

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action you should take, you should consult your stockbroker, 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 accompanying reply slips and proxy forms 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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This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.



(1) PROPOSED A SHARE OFFERING AND RELATED MATTERS
(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND CORPORATE GOVERNANCE RULES
AND
(3) NOTICE OF EGM AND CLASS MEETINGS

A letter from the Board is set out on pages 4 to 32 of this circular.

A notice convening the EGM of the Company to be held at 9:00 a.m. on Friday, 13 May 2016 at F17, Red Goldage, No. 2, Guang Ning Bo Street, Beijing, PRC, is set out on pages EGM-1 to EGM-4 of this circular. A notice of the H Share Class Meeting to be held at 9:30 a.m. (or immediately after the conclusion of the EGM) on Friday, 13 May 2016 at F17, Red Goldage, No. 2, Guang Ning Bo Street, Beijing, PRC is set out on pages HCM-1 to HCM-3 of this circular. A notice of the Domestic Share Class Meeting to be held at 10:00 a.m. (or immediately after the conclusion of the H Share Class Meeting) on Friday, 13 May 2016 at F17, Red Goldage, No. 2, Guang Ning Bo Street, Beijing, PRC is set out on pages DCM-1 to DCM-3 of this circular. The reply slips and proxy forms for use at the EGM and the Class Meetings are also enclosed herein.

Whether or not you are able to attend the EGM and/or the Class Meetings, you are requested to complete the enclosed proxy forms in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for the holders of H Shares only) or the Company's principal place of business in the PRC at F17, Red Goldage, No. 2, Guang Ning Bo Street, Beijing, PRC (for holders of Domestic Shares and Non-H Foreign Shares only), as soon as possible but in any event not later than 5:00 p.m. on Thursday, 5 May 2016 for the reply slips and not later than 24 hours before the respective times appointed for holding the EGM and/or the Class Meetings or any adjournment thereof for the proxy forms. Completion and return of the proxy forms shall not preclude you from attending the EGM and/or the Class Meetings and voting in person at the EGM and/or the Class Meetings or any adjourned meetings should you so desire and in such event, the relevant form(s) of proxy shall be deemed to be revoked. Shareholders who intend to attend the meetings in person or by proxy should complete and return the reply slips in accordance with the instructions printed thereon on or before Thursday, 5 May 2016.

27 April 2016

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DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this circular shall have the meanings as follows:

“A Share(s)”	the ordinary share(s) proposed to be issued by the Company pursuant to the A Share Offering, with a nominal value of RMB1.00 each, which will be listed on the Shanghai Stock Exchange or Shenzhen Stock Exchange and traded in RMB
“A Share Offering”	the Company’s proposed initial public offering of not more than 370,000,000 A Shares in the PRC
“Announcement”	the announcement of the Company in relation to the A Share Offering dated 18 March 2016
“Articles”	the articles of association of the Company, as revised from time to time
“Board”	the board of Directors
“Board Meeting”	the meeting of the Board held on 18 March 2016
“Capital Group”	Beijing Capital Group Co., Ltd.* (北京首都創業集團有限公司), a state-owned enterprise incorporated in the PRC on 26 October 1994 and under the direct supervision of the State-owned Assets Supervision and Administration Commission of the People’s Government of Beijing Municipality* (北京市人民政府國有資產監督管理委員會), the controlling shareholder of the Company and a connected person of the Company under Rule 14A.07 of the Listing Rules
“Class Meetings”	the Domestic Share Class Meeting and the H Share Class Meeting
“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
“Directors”	the directors of the Company
“Domestic Share(s)”	ordinary domestic share(s) with par value of RMB1.00 each in the share capital of the Company

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“Domestic Share Class Meeting”	the class meeting of the Domestic Shareholders and Non-H Foreign Shareholders to be held to consider and, if thought fit, approve, among other things, the proposed A Share Offering and other related resolutions
“Domestic Share Subscription”	the subscription of 1,000,000,000 new Domestic Shares by Capital Group, details of which are set out in the relevant announcement of the Company dated 10 August 2015 and the relevant circular of the Company dated 11 September 2015
“Domestic Shareholder(s)”	holder(s) of the Domestic Shares
“EGM”	extraordinary general meeting of the Shareholders to be held to consider and, if thought fit, approve, among other things, the proposed A Share Offering and other related resolutions and the proposed amendments to the Articles and the corporate governance rules
“Group”	the Company and its subsidiaries
“Guidelines”	the Guidelines for Articles of Association of Listed Companies (revised in 2014) issued by the CSRC
“H Share(s)”	overseas listed foreign share(s) with a par value of RMB1.00 each in the share capital of the Company, listed on the Main Board of the Stock Exchange and traded in Hong Kong dollars
“H Share Class Meeting”	the class meeting of the H Shareholders to be held to consider and, if thought fit, approve other things, the proposed A Share Offering and other related resolutions
“H Shareholder(s)”	holder(s) of the H Shares
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	25 April 2016, being the latest practicable date prior to the date of this circular for the purpose of ascertaining certain information contained in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended and modified from time to time
“Measures”	the Measures for the Administration of Issue of Securities and Underwriting (《證券發行與承銷管理辦法》) issued by the CSRC
“Non-H Foreign Share(s)”	ordinary non-H foreign shares with par value of RMB1.00 each in the share capital of the Company
“Non-H Foreign Shareholder(s)”	holder(s) of the Non-H Foreign Shares
“PRC”	the People’s Republic of China but excluding, for the purposes of this circular, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	Domestic Share(s), Non-H Foreign Share(s) and/or H Share(s)
“Shareholder(s)”	holder(s) of the Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

In this circular, unless the context otherwise requires, the terms “connected person(s)”, “connected transaction(s)”, “controlling shareholder(s)” and “substantial shareholder(s)”, if used, shall have the meanings given to such terms in the Listing Rules, as modified by the Stock Exchange from time to time.

