles of Association and other corporate governance rules.

### **Chapter III Conditions for Holding a General Meeting**

**Article 5** General Meetings can be divided into Annual General Meetings ("AGM") and Extraordinary General Meetings ("EGM"); or Shareholders' general meeting and class meeting.

An AGM shall take place every year within six months after the end of the last financial year, while an EGM may be convened from time to time.

Shareholders holding different types of equity interests are class Shareholders. In addition to holders of other classes of shares, holders of domestic shares and H Shares are deemed to be different classes of Shareholders. Class meetings shall be held in accordance with the relevant requirements under the Articles of Association.

**Article 6** An EGM shall be held by the Board within two months after the following:

- (I) Number of the Directors falls below the minimum required by the Company Law or otherwise falls below two-thirds of the number of Directors specified by the Articles of Association;
- (II) Losses not made up by the Company reach one-third of the total share capital;
- (III) A Shareholder or Shareholders representing more than 10 per cent. of the voting rights of the Company (excluding voting proxy) makes a written request for holding an EGM;
- (IV) It is deemed necessary by the Board;
- (V) The Supervisory Committee proposes holding an EGM;
- (VI) Under other circumstances set forth in the Articles of Association.

The number of shares in relation to item (III) above shall be calculated as of the date when such Shareholders make the request in writing.

**Article 7** Where the number of Directors is less than the quorum required by the Company Law or two-thirds of the number provided by the Articles of Association, or the losses of the Company which have not been made up amount to one-third of the total share capital, the Supervisory Committee or Shareholders may convene an EGM on its or their own in accordance with the procedures specified under the Articles of Association or these Rules in case the Board fails to convene an EGM within the given period.

**Article 8** The Supervisory Committee shall have the right to make a written request with the Board for holding an EGM. Within ten days after receipt of such request, the Board shall reply in writing indicating its approval/disapproval of holding the EGM according to the laws, administrative regulations and the Articles of Association.

In case the Board approves the holding of the EGM, a notice of the General Meeting shall be issued within five days after the relevant resolution is passed by the Board. Any amendments to the original proposal shall be subject to the consent of the Supervisory Committee.

In case the Board disapproves the holding of the EGM, or where a written response is absent within ten days from the receipt of request, it shall be deemed that the Board is unable to or fails to perform its obligations to convene a General Meeting, in which case, the Supervisory Committee may convene and preside at the General Meeting by itself.

**Article 9** Any reasonable expenses for convening and holding the meeting incurred by the Supervisory Committee shall be borne by the Company.

**Article 10** The procedures for convening an EGM at the request of the Shareholders shall be as follows:

- (I) two or more Shareholders holding an aggregate of 10 per cent. or more of shares carrying voting rights at such meetings to be convened can sign one or several written requests in the same format and content requesting the Board to convene an EGM, which specify the matters to be discussed at the meeting. Upon receipt of the said written requests, the Board shall convene a General Meeting as soon as possible. The aforesaid number of shares held shall be calculated as of the date when such Shareholders make the request in writing.
- (II) Where the Board fails to give the notice to convene the meeting within 30 days upon the receipt of the said written requests, the Shareholders making such requests may convene a meeting within four months upon the receipt of the said requests by the Board. Such meeting shall be convened in the same manner, as nearly as possible, as the meetings convened by the Board.

Any reasonable expenses for convening and holding the meeting incurred by the Shareholders by reason of the failure of the Board to duly convene a meeting at the aforesaid requests shall be borne by the Company, and shall be deducted from the amount owed to the defaulting Directors by the Company.

**Article 11** Where Shareholders individually or together holding more than 10 per cent. of the total number of shares of the Company carrying voting rights (hereinafter referred to as the “Proposing Shareholders”) or the Supervisory Committee propose the Board to convene the EGM, an agenda and the complete details of the resolutions shall be submitted in writing to the Board. The Proposing Shareholders or the Supervisory Committee shall ensure that the proposed resolutions are in compliance with the laws, regulations and the Article of Association.

#### **Chapter IV Notice of General Meeting**

**Article 12** The Company shall issue a written notice 20 days prior to the date of the AGM and 15 days prior to the date of the EGM. In the written notice, the Company shall inform all Shareholders whose names appear on the register of members the proposed matters for consideration at the meeting and the date and venue of the meeting. Shareholders who intend to attend shall send their written replies to the Company 7 days prior to the date of the meeting. The notice of a General Meeting shall be sent to Shareholders (regardless of whether such Shareholders are entitled to vote at the General Meeting) by hand or by pre-paid post. The service address shall be the address on the register of Shareholders. As for domestic Shareholders, the notice of a General Meeting may be given in the form of announcement.

The aforesaid announcement shall be published 20 days to 25 days prior to the date of the AGM and 15 days to 20 days prior to the date of the EGM in a newspaper or several newspapers prescribed by the securities authorities of the State Council. Once published, all domestic Shareholders shall be deemed to have received the relevant notice of the General Meeting.

**Article 13** A notice of General Meeting shall be issued as follows:

- (I) Specifying the date, place and time of the meeting;
- (II) Stating the matters to be considered at the meeting;
- (III) Providing the Shareholders with materials or explanations necessary for them to make a proper decision on the matters to be discussed, including (but not limited to) providing specific conditions and contracts, if any, for any consolidation, share repurchase, share capital reorganization or other restructuring transactions proposed by the Company and giving satisfied explanations for the reasons and consequences thereof;
- (IV) Disclosing the significant interests, if any, of any Directors, Supervisors, general manager, deputy general manager or other senior management in the matters to be discussed, as well as the nature and extent of such interests. Where the matters to be discussed shall have an impact on such Directors, Supervisors, general manager, deputy general manager or other senior management as a Shareholder that is different from the impact on other Shareholders of the same class, such difference shall be stated;
- (V) Containing the full text of any special resolutions proposed to be passed at the meeting;
- (VI) Stating explicitly that Shareholders who are entitled to attend and vote at the General Meeting may appoint one or more proxies to attend and vote at the meeting on his/her behalf, and such proxies need not be a Shareholder;

- (VII) Stating the time and place of delivery of the instrument appointing a proxy to vote at the meeting, the time for registration of the meeting, the name, phone number, fax number and email address of the permanent contact persons for meeting affairs. The notice shall state clearly that the “the Shareholders attending the General Meeting shall be responsible for their accommodation and travel expenses”.

**Article 14** The Board shall state the matters to be discussed at the meeting in the notice of General Meeting. Where there are necessary changes in issues resolved at the previous General Meeting, full details of the motion, rather than only the alteration, shall be stated. Any matters not specified in the notice shall not be resolved at a General Meeting.

**Article 15** Once the notice convening the General Meeting is published, the convener may not postpone or cancel the meeting. In case of necessary postponement or cancellation of the General Meeting due to force majeure, unexpected events or otherwise, a notice shall be published two business days before the original scheduled date of the General Meeting. In case of postponement, the notice shall also specify the reason for such postponement and the date to which the meeting is postponed. Nonetheless, the date of record shall not be changed.

**Article 16** After the notice of the meeting is given, the convener shall not put forward any new motion on any issues not set forth in such notice.

**Article 17** The Company calculates the number of shares carrying voting rights represented by Shareholders who intend to attend the meeting, based on the written reply received seven days prior to the meeting. It may convene the General Meeting if the number of shares carrying voting rights represented by the Shareholders who intend to attend is more than one-half of the total number of shares carrying voting rights, failing which, the Company shall, within 5 days, publish an announcement to inform the Shareholders again the matters proposed for consideration at the meeting and the date and venue of the meeting. General meetings may be convened after such notice has been published.

**Article 18** The inadvertent omission to deliver a notice of a meeting to or the non-receipt of notice of a meeting by any person who is entitled to receive such notice shall not invalidate the meeting and the resolutions passed at such meeting.

#### **Chapter V Agenda and Proposals of the General Meeting**

**Article 19** Issues set forth in Article 4 to these Terms are covered by the terms of reference of the General Meeting.

**Article 20** Ordinary Shareholders individually or together holding more than 3 per cent. of the shares of the Company may put forward and submit to the convener in writing a provisional proposal ten days before the General Meeting is held. The convener shall issue a supplemental notice of the General Meeting within two days after the receipt of such proposal and announce the content of such proposal.

Except as stated above, the convener shall not modify any existing proposals contained in the notice of General Meeting or add any new proposals after the notice is given.

The General Meeting shall not vote on or resolve any proposals that are not specified in the notice of General Meeting or otherwise not in compliance with Article 19 of these Rules.

**Article 21** A proposal for consideration at the General Meeting shall meet the following requirements:

- (I) Its content shall not contravene any laws, regulations or the Articles of Association, and shall fall within the business scope of the Company and the terms of reference of the General Meeting;
- (II) There is a definite topic(s) and specific matter(s) for resolution; and
- (III) It is submitted or delivered to the Board in writing.

**Article 22** The Board shall act in line with the best interests of the Company and the Shareholders to examine the proposals for consideration at the General Meeting in accordance with applicable regulations and the Articles of Association.

**Article 23** Where a Shareholder disagrees with the decision of the Board to not include his/her proposal in the agenda of the General Meeting, the Shareholder may convene an EGM subject to the conditions and procedures under the Company Law and the Articles of Association.

**Article 24** Where the proposal involves investment, property disposal and M&A, it shall fully explain the relevant details, including the amount, price (or pricing method), the book value of the asset, the effect on the Company, the approval status and whether it is a connected transaction. If asset evaluation, audit or report from an independent financial advisor is required according to the relevant regulations, the Board shall disclose the result of asset evaluation, audit or the report from the independent financial advisor at least 5 working days prior to the General Meeting.

**Article 25** Matters that are required to be reported to the CSRC for approval, including share issue and right issue, shall be put forward as a special proposal.

**Article 26** Following the consideration and approval of the annual report, the Board shall resolve on the profit distribution plan, which shall form a proposal at the AGM.

**Article 27** A proposal shall be made by the Board for the appointment of the accounting firm. A proposal for dismissal or non-renewal of an accounting firm may be made by the Board subject to a prior notice to such accounting firm and reasons shall be given at the General Meeting. The accounting firm is entitled to express its opinions at the General Meeting.

During the recess period, should the accounting firm be removed by the Board with justified reason, another accounting firm can be appointed on a temporary basis, provided that such appointment shall be ratified at the next General Meeting.

In case of resignation of the accounting firm, the Board shall explain the reasons at the following General Meeting. The resigned accounting firm is obligated to explain at the General Meeting as to whether there is any improper act by the Company, either in writing or by appointing a representative to attend the General Meeting.

**Article 28** The Company shall disclose detailed profiles of the candidates for Directors prior to the General Meeting to ensure that Shareholders have an adequate understanding of such candidates when they cast their votes.

**Article 29** The list of candidates for Directors and Supervisors who are representatives of Shareholders shall be proposed to the General Meeting for resolution in the form of a proposal. Employee Supervisors are democratically elected by employees.

**Article 30** The Board and Shareholders individually or together holding more than 3 per cent. of the total number of outstanding shares of the Company carrying voting rights may propose candidates for Directors (other than independent Directors). The number of candidates specified in each proposal shall not exceed the number of Directors as set out in the Articles of Association. The Supervisory Committee and Shareholders individually or together holding more than 3 per cent. of the total number of outstanding shares of the Company carrying voting rights may propose candidates for Supervisors. The number of candidates specified in each proposal shall not exceed the number of Supervisors who are representatives of Shareholders as set out in the Articles of Association.

#### **Chapter VI Qualifications of Shareholders at the General Meeting**

**Article 31** Where the Company convenes a General Meeting, the Board shall designate a record date, and Shareholders whose names appear on the register at the end of the record date shall be entitled to attend the General Meeting.

**Article 32** A Shareholder may attend the General Meeting in person or appoint a proxy to attend and vote at the General Meeting on his/her behalf. Such proxy shall not further appoint any third party to attend and vote at the meeting on his/her behalf. The Shareholder appointing a proxy shall make such appointment in writing. In case the proxy is a legal person, the proxy letter shall bear the seal of such legal person or the signature of its duly authorized agent.

**Article 33** A Shareholder attending the General Meeting shall produce:

- (I) in case the Shareholder is a legal person, its legal representative attending the meeting shall produce his/her identification document, the proof of his/her identity as the legal representative and the proof of shareholding;
- (II) in case the Shareholder is a legal person, its proxy attending the meeting who is not the legal representative shall produce his/her identification document, the written authorization executed under its common seal or under the hand of the legal representative and the proof of shareholding;
- (III) in case an individual Shareholder attends the meeting in person, he/she shall produce his/her identification document and the proof of shareholding;

- (IV) in case an individual Shareholder attends the meeting by proxy, the proxy shall produce the copy of the identification document of the appointer, the proof of shareholding, the instrument for appointment signed by the appointer and the identification document of the proxy.

Overseas Shareholders can make registration by mail or fax, and the registration shall include information from the above documents.

**Article 34** The proxy letter issued by a Shareholder appointing a proxy to attend a General Meeting shall specify:

- (I) Name of the proxy;
- (II) Whether the proxy has voting rights;
- (III) Instructions on how to vote (vote for, vote against or abstain from voting) in respect of each issue to be discussed as set out on the agenda of the General Meeting;
- (IV) Whether the proxy has voting rights with regard to any provisional proposals that may be incorporated into the agenda of the General Meeting and (if the proxy has such rights) instructions on how to exercise such voting rights;
- (V) Date and validity of such proxy letter; and
- (VI) Signature (or seal) of the appointer, where the appointer is a legal person, the corporate seal shall be affixed.

It shall be clearly stated in the proxy letter that whether the proxy may vote at his/her own discretion where no specific instructions are given by the Shareholder.

**Article 35** The proxy letter shall be deposited at the Company's domicile or such other places as designated by the notice of General Meeting, not less than 24 hours before the time for holding the meeting at which the proxy is authorized to vote under the proxy letter, or 24 hours prior to the designated voting time. In case the proxy letter is signed by an authorized agent of the appointer, the power of attorney authorizing such signature or other authorization documents shall be notarized. The power of attorney or other authorization documents so notarized shall be deposited at the Company's domicile or such other places as designated by the notice of General Meeting, together with the proxy letter appointing a proxy to vote.

Where the appointer is a legal person, its legal representative or a person authorized by resolution of its board of directors or other decision-making bodies should attend the General Meetings on behalf of such appointer.

In the event that a Shareholder is a recognized clearing house as defined by applicable regulations formulated from time to time according to the Hong Kong laws (hereinafter “recognized clearing house”), or an agent thereof, the Shareholder may appoint one or more persons as it deems appropriate to attend, on its behalf, any General Meetings or any class meetings. Provided that, if more than one person is appointed, the number and class of shares represented by each person so appointed shall be stated in the proxy letter. A person so appointed may exercise rights on behalf of the recognized clearing house (or its agent) as if such person is an individual Shareholder of the Company.