Certain amounts and percentage figures set out in this circular have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables and the currency conversion or percentage equivalents may not be an arithmetic sum of such figures.

References to the singular number include references to the plural and vice versa and references to one gender include every gender.

The English names of Chinese entities marked with “” are translations of their Chinese names and are included in this circular for identification purpose only, and should not be regarded as their official English translation. In the event of any inconsistency, the Chinese name prevails.*



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)

Executive Directors:

Wang Hao (Chairman)
Tang Jun (President)
Zhang Shengli

Non-executive Directors:

Li Songping
Song Fengjing
Shen Jianping

Independent non-executive Directors:

Ng Yuk Keung
Wang Hong
Li Wang

Registered address:

Room 6008, Block 1
No. 26 Qingchun Road
Huairou District
Beijing
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 2906-08, AIA Central,
1 Connaught Road Central,
Hong Kong

27 April 2016

To the Shareholders

Dear Sir or Madam,

(1) PROPOSED A SHARE OFFERING AND RELATED MATTERS
(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND CORPORATE GOVERNANCE RULES
AND
(3) NOTICE OF EGM AND CLASS MEETINGS

A. INTRODUCTION

Reference is made to the Announcement dated 18 March 2016. At the Board Meeting on 18 March 2016, the following resolutions, among others, have been passed by the Board:

- (1) proposal on the proposed A Share Offering;
- (2) proposal on the distribution plan for undistributed accumulated profit before the proposed A Share Offering;

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- (3) proposal on the use of proceeds of the proposed A Share Offering and the feasibility analysis;
- (4) proposal on granting authorisation to the Board to handle matters in relation to the proposed A Share Offering;
- (5) proposal on the dividend return plan for the three years following the proposed A Share Offering;
- (6) proposal on the profit distribution policy following the proposed A Share Offering;
- (7) the A Share price stabilisation plan for the three years following the proposed A Share Offering;
- (8) proposal on undertakings regarding the disclosure of information in the prospectus published in connection with the proposed A Share Offering;
- (9) proposal on dilution of immediate returns as a result of the proposed A Share Offering and remedial measures;
- (10) the report on the use of proceeds from previous fund raising activities;
- (11) the self-assessment report on the Company's property development business and related undertakings;
- (12) the appointment of the auditors for the proposed A Share Offering;
- (13) the proposed amendments to the Articles;
- (14) the proposed rules of procedure of the general meeting of Shareholders;
- (15) the proposed rules of procedure of meetings of Directors;
- (16) the proposed rules of procedure of meetings of supervisors;
- (17) the proposed work instructions for independent Directors;
- (18) the proposed measures for administration of related party transactions;
- (19) the proposed measures for administration of the provision of external guarantees;
- (20) the proposed measures for administration of external investment (referred to as rules on investments management in the Announcement);
- (21) the proposed measures for administration of raised funds; and
- (22) the proposed detailed rules on implementation of cumulative voting system.

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The proposals of (1), (2), (4), (6) to (9), (13) to (16) above are to be approved by the Shareholders by way of special resolutions and the proposals of (3), (5), (10) to (12) and (17) to (22) above are to be approved by the Shareholders by way of ordinary resolutions at the EGM. In addition, the proposals (1), (2), (4), (7) to (9) are to be approved by the Domestic Shareholders and Non-H Foreign Shareholders at the Domestic Share Class Meeting and by the H Shareholders at the H Share Class Meeting, respectively. If approved, proposals (1), (4), (8), (10) to (12), (17) to (20) will become effective upon approval by the Shareholders at the EGM, portion(s) of which will become effective from the date of the completion of the proposed A Share Offering, and the remaining proposals will become effective upon completion of the proposed A Share Offering.

This circular is intended to provide all the necessary information to you, so you can be fully informed before you vote for or against the resolutions submitted to the EGM and the Class Meetings, and to give notice of the EGM and the Class Meetings.

B. PROPOSED A SHARE OFFERING

On 18 March 2016, the Board resolved to submit for approvals by Shareholders at the EGM and the Class Meetings, resolutions, among other things, for submission of application for the proposed A Share Offering to the CSRC and other relevant regulatory authorities. The proposed A Share Offering will be made in accordance with the Company Law of the PRC, the Securities Law of the PRC, Measures on the Administration of Initial Public Offering and Listing of Securities (《首次公開發行股票並上市管理辦法》), Measures on the Administration of Securities Issuance and Underwriting (《證券發行與承銷管理辦法》), Interim Provisions on the Public Sale of Shares by the Shareholders of a Company in an Initial Public Offering (《首次公開發行股票時公司股東公開發售股份暫行規定》) and other relevant laws and regulations of the PRC.

The proposed A Share Offering is subject to, among others, approval by the Shareholders by way of special resolutions at the EGM and the Class Meetings, respectively, for the issuance of A Shares and approvals from the CSRC and other relevant regulatory authorities.

The details of the proposed A Share Offering are as follows:

1. Class of Shares to be issued and par value: A Shares (being domestic listed ordinary shares denominated in RMB), with a par value of RMB1.00 each.

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2. Number of Shares to be issued:

The number of A Shares proposed to be issued will not exceed 370,000,000 A Shares, which represents, as at the Latest Practicable Date, approximately 18.43% of the total issued Domestic Shares and Non-H Foreign Shares and 12.22% of the total issued share capital of the Company. The final number of A Shares to be issued will be determined by the Board (as authorised by the Shareholders at the EGM and the Class Meetings), based on market conditions, communications with the regulatory authorities and discussions with the sponsor(s) and lead underwriter(s). The number of A Shares to be issued will be adjusted accordingly upon the occurrence of ex-rights events, if any, prior to the issue of A Shares, such as stock dividend and the transferal of capital provident fund into share capital.
3. Target Subscribers:

The target subscribers of the A Shares are inquiring subscribers who satisfy the relevant qualification requirements of CSRC, as well as natural persons, legal persons and other institutional investors who have opened A share securities accounts with the Shanghai Stock Exchange or Shenzhen Stock Exchange (excluding those prohibited by the relevant PRC laws and regulations and other regulatory requirements applicable to the Company). The A Shares will not be issued to any connected person(s) of the Company.
4. Method of issuance:

The proposed A Share Offering will be conducted in accordance with the Measures by offline book building and placement to investors and online applications or other methods as permitted by the CSRC and other regulatory bodies.
5. Pricing methodology:

According to the market conditions at the prevailing time and the Measures, the issue price of the A Shares under the proposed A Share Offering will be determined by making enquiries with offline investors or determined by the lead underwriter(s) or any other legal methods as permitted by the CSRC.

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When determining the issue price of the A Shares, the Company will take into consideration the following factors: (i) the operational and financial conditions of the Company; (ii) the prevailing market conditions; (iii) market demand for the A Shares; (iv) the industry which the Group operates in; (v) the requirements under the applicable laws and regulations; and (vi) the average Price to Earnings ratio (the “PE Ratio”) of other A share listed issuer(s) who operate in the same industries which the Group operates in (the “Average PE Ratio”).

According to the applicable laws and regulations, the issue price of the A Shares may not be less than its par value of RMB1.00 per A Share and the net asset value per Share of the Company at the prevailing time. Further, according to the Measures, if the issue price of the A Shares is to be directly determined by the lead underwriter(s), all the shares shall be issued to online investors without carrying out offline book building and placement. Under the Measures, if the issue price of the A Shares is to be determined by means of making enquiries with offline investors, such as securities firms, funds and insurance companies, then once the offline investors have provided their quotations, the issuer and the lead underwriter(s) shall omit the portion of the highest quotations of the total subscription amount. The omitted portion shall not be less than 10% of the total subscription amount by the offline investors, and that the remaining quotations and the remaining subscription amount will be one of the factors taken into account when determining the issue price of the A Shares. Save as disclosed in this circular, to the best knowledge of the Company and as advised by its advisers and the underwriters, there is no other restriction on the issue price for the issue of A Shares under the A Share Offering as at the Latest Practicable Date.

Regardless of how the issue price of the A Shares is to be determined, the Company will take into account the Average PE Ratio, which is subject to the market conditions at the time of the A Share Offering, when determining the PE ratio of the A Shares. Where a PE ratio for the A Shares under the proposed A Share Offering is determined, the actual issue price shall also be subject to the Company’s financial results at the time of the A Share Offering.

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6. Place of listing: Shanghai Stock Exchange or Shenzhen Stock Exchange, the final place will be determined by the Board, based on the various advice(s) received, and as authorised by the Shareholders.
7. Underwriting arrangements: The underwriting syndicate led by the lead underwriter(s) will underwrite the proposed A Share Offering by way of standby commitment, of which agreement will be entered into between the Company and the lead underwriter(s) prior to the application to CSRC. Further details of the underwriting agreement, when entered into, will be disclosed by the Company by way of further announcement(s).
8. Conversion into a joint stock company with limited liability with both domestic and overseas listed Shares: Upon completion of the proposed A Share Offering and the listing of the A Shares, the Company will convert into a joint stock company with limited liability with both domestic and overseas listed Shares.
9. Conversion of existing Domestic Shares and Non-H Foreign Shares into A Shares: Upon completion of the proposed A Share Offering and the listing of the A Shares, the Domestic Shares and Non-H Foreign Shares in issue will be converted into domestically listed A Shares in accordance with applicable laws and regulations and the relevant requirements of the CSRC. Except for the relevant requirements relating to lock-up period under the relevant laws and regulations, such A Shares shall carry the same rights as the other A Shares issued by the Company.
10. Valid period of the resolution: The validity period of the resolutions for the proposal of the proposed A Share Offering is 12 months from the date when the proposal is considered and approved by the Shareholders at the EGM and the Class Meetings.