**Article 36** A person present at the meeting shall be disqualified from attending the meeting in any of the following cases in relation to the certificates he/she produces:

- (I) The ID card produced by the appointer or the proxy attending the meeting is fake, expired or altered, or the ID card number is inaccurate in terms of the number of digits or otherwise inconsistent with the Regulations of the Resident Identity Cards and its implementation rules;
- (II) The identity card and materials produced by the appointer or the proxy attending the meeting are illegible;
- (III) The proxy letters produced by two or more proxies appointed by the same Shareholder contain significantly different signatures;
- (IV) Signature on the faxed copy of the proxy letter is significantly different from that on the proxy letter actually produced at the meeting;
- (V) The proxy letter bears no signature or seal of the appointer; or
- (VI) The certificates produced by the appointer or the proxy attending the meeting are otherwise in clear violation of laws, regulations and Article 8.11 to 8.15 to the Articles of Association.

**Article 37** An appointer or its proxy shall be responsible for any legal consequences arising out of disqualification of such appointer or its proxy from attending the meeting caused by any ambiguity in the appointer’s authorization or that the certificates produced by the proxy certifying the eligibility of the appointer or the principal-agent relation or other certificates are not in compliance with laws, regulations or the Articles of Association.

#### **Chapter VII Meeting Registration and Attendance**

**Article 38** Shareholders who intend to attend the General Meeting shall register for the meeting at such time and place as specified in the notice. Overseas Shareholders may register for the meeting via letter, fax and email.

**Article 39** A register for Shareholders attending the meeting shall be prepared by the Company. Such meeting register shall state the names, the ID card numbers, the address of the attendees, the number of voting shares they hold or represent, the names of the appointers and the contact number etc.

**Article 40** Shareholders attending the General Meeting shall produce the originals or copies of (including but not limited to) the proof of Shareholders as specified in Article 33 in these Terms to the staff members responsible for the meeting.

**Article 41** Staff members responsible for the meeting have the right to retain or photocopy the aforementioned documents.

**Article 42** Shareholders or proxies who have registered for the meeting shall produce their ID certification and sign on the attendance book.

Shareholders who have not registered for the meeting may submit relevant documents to the General Meeting prior to the time for holding the meeting. After confirming that such documents are in compliance with the applicable regulations and the requirements contained in the notice of General Meeting, the Shareholders concerned may sign on the attendance book and then attend the meeting.

**Article 43** A Shareholder who fails to arrive the venue or sign on the attendance book at the time specified in the notice of meeting may receive the meeting materials and enter the meeting room as a guest upon permission of the staff members responsible for meeting affairs, provided that such Shareholder shall not vote or speak as an attending Shareholder.

#### **Chapter VIII Rules of Procedure of the General Meeting**

**Article 44** The chairman of the Board presides over and acts as the chairman of any General Meeting convened by the Board in accordance with laws. In case the chairman of the Board is unable to attend the meeting, he/she may appoint a Director of the Company to convene and chair the meeting. In the event that no chairman of the meeting is appointed, Shareholders attending the meeting may elect the chairman of the meeting. If, for any reasons, the Shareholders are unable to elect a chairman of the meeting, the Shareholder (including the proxy) attending the meeting with the largest number of shares carrying voting rights shall be the chairman of the meeting.

The chairman of the Supervisory Committee shall preside over the meeting of any General Meetings convened by the Supervisory Committee. In the event that the chairman of the Supervisory Committee is unable or fails to perform his/her duty, a Supervisor elected by more than half of the Supervisors shall preside over the meeting.

For any General Meetings convened by Shareholders, the convener may appoint the chairman.

**Article 45** The chairman of the meeting shall declare the commencement of the meeting at the time scheduled. Under exceptional circumstances, such declaration may be made after the scheduled time. There will be no meeting registration or sign-in after the commencement of the meeting.

**Article 46** The chairman of the meeting shall, after announcing the commencement of the meeting, first report on the number of Shareholders and proxies who are present and the number of voting shares represented by them. The chairman will also announce the voting process of the meeting. The voting process shall be as follows:

- (I) Shareholders who are entitled to vote are those whose names appeared on the Shareholder register of the Company as at the record date;
- (II) Shareholders will sign on the ballot paper and the number of votes they may cast are determined according to their shareholdings;
- (III) After the reading of a motion, Shareholders may apply to the chairman of the meeting to put forward their queries. After replies and explanations given by the Directors, Supervisors or reader of the motion, the Shareholders may exercise their voting rights accordingly;
- (IV) The Directors, Supervisors or reader of the motion may refuse to answer queries on matters involving trade secrets of the Company;
- (V) Each motion may only be voted on once in the following manner: for, abstain or against. A blank ballot is deemed as abstention from voting;
- (VI) The voting result will be counted based on the shareholding after the conclusion of the voting on the motion;
- (VII) The vote counting shall be conducted by the accounting firm or share register engaged by the Company, and the voting results shall be announced by the chairman of the meeting at the spot.

**Article 47** The General Meeting shall be presided by the chairman and proceed in the order of motions and proposals as listed on the agenda. All motions on the meeting agenda shall be voted one-by-one and shall not be withheld or omitted at the General Meeting by any reason. Where different motions have been proposed on the same matter at the AGM, the matter shall be resolved by voting in the order of time of proposal.

For matters included in the agenda of the General Meeting, the chairman may, based on actual circumstances, opt to present, discuss and vote on them all at once, or for relatively complicated matters, opt to present, discuss and vote on them one-by-one. Each motion shall be given reasonable time for discussions at the General Meeting.

**Article 48** The ballot papers shall be duly completed by the Shareholders in accordance with the applicable requirements and shall be cast into the ballot box. Any incomplete, erroneous or illegible ballot or ballots without indication of a vote shall be deemed as abstention by the Shareholder, whose shares shall not be counted into the total valid votes on the motion.

In accordance with the Articles of Association, the chairman must request that all voting of the Shareholders be taken by poll at the General Meeting, except where he/she, in good faith, decides to allow a resolution which relates purely to procedures or administrative affairs to be voted by a show of hands.

**Article 49** In discussing a motion, the Shareholders or proxies shall briefly explain their views. In case there are any issues that are not mentioned by the presenter but may affect their judgments and votes, the Shareholders or proxies may request for an explanation from the Directors, Supervisors or the presenter.

**Article 50** Shareholders may put forward inquiries and suggestions to the motion. The chairman shall in person or appoint attending Directors, Supervisors or other persons to give a reply or explanation to such inquiries and suggestions, save and except matters involving the trade secrets of the Company that may not be disclosed at the General Meeting.

**Article 51** In case a Shareholder is related to any matters to be discussed at the General Meeting, he/she shall disclose such relationship to the General Meeting and abstain from voting on the same, in which case, all voting shares he/she holds shall be excluded from the total voting shares present at the meeting.

**Article 52** Upon the approval of the resolution for the election of Directors and Supervisors at the General Meeting, the appointment of new Directors and Supervisors shall become effective at the time as approved by the General Meeting. The original Directors and Supervisors shall continue to perform their duties in accordance with laws, administrative regulations and the Articles of Association until the newly-elected Directors and Supervisors take office.

**Article 53** The poll taken on each matter considered at the meeting shall be calculated by the auditor and the share register appointed by the Company and the chairman of the meeting shall announce the voting results on the spot.

In considering matters relating to connected transactions, connected Shareholders may not be the scrutineer for the purpose of vote-taking.

**Article 54** Shareholders' right (including but not limited to the votes cast) exercised by or exercised on behalf of others by attendees without the legal and valid rights to attend the General Meeting shall be invalid. Such invalid votes are not counted in the total number of shares carrying voting right held by Shareholders attending the meeting.

**Article 55** In case the chairman of the meeting has any doubt about the voting results for a resolution, the chairman may recount the votes. In case the chairman does not recount the votes and the Shareholders or proxies present at the meeting raise any objections to the results declared by the chairman, such Shareholders or proxies are entitled to demand a recounting immediately after the results are announced, in which case, the chairman of the meeting shall immediately recount the votes.

In case of vote-taking at the General Meeting, the voting results shall be included in the minutes of the meeting.

**Article 56** The Board and the Secretary of the Board shall duly perform their duties for EGM convened by the Proposing Shareholders or the Supervisory Committee.

The Board shall ensure the meeting proceeds in order. The Secretary of the Board, Directors and Supervisors shall attend the meeting and the reasonable expenses in relation to the meeting shall be borne by the Company. The meeting shall be convened in accordance with applicable regulations and relevant requirements under the Articles of Association.

#### **Chapter IX Matters Relating to the Convening of General Meeting**

**Article 57** Shareholders of the Company or their proxies; Directors, Supervisors, Secretary of the Board, senior management and officer of the Company; the lawyer or notary appointed by the Company; guests and journalists invited by the Company may attend the meeting. Subject to the consent of the chairman of the meeting or the secretary of the Board, the following persons may attend the meeting after registration but may not express their opinions:

- (I) Guests and journalists invited by the Proposing Shareholders;
- (II) Other parties who are not Shareholders or their proxies.

**Article 58** For acts that disrupt the order of the General Meeting, acts of picking quarrels and provoking troubles, and acts violating the legal rights of other Shareholders, the Company may take measures to prohibit and timely report such acts to the relevant authorities for investigation.

**Article 59** Upon the consideration of a motion, only Shareholders and their proxies have the rights to speak. During their speech:

- (I) Other attendees may not raise questions and speak. Any Shareholders who wish to make a statement shall raise his/her hand to seek the permission of the chairman of the meeting to speak at their seat or a designated seat;
- (II) When more than one Shareholders show hands, the chairman of the meeting shall appoint the speaker;
- (III) Without prejudice to the Shareholders' right to fully express their views, the chairman of the meeting may set rules on the length of speech and number of speech for each Shareholder based on actual needs. Shareholders shall not be interrupted during their speech;
- (IV) The speech of Shareholders violating the three clauses above may be refused or prohibited by the chairman of the meeting;
- (V) Attending Directors, Supervisors, General Manager, Senior Management and other parties approved by the chairman of the Meeting may express their views at the meeting.

**Article 60** Speaking Shareholders or proxies shall introduce their identity as Shareholders and companies they represent before giving an opinion.

**Article 61** The Company shall adhere to the principle of simplicity when holding the General Meeting and shall not offer additional economic benefits to the Shareholders (or proxies) attending the meeting.

**Article 62** Meeting minutes should be prepared for the General Meeting and shall contain the following:

- (I) Number of voting shares present at the General Meeting and the proportion in the total shares of the Company;
- (II) Date and place of the meeting;
- (III) Name of the chairman of the meeting and agenda of the meeting;
- (IV) Key points of the speakers in connection with each proposal;
- (V) Voting results of each proposal;
- (VI) Enquiries and suggestions from the Shareholders, as well as the reply and explanations given by the Board and Supervisory Committee;
- (VII) Other information to be included in the minutes of the meeting as required by the General Meeting and the Articles of Association.

The minutes of the meeting shall be signed by the attending Directors and the chairman of the meeting, and kept at the domicile of the Company by the Secretary of the Board as corporate documents together with the attendance book of Shareholders attending the meeting, forms of proxies and voting results.

**Article 63** The scrutineer shall be responsible for monitoring the voting process and participate in vote counting with the counting agent at the meeting. The voting results shall be recorded on the poll results statistics on the spot. The scrutineer and the counting agent shall sign the poll results statistics. The votes casted and poll results statistics shall be filed. The minute of the General Meeting shall be kept for no less than ten years.

**Article 64** Shareholders shall have access to the copies of minutes of meeting free of charge during office hours of the Company. At the request of any Shareholders claiming a copy of relevant minutes of the meeting, the Company shall deliver a copy within 7 days after receipt of reasonable fees.

#### **Chapter X Resolution and Information Disclosure of the General Meeting**

**Article 65** Information shall be disclosed after the General Meeting in accordance with the Articles of Association, the Listing Rules and relevant national laws and administrative regulations.

**Article 66** The announcements of resolutions of the General Meeting shall at least set forth the information required by the Listing Rules, which include the total number of shares held by Shareholders and represented by proxies attending the meeting, the proportion of such shares in the total voting shares of the Company, the method of voting and the voting results of each resolution.

**Article 67** The following matters are subject to the approval of the General Meeting as an ordinary resolution:

- (I) the work reports of the Board and the Supervisory Committee;
- (II) plan for profit distribution and making up losses prepared by the Board;
- (III) the appointment and removal of the members of the Board and the Supervisory Committee and their remuneration (including but not limited to compensation for their loss of office or at the expiry of their term of office) and method of payment;
- (IV) annual financial budgets, statements of final accounts, balance sheet, income statement and other financial statements of the Company;
- (V) contracts entered into between the Company and any persons other than a Director, a manager or the senior management whereby such person undertakes the management and administration of the whole or any substantial part of the business of the Company;
- (VI) other matters that are subject to the approval of the General Meeting and which are not otherwise required by the laws, administrative regulations or the Articles of Association to be passed as special resolutions.

**Article 68** The following matters are subject to the approval of the General Meeting as a special resolution:

- (I) the increase and reduction of the registered capital of the Company, and the issuance of any class of shares, warrants or other similar securities;
- (II) the issuance of corporate bonds;
- (III) the demerger, merger, dissolution, liquidation and change of forms of the Company;
- (IV) amendments to the Articles of Association;
- (V) other matters as required by laws, administrative regulations and the Articles of Association and as decided by the General Meeting by way of an ordinary resolution to be of material significance to the Company and should be passed by way of special resolutions.

**Article 69** An ordinary resolution on connected matters shall be passed by votes representing more than one-half of the voting rights held by the non-connected Shareholders (including their proxies) present at the General Meeting. A special resolution shall be passed by votes representing more than two-thirds of the voting rights held by the non-connected Shareholders (including their proxies) present at the meeting.

#### **Chapter XI Supplementary Provisions**

**Article 70** Any matters not covered herein shall be dealt with in accordance with applicable national laws, regulations, normative documents and the Articles of Association. In case of any conflicts between these Rules and any future laws, regulations, normative documents of the state or the Articles of Association as modified by legal procedures, the latter shall prevail and these Rules shall be modified accordingly in a timely manner.

**Article 71** These Rules shall be effective from the date of passing at the General Meeting and be interpreted by the Board. In case modifications to these Rules are required as a result of any changes in the laws, regulations, normative documents or business operation of the Company, such modifications shall be proposed by the Board and reported to the General Meeting for approval.

**BEIJING CAPITAL LAND LTD.  
RULES OF PROCEDURE OF MEETINGS OF DIRECTORS**

**Chapter I General Provisions**

**Article 1** These Rules (hereinafter referred to as these “Rules”) are hereby formulated to further develop the modern corporate system of Beijing Capital Land Ltd. (hereinafter referred to as the “Company”), to improve the corporate governance structure of the Company, to identify the authority of the Board of Directors (hereinafter referred to as the “Board”), to regulate the proceedings and resolutions of the Board, to ensure that proper decisions are made by the Board efficiently and to give full play to the Board’s function as a business decision-maker, in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Listing Rules”) and other applicable laws, regulations and normative documents, while taking into consideration of the Articles of Association of Beijing Capital Land Ltd. (hereinafter referred to as the “Articles of Association”).

**Article 2** The Board is the decision-making body for business management of the Company and responsible for dealing with and managing properties of the Company as a legal person, reporting to the General Meeting, protecting interests of the Company and all shareholders, and making decisions on the Company’s goals and material business activities.

**Article 3** The Board shall duly perform its duties and obligations specified in applicable laws, regulations and the Articles of Association, ensure that the Company complies with laws and regulations, treat all shareholders with equality, and care about the interests of stakeholders.

**Article 4** These Rules shall be binding upon all directors, the Secretary of the Board, supervisors attending the Board meetings as non-voting delegates, other senior officers of the Company and other parties concerned.

**Chapter II Rights, Obligations and Duties of Directors**

**Article 5** Directors of the Company are natural persons who may or may not hold the Company’s shares.

**Article 6** Members of the Board shall be elected by the shareholders or proxies present at the General Meeting holding more than 50% of the voting rights. The term of office of directors shall be three years. A director is eligible for re-election upon expiration of his/her tenure, provided that an independent non-executive director shall serve for not more than six years.

**Article 7** The Board shall consist of 9 directors, where the executive directors accounting for not more than 1/2 of the total directors shall be responsible for daily work assigned by the Company and the remaining directors are non-executive directors who do not deal with the daily work.

The General Manager or other senior officers may concurrently hold the office of directors, provided that the number of directors who are representatives of employees, or who are working as the General Manager or holding other senior management posts shall not exceed 1/2 of the total number of directors of the Company. The number of independent non-executive directors shall not be less than 1/3 of the total number of directors.

**Article 8** The number of Directors holding a specific business management post in the Company shall not exceed 1/2 of the total number of directors of the Company.

**Article 9** A director holding a specific business management post in the Company shall, in addition to the obligations and duties of a director, perform the following obligations:

- (I) To assist the committees of the Board with their work; to facilitate communication and help improve the relationship between the Board or committees of the Board and the managers or relevant departments of the Company;
- (II) Subject to authorization by the Board, to carry out the Board resolutions and assist the Chairman of the Board in supervising the implementation of such resolutions;
- (III) To complete the daily work involved in his/her management post;
- (IV) To keep the trade secrets confidential;
- (V) Not to seek any business opportunities that are due to the Company;
- (VI) Not to engage in any industry which competes with the business of the Company;
- (VII) To fulfil duties with due diligence and care, and act honestly in the best interests of the Company;
- (VIII) To exercise powers within the scope of his/her power;
- (IX) To exercise the discretion vested in him/her personally and not to allow to act under the control of another and, save as permitted by laws or administrative regulations or with the informed consent of a general meeting, not to delegate others to exercise his/her discretion;
- (X) To treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (XI) Not to enter into any contract, transaction or arrangement with the Company unless otherwise provided by the Articles of Association and these Rules or with the consent of a general meeting;
- (XII) Not to use Company's property for his/her own benefit in any way without the informed consent of the general meeting;

- (XIII) Not to exploit his/her position to accept bribes or other forms of illegal income, or to illegally appropriate Company's property in any way, including (but not limited) to any opportunities advantageous to the Company;
- (XIV) Not to accept commissions in connection with the Company's transactions without the informed consent of the general meeting;
- (XV) To abide by the Articles of Association and these Rules, to faithfully perform his/her duties, to protect the interests of the Company, and not to exploit his/her position and powers in the Company to seek personal gains;
- (XVI) Not to misappropriate the Company's funds or lend such funds to others, not to open accounts in his/her own name or other names for the deposit of the Company's assets and not to provide a guarantee for debts of a shareholder of the Company or other individual(s) with the Company's assets;
- (XVII) Not to disclose the confidential information related to the Company that was acquired by him/her in the course of and during his/her tenure without the informed consent of the general meeting; not to use such information other than in furtherance of the interests of the Company; however, such information may be disclosed to a court or other competent authorities if:
  - 1. Disclosure is prescribed by the law;
  - 2. The public interests require the disclosure; or
  - 3. The interests of such Director require the disclosure.

**Article 10** The fiduciary duty of a director of the Company shall survive any expiration of his/her tenure and upon expiration of his/her tenure, the director shall remain responsible for keeping confidential the trade secrets made available to him/her during his/her work. The validity of other duties shall be determined in the principle of fairness, depending on the period from the time when such duties arise and the time of leaving the office, as well as under what circumstances and conditions the relationship with the Company is terminated.

**Article 11** Directors of the Company shall not have the following individuals or organizations to commit any acts that directors are prohibited from committing:

- (I) Spouse or children of a director of the Company;
- (II) A trustee for a director of the company or a person listed in Item (I) of this article;
- (III) A partner of a director of the Company or a person listed in Item (I) or (II) of this article;
- (IV) A company actually controlled by a director of the Company individually or jointly with a person referred to in Item (I), (II) or (III) of this article, or with other directors, supervisors, General Manager or other senior officers of the Company; or

- (V) A director, supervisor, General Manager or other senior officers of the controlled company as referred to in Item (IV) of this article.

**Article 12** A director shall take relevant responsibilities for the following:

- (I) Losses of the Company's assets;
- (II) Losses caused by mistakes in any major investment decisions made by the Board; and
- (III) Legal responsibilities stated in Chapter XII of the Company Law.

**Article 13** To the extent known to the General Meeting, the General Meeting may release a director from responsibilities arising from his/her violation of a certain duty, provided that a director shall not be released from any of the following:

- (I) Responsibilities arising from the director's failure to act in good faith for the maximum benefit of the Company and all shareholders;
- (II) Responsibilities arising from the misappropriation by the director of the Company's properties (including but not limited to any favourable opportunity of the Company) in any way; or
- (III) Responsibilities arising from the deprivation by the director of the rights and interests (including but not limited to any entitlements to distribution or voting rights) of other shareholders for the benefit of itself or others.

**Article 14** Remuneration shall be paid to directors as appropriate to reflect the time input and responsibilities undertaken by directors when they serve in the Board. With the prior approval at a general meeting, the Company shall sign written contracts with its Directors concerning his/her emoluments. Such remuneration shall include:

- (I) Remuneration for working as a director of the Company;
- (II) Remuneration for working as a director, supervisor or senior management of the subsidiaries of the Company;
- (III) Remuneration for providing other services related to the management of the Company or its subsidiaries; and
- (IV) Compensation for his/her loss of office or retirement as a Director.

Except for the said remuneration payable, no directors shall take actions against the Company for any benefits receivable otherwise.

**Article 15** Generally, only directors (including full-time Chairman of the Board) holding specific business management posts in the Company are offered by the Company of a compensation system specific to such post, including liability insurance, business travel insurance or equity and option plans.

Directors holding a management post in other companies, including independent non-executive directors, get only allowances from the Company.

**Article 16** Directors shall have the rights:

- (I) To attend and vote at the Board meetings;
- (II) To get to know the operating status and financial position of the Company;
- (III) To get to know its obligations as a director of a listed company and relevant materials most recently published and issued by regulatory authorities;
- (IV) In the case of independent non-executive directors, to request consulting independent and professional institutions with the consulting fee to be paid by the Company, if advice of independent non-executive directors is specially sought;
- (V) To represent the interests of the Company as required by the Articles of Association or otherwise as authorized by the Board;
- (VI) To carry out the Company's business as required by the Articles of Association or otherwise as authorized by the Board;
- (VII) To concurrently take on other work or hold a professional post as work requires subject to these Rules; and
- (VIII) To exercise other rights granted by the General Meeting or the Articles of Association.

**Article 17** Subject to applicable laws and regulations, a director may be removed by an ordinary resolution of the Company before the expiration of his/her term of office.

**Article 18.** A director may tender his/her resignation in writing, which shall be effective upon the approval by the Board.

In case the number of directors of the Company becomes less than the minimum number legally required due to the resignation of a director, the Board shall hold an extraordinary general meeting to elect a new director to fulfill the vacancy as soon as possible. The existing director shall continue performing the obligations of directors as specified in laws, administrative regulations, departmental rules and the Articles of Association until the director replacing him/her is elected and takes office.

**Article 19** The Company shall announce any resignation of or changes in directors in accordance with the Listing Rules as soon as possible, and shall promptly announce the reasons for any resignation or removal of directors.

**Article 20** In case a director leaves the office without authorization prior to expiration of his/her tenure, causing losses to the Company, the director shall be responsible for making compensation.

**Chapter III Authority of the Board**

**Article 21** The Board exercises authority subject to the authorization or delegation of the General Meeting. The Board is responsible for convening General Meetings, reporting to the General Meeting and carrying out resolutions of the General Meeting.

The Board is a standing body of the Company and makes managerial decisions in accordance with these Rules in respect of development strategies, governance structure, investment/financing, plans, financial control and personnel affairs etc.

**Article 22** Authority in respect of the Company's development strategies and plan management is as follows:

- (I) Authority subject to approval of the General Meeting:
1. To work out mid-and-long term goals and strategies for the development of the Company;
  2. To propose plans related to the increase/decrease of registered capital of the Company or repurchase of the Company's shares;
  3. To propose plans related to the increase of the capital and shares of the Company;
  4. To propose plans for merger, spin-off or dissolution of the Company;
  5. To file an application for bankruptcy of the Company;
  6. To propose modifications to the Articles of Association;
  7. To consider the proposals for asset acquisition, purchase by third parties or asset disposal that shall be proposed at the General Meeting as required by the Listing Rules, the Measures for Administration of Related Party Transactions and the Articles of Association; and
  8. To propose detailed plans for changing the purpose of the funds raised by the Company.
- (II) Authority exercised by the Board independently is as follows:
1. To determine the plans related to the improvement of management and operation results of the Company;
  2. To determine the operation plans and audit work plans of the Company;
  3. To determine plans about the adjustment of important bodies within the Company or determine the working structure of the Board;

4. To determine the establishment of committees within the Board, or appointment or dismissal of committee members;
5. To determine all investment plans within the authority of the Board; and
6. To determine other important business management issues such as those which are not, by the laws, regulations and normative documents of securities regulatory authorities and stock exchanges, the Listing Rules, the Measures for Administration of Related Party Transactions and the Articles of Association or by these Rules, required to be determined by the General Meeting.

**Article 23** Authority in respect of the financial management of the Company is as follows:

(I) Authority subject to approval of the General Meeting:

1. To consider the annual financial budget plans and final accounts plans of the Company;
2. To formulate the Company's profit distribution policies, profit distribution plans or plans for loss recovery;
3. To consider the Company's plans for issuing bonds;
4. To consider the proposals for disposition of assets (such as asset pledge, lease or transfer) and financial assistance that shall be proposed at the General Meeting as required by the Listing Rules, the Measures for Administration of Related Party Transactions, the Articles of Association and other corporate governance documents.

For the purposes of these Rules, "Financial assistance" includes granting credit, lending money, or providing an indemnity against obligations under a loan, or guaranteeing or providing security for a loan;

5. To propose plans for appointment/dismissal by the Company of an accounting firm.

(II) Authority exercised by the Board independently is as follows:

1. To manage disclosure of financial information of the Company; and
2. To consider connected transactions, major transactions or financial assistance such as those which are not, by laws, regulations, normative documents of securities regulatory authorities or stock exchanges or the Listing Rules, the Measures for Administration of Related Party Transactions, the Articles of Association and other corporate governance documents, required to be considered by the General Meeting.

**Article 24** Authority in respect of the management of personnel affairs of the senior management of the Company is as follows:

- (I) Authority subject to approval of the General Meeting:
  - 1. To establish allowance standards for directors and prepare equity/option incentive (or similar incentives) plans;
  - 2. To consider qualifications of the candidates for the post of director or independent non-executive director; and
  - 3. To put forward proposals for removal of directors.
- (II) Authority exercised by the Board independently is as follows:
  - 1. To determine policies and planning related to the development and use of human resources of the Company;
  - 2. To define major roles and authority of the General Manager, person in charge of finance, Secretary of the Board, authorised representative (as defined in the Listing Rules) and company secretary and the Audit Department;
  - 3. To appoint or dismiss the General Manager of the Company, authorised representative (as defined in the Listing Rules) and company secretary of the Company; to appoint or dismiss the Deputy General Manager or person in charge of finance of the Company based on nomination by the General Manager; to appoint or dismiss Secretary of the Board of the Company based on nomination by the Chairman of the Board; and
  - 4. To evaluate the work performance of the General Manager;

**Article 25** Authority in respect of supervision and inspection of the development and operation of the Company is as follows:

- (I) To supervise the implementation of the development strategies of the Company;
- (II) To supervise and inspect the implementation of the annual financial budget and final accounts of the Company; and inspect the completion of various plans;
- (III) To evaluate the business performance of the Company on an annual basis so as to identify problems in the operation in a timely manner; give suggestions for improvement; and supervise the implementation of the same by the senior management of the Company;
- (IV) To evaluate as appropriate the plans for the improvement of the Company's operation and the effect thereof; and to investigate significant problems identified from operation results of the Company;

- (V) To identify obstacles encountered in the development of the Company, perceive the development tendency of the Company and give suggestions about the correction of the Company's development direction; and
- (VI) To discuss all opportunities and risks for the development of the Company and changes in objective factors that have an extensive impact on the Company;

**Article 26** During the disposition of fixed assets, the Board shall not, without the prior approval of Shareholders in a general meeting, dispose or agree to dispose of any fixed assets of the Company where the sum of estimated value of fixed assets to be disposed of and the value of such fixed assets disposed of within 4 months immediately preceding the proposed disposition exceeds 33% of the value of fixed assets shown in the latest balance sheet considered by a general meeting.

For the purposes of this article, disposition on fixed assets includes an act involving the transfer of interests in assets, but it excludes the provision of guarantee by fixed assets.

The validity of a disposition on fixed assets made by the Company shall not be affected by any breach of the first clause herein.

#### **Chapter IV Organizational Structure of the Board**

**Article 27** The Board has a secretary and various committees (including strategic committee, audit committee, nomination committee and remuneration committee,) to deal with daily administrative affairs and professional affairs of the Board.

**Article 28** The term of office of the members of the committees shall be the same as that of the directors. A member of the committee may serve consecutive terms if re-elected upon the expiry of his/her term of office. If any member ceases to be a director of the Company or any member who shall be an independent non-executive director ceases to have the independence as set out in the Articles of Association and the Listing Rules during his/her term of office, he/she shall automatically be disqualified as a member of the special committee. The vacancy shall be filled up by the Board in accordance with the above provision.

#### **Section I Secretary of the Board**

**Article 29** The Secretary of the Board is nominated by the Chairman of the Board and appointed or dismissed by the Board. The removal of the secretary of the Board shall have a good reason and shall not be unfair.

**Article 30** A director or other senior officer of the Company may concurrently work as the Secretary of the Board. Where an act is required to be committed respectively by a director and the Secretary of the Board, the director concurrently working as the Secretary of the Board, if any, shall not commit such act both as a director and as the Secretary of the Board.