The proposed A Share Offering will be made pursuant to the specific mandate to be sought at the EGM and the Class Meetings, respectively, and the Company will make further announcements when the detailed terms of the proposed A Share Offering, such as issue price and offering size, are finalised.

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C. PROPOSAL ON DISTRIBUTION PLAN FOR UNDISTRIBUTED ACCUMULATED PROFIT BEFORE THE PROPOSED A SHARE OFFERING

Upon completion of the A Share Offering, all the new and existing Shareholders will be entitled to the undistributed accumulated profits of the Company prior to the proposed A Share Offering in proportion to their respective shareholdings. Holders of A Shares will not be entitled to any dividends declared by the Company prior to the completion of the A Share Offering.

This proposal has been approved by the Board, and shall be submitted to the EGM and Class Meetings for consideration and approval of the Shareholders by way of special resolutions.

D. PROPOSAL ON THE USE OF PROCEEDS OF THE PROPOSED A SHARE OFFERING AND FEASIBILITY ANALYSIS

It is estimated that the funds raised from the proposed A Share Offering, after deducting relevant issuance expenses, will be approximately RMB3,800 million, which will be used to fund the development of the following property projects:

		Estimated amount of proceeds to be invested RMB million
1.	Haidian Yongfeng Industrial Base F1 Project, Beijing (北京海淀永豐產業基地F1項目)	600
2.	Qingpu Yingpu Street 20-04 Project, Shanghai (上海青浦盈浦街道20-04項目)	300
3.	Yangpu Pingliang Project, Shanghai (上海楊浦平涼項目)	1,000
4.	Beiyunhe Project, Tianjin (天津北運河項目)	1,000
5.	Zhongshanlu Project, Tianjin (天津中山路項目)	900
	Total	<hr/> 3,800 <hr/>

If the actual proceeds raised from the proposed A Share Offering net of issuance expenses are less than the total estimated amount of proceeds to be invested, the Board may adjust the priority and investment amount(s) to the projects above based on the

LETTER FROM THE BOARD

actual needs of the projects, without altering the projects above, and the shortfall will be funded by the internal resources and/or bank borrowings. Any surplus of actual proceeds raised from the proposed A Share Offering net of issuance expenses will be used to supplement the working capital of the Company and/or repay bank borrowings.

Further details of the projects above are set out as follows:

Project	Location	Development Stage	Planned Type of Property	Planned Site Area <i>sq.m.</i>	Planned Total Gross Floor Area <i>sq.m.</i>
1. Haidian Yongfeng Industrial Base F1 Project, Beijing (北京海澱永豐產業基地F1項目)	Haidian District, Beijing	Pending construction	Residential, commercial and office	65,219	208,702 (not including underground area)
2. Qingpu Yingpu Street 20-04 Project, Shanghai (上海青浦盈浦街道20-04項目)	Qingpu District, Shanghai	Pending construction	Residential and commercial	28,620	71,605
3. Yangpu Pingliang Project, Shanghai (上海楊浦平涼項目)	Yangpu District, Shanghai	Pending construction	Residential, commercial and office	32,360	133,272
4. Beiyunhe Project, Tianjin (天津北運河項目)	Hebei District, Tianjin	Construction and sale in progress	Residential and commercial	62,817	349,350
5. Zhongshanlu Project, Tianjin (天津中山路項目)	Hebei District, Tianjin	Construction in progress	Residential, commercial and office	22,455	199,000

This proposal has been approved by the Board, and shall be submitted to the EGM for consideration and approval of the Shareholders by way of ordinary resolution.

E. PROPOSAL ON GRANTING AUTHORISATION TO THE BOARD TO HANDLE MATTERS IN RELATION TO THE PROPOSED A SHARE OFFERING

The Board resolved to submit to the Shareholders to authorize the Board to handle all matters relating to the A Share Offering, including but not limited to:

- (a) to formulate and implement the specified plan for the A Share Offering in accordance with relevant laws, regulations, securities regulatory requirements and actual circumstances, including but not limited to,

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determining the specific timing of the issue, number of A Shares to be issued, methods of issue and pricing, issue price, target subscribers, listing place and other matters relating to the offering and listing;

- (b) to make necessary adjustments and amendments to the proposed A Share Offering based on the actual circumstances relating to the A Share Offering, the market conditions, the policy adjustments and/or the requirements of the government and regulatory bodies. If there is any change in the policy for the initial public offering, to continue the application of the A Share Offering in accordance with such policy as revised;
- (c) to handle the application matters relating to the offering and listing, including but not limited to, applying for vetting, registration, filing and approval by relevant government agencies, regulatory authorities, stock exchanges and securities registration and settlement institutions;
- (d) to sign, execute, amending, supplement and deliver any agreements, contracts or the necessary documents relating to the A Share Offering, including but not limited to prospectus, sponsors' agreement(s), underwriting agreement, listing agreement, various announcements, circulars and shareholder notifications, various explanation letters or letter of undertaking which are required by regulatory authorities and relating to the offering and listing;
- (e) to introduce and/or amend the relevant provisions of the Articles and corporate governance rules relating to the A Share Offering to reflect the status of the Company upon completion of the A Share Offering such as the share capital and share structure, and handle the application for approval, filing and registration of the relevant changes with the relevant regulatory authorities;
- (f) to handle matters related to the A Share Offering, and to handle matters relating to the registration and settlement of the A Shares through China Securities Depository Clearing Corporation Limited in accordance with the undertakings by the Shareholders, including but not limited to registration of stock custody, stock lock-up and other matters;
- (g) to handle all matters relating to the proceeds to be raised through the A Share Offering, including the determination of the account designated for the relevant proceeds, and the deposit and use of the relevant proceeds;
- (h) to engage relevant intermediary institutions and agree with the intermediary institutions on their respective service charges;
- (i) to sign material contracts and agreements relating to the property development projects funded by the proceeds of the A Share Offering and, adjust the plan of use of proceeds raised from the A Share Offering, including but not limited to progress of investment in the property development projects and the portion of allocation among the projects, in accordance with the comments from the relevant authorities given in the course of the A Share Offering application;