**Article 31** The Secretary of the Board of the Company shall be a natural person having requisite professional knowledge in terms of finance, management and law to discharge his/her duties, possessing good professional ethics and personal quality with at least a bachelor's degree and more than three years of working experience related to finance, financial audit, business administration, law or secretary of the board of directors of a listed company. In addition, the Secretary of the Board shall have coordination skills, work carefully, carry out duties faithfully, be good at paperwork and have great ability of dealing with administrative affairs.

**Article 32** Duties of the Secretary of the Board are:

- (I) To ensure that the Company has maintained complete organizational documents and records;
- (II) To ensure that the Company prepares and delivers documents and reports required by authorities in accordance with laws;
- (III) To ensure that the shareholder register of the Company are properly maintained, and to ensure that those who shall have access to the records and documents of the Company are furnished with such records and documents promptly; and
- (IV) To perform other duties as required by relevant laws and regulations and the Articles of Association or as delegated by the Board.

## **Section II Strategic Committee**

**Article 33** The Strategic Committee consists of three members, including the Chairman of the Board and at least one independent non-executive director, while the Strategic Committee shall have one chairman who shall be the Chairman of the Board.

**Article 34** Members of the Strategic Committee shall have a full understanding of the characteristics of the business development and operation of the Company, be highly sensitive to the market, have the ability of making comprehensive judgments, and understand the development of macro-economic policies of the country as well as the economic development at home and abroad.

**Article 35** Major duties of the Strategic Committee are:

- (I) To come up with ideas about the strategic development of the Company, make arrangements to review and check the development direction of the Company, consider the strategic planning of the Company and propose plans for the adjustment of strategies as appropriate;
- (II) To consider the mid-and long-term goals and strategies for the development of the Company, and supervise the implementation of strategies; and
- (III) To perform other duties as authorized by the Board or as required by laws, regulations, normative documents and the Articles of Association.

**Section III Audit Committee**

**Article 36** The Audit Committee shall consist of at least three members which are all non-executive directors. The majority of which shall be independent non-executive directors and at least one of whom shall have appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules. The Audit Committee shall have one chairman who shall be an independent non-executive director.

**Article 37** Members of the Audit Committee shall not include directors nominated by controlling shareholders, except for the independent non-executive director nominated by controlling shareholders.

**Article 38** Major duties of the Audit Committee are:

- (I) In accordance with the approval or ratification requirements of the General Meeting, to submit proposals to the Board with respect to the appointment, re-appointment and removal of an external auditor; to verify and monitor the independence and objectivity of an external auditor and the efficiency of its auditing procedures; to put forward corresponding proposals on the policies, implementation and improvement of the services provided by external auditor;
- (II) To review the financial information of the Company and monitor the integrity thereof, and contact or communicate with all relevant parties through convening meetings or by other means; to review any important questions put to the management by external auditors and the response of the management, taking into proper consideration any matters put forward by the accounting and financial staff, compliance officer or the auditor of the Company;
- (III) To study and review and discuss with other parties to optimize the internal control measures of the Company and its subsidiaries, such as financial reporting system, risk management and internal control procedures, so as to ensure an effective operation of such internal measures, and to make regular reports to the Board;
- (IV) To attend general meeting of the Company and answer questions subject to the arrangement of the Chairman of the Board; and
- (V) To perform other duties as authorized by the Board or as required by laws, regulations, normative documents and the Articles of Association.

**Section IV Nomination Committee**

**Article 39** The Nomination Committee consists of three members, including two independent non-executive directors. The Nomination Committee shall have one chairman who shall be an independent non-executive director or Chairman of the Board.

**Article 40** Major duties of the Nomination Committee include:

- (I) To examine the structure, number of members and composition of the Board and offer proposals with respect to any modifications to the Board;
- (II) To take into account various factors and present opinions to the Board relating to the qualifications of the nominated candidate and appointed candidate for directors;
- (III) To evaluate the independence of independent non-executive directors;
- (IV) To give suggestions to the Board on plans related to the appointment of directors, replacement of directors or succession of directors (in particular, Chairman of the Board and general manager);
- (V) To attend the annual general meeting of the Company and answer questions subject to the arrangement of the Chairman of the Board; and
- (VI) To perform other duties as authorized by the Board or as required by laws, regulations, normative documents and the Articles of Association.

#### **Section V Remuneration Committee**

**Article 41** The Remuneration Committee consists of three members, including two independent non-executive directors. The Remuneration Committee shall have one chairman who shall be an independent non-executive director.

**Article 42** The Remuneration Committee acts as the role of advisor to the Board; and the Board shall retain the final right to approve the remuneration of the Senior Management while the General Meeting shall retain the final right to approve the remuneration of the Directors.

**Article 43** Major duties of the Remuneration Committee include:

- (I) To offer suggestions to the Board regarding overall policies and structure of compensation for directors and senior officers of the Company, and about the formulation of formal and transparent procedures for the establishment of compensation policies;
- (II) To offer suggestions to the Board regarding the compensation for certain executive directors and senior officers;
- (III) To examine the compensation for the management in accordance with guidelines and goals set by the Board; to examine indemnification of executive directors and senior officers for the loss of positions, the termination of the appointment or dismissal or removal due to their misconduct, to make sure that such indemnification is reasonable and appropriate;
- (IV) To make sure that directors or any of their associates may not participate in the determination of their compensation;

- (V) To attend the annual general meeting of the Company and answer questions subject to the arrangement of the Chairman of the Board; and
- (VI) To perform other duties as authorized by the Board or as required by laws, regulations, normative documents and the Articles of Association.

#### **Chapter V Chairman of the Board**

**Article 44** The Chairman of the Board shall be elected or removed upon consent of directors accounting for more than 50% of the total directors. The tenure shall be three years and re-election is acceptable.

**Article 45** The Chairman of the Board is the legal representative of the Company with the following authority:

- (I) To chair General Meetings, and convene and examine the materials passing for resolutions and various reports provided by the Company to the shareholders;
- (II) To convene and chair Board meetings, to coordinate the work of the specialised committees of the Board, and to lead the day-to-day work of the Board;
- (III) To supervise and check the implementation of the Board resolutions;
- (IV) To sign the securities issued by the Company under the authorization of the General Meeting; and
- (V) To sign contracts and documents within the scope of approval and authority from the Board;
- (VI) To exercise other authority as delegated by the Board or as required by the Articles of Association.

In case the Chairman of the Board is unable to exercise its duties, he/she may designate other directors to temporarily exercise such powers on his/her behalf.

#### **Chapter VI Regulations on Independent Non-executive Directors**

**Article 46** Duties of the Independent Non-executive Directors include:

- (I) To participate in board meetings to bring an independent judgment to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct;
- (II) To take the lead where potential conflicts of interests arise;
- (III) To serve on the audit, remuneration, nomination and other governance committees, if invited;

- (IV) To scrutinize the issuer's performance in achieving agreed corporate goals and objectives, and monitor performance reporting;
- (V) To give the Board and any specialised committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation; to attend general meetings and develop a balanced understanding of the views of our Shareholders; and
- (VI) To exercise other authority as delegated by the Board or as required by the relevant laws and regulations, the Listing Rules and the Articles of Association.

**Article 47** Under the requirements of documents such as the Listing Rules and the Measures for Administration of Related Party Transactions, Independent non-executive directors shall express their independent opinion on the connected transactions to the Board or at a general meeting, and to engage an agent to issue an independent financial consulting report, and offer opinions in respect of such issues in one of the following ways:

agreement, qualified opinions and reasons thereof, dissenting opinions and reasons thereof, or no opinions and reasons thereof.

In case of conflicting opinions between the independent non-executive directors, the opinion of each independent non-executive director shall be disclosed separately by the Board.

## **Section VII Board Meetings**

### **Section I Meeting Preparation and Notice**

**Article 48** Board meetings shall take place at least twice every year, which shall be convened regularly by the Chairman of the Board with a 10-day prior notice to all directors and supervisors.

**Article 49** The Board shall hold a regular Board meeting respectively prior to the announcement of annual or semi-annual operation results.

**Article 50** The Chairman of the Board shall decide to convene and chair an extraordinary Board meeting within ten days after receiving the proposal in any of the following cases:

- (I) As deemed necessary by the Chairman of the Board;
- (II) Upon the joint request of more than 1/3 of the directors;
- (III) Upon the request of the Board of Supervisors;
- (IV) Upon the request of the general manager; and
- (V) Upon the request of shareholders representing more than 1/10 of the voting rights.

**Article 51** A ten-day prior written notice shall be given to all directors before a regular meeting of the Board takes place, by personal delivery, fax, email or express mail service etc.

All the Directors shall be notified of the time and venue of the meeting by fax, email, express mail service or personal delivery at least five days (but not more than 10 days) before the extraordinary Board meeting.

Should a Director attend the meeting without disputing the non-receipt of the notice of Board meeting prior to or at the meeting, such notice shall be deemed to have been issued to him/her by the Company.

**Article 52** Any formal proposals at the Board meetings shall be submitted by the proposers in writing to the Secretary of the Board, which shall be delivered 3 days before the time for holding the meeting, in case of a regular Board meeting, or shall be delivered 1 day before the time for holding the meeting, in case of an extraordinary Board meeting.

**Article 53** The notice of a Board meeting shall contain the time, place, attending personnel, duration, causes and topics of the meeting, and the date when the notice is issued.

**Article 54** A director shall confirm whether to attend the meeting or not as soon as possible upon the receipt of the meeting notice, or otherwise appoint another director to attend the meeting on his/her behalf by signing a proxy letter after the receipt of the meeting materials.

**Article 55** In case more than 1/3 of the directors believe that the materials are not adequate or the demonstrations are not clear, they may jointly make a written request for postponing the Board meeting or the discussion of certain topics specified, which request shall be complied with by the Board.

**Article 56** In case the Chairman of the Board is unable to chair the Board meeting, the Chairman of the Board may designate one Director to convene and chair the meeting on behalf of him/her.

**Article 57** In case the time, place or other matters are required to be changed or proposals are required to be added, changed or cancelled after the written notice of a regular Board meeting is issued, a change notice shall be issued in writing 3 days prior to the original date of the meeting, making explanations and stating the matters and materials related to the new proposals. In case the said 3-day period cannot be satisfied, the date of meeting shall be postponed accordingly or otherwise remain unchanged upon written consent of all directors attending the meeting.

In case the time, place or other matters are required to be changed or proposals are required to be added, changed or cancelled after the notice of an extraordinary Board meeting is issued, written consent of all directors attending the meeting shall be obtained prior to holding the meeting and relevant information shall be recorded properly.

## **Section II Convening Board Meetings**

**Article 58** The Board meetings shall not commence unless more than half of the directors are present. In case a director duly appoints another director to attend the meeting on his/her behalf, such director shall be deemed to have attended the meeting in person.

**Article 59** In case a director cannot attend a Board meeting for any reasons, he/she may appoint in written form another director to exercise his/her powers on his/her behalf at the Board meeting. The letter of proxy shall state the name of the proxy, matters subject to proxy, authority and validity, which shall bear the signature or seal of the appointer. Directors who attend a Board meeting on behalf of others may only exercise valid powers within the authority granted by the appointers.

**Article 60** Failure of a director to present at a Board meeting or appoint another director to attend the meeting on his/her behalf shall be deemed to be a waiver of the voting rights at such meeting. Such waiver shall not release the director from the joint and several responsibilities he/she should have taken for the resolutions passed at such meeting.

**Article 61** The Board meeting shall be held by way of physical meeting, video, telephone or deliberation in writing, and may also be held in the form of a combination of physical meeting and other forms as set out above.

For the Board meeting held by conference telephone or similar communication equipment, so long as all the directors participating at the meeting can clearly hear and communicate with each other, all such directors present shall be deemed to be present in person at the meeting.

For the Board meeting held by deliberation in writing, the draft of such resolutions shall be sent to every director by hand or by post, facsimile or email. A resolution shall be a director's resolution if it has been sent to all directors by the Board and approved and signed by the requisite number of directors to pass the resolution and sent back to the Secretary of the Board by one of the aforesaid means.

The number of the directors present is calculated by the Secretary of the Board according to the directors present in the video, the directors expressing opinions in the teleconference, the number of valid votes received by personal delivery, post, faxes or emails within the specified period, or the written confirmations submitted by the directors after the meetings.

**Article 62** In case a director is deemed to be unable to perform his/her duties under the Articles of Association, he/she is not entitled to vote on any proposals before he/she is removed by the General Meeting and shall automatically become disqualified from being a director and have no voting rights.

### **Section III Validity of Resolutions and Responsibilities of Directors**

**Article 63** Each director has one vote.

The following shall only be passed with the votes of more than 2/3 of the Directors:

- (I) To formulate proposals for increases or reductions in our Company's registered share capital and the issue of corporate debentures;
- (II) To draw up plans for the merger, division or dissolution of our Company; and
- (III) To formulate proposals for any amendment to the Articles of Association.

Saved as disclosed above, the resolutions considered within the authority of the Board shall be passed by the Board with the votes of more than a half of all directors. In the case of an equality of votes, the Chairman of the Board shall be entitled to a second vote.

The laws, regulations, normative documents of securities regulatory authorities and stock exchanges, the Listing Rules or the Articles of Association stipulate the relevant requirement of the proportion for the Board to pass a resolution.

**Article 64** The Board should take the advice of the Company's Party Committee prior to making decision on any major issue of the Company.

**Article 65** In case a director is related to any matters to be voted on by the Board, he/she shall evade and shall not vote on the same. In such case, such Board meeting shall not commence unless more than a half of the non-related directors attend the meeting and a resolution shall not be passed unless being approved by more than a half of the non-related directors. In case less than three non-related directors attend the Board meeting, the matters concerned shall be submitted to the General Meeting for consideration.

**Article 66** Directors shall be responsible for resolutions passed at Board meetings. Where a resolution of the Board goes against the laws, administrative regulations or the Articles of Association, causing losses to the Company, Directors voting for such resolution shall bear direct responsibilities; however, after verification, Directors who are found voting against such resolution, which has been recorded in the minutes of meeting, may be released;

#### **Section IV Rules of Procedure**

**Article 67** A proposal listed in the notice of a Board meeting shall be discussed by the Board according to the following proceedings:

- (I) The proposers or directors or relevant persons responsible for the proposal introduce the proposal;
- (II) Directors participating in the meeting raise questions and hold discussions;
- (III) The proposal is voted on in order to have a resolution passed;
- (IV) Directors or proxies attending the meeting sign the resolutions and minutes of the meeting; and
- (V) Resolutions passed at the Board meeting that are subject to further consideration at a General Meeting shall be submitted to the General Meeting for consideration and the remaining Board resolutions shall be issued as documents for implementation.

**Section V Others**

**Article 68** The Secretary of the Board shall make decisions made on matters discussed at the meeting into resolutions of the meeting, which shall be signed by the directors participating in the meeting.