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- (j) to handle all matters relating to the A Share Offering, takes all necessary and effective actions and make concrete arrangements in relation to the A Share Offering, according to the relevant laws and regulations;
- (k) to seek the Shareholders' approval in general meeting to authorise the Board to handle in full authority all matters relating to the A Share Offering and the Board to authorise Tang Jun (唐軍), the executive Director, to handle matters relating to disclosure in accordance with the requirements of the Listing Rules, to liaise with the Stock Exchange and to take all necessary and relevant actions; and
- (l) the authorization shall be valid for a period of 12 months from the date on which this resolution was passed at the EGM and Class Meetings of the Company.

This proposal has been approved by the Board, and shall be submitted to the EGM and Class Meetings for consideration and approval of the Shareholders by way of special resolutions.

F. PROPOSAL ON THE DIVIDEND RETURN PLAN FOR THE THREE YEARS FOLLOWING THE PROPOSED A SHARE OFFERING

In order to increase the transparency and the Shareholders' supervision of the dividend policy following the proposed A Share Offering, the Company has prepared the proposal on the dividend plan for the three years following the proposed A Share Offering in accordance with the relevant laws and regulations of the PRC, including the Notice on Further Implementing Matters Relevant to the Cash Dividend Distribution by Listed Companies and the Guideline No. 3 on the Supervision and Administration of Listed Companies – Distribution of Cash Dividends of Listed Companies in the PRC and other relevant laws and regulations of the PRC, as well as the Articles and other corporate governance rules and policies of the Company.

The Company can declare dividends by way of cash or Shares or a combination of cash and Shares or in any forms in compliance with applicable laws. Subject to the conditions of the dividend allocation, the dividends shall be declared by way of cash in preference. Subject to applicable laws and regulations, the Company will distribute no less than 10% of the distributable profits realized of that year for each of the respective three years immediately following the proposed A Share Offering and no less than 30% of the average accumulated distributable profits realized for the respective three years immediately following the proposed A Share Offering (such distributable profits exclude any transfers to legal or optional accumulation funds as may be required), in the absence of material investment plans. Further, provided that the cash dividends are sufficient, the Company may additionally add/increase the distribution of Shares and transfer of capital provident fund into capital.

This proposal has been approved by the Board, and shall be submitted to the EGM for consideration and approval of the Shareholders by way of ordinary resolution.

LETTER FROM THE BOARD

G. PROPOSAL ON THE PROFIT DISTRIBUTION POLICY FOLLOWING THE PROPOSED A SHARE OFFERING

In order to increase the transparency and the Shareholders' supervision of the dividend policy following the proposed A Share Offering, the Company has prepared the proposal on the profit distribution policy following the proposed A Share Offering in accordance with the relevant laws and regulations of the PRC, as well as the Articles and other corporate governance rules and policies of the Company.

(a) Basic Principle of the Profit Distribution Policy

The Company should develop the principle that it will offer returns to its Shareholders and implement a sustainable and stable profit distribution policy. Profit distribution of the Company shall maintain reasonable returns on the investment to investors and takes into consideration the sustainable development of the Company.

(b) Methods of Profit Distribution

Based on the actual condition, the Company may, in accordance with relevant provisions of the laws, regulations, normative documents and the Articles of Association, distribute profit in the form of cash, bonus shares, the combination of cash and bonus shares and by other lawful methods. Cash dividends takes priority whereby the distribution will not exceed the amount of accumulated distributable profits.

If the capital expenditure satisfies the relevant budget requirements as set out by the Company, the Company may implement interim profit distribution in cash based on the operating profit and cash flow of the Company in the current period.

(c) Conditions on and Proportion of Cash Dividends

Upon the satisfaction of all of the following conditions, the Company shall distribute dividends in cash:

- (i) Profit of the Company available for distribution of the year (namely, after-tax profit after the recovery of losses and allocation to reserve fund) is positive and the Company has abundant cash that will not hinder subsequent operations of the Company even after such distribution;
- (ii) Audit institutions issue unqualified opinion on the financial report of the Company of that year;
- (iii) The Company has no significant investment schemes; and

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- (iv) Profit distribution will not breach the provisions of the laws, regulations, ordinances, normative documents promulgated by the government, applicable rules and agreements or contracts binding upon the Company or its subsidiaries.