**Article 69** Resolutions passed at the meeting shall be kept by the Secretary of the Board together with the signatures of the directors attending the meeting and the proxy letters.

**Article 70** The Board meeting shall have meeting minutes which shall be signed by the directors who attended such meeting and the person taking notes of the proceeding of such meeting, and the minutes shall be kept by the Secretary of the Board.

**Article 71** The General Manager who is not a director and the supervisors shall have the right to attend a Board meeting as non-voting delegates, receive meeting notices and relevant documents, and speak at the meeting, unless a prior written notice is given by the Board indicating that they are required to avoid attending the meeting. As work requires, the Board may invite other relevant persons to attend the meeting as non-voting delegates, in which case, the secretary office of the Board shall fix and notify such persons of the time for attending the meeting. Persons attending a meeting as non-voting delegates shall have no voting rights.

**Chapter VIII Supplementary Provisions**

**Article 72** Any matters not covered herein shall be dealt with in accordance with applicable national laws, regulations, normative documents and the Articles of Association. In case of any conflicts between these Rules and any future laws, regulations or normative documents of the state or the Articles of Association as modified by legal procedures, the latter shall prevail and these Rules shall be modified accordingly in a prompt manner.

**Article 73** These Rules shall be effective from the date of approval by the general meeting and shall be interpreted by the Board of the Company. In case modifications to these Rules are required as a result of any changes in the laws, regulations or business operation of the Company, such modifications shall be proposed by the Board and reported to the General Meeting for approval.

**BEIJING CAPITAL LAND LTD.  
RULES OF PROCEDURE OF MEETINGS OF SUPERVISORS****Chapter I General Provisions**

**Article 1** These rules of procedure (hereinafter referred to as these “Rules”) are hereby formulated to further improve the corporate governance system of Beijing Capital Land Ltd., ensure that the Board of Supervisors of the Company (hereinafter referred to as the “Board of Supervisors”) can exercise the right of supervision independently under laws, and protect the interests of all shareholders, in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Listing Rules”) and other applicable laws, regulations and normative documents, while taking into consideration of the Articles of Association of Beijing Capital Land Ltd. (hereinafter referred to as the “Articles of Association”).

**Article 2** The Company has a Board of Supervisors. The Board of Supervisors is responsible for the General Meeting and shall exercise the right of supervision within the authority granted by the Company Law, the Articles of Association and the General Meeting, so as to protect the rights of shareholders, interests of the Company and legal benefits of employees from infringement.

**Article 3** The Board of Supervisors shall consist of not less than three but not more than five members, which shall include two to four representatives of the shareholders and one representative of the staff and workers. The particular number of supervisors shall be determined at the shareholders’ general meeting. The representatives of shareholders shall be elected and removed by the General Meeting while the representatives of employees shall be elected or removed in a democratic manner by the Company’s employees through workers’ congress, assembly of workers or other means.

**Article 4** A director or other senior officer of the Company shall not concurrently act as a supervisor.

**Chapter II Qualifications and Obligations of Supervisors**

**Article 5** A person shall not act as a supervisor of the Company if:

- (I) He/she has no or restricted capacity for civil conducts;
- (II) He/she has been punished due to crimes such as corruption, bribery, conversion of property, embezzlement of property or disrupting the order of the socialist market economy, and not more than five years have elapsed after the expiration of the enforcement period; or he/she has been deprived of political rights for committing criminal acts and not more than five years have elapsed after the expiration of the enforcement period;
- (III) He/she is a director or factory head of a company or enterprise that became bankrupt and subject to liquidation due to improper management and was personally responsible for such bankruptcy, and not more than three years have elapsed after the date when the liquidation of such company or enterprise was completed;

- (IV) He/she is the legal representative of a company or enterprise that had its business license revoked or been closed by orders for violation of laws and was personally liable therefor, and not more than three years have elapsed since the date when the business license was revoked;
- (V) He/she has a relatively large amount of personal debts that have become overdue;
- (VI) He/she is investigated by judiciary authorities due to violation of the criminal law and the case is still pending;
- (VII) He/she is not allowed by laws or administrative regulations to act as a leader of a company;
- (VIII) He/she is not a natural person;
- (IX) Competent authorities decide that he/she is in violation of relevant securities regulations and involved in fraudulent activities or acts in bad faith, and not more than five years have elapsed after the date of such decision.

**Article 6** The duties of a supervisor are as follows:

- (I) To comply with the laws, administrative regulations and the Articles of Association, undertake the supervisory duties in good faith.
- (II) A supervisor of the Company owes a duty, in performing his duties, to observe obligations of a fiduciary not to place himself in a position where his interest and the obligations undertaken may conflict. This principle shall include but not limited to the following obligations:
  - 1. to act honestly in the best interests of the Company;
  - 2. to exercise the powers vested in him and not to exceed the scope thereof;
  - 3. to exercise the discretionary power granted to him personally and not allow himself to act under the direction of another and unless and to the extent permitted by the laws and administrative regulations or informed consent of shareholders in general meeting, not to delegate the exercise of this discretion;
  - 4. to treat the shareholders of the same class equally and treat the shareholders of different classes fairly;
  - 5. except in accordance with the Articles of Association or with the informed consent of shareholders in general meeting, not to enter into any contract, transaction or arrangement with the Company;
  - 6. without the informed consent of shareholders in general meeting not to use the Company's property for his own benefit;

7. not to use his authority for obtaining bribes or other illegal income and not to expropriate in any guise the property of the Company;
  8. without the informed consent of the shareholders' general meeting, not to accept commissions in connection with the Company's transaction;
  9. to observe the Articles of Association; to perform the duties faithfully; to protect the interests of the Company; not to use his position and authority in the Company to make his own benefit;
  10. without the informed consent of the shareholders' general meeting not to compete in any way with the Company;
  11. shall not embezzle the funds of the Company or make loans to the others out of the funds of the Company; shall not deposit the assets of the Company into accounts under his name or any other name; shall not use assets of the Company as security for loans to shareholders of the Company or any other person;
  12. not to disclose confidential information of the Company acquired by him during the term of office without the informed consent of the shareholders' general meeting; not to use the information other than in furthermore of the interests of the Company; save and except that disclosure of such information to the court of law or other government authorities is permitted if:
    - (a) disclosure is required by the laws;
    - (b) there is a duty to the public to disclose;
    - (c) it is in the personal interests of supervisor to require disclosure.
- (III) A supervisor of the Company, owes a duty, in the exercise of his powers and discharge of his duties, to exercise the care, diligence and skill that a reasonable prudent person would be expected to exercise in comparable circumstances.
- (IV) Shall be liable, depending on the seriousness of their fault, for any material damage to the interest of the Company, shareholders or staff due to their failure to perform their supervisory duties in accordance with the relevant laws and regulations. The removal of any supervisor shall be conducted by the shareholders' general meeting, or the organ delegating the supervisor, pursuant to the relevant procedures.

**Article 7** The Board of Supervisors shall have one chairman, i.e., a convener of the Board of Supervisors, the appointment and removal of whom shall be made by a resolution passed by two-thirds or more of the members of the Board of Supervisors. In case the Chairman is unable to or fails to perform his/her authority, a supervisor elected by more than a half of the total supervisors shall convene and chair the meetings of the Board of Supervisors.

**Article 8** The Chairman of the Board of Supervisors is in charge of and fully responsible for the work of the Board of Supervisors. His/her duties are set out in detail as follows:

- (I) To convene and chair meetings of the Board of Supervisors;
- (II) To supervise and check the implementation of resolutions of the Board of Supervisors;
- (III) To be responsible for reviewing and signing documents involving the Board of Supervisors;
- (IV) To report to the General Meeting on behalf of the Board of Supervisors on the work of the Board of Supervisors;
- (V) To make arrangements to formulate work plans for the Board of Supervisors and implement resolutions of the Board of Supervisors;
- (VI) To act as representative of the Company based on the authorization by the General Meeting in any litigations between the Company and directors or the General Manager; and
- (VII) To carry out other work to be dealt with by the Board of Supervisors.

**Chapter III Authority of Supervisors and the Board of Supervisors**

**Article 9** The Board of Supervisors shall be responsible for and report to the General Meeting and exercise the following authority:

- (I) To inspect the financial positions of the Company and review the accounting report, book of accounts, accounting evidence and other information relating to economic activities at any time;
- (II) To review and give written comments on financial reports, operation reports, profit distribution plans and other financial materials to be submitted by the Board of Directors to the General Meeting; to request the persons in charge of financial matters to provide explanation on any inquiries arising therefrom; where such inquiries are not resolved, to engage certified public accountants or certified auditors in the Company's name to review the said materials;
- (III) To supervise directors, General Manager and other senior officers of the Company in terms of their performance of duties assigned by the Company and propose to remove directors or senior officers that have violated the laws, administrative regulations, Articles of Association or resolutions of the General Meeting;
- (IV) To request directors, General Manager or other senior officers of the Company to make rectification in case any of their acts prejudice the interests of the Company;
- (V) To negotiate with or take actions against directors or senior officers on behalf of the Company in accordance with the Company Law; and to engage lawyers for assistance where necessary;

- (VI) To propose holding an Extraordinary General Meeting and convene and chair a General Meeting when the Board of Directors fails to perform its duty of convening and chairing such meeting;
- (VII) To put forward proposals to the General Meeting;
- (VIII) Members of the Board of Supervisors shall be entitled to exercise their supervising power alone to assess and inquire about the operation of the Company;
- (IX) To perform other authority as conferred by the Articles of Association and the General Meeting.

Supervisors may attend meetings of the Board of Directors.

**Article 10** If necessary during the performance of authority, the Board of Supervisors may engage a law firm, an accounting firm or other professional institutions to offer help and any expenses thus incurred shall be for the Company's account.

**Article 11** Where the Board of Supervisors believes that a resolution of the Board of Directors goes against the laws, administrative regulations or the Articles of Association or otherwise damages the interests of the Company or the employees, the Board of Supervisors may decide to put forward a proposal to the Board of Directors for reconsidering such resolution. In case such proposal is rejected by the Board of Directors or the Board of Directors makes no changes to the original resolution after reconsideration, the Board of Supervisors is obligated to propose holding an Extraordinary General Meeting for settlement.

**Article 12** When exercising the supervision right, a supervisor shall not perform duties in place of directors or the General Manager and shall not carry out any business activities on behalf of the Company.

**Article 13** When exercising its authority, the Board of Supervisors shall stick to the facts, comply with laws, administrative regulations and the Articles of Association, perform the supervision authority in a faithful manner, work in good faith and diligently and protect the legal interests of the shareholders and the Company from infringement. The supervisors shall not use their authority or influence for personal gains, or disclose the trade secrets of the Company or other confidential information relating to production, operation and management.

**Article 14** Upon resignation or expiration of the tenure of a supervisor, his/her obligations toward the Company shall not be released as a result thereof before or during a reasonable period after the resignation report becomes effective, or during a reasonable period after expiration of the tenure, and his/her obligations in respect of the trade secrets of the Company shall survive the termination of his/her tenure until such secrets become public information. The validity of other obligations shall be determined in the principle of fairness, depending on the period from the time when such obligations arise and the time of leaving the office, as well as under what circumstances and conditions the relationship with the Company is terminated.

**Article 15** A supervisor or the Board of Supervisors of the Company shall be deemed to be guilty of negligence in any of the following cases, where the General Meeting has the right to punish all supervisors or those who are responsible. In case of material negligence, punishment will be imposed by competent authorities according to laws:

- (I) Fail to carry out supervision and inspection responsibilities with regard to significant issues of the Company or conceal such significant issues;
- (II) Fail to thoroughly review the accuracy and completeness of the financial reports submitted by the Board of Directors to the General Meeting, resulting in significant issues;
- (III) Disclose confidential information of the Company;
- (IV) Accept illegal advantages during the performance of authority; or
- (V) Have other serious negligence according to the General Meeting of the Company.

#### **Chapter IV Rules of Procedure of the Board of Supervisors**

**Article 16** Meetings of the Board of Supervisors shall take place at least twice every year, which shall be convened by the Chairman of the Board of Supervisors. The meeting notice shall be delivered to all supervisors in writing ten days before the time for holding the meeting.

**Article 17** An extraordinary meeting of the Board of Supervisors can be held at the request of the supervisors. The meeting notice for an extraordinary meeting of the Board of Supervisors shall be delivered to all supervisors in writing one day before the time for holding the meeting.

**Article 18** A meeting notice shall include the following:

- (I) Date of the meeting;
- (II) Place and duration of the meeting;
- (III) Causes and topics of the meeting; and
- (IV) The date when the notice is issued.

**Article 19** The meeting of the Board of Supervisors shall be held on-site, or via video, telephone, written proposals, etc., or held on-site and via other methods at the same time.

In case a meeting is held via telephone or using similar telecommunication devices, so long as the supervisors attending the meeting can clearly hear the speech of other supervisors and communicate with each other, all attending supervisors shall be deemed as present in person at the meeting.

In case a meeting is held via a written proposal, the draft proposal shall be delivered to each supervisor through any of personal delivery, mail, fax or email. If the relevant written proposals have been distributed to all supervisors, and the number of supervisors who sign and agree on one or more drafts with the same format and content reaches the quorum for making relevant decision, the proposal shall become a valid resolution of the Board of Supervisors after the signed draft proposal has been delivered to the secretary of the Board of Directors through above methods. In case of the faxed signature by supervisors, the original shall be delivered to the secretary of the Board of Directors by the supervisor concerned in person or through personal delivery or mail as soon as possible. All originals signed by the supervisors shall constitute a single original resolution of the Board of Supervisors.

The secretary of the Board of Directors shall calculate the number of supervisors attending the meeting based on the number of supervisors attending the meeting via video, the number of supervisors who expressed their opinions during the telephone conference, the valid votes received through personal delivery, mail, fax or email within the specified time limit, or the written confirmation submitted by supervisors afterwards confirming his attendance to the meeting.

**Article 20** Meetings of the Board of Supervisors shall be convened by the Chairman of the Board of Supervisors and shall not commence unless all supervisors attend the meeting. Under exceptional circumstances where an extraordinary meeting of the Board of Supervisors is required and there are supervisors who are unable to attend the meeting, the quorum of the meeting may be reduced to 3/5 of all supervisors.

If necessary, the Chairman of the Board of Directors, directors and the General Manager may be invited to attend the meeting as non-voting delegates.

**Article 21** Supervisors shall attend meetings of the Board of Supervisors. In case a supervisor is unable to attend the meeting for any causes, he/she may submit his/her comments or votes in written form in advance, or he/she may appoint in writing another supervisor to attend the meeting on his/her behalf. The proxy letter shall contain the scope of authorization. Failure of a supervisor to attend a meeting of the Board of Supervisors in person or by proxy shall be deemed as a waiver of voting rights at such meeting. The meeting shall be chaired by the Chairman of the Board of Supervisors. In case the Chairman is unable to be present at the meeting for any reasons, a supervisor elected by over half of the supervisors present may chair the meeting.