The Board of the Company shall, taking into account the features of the industry the Company is engaged in, the development phase, operating model, size of profit and plan for significant capital expenditures of the Company, put forward different policies relating to the payment of dividends in cash according to different circumstances specified below and procedures provided by the Articles:

- (i) If the Company is in a mature development phase and has no significant capital expenditure plan, at least 80% of the distribution shall be paid in cash;
- (ii) If the Company is in a mature development phase and has significant capital expenditure plan(s), at least 40% of the distribution shall be paid in cash;
- (iii) If the Company is in a growing development phase and has significant capital expenditure plan(s), at least 20% of the distribution shall be paid in cash; and
- (iv) If the Company is in a development phase not clearly identifiable and has significant capital expenditure plan(s), the provision of aforesaid item (iii) shall be applicable.

(d) Specific Conditions on Stock Dividends Payout

The dividends shall be declared by way of cash in preference. If the revenue of the Company grows fast, and, as deemed by the Board, the stock price of the Company does not match the share capital of the Company and the Company is capable of increasing its share capital, such distribution may be paid in the combination of cash and bonus shares. Plans for profit distribution in the form of bonus shares shall be submitted to the general meeting of Shareholders for consideration and approval after it has been approved by the Board.

(e) Decision-making Procedures for Profit Distribution

The Board shall, according to the development phase of the Company, consider the operations of the current period and capital demand of investment project(s), striking a balance between the short-term interests and long-term development of the Company, and formulate a reasonable profit distribution plan, taking into full consideration the interests of the Shareholders.

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While making a detailed plan for the cash payment of profit distribution, the Board shall carefully study and verify the timing for, conditions for, and lowest proportion of profit distribution paid in cash, conditions on adjustment and the requirements of decision-making procedures. An independent Director shall expressly voice his/her opinions.

An independent Director shall, before meetings of the Board in relation to profit distribution are convened, express explicit opinions on the plan for profit distribution and may, if necessary, make a request for a general meeting of Shareholders. An independent Director may, after soliciting opinions from minority shareholders, put forward a motion of profit distribution and submit the same to the Board for consideration and approval directly.

A plan for profit distribution passed by the Board after the above procedures shall be submitted to the general meeting of Shareholders for consideration and approval and may be implemented if it is passed by over half of the voting rights held by shareholders attending such meeting (including their proxies). In case of a plan for profit distribution paid in bonus shares, it shall be passed by over two-thirds of the voting rights held by shareholders attending such meeting (including their proxies).

Prior to the review and consideration of the detailed plan for the cash payment of profit distribution by the general meeting of Shareholders, the Company shall, by answering phone calls from or holding meetings with investors, or via the public email box or online platform of the Company, take the initiative to communicate to and exchange opinions with shareholders, minority shareholders in particular, take into full consideration opinions and requests of minority shareholders and answer questions that the minority shareholders are concerned about.

(f) Adjustments to Profit Distribution Policies

Profit distribution policies may not be adjusted freely to the extent that the reasonable returns to be given to Shareholders will be reduced. If, significant changes of the external operating environment or the operations of the Company occur and require profit distribution policy adjustments, the Company may make such adjustments. The adjusted profit distribution policies may not violate relevant provisions of the CSRC and the stock exchange.

Adjustment plans for profit distribution policies shall be formulated by the Board and, upon the approval of more than half of the independent Directors, be submitted to the general meeting of Shareholders for consideration and approval. Independent Directors and the supervisory committee shall review the adjusted profit distribution policies so submitted and give written opinions thereabout.

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If adjustments to the profit distribution policies are warranted by capital demands arising from the Company's production and operations, its significant investment project(s) and development plans, the Company shall solicit opinions from independent Directors, supervisors and public investors. The Board shall put the interests of shareholders as priority when adjusting profit distribution policies and, in relevant proposals submitted to the general meeting of Shareholders, argue and explain the reasons for adjustments to relevant policies in a detailed way. The adjusted profit distribution policies may not violate relevant provisions of the CSRC and the stock exchange. Proposals with respect to profit distribution policy adjustments shall be approved by independent Directors and the supervisory committee and also be approved by the Board, before they are submitted to the general meeting of Shareholders for approval, at which it shall be passed by over a two-thirds of the voting rights held by shareholders present at the meeting. Small and medium-sized investors may enjoy the convenience and exercise their voting rights through the Internet, as allowed by the Company.

(g) Establishment of Future Schemes of Profit Distribution and Returns to Shareholders

The Company will establish profit distribution and returns schemes in a three-year cycle. The profit distribution scheme of the period should be determined by the Board in accordance with the profit distribution policies specified in the Articles and taking into consideration the operations, profit size, cash flow, development phase and capital demand of the Company.

This proposal has been approved by the Board, and shall be submitted to the EGM for consideration and approval of the Shareholders by way of special resolutions.

H. THE A SHARE PRICE STABILISATION PLAN FOR THE THREE CONSECUTIVE YEARS FOLLOWING THE PROPOSED A SHARE OFFERING

In order to protect the legitimate rights and interests of the Shareholders, the Company has prepared the A Share price stabilisation plan for the three years following the proposed A Share Offering in accordance with the relevant laws and regulations of the PRC regulating share repurchase shareholding increase and other changes in shareholding.