**Article 22** At the regular meeting of the Board of Supervisors held immediately prior to an Annual General Meeting, the Board of Supervisors shall consider the work reports of the Board of Supervisors related to the previous year, including but not limited to:

- (I) Information relating to the financial inspection of the Company;
- (II) Information relating to the performance by directors or senior officers of the authority granted by the Company, and the implementation of relevant laws, regulations, the Articles of Association and resolutions of the General Meeting; and
- (III) Other significant issues that are required to be reported to the General Meeting.

**Article 23** The Board of Supervisors may give comments and submit independent reports on the proposals to be discussed by the General Meeting if it deems necessary.

**Article 24** Where the Company should have held an Extraordinary General Meeting in any of the following cases but fails to hold such a meeting within due time, the Board of Supervisors may decide to require the Board of Directors to hold an Extraordinary General Meeting:

- (I) Number of directors becomes less than the number legally required or otherwise becomes less than  $2/3$  of the number specified by the Articles of Association;
- (II) Total losses to be recovered by the Company reach up to  $1/3$  of the total share capital;
- (III) A shareholder or shareholders holding more than 10% of shares of the Company request for holding such meeting; or
- (IV) Such a meeting is requested upon unanimous consent of all supervisors present at the meeting of the Board of Supervisors.

**Article 25** The proposals shall be discussed one by one at the meetings of the Board of Supervisors. All supervisors shall express their ideas during the discussion. A proposed resolution of the Board of Supervisors shall be resolved by registered votes where each supervisor shall have one vote. A resolution of the Board of Supervisors shall be passed by votes of  $2/3$  or more of all members of the Board of Supervisors.

**Article 26** In case of conflicting opinions between supervisors with regard to a significant issue discussed at a meeting of the Board of Supervisors and there are still questions concerning such issue, the Chairman of the Board of Supervisors shall decide whether or not to postpone the voting and have the issue voted on at the next following meeting after further investigation and verification.

**Article 27** Supervisors present at a meeting of the Board of Supervisors shall expressly vote for, against or withhold votes with regard to the proposals discussed at the meeting and shall sign the minutes of meeting, whichever the way of meeting.

**Article 28** Minutes of meetings of the Board of Supervisors shall be prepared by a person designated by the Chairman of the meeting. The minutes of meeting shall be signed for confirmation by the supervisors present at the meeting and the person who prepares such minutes. The supervisors shall have the right to have their comments made at the meeting incorporated into the minutes of meeting in the form of descriptive statements.

The supervisors shall be responsible for resolutions passed by the Board of Supervisors. Where a resolution of the Board of Supervisors goes against the laws, administrative regulations or the Articles of Association, causing losses to the Company, the supervisors participating in the resolution shall be responsible for making compensation to the Company, provided that supervisors who are found after verification raising objections against such resolution during voting, which has been recorded in the minutes of meeting, may be released from the said compensation.

**Article 29** The responsibilities of supervisors arising from their default of performing a certain obligation may be released by an informed shareholders' general meeting, except the following responsibilities which may not be released:

- (I) responsibility for not genuinely acting in the best interest of the Company and the shareholders as a whole;
- (II) responsibility for misappropriating any properties of the Company, including but not limited to any beneficial opportunities;
- (III) responsibility for infringing the interests of other shareholders, including but not limited to any rights for distribution or vote, for the benefit of the supervisor himself or others;

**Article 30** In addition to the minutes of meeting, the Board of Supervisors shall work out a brief resolution of meeting with regard to the matters discussed, which shall be read out before the meeting closes and signed by all supervisors present at the meeting, including the proxies.

**Article 31** The minutes of meeting and resolutions of the Board of Supervisors shall be kept by the secretary of the Board of Directors as Company files.

#### **Chapter V Implementation and Announcement of Resolutions of the Board of Supervisors**

**Article 32** Depending on the content of the resolutions, the Board of Supervisors may submit the resolutions to the secretary of the Board of Directors for delivering to directors and senior officers.

**Article 33** In case suggestions are given on business management of the Company, or responses from the Board of Directors, General Manager or other senior officers are required for a proposed resolution, the Board of Supervisors may appoint a supervisor or the secretary of the Board of Directors to be responsible for communication with the Board of Directors or the General Manager in order to finalize the resolution, and to submit written reports to the Board of Supervisors with regard to implementation of such resolution.

**Article 34** For each resolution of the Board of Supervisors, a supervisor shall be designated to implement or supervise the implementation of such resolution. The supervisor so designated shall put implementation of the resolution on record and report the final implementation results to the Board of Supervisors.

**Chapter VI Supplementary Provisions**

**Article 35** Any matters not covered herein shall be dealt with in accordance with applicable national laws, regulations, normative documents and the Articles of Association. In case of any conflicts between these Rules and any future laws, regulations or normative documents of the state or the Articles of Association as modified by legal procedures, the latter shall prevail and these Rules shall be modified accordingly in a prompt manner.

**Article 36** These Rules shall be effective upon approval by shareholders at general meeting and interpreted by the Board of Supervisors. In case modifications to these Rules are required as a result of any changes in the laws, regulations, normative documents or business operation of the Company, such modifications shall be proposed by the Board of Supervisors and reported to the General Meeting for approval.

**BEIJING CAPITAL LAND LTD.  
MEASURES FOR ADMINISTRATION OF RELATED PARTY TRANSACTIONS****Chapter I General Provisions**

**Article 1** These measures (hereinafter referred to as these “Measures”) are hereby formulated by Beijing Capital Land Ltd. (hereinafter referred to as the “Company”) to enhance the internal control over related party transactions, to protect the legal interests of shareholders and to improve the corporate governance structure of the Company, in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Listing Rules”) and other applicable national laws and regulations, while taking into consideration of the Articles of Association of Beijing Capital Land Ltd. (hereinafter referred to as the “Articles of Association”).

**Article 2** These Measures are applicable to related party transactions of the wholly-owned subsidiaries and controlled subsidiaries of the Company (hereinafter referred to as the “Subsidiaries”).

**Article 3** The Audit Committee of the Company shall be responsible for the control over and daily administration of related party transactions of the Company.

**Chapter II Scope of Related Parties and Related Party Transactions**

**Article 4** For the purpose of these Measures, related parties refer to legal persons and/or natural persons that are related to the Company as identified in accordance with Chapter 14A of the Listing Rules and other relevant rules, including but not limited to the related legal persons, related natural persons and potential related parties of the Company, the scope of which shall be subject to provisions of relevant laws, administrative regulations and rules of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

**Article 5** A related party has an extremely broad and complex definition. Generally, a natural person/legal person or another organization will be a related party of the Company if it meets any of the following conditions:

- (I) The legal person, another organization or natural person directly or indirectly controls the Company;
- (II) The legal person or another organization other than the Company and the Subsidiaries that is controlled either directly or indirectly by the legal person or another organization defined in the preceding paragraph;
- (III) The directors and supervisors of the Company and the Subsidiaries, and the natural person who was a director and supervisor of the Company and the Subsidiaries during the 12 months preceding the date of a related party transaction;
- (IV) The legal person, another organization or natural person that holds more than 10% of the shares of the Company;

- (V) The legal person, another organization or natural person that holds more than 10% of the shares of the Subsidiaries;
- (VI) The close family members of the related natural persons as mentioned above;
- (VII) The associates (as defined the Listing Rules) of the related natural persons/related legal persons;
- (VIII) The collected subsidiaries (as defined the Listing Rules);
- (IX) The legal person, another organization or natural person that has a special relationship with the Company that would make the Company tilted towards its interests, as determined by the Securities and Futures Commission of Hong Kong (hereinafter referred to as the “SFC”), the Stock Exchange or the Company in accordance with the Substance over Form Principle.

The Company and any person defined in Para. (II) of this article shall not be treated as related parties of each other simply because that they are controlled by the same state asset administration organ.

The Subsidiaries as mentioned above exclude insignificant subsidiaries (as defined the Listing Rules).

**Article 6** The Company’s directors, supervisors, senior officers, shareholders with more than 10% shareholding, the actual controller of the Company and the parties acting in concert with such controller shall notify the Company of their related party relationship with the Company in a timely manner in accordance with relevant regulations.

**Article 7** A related party transaction of the Company refers to a transaction that leads to a transfer of resources or obligations between the Company or the Subsidiaries and a related party of the Company, including but not limited to:

- (I) Acquiring or selling assets (including transactions where the assets are deemed to be sold);
- (II) Executing or terminating financial leasing agreements;
- (III) External investment (including trustee investment and entrusted loans etc.);
- (IV) Providing or accepting financial assistance (including granting credit and lending money);
- (V) Providing guarantees for indemnity or warranties (including providing guarantee for indemnity, warranties or pledge for loans);
- (VI) Leasing in or out assets;
- (VII) Issuing new securities;
- (VIII) Appointing others or being appointed for management of assets or business;

- (IX) Donating assets or accepting asset donation;
- (X) Restructuring debts or creditor 's rights;
- (XI) Entering into a license agreement;
- (XII) Transferring or acquiring R&D projects;
- (XIII) Purchasing raw materials, semi-finished products, finished products, fuels or power;
- (XIV) Selling products or commodities;
- (XV) Providing or accepting labor or service;
- (XVI) Common services;
- (XVII) Selling by consignment or selling on commission;
- (XVIII) Making deposits at or taking loans from the finance company of a related party;
- (XIX) Co-investing with a related party; or
- (XX) Any other transactions that may lead to a transfer of resources or obligations through agreement and impact on other shareholders' interests, as determined in accordance with the requirements of the SFC, the Listing Rules and other relevant guidance, or otherwise determined in accordance with the Substance over Form Principle.

**Article 8** The Company shall prepare and update in a timely manner a list of related parties of the Company in accordance with applicable laws, regulations, the Listing Rules and relevant guidance. When a transaction takes place, the responsible person shall carefully check the list of related parties and decide in a prudent manner as to whether such transaction constitutes a related party transaction, and shall further go through the approval formalities in accordance with the authority stated in these Measures and notify the secretary of the Board of Directors and the authorized representative of the Company for proper disclosure of relevant information, if such transaction constitutes a related party transaction.

### **Chapter III Decision-making Principles and Avoidance System for Related Party Transactions**

**Article 9** Related party transactions of the Company shall be carried out based on the following basic principles:

- (I) The principle of good faith; and
- (II) The Board of Directors of the Company shall decide based on objective standards whether such related party transactions are beneficial to the Company and all shareholders. Professional appraisers or independent financial consultants shall be engaged to issue or provide advice, if necessary.

**Article 10** When the Board of Directors of the Company considers a related party transaction, any related directors shall avoid voting and shall not exercise any voting rights as a proxy of another director. The meeting of the Board of Directors concerned may be held if more than a half of the non-related directors are present and the resolutions at such meeting require the approval of more than a half of the non-related directors. If fewer than three non-related directors are present at the meeting, the Company shall submit the transaction to the General Meeting for consideration.

For the purpose of the preceding paragraph, related directors include but not limited to the following directors or directors that meet any of the following conditions:

- (I) The counterparty to the transaction;
- (II) Having direct or indirect control over the counterparty to the transaction;
- (III) Holding a position in the counterparty to the transaction, or in any legal person or other organization that either directly or indirectly controls such counterparty, or in any legal person or other organization under the direct or indirect control of such counterparty;
- (IV) A close family member of the counterparty to the transaction, or of the direct or indirect controller of the counterparty to the transaction;
- (V) A close family member of a director, supervisor or senior officer of the counterparty to the transaction or of the direct or indirect controller of the counterparty to the transaction; or
- (VI) Other directors whose independent business judgment may be affected as determined by The SFC, the Stock Exchange or the Company in accordance with the Substance over Form Principle.

**Article 11** When the General Meeting of the Company votes on a related party transaction, any related shareholders shall avoid voting and shall not exercise any voting rights as a proxy of another shareholder.

For the purpose of the preceding paragraph, related shareholders include but not limited to the following shareholders or shareholders that meet any of the following conditions:

- (I) The counterparty to the transaction;
- (II) Having a direct or indirect control over the counterparty to the transaction;
- (III) Under the direct or indirect control of the counterparty to the transaction;
- (IV) Under a common control, whether direct or indirect, of a legal person or other organization or a natural person with the counterparty to the transaction;
- (V) Any shareholder whose voting right is restricted or affected due to any outstanding agreements of equity transfer or other agreements between such shareholder and the counterparty to the transaction or the related party thereof; or

- (VI) Other shareholders that would make the Company tilted towards their interests as determined by the SFC or the Stock Exchange.

**Article 12** In any of the aforesaid cases, the directors, supervisors or senior officers of the Company shall make statements or reports in respect thereof, indicating whether they have any substantial interest therein, before the Company makes any decisions on the related party transaction, so that the Company may deal with the related party transaction in a proper and fair manner to protect the interests of the Company.

**Article 13** The Company shall not make any loans to its directors, supervisors or senior officers either directly or indirectly.

**Article 14** Related party transactions in the following cases shall be reviewed and approved by the Audit Committee before being submitted to the Board of Directors for approval:

- (I) A related party transaction with a related natural person with an amount exceeding RMB300,000 and a related party transaction with a related legal person with an amount exceeding RMB3 million;
- (II) Any related party transaction for which an announcement is required to be made pursuant to Chapter 14A of the Listing Rules; and
- (III) Any related party transaction for which information disclosure is required in accordance with the relevant regulations of the SFC, the Articles of Association or other relevant regulations.

**Article 15** Related party transactions in the following cases shall be subject to consideration by the General Meeting of the Company after being approved by the Board of Directors after consideration:

- (I) Any related party transaction subject to consideration and approval by the General Meeting of the Company pursuant to Chapter 14A of the Listing Rules; and
- (II) Any related party transaction subject to consideration and approval by the General Meeting of the Company according to the relevant requirements of the SFC, the Articles of Association or other relevant regulations.

The General Meeting of the Company shall consider the related party transactions in accordance with the following:

- (I) The Board of Directors shall provide the General Meeting with detailed information about the related party transaction, including the amounts involved, price (including pricing methods), book value of the assets, impacts on the Company and approval thereof.

- (II) The Company shall engage a service agency with relevant qualifications to issue an audit or appraisal report with regard to the subject matter of the said related party transaction according to the requirements of the Listing Rules and other relevant regulations, and engage an independent financial adviser to issue an independent financial adviser's report according to the requirements of the Listing Rules;
- (III) Any shareholder involved in the related party transactions shall avoid voting and the voting shares he/she represents shall be excluded from the total valid votes. Information about voting of non-related shareholders shall be fully disclosed in the announcement of resolutions of the General Meeting.

**Article 16** For Articles 14 and 15 of these Measures, the classification and exemption of related party transactions shall be subject to the provisions of the Listing Rules and other relevant laws and regulations. In the event of anything unclear, the Company shall consult with the Stock Exchange and other regulators before entering into or completing a related party transaction.

**Article 17** Where the Company conducts the following related party transactions, the amount of such transactions shall be aggregated for twelve consecutive months and be governed by Article XIV or Article XV hereof respectively:

- (I) Transactions conducted with the same related party; or
- (II) Transactions conducted with different related parties but being connected with each other.

The same related party as stated above includes any legal person or any other organization that is under the direct or indirect control of the same legal person or any other organization or natural person with such related party, or controls or is controlled by such related party, or one of whose directors or senior officers serves as a director or senior officer of such related party.

In the event of anything unclear in the application of this article, the Company shall consult with the Stock Exchange and other regulators before entering into or completing a related party transaction.

**Article 18** A related party transaction between the Company and its related parties in the ordinary course of its business may constitute a continuing connected transaction (as defined in the Listing Rules) and are subject to the provisions of these Measures and the Listing Rules. The Company is required to enter into an agreement on the continuing connected transaction and determine the term of the agreement and the annual cap of the transaction. If the term exceeds three years, the Company shall perform the relevant review procedures and disclosure obligations every three years in accordance with the provisions of Chapter 14A of the Listing Rules. If the term of the agreement exceeds three years for actual needs, the Company shall appoint an independent financial adviser to review and advise in this regard in accordance with the Listing Rules.

**Chapter IV Disclosure and Monitoring of Related Party Transactions**

**Article 19** After the Board of Directors consider and approve a related party transaction, the Company shall publish an announcement in accordance with the requirements of the Listing Rules, and make relevant disclosures in the interim report and the annual report in accordance with the Listing Rules and applicable accounting standards.

**Article 20** The Company's financial management centre shall continuously monitor the use of the approved annual caps for related party transactions and continuing connected transactions. For any possibilities that the approved annual cap for a related party transaction or a continuing connected transaction might be exceeded, the relevant responsible personnel will be reminded to perform the examination and approval procedures in accordance with these Measures, and inform the secretary of the Board of Directors and the authorized representative of the Company for proper disclosure of relevant information.

**Chapter V Supplementary Provisions**

**Article 21** For the purpose of these Measures, close family members include spouses, children not less than 18 years old and their spouses, parents and parents-in-law, siblings and their spouses, spouses' siblings and the children's parents-in-law.

**Article 22** Any matters not covered herein shall be dealt with in accordance with applicable national laws, regulations, normative documents and the Articles of Association. In case of any conflicts between these Measures and any future laws, regulations or normative documents of the state or the Articles of Association as modified by legal procedures, the latter shall prevail and these Measures shall be modified accordingly in a prompt manner.

**Article 23** These Measures shall be implemented as of the date of approval by the General Meeting after consideration and shall be interpreted by the Board of Directors. For the purpose of any amendments to these Measure due to revision of the laws, regulations and normative documents as well as changes in the business operations of the Company, a proposal shall be presented to the General Meeting for consideration and approval.

**BEIJING CAPITAL LAND LTD.  
MEASURES FOR ADMINISTRATION OF  
THE PROVISION OF EXTERNAL GUARANTEES**

**Chapter I General Provisions**

**Article 1** These measures (hereinafter referred to as these “Measures”) are hereby formulated to regulate the provision of external guarantees by Beijing Capital Land Ltd. (hereinafter referred to as the “Company”), to efficiently control the risks in providing guarantees and to protect the legal rights and interests of the shareholders or other stakeholders, in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Guaranty Law of the People’s Republic of China (hereinafter referred to as the “Guaranty Law”) and other applicable laws, regulations and normative documents, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Listing Rules”) and the Articles of Association of Beijing Capital Land Ltd. (hereinafter referred to as the “Articles of Association”).

**Article 2** For the purpose of these Measures, external guarantees refer to guarantees provided by the Company for others, including the subsidiaries wholly-owned or held by the Company (hereinafter collectively referred to as the “Subsidiaries”). Guarantees may take the form of suretyship, mortgage, pledge or otherwise.

**Article 3** The interim guarantees provided by the Company or the Subsidiaries for customers in respect of mortgage loans granted by banks to customers for purchasing commodity houses from the Company or the Subsidiaries shall be excluded from the scope of guarantees hereunder.

**Article 4** The external guarantees provided by the Subsidiaries of the Company shall apply these Measures.

**Article 5** The Company shall provide external guarantees in an equal, free-will, fair, faithful and mutually beneficial manner. No entities or individuals are permitted to force the Company to provide guarantees for others and the Company has the right to refuse to provide guarantees for others if it is forced to do so.

**Chapter II Conditions and General Principles for Providing External Guarantees**

**Article 6** In principle, the external guarantees provided by the Company shall be limited to guarantees solely for Subsidiaries, and the guarantees for associates and joint ventures in proportion. The Company shall strictly restrict the provision of guarantees to the unrelated companies and other entities. Except for unrelated entities which can provide reasonable counter guarantees and such guarantees are necessary for the operation of the Company, the Company shall not in principle provide other external guarantees to the unrelated entities.

**Article 7** The warrantees to which the Company provides external guarantees shall be operationally and financially sound, have no great operational or financial risks and comply with the provisions of laws, administrative regulations and other departmental rules.

**Article 8** In any of the following cases, the Company shall not provide guarantees for the warrantee:

- (I) The materials provided by the warrantee contain false or misleading statements or material omissions;
- (II) The debts to be guaranteed by the Company are obtained by the warrantee in violation of laws or regulations;
- (III) The Company used to provide a guarantee for the warrantee, and the warrantee failed to repay the debts and/or principal concerned within due time, causing losses to the Company;
- (IV) The operational or financial status of the warrantee has deteriorated or will deteriorate, and the warrantee may become unable to repay the debts concerned within the due time;
- (V) The warrantee incurred considerable losses during the previous year or it is predicted that the warrantee will incur considerable losses in the current year (other than the circumstances where the warrantee, as a real estate enterprise with normal operation, had not yet started generating profit and suffered significant losses solely due to the development cycle of the real estate project);
- (VI) The warrantee commits fraudulent acts when applying for the guarantee, or the warrantee, counter guarantee provider and the creditor act in collusion and bad faith;
- (VII) The counter guarantee is not adequate, or the property subject to counter guarantee contains defects or is prohibited or restricted from circulation, or is non-transferable according to laws and regulations (the counter guarantees shall not be mandatorily required for the purpose of the guarantees provided to the Subsidiaries and the guarantees provided to the associates and joint ventures in proportion);
- (VIII) There is any significant action, arbitration or administrative punishment against the warrantee, pending or foreseeable, which may affect its ability to repay the debts.

### **Chapter III Acceptance and Preliminary Review of Applications for External Guarantees**

**Article 9** Applications for external guarantees shall be processed by the Finance Department of the Company in a centralized manner. The warrantee shall provide the application for guarantee and relevant documents within the time required by the Finance Department. Before deciding to provide the guarantee, the Company shall be informed of the operation and credit status of the warrantee and make detailed analysis with regard to the proceeds of and risks in providing such guarantee, including but not limited to performing an audit in relation to the above Article 7.

**Article 10** After processing the application from the warrantee, the Finance Department shall promptly investigate the credit status of the warrantee, evaluate the risks in providing guarantees to such warrantee, the actual ability of the counter guarantee provider to provide guarantees and the enforceability of the counter guarantee, and further work out and deliver a written report to the financial director and general manager for approval in turn, and submit the same to the secretary of the Board for judgement and decision and announcement at the same time.

In order to improve the efficiency of examination and approval, the Company shall not fulfill the sequential approval procedures as stipulated in the first paragraph of Article 10 for the guarantees provided by the Company to a wholly-owned Subsidiary and the mutual guarantees between the wholly-owned Subsidiaries. The Finance Department of the Company may implement simplified approval based on the actual situation.

**Article 11** In case the application for guarantee is found satisfactory after the compliance audit, the secretary for the Board of Directors shall make arrangements for obtaining approval from the Board of Directors or the General Meeting, in accordance with the Articles of Association, these Measures and other relevant normative documents.

#### **Chapter IV Consideration and Approval of External Guarantees to be Provided**

**Article 12** If the external guarantees to be provided by the Company fulfil one of the following conditions, it shall be submitted to the General Meeting of the Company for approval after the consideration and passing of the Board of Directors, and shall be disclosed in a timely manner:

- (I) The project for which the external guarantee is provided is deemed as a major transaction according to the Listing Rules;
- (II) The project for which the external guarantee is provided requires approval from the General Meeting according to the Measures for Administration of Related Party Transactions;
- (III) The project for which the external guarantee is provided shall be submitted to the General Meeting for consideration according to laws, regulations, normative documents, the Articles of Association and these Measures.

**Article 13** Other than the external guarantees which must be reviewed and approved by the General Meeting as required by Article 12 of these Measures, the Board of Directors has the rights to independently exercise the power of consideration and approval of other external guarantees.

**Article 14** When the General Meeting or the Board of Directors votes on the guarantees, the shareholders or directors who have an interest therein shall abstain.

**Article 15** When considering the application for guarantee provided by a warrantee, the General Meeting or the Board of Directors shall act prudently and strictly control the risk of liability in providing external guarantees, carefully analyze the financial and operational status, industrial prospects and credit status of the warrantee, and make decisions prudently in accordance with laws. If necessary, external professional institutions may be engaged to evaluate the risks in providing external guarantees and such evaluation shall be used as the basis for decision making.

**Article 16** When the external guarantees of the Company involve related party transactions, the provisions of the Measures for Administration of Related Party Transactions shall prevail in case of inconsistency.

#### **Chapter V Review and Conclusion of Guarantee Contracts**

**Article 17** To provide external guarantees, guarantee contracts and counter guarantee contracts (as the case may be) shall be executed by the Company in writing and such contracts shall be in compliance with the Guaranty Law and other applicable laws and regulations and the main terms and conditions thereof shall be clear without ambiguity.

**Article 18** Before an external guarantee contract is executed, the Finance Department of the Company and relevant departments and individuals must carefully review the relevant content of such contract. The guarantee contracts and counter guarantee contracts shall be reviewed by the legal personnel of the Company. If necessary, the guarantee contracts other than the standard form of contracts issued by banks shall be submitted to the law firm engaged by the Company for review or for issuance of a legal opinion. In case of any terms that are mandatory, have an obvious adverse impact on the interests of the Company or otherwise contain potential and unpredictable risks, the Company shall require the warrantee to modify the same or refuse to provide guarantees for such warrantee.

**Article 19** When the Company accepts the mortgage or pledge for counter guarantee, the Finance Department and the legal personnel of the Company (or lawyers engaged by the Company) shall deal with relevant legal formalities, including specifically dealing with the formalities for registration of mortgage or pledge in a timely manner.

**Article 20** The Chairman of the Board of Directors or a person authorized by the Company shall enter into the guarantee contract on behalf of the Company subject to resolutions of the Board of Directors or the General Meeting. Without the approval and authorization of the General Meeting or the Board of Directors, no one shall enter into any external guarantee contract on behalf of the Company or its branches.

**Article 21** Where registration of guarantee is required by laws and regulations, the Company must complete the guarantee registration with relevant registration authority.

#### **Chapter VI Daily Management of External Guarantees**

**Article 22** The Finance Department of the Company shall be responsible for the daily management of external guarantees provided by the Company and centralized registration and filing of matters related to the external guarantees provided by the Company and the subsidiaries controlled by the Company.

**Article 23** According to the relevant provisions of the Documents Management Guideline of Beijing Capital Land Ltd., the Finance Department of the Company shall properly keep and control all documents and materials related to external guarantees provided by the Company (including but not limited to applications for guarantees and the documents thereof, the review opinions from the Finance Department, the secretary of the Board of Directors, other departments of the Company and the resolutions of the Board of Directors/General Meeting, and the signed guarantee contracts), sort out and check the same in a timely manner, check with banks or other relevant institutions on a regular basis, ensure the materials filed are complete, accurate and valid, pay attention to the validity of guarantees, prepare the fact sheet with regard to the external guarantees provided by the Company on a regular basis and submit the report to relevant persons in charge.

**Article 24** In case the Finance Department identifies any abnormal contracts that are not approved or approved without the authorization of the Board of Directors or General Meeting in the course of the above document management process, it shall submit timely reports to the Board of Directors and the Board of Supervisors.

**Article 25** Where an extension is granted for a debt after it becomes due and further guarantee is required from the Company, such further guarantee shall be deemed as a new guarantee to be provided and must be subject to the procedures for application, review and approval of guarantees in accordance with these Measures.

#### **Chapter VII Risk Control for the Provision of External Guarantees**

**Article 26** The Company shall maintain an internal control over the external guarantees provided in a legal, prudent, mutually beneficial and safe manner, to strictly control the risks in providing guarantees.

**Article 27** The Company shall investigate the operation and credit status of the warrantee and monitor the operational and financial conditions of the warrantee during the guarantee period for the purpose of risk control, specifically:

- (I) The Finance Department of the Company shall designate a person (hereinafter referred to as the “Designated Person”) to continuously monitor the warrantee, collect the latest financial information and audit reports of the warrantee, analyze the financial status and solvency of the warrantee on a regular basis, pay attention to any changes in its production and operation, assets and liabilities, external guarantees provided to others, spin-off, consolidation or legal representative;
- (II) In case the Designated Person finds that the operation of the warrantee deteriorates significantly or in case of dissolution, spin-off or other significant events or circumstances that have or may have a material adverse impact on the solvency of the warrantee, the Designated Person shall report to the Board of Directors promptly. The Board of Directors is obligated to take effective measures to minimize the losses;

- (III) The Finance Department shall evaluate the solvency of the warrantee 15 days before the debts of the warrantee become due, and understand the financial arrangements of the warrantee for repayment of the debts and the evidence thereof. Any issues identified shall be reported to the Board of Directors in a timely manner.

In order to improve the efficiency of management, risk control as provided in Article 27 above is not required for the guarantees provided by the Company to the wholly-owned subsidiaries and the mutual guarantees among the wholly-owned subsidiaries, the financial department of the Company may exercise appropriate supervision and management according to the circumstances.

**Article 28** To provide an external guarantee, the Company shall require the warrantee to provide a counter guarantee and the counter guarantee provider shall have the ability to actually provide such guarantee. The Company shall decide in a prudent manner the actual ability of the counter guarantee provider and the enforceability of the counter guarantee. In case the warrantee becomes in default and the creditor makes a claim against the Company, the Designated Person shall make a request to the Company for immediately initiating the counter guarantee recourse procedure.

**Article 29** If the creditor does not seek to enforce its rights after a People's Court accepts the debtor's bankruptcy case, the Designated Person shall make a request to the Company for participating in the distribution of the bankruptcy property and exercising the right of recourse in advance.

#### **Chapter VIII Information Disclosure Related to Provision of External Guarantees**

**Article 30** The Company shall disclose relevant information in a timely manner in accordance with the Articles of Association, the Listing Rules and the requirements of laws, regulations and normative documents.

**Article 31** The Financial Management Department of the Company shall provide the certified public accountant responsible for financial audit with the information of all external guarantees provided by the Company in an accurate manner according to regulations.