Conditions for starting the stock price stabilisation measures for A Shares

Within three years after the official listing date of the A Shares, if the closing price of the Company's A Shares for 20 consecutive trading days (excluding trading days upon which trading of the Company's A Shares is suspended for a whole day, and the same below) is lower than the Company's latest audited net asset value per share (after the latest accounting reference date, in case that the Company's net asset or the sum of shares has been changed due to distribution of profits, or transfer from capital reserve to share capital, subscribing or placing, etc., the net asset value per share shall be adjusted accordingly), while the Company's condition complies with

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the regulations prescribed by the CSRC on making changes to shareholdings such as repurchase or increase of holdings, the Company will implement the stock price stabilisation measures in order to protect the interests of shareholders, enhance investors' confidence and maintain stability of the Company's stock price.

Implementation of the stock price stabilisation measures for A Shares

When it becomes necessary to take stock price stabilisation measures, the Company, depending on its actual condition and that of the stock market, shall carry out the stock price stabilisation measures by the following procedure. Meanwhile, after the implementation of the stock price stabilisation measures, the Company's shareholding structure shall comply with the listing requirements.

(a) Measures to be implemented by the Company

In reaching the starting point for implementing the stock price stabilisation measures, the Company shall, within five trading days, hold a board meeting to discuss the proposal on the repurchase of A Shares from the Company's public shareholders, and submit such proposal to the general meeting of Shareholders for consideration and approval.

In addition, the controlling shareholders undertake to vote in favor of the A Share repurchase plan. The Company will disclose the specific repurchase plan of A Shares in accordance with law.

The Company will use its self-owned funds to repurchase A Shares from public shareholders with a price no higher than the latest audited net asset value per share through method of centralized price bidding. Funds applied by the Company on the repurchase of shares each year must not exceed 30% of the audited net profit attributable to shareholders of the parent company in the year prior to the repurchase event. If the Company's A Share price does not comply with the conditions for implementation of the Company's stock price stabilisation measures, the Company may cease to repurchase A Shares from public Shareholders. After the repurchase of A Shares, the Company's shareholding structure shall comply with the listing requirements.

The Company shall repurchase A Shares in accordance with provisions of the laws, regulations and normative documents, including but not limited to Company Law, Securities Law, Administration of Repurchase of Public Shares by Listed Companies Procedures (Trial Implementation), Supplementary Provisions on the Share Repurchase by Listed Companies by Means of Centralized Bidding, and the Listing Rules.

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(b) Measures to be implemented by controlling shareholders

After the Company has initiated the stock price stabilisation measures in (a) above, and completed its repurchase of A Shares after the implementation of the measures in (a) above, in case that the closing price of the Company's A Share is lower than the latest audited net asset value per share for 20 consecutive trading days, or when the Company fails to implement the measures in (a) above to stabilize the A Share price, the Company's controlling shareholders shall, within five trading days, put forward the plan to increase shareholdings of the Company's A Shares (including the number of shares, price range and timing, etc.), the price of additional shareholdings shall not be higher than the latest audited net asset value per share of the Company, while the aggregated amount for additional holdings of A Shares of the controlling shareholders shall not be lower than RMB10 million. If the Company's stock price does not meet the conditions on the implementation of the Company's stock price stabilisation measures, the controlling shareholders may cease to further increase their shareholdings of A Shares. The Company's controlling shareholders shall increase shareholdings of the Company's shares in accordance with relevant provisions of the laws, regulations and normative documents.

(c) Measures to be taken by all directors and senior management

After the Company has initiated the stock price stabilisation measures in (a) above, and its controlling shareholders have increased shareholdings in the Company's A Shares in accordance with (b) above, in case that the closing price of the Company's A Shares is lower than the latest audited net asset value per share for 20 consecutive trading days, or fails to implement measures in (b) above to stabilise the stock price, the Company's incumbent directors (excluding independent Directors, and the same below), and senior management shall, within 30 trading days, buy in the Company's A Shares from secondary market through bidding to stabilise the Company's A Share price. The A Share price of additional shareholdings shall not be higher than the latest audited net asset value per share of the Company, and the monetary capital used each year on additional holdings of A Shares shall not be lower than 5% of the total amount of the respective after-tax annual remuneration of the directors and senior management in the previous year. If the Company's stock price does not meet the conditions on the implementation of the Company's stock price stabilisation measures, the directors and senior management may cease to purchase the Company's shares. The Company's directors and senior management shall purchase the Company's shares in accordance with provisions of the laws, regulations, and normative documents.

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- (d) *Exemption and re-activation of the obligations for the increase of holdings or share repurchase*

Within 120 trading days after the implementation of the aforementioned measures of increase of holdings or share repurchase, the obligations of the Company, its controlling shareholders, and directors and senior management to increase of holdings or share repurchase will terminate automatically. Counting from the 121st trading day after the implementation of the aforementioned measures of increase of holdings, if the average trading price of the Company's A Shares is lower than the latest audited net asset value per share for 20 consecutive trading days, then the obligations of Company, and of its controlling shareholders, directors and senior management to increase holdings or repurchase shares shall be triggered automatically in the aforesaid sequence.