#### **Chapter IX Liabilities for Breach**

**Article 32** All directors of the Company shall consider matters related to external guarantees provided by the Company in strict accordance with these Measures and relevant laws, regulations and normative documents.

**Article 33** In case any director or senior officer of the Company provides guarantees for others by using the property of the Company without consent of the General Meeting or the Board of Directors and in violation of these Measures, the proceeds shall be paid to the Company and any losses thus caused to the Company or shareholders shall be compensated by such director or senior officer according to laws.

**Article 34** Upon occurrence of the said circumstances, the supervisors or shareholders may file a lawsuit at a people’s court against the director or senior officer concerned. The Company may impose punishment or remove such director or senior officer depending on the severity. In case the director or senior officer is suspected of any crimes, he/she shall be transferred to the judiciary authority and subject to criminal prosecution according to laws.

**Chapter X Supplementary Provisions**

**Article 35** Any matters not covered herein shall be dealt with in accordance with applicable national laws, regulations, normative documents and the Articles of Association. In case of any conflicts between these Measures and any future laws, regulations or normative documents of the state or the Articles of Association as modified by legal procedures, the latter shall prevail and these Measures shall be modified accordingly in a prompt manner.

**Article 36** These Measures shall be implemented from the date of consideration and approval by the General Meeting of the Company and shall be interpreted by the Board of Directors. In case any amendment of these Measures is required due to national laws, regulations, normative documents or the change of the business operation of the Company, the Board of Directors shall formulate draft and submit it to the General Meeting for consideration and approval.

**BEIJING CAPITAL LAND LTD.  
MEASURES FOR ADMINISTRATION OF EXTERNAL INVESTMENT****Chapter I General Provisions**

**Article 1** These measures (hereinafter referred to as these “Measures”) are hereby formulated to regulate the procedures of Beijing Capital Land Ltd. (hereinafter referred to as the “Company”) for making decisions on external investment, to ensure the decisions are made in a scientific, proper and transparent manner, to improve the efficiency of capital operation of the Company and to protect the interests of the Company and shareholders, in accordance with the Company Law of the People’s Republic of China and other laws, regulations and normative documents, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Listing Rules”), while taking into consideration of the Articles of Association of Beijing Capital Land Ltd. (hereinafter referred to as the “Articles of Association”).

**Article 2** For the purpose of these Measures, external investment by the Company has the meaning of “Transaction” under Chapter 14 of Listing Rules, which includes, but not limited to, all kinds of investment made by the Company by using a certain amount of monetary capital, equity or valuated physical or intangible assets, in order to obtain proceeds in the future, including equity investment, trustee investment, entrusted loans, investment in financial assets held for trading, and available-for-sale financial assets etc.

**Article 3** These Measures are applicable to the business and investment activities of the subsidiaries wholly-owned or held by the Company (hereinafter referred to as the “Subsidiaries”).

**Chapter II Decision-making Procedures and Disclosure Obligations**

**Article 4** For the major external investment projects involving the general principle and direction, the Company shall consider the advices of the party’s committee of the Company in advance, and then respectively report to the Board of Directors, the General Meeting or other authorized competent authorities for consideration and approval.

**Article 5** If the external investment to be made by the Company fulfil one of the following conditions, it shall be submitted to the General Meeting of the Company for approval after the consideration and passing of the Board of Directors, and shall be disclosed in a timely manner:

- (I) The projects of external investment are deemed as major transactions, very substantial acquisition or reverse takeover according to the Listing Rules;
- (II) The projects of external investment shall be submitted to the General Meeting for consideration according to laws, regulations, normative documents, the Articles of Association and these Measures.

**Article 6** Other than the external investment which must be reviewed and approved by the General Meeting as required by Article 5 of these Measures, the Board of Directors has the right to independently exercise the power of consideration and approval of other external investment, while the general manager of the Company may make independent decisions on the establishment of and capital increase in wholly-owned subsidiaries.

**Article 7** For the external investment that shall be submitted to the General Meeting for approval according to these Measures, the Company shall dispatch relevant circular and notice of meeting to its shareholders in a timely manner according to the provisions of the Article of Association, the Listing Rules and relevant regulations. The circular shall contain the documents, including, among others (as the case may be), audit reports, assets assessment report etc., as stipulated by the Article of Association, the Listing Rules and relevant regulations for the review by shareholders.

**Article 8** The Company shall organize relevant personnel to review the feasibility of the major external investment.

**Article 9** The Company shall perform the obligations of information disclosure with regard to significant business or investment matters in accordance with relevant laws, regulations and normative documents.

**Article 10** Where a business or investment transaction of the Company involves related party transactions and the Measures for Administration of Related Party Transactions of the Company requires otherwise, provisions of the Measures for Administration of Related Party Transactions shall govern.

### **Chapter III Implementation of Decisions**

**Article 11** The departments and relevant personnel of the Company shall ensure the implementation of decisions related to significant business or investment projects as follows:

- (I) According to the relevant resolutions of the General Meeting or the Board of Directors, the Chairman of the Board of Directors or the General Manager shall sign relevant documents or agreements upon authorization of the General Meeting or the Board of Directors.
- (II) The department that puts forward the business or investment proposal shall be responsible for the implementation of the significant business or investment decisions made after consideration and approval, and it shall prepare practical and specific implementation plans, steps and measures for the significant business or investment projects according to the decisions made by the General Meeting, the Board of Directors or the General Manager.
- (III) The department that puts forward the business or investment proposal shall establish a project team to be in charge of the implementation of the project, provide regular or non-regular update on the progress of the project to the relevant departments or the management of the Company and accept audit with regard to income and expenses etc.

- (IV) The person in charge of finance of the Company shall prepare supporting capital plans and allocate the capital in a reasonable manner in accordance with the project implementation plans, steps and measures prepared by the relevant implementation department, so as to ensure the smooth implementation of the project decisions.
- (V) The Risk Control Center of the Company is responsible for carrying out post-investment evaluation and special audits of major investment projects, and offer opinions to the relevant departments in this regard.
- (VI) Upon completion of the significant business or investment project, the documents of investment management shall be kept in a centralized manner subject to the provisions of file management and confidentiality management. The Risk Management and Control Center of the Company shall organize the post-investment evaluation to develop special report of post-investment evaluation.

#### **Chapter IV Internal Control**

**Article 12** The Company shall maintain the internal control over significant external investment in a legal, prudent, safe and efficient manner, to control the investment risks and emphasize investment returns.

**Article 13** For trustee investment, the Company shall select a trustee from qualified and professional financial management institutions that have good credit status, financial conditions and strong profitability without any bad credibility records, and shall enter into a written contract with such trustee, specifically setting out the amount, duration, investment instrument, the rights, obligations and legal responsibilities of both parties with regard to the trustee investment.

**Article 14** The Board of Directors shall designate a person to follow up the progress and safety conditions of the trustee investment. Abnormal issues shall be reported in a timely manner, so that the Board of Directors can take immediate and effective measures to recover the investment to avoid or reduce losses of the Company.

#### **Chapter V Supplementary Provisions**

**Article 15** Any matters not covered herein shall be dealt with in accordance with applicable national laws, regulations, normative documents and the Articles of Association. In case of any conflicts between these Measures and any future laws, regulations or normative documents of the state or the Articles of Association as modified by legal procedures, the latter shall prevail and these Measures shall be modified accordingly in a prompt manner.

**Article 16** These Measures shall be implemented from the date of consideration and approval by the General Meeting of the Company, and shall be interpreted by the Board of Directors. In case any amendment of these Measures is required due to national laws, regulations, normative documents or the change of the business operation of the Company, the Board of Directors shall formulate draft and submit it to the General Meeting for consideration and approval.

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## NOTICE OF THE EGM

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# 首創置業股份有限公司

## BEIJING CAPITAL LAND LTD.

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2868)**

### NOTICE OF THE EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “EGM”) of Beijing Capital Land Ltd. (the “Company”) will be held on Tuesday, 8 January 2019 at 9:00 a.m. at F17, Red Goldage, No. 2, Guang Ning Bo Street, Beijing, the People's Republic of China to consider and, if thought fit, to pass the following resolutions:

#### SPECIAL RESOLUTIONS

1. **“THAT** each of the following proposed arrangements in respect of the issuance of corporate bonds in the PRC (the “Domestic Corporate Bonds”) be and is hereby separately approved, subject to the conditions of the PRC bond market:
  - (1) Issuer: Beijing Capital Land Ltd.
  - (2) Place of Issue: The People's Republic of China
  - (3) Size of Bond Issue: The aggregate issue size shall not be more than RMB10 billion, shall be issued in one or more tranches
  - (4) Arrangement: Non-public issuance to qualified investors
  - (5) Nominal Value: The nominal value shall be RMB100
  - (6) Target Subscribers: The Company intends to issue the Domestic Corporate Bonds to up to 200 Qualified Investors as stipulated in the Administrative Measures for the Issuance and Trading of Corporate Bonds, who have the competence to identify and bear respective risks

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## NOTICE OF THE EGM

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- (7) Maturity: Not more than seven years (inclusive), which can either be in a single category or various categories
- (8) Use of Proceeds: The proceeds are intended to be used for the settlement of the principal and interest of the corporate debts. Subject to the granting of authorization to any one of the executive Directors by the general meeting, the specific use of proceeds shall be determined by such executive Director in accordance with the capital needs of the Company within the scope approved at the general meeting
- (9) Surplus cash management: Without prejudice to the normal progress of the use of proceeds as planned, the Company may apply the temporarily idle proceeds to cash management and invest in products with a high level of safety and liquidity, such as treasury bonds, policy bank loans, local government bonds, reverse repurchase of exchange bonds etc.. Subject to the granting of authorization to any one of the executive Directors by the general meeting, the specific plan for surplus cash management shall be determined by such executive Director in accordance with the capital needs of the Company within the scope approved at the general meeting
- (10) Trading Venue: SSE
- (11) Term of Validity of the Resolutions: The term of validity will expire 36 months after the date of passing the resolutions at the EGM”
2. “**THAT** any one of the executive Directors of the Company be and is hereby authorized to handle all matters relating to the issuance of the Domestic Corporate Bonds, which include but not limited to the following:
- (a) to formulate a specific plan for this issue of Domestic Corporate Bonds according to actual market conditions, including but not limited to the timing of issuance, whether to issue in tranches, types of bonds, aggregate amount of each tranche, methods of issuance, maturity, use of proceeds, surplus cash management, coupon rates and pricing methods, relevant guarantee arrangements, rating arrangements, arrangements for the repayment of principal and the payment of interests, repayment security matters, listing bidding and transfer venue, etc.;
  - (b) to decide and appoint relevant intermediaries and entrusted manager for this Bond Issue;
  - (c) to deal with any relevant matters relating to this listing, bidding and transfer of the bonds;

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## NOTICE OF THE EGM

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- (d) to take any and all necessary, beneficial or appropriate actions in relation to this issue, bidding and transfer of Domestic Corporate Bonds, including but not limited to approving and executing all necessary contracts, agreements and documents, and disclosing relevant information pursuant to applicable regulatory requirements, and to approve, confirm and ratify such actions and steps as undertaken by the authorized Director in relation to the Bond Issue;
- (e) to determine whether to proceed this issuance of the Domestic Corporate Bonds according to the new policies and recommendations made by regulatory authorities or new market conditions, and make relevant adjustments to matters relating to the specific arrangement of this issue of the Domestic Corporate Bonds in the event that there are changes in the policies relating to the issuance of Domestic Corporate Bonds by the regulatory authorities or changes in prevailing market conditions, save as matters that require re-approval at the general meeting pursuant to the requirements of relevant laws, regulations and the Articles of Association;
- (f) to handle matters relating to the repayment of principal and interests of Domestic Corporate Bonds;
- (g) to deal with relevant information disclosure and approval in accordance with the requirements of the Listing Rules; and
- (h) to decide and handle all other matters relating to this issue of the Domestic Corporate Bonds;

The authority granted to any one of the executive Directors to deal with the above matters relating to the issuance of Domestic Corporate Bonds shall take effect from the date of obtaining approval at the general meeting until the date when all the authorized matters in relation to the Domestic Corporate Bonds have been completed.”

3. “**THAT** the following measures to be implemented by the Company, as a minimum, in the event of expected inability to repay the principal or interests of the Domestic Corporate Bonds, as scheduled or the Company is unable to repay the principal or interests of the Domestic Corporate Bonds as they become due be and are hereby approved:
- (a) no dividends shall be distributed to the Shareholders;
  - (b) suspend capital expenditure, such as major external investments, acquisitions and mergers;
  - (c) reduce or suspend the payment of salary and bonus to the Directors and senior management; and
  - (d) no key officers shall be allowed to resign from office.”

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## NOTICE OF THE EGM

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### ORDINARY RESOLUTIONS

4. “**THAT** the Proposed Rules of Procedure of the General Meeting of Shareholders be approved and adopted.”
5. “**THAT** the Proposed Rules of Procedure of Meetings of Directors be approved and adopted.”
6. “**THAT** the Proposed Rules of Procedure of Meetings of Supervisors be approved and adopted.”
7. “**THAT** the Proposed Measures for Administration of Related Party Transactions be approved and adopted.”
8. “**THAT** the Proposed Measures for Administration of the Provision of External Guarantees be approved and adopted.”
9. “**THAT** the Proposed Measures for Administration of External Investment be approved and adopted.”

By order of the Board  
**Beijing Capital Land Ltd.**  
**Lee Sze Wai**  
*Company Secretary*

Hong Kong, 19 December 2018

*Notes:*

**1. Registration procedures for the EGM**

Shareholders who intend to attend the EGM have to return the reply slip together with any necessary registration documents to the Company in person or by post or fax on or before Monday, 31 December 2018.

**2. Proxy**

- i. Any Shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote at the meeting on his or her behalf. A proxy need not be a Shareholder.
- ii. In order to be valid, the proxy form and, if such proxy form is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or authority, shall be deposited by holders of domestic shares or non-H foreign Shares at the place of business of the Company in the PRC not less than 24 hours before the time for holding of the EGM, or by the Shareholders of H Shares at the place of business of the Company in Hong Kong or to the H Share registrar of the Company by such time. The H Share registrar of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong.
- iii. Shareholders or their proxy or proxies shall produce their identification documents when attending the EGM.

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## NOTICE OF THE EGM

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### 3. Miscellaneous

i. The duration of the EGM is expected not to exceed half a day. Shareholders who attend the EGM shall arrange for their own transportation and accommodation at their own expenses.

ii. All voting at the EGM will be conducted by poll.

iii. Place of business of the Company in the PRC:

F17, Red Goldage  
No. 2, Guang Ning Bo Street  
Beijing, PRC

Telephone: 86-10-6652 3000  
Facsimile: 86-10-6652 3171

iv. Place of business of the Company in Hong Kong:

Suites 4602-05  
One Exchange Square  
Central  
Hong Kong

Telephone: 852-2869 9098  
Facsimile: 852-2869 9708