- (e) *Restraint measures in failing to initiate stock price stabilisation measures which are supposed to take place*

In meeting the preconditions on the initiation of the stock price stabilizing measures, if the Company, controlling shareholders, directors, or senior management fail to take the aforementioned measures to stabilise the A Share price, the Company, controlling shareholders, directors, and senior management shall undertake the following restraint measures:

- (i) The Company, controlling shareholders, directors and senior management will announce at the Company's general meeting of Shareholders and through newspapers designated by the CSRC, informing the specific reasons for not implementing the aforementioned share price stabilisation measures and express apology to the Company's shareholders and public investors.
- (ii) If the Company fails to implement the share price stabilisation measures specifically mentioned above or does not perform the A Share repurchase plan after the announcement, then the Company shall assume the liability to compensate the shareholders within the maximum repurchase amount limit that it has committed.

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- (iii) If the controlling shareholders fail to take the share price stabilisation measures specifically mentioned above or does not actually increase holdings of A shares after the announcement of the specific plan, the Company shall freeze the cash dividend payable to the controlling shareholders in an equal amount which the controlling shareholders are obliged to subscribe, until the controlling shareholders perform their obligations to increase holdings.
- (iv) The Company's directors and senior management shall actively perform their obligations to increase holdings, and if they fail to implement the share price stabilisation measures specifically mentioned above, then the Company shall withhold their salary and remuneration in an equal amount which they are obliged to subscribe.
- (v) The commitments set out above are the expressions of the true intentions of the Company, controlling shareholders, directors and senior management, and the relevant responsible entities, which are willing to accept the supervision of regulatory authorities, self-regulatory organizations, as well as the public. In case of any violation of the aforesaid commitments, the relevant responsible entities shall assume the corresponding liability in accordance with law.

During the effective term of these measures, new directors and senior management appointed by the Company shall also perform the obligations of the directors and senior management as prescribed in these measures, and submit the corresponding commitments before their employment. The directors and senior management, whom the Company intends to employ, shall agree to perform the aforementioned obligations before obtaining their nominations.

This proposal has been approved by the Board, and shall be submitted to the EGM and Class Meetings for consideration and approval of the Shareholders by way of special resolutions.

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I. PROPOSAL ON UNDERTAKINGS REGARDING THE DISCLOSURE OF INFORMATION IN THE PROSPECTUS PUBLISHED IN CONNECTION WITH THE PROPOSED A SHARE OFFERING

In accordance with the relevant laws and regulations of the PRC, the Company proposes to make certain undertakings in the prospectus of the A Share Offering.

The proposals include, but not limited to, the following:

- (a) the undertakings that the information in the prospectus published in connection with the proposed A Share Offering is not false or misleading and that there are no material omissions, otherwise, subject to the confirmation by CSRC and if it affects the judgments based on the listing of the A Shares, the Company may be required to repurchase all the A Shares issued pursuant to the A Share Offering at a price not less than the relevant issue price, together with the interest accrued from the date of A Shares listing to the date of issuing repurchase offer invitation based on the current account interest rate for the period and/or to compensate the loss suffered by investors in accordance with applicable rules and regulations and/or to issue a public apology to investors; and
- (b) the undertakings to carry out the stabilisation measures for the trading price of the A Shares as mentioned in the A Share price stabilisation plan for the three years following the proposed A Share Offering, otherwise the Company may be required to issue a public apology to investors and/or to compensate the loss suffered by the Shareholders using the maximum funds originally required for the repurchase of A Shares under the relevant stabilisation measures.

This proposal has been approved by the Board, and shall be submitted to the EGM and Class Meetings for consideration and approval of the Shareholders by way of special resolutions.

J. PROPOSAL ON DILUTION OF IMMEDIATE RETURNS AS A RESULT OF THE PROPOSED A SHARE OFFERING AND REMEDIAL MEASURES

Pursuant to the requirements under applicable PRC laws and regulations, the Company has conducted an analysis of the dilution of immediate returns as a result of the proposed A Share Offering and has formulated certain remedial measures on the returns.

The remedial measures include, but not limited to, the following:

- (a) the measures for management of major risks to the Company's business, including the improvements in the development of residential properties, outlets and urban core integrated complexes by the Company through strategic acquisitions, cooperations and combinations ; and

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- (b) the measures for prevention of dilution of immediate returns, including obtaining core resources and pursuing new profit growth, strengthening operations management and risk management thereby increasing effectiveness, improving the corporate governance and relevant systems of the Company and regulating the utilisation and management of proceeds from capital raising activities.

Further, in order to ensure the implementation of the remedial measures, each of the Directors and senior management of the Company will faithfully perform his/her duties and responsibilities so as to safeguard the legal rights and interests of the Company and the shareholders as a whole, and undertakes to the Company, among others, the following:

- (a) not to transfer benefits to other entities or individuals by way of nil consideration or unfair conditions, and not to use any other means to harm the interests of the Company;
- (b) to restrict job-related consumption;
- (c) not to use the Company's assets to engage in investments or activities unrelated to their relevant duties;
- (d) the remuneration determination system established by the Board or the remuneration committee of the Company will be linked to the implementation of the remedial measures; and
- (e) if the Company subsequently launches share incentive policy, the vesting conditions of the share incentive policy to be announced by the Company will be linked to the implementation of the remedial measures.

If any Director or senior management breaches any of the undertakings mentioned above causing loss to the Company or its investors, the relevant Director or senior management will compensate the Company or its investors in accordance with applicable laws.

This proposal has been approved by the Board and is submitted to the EGM and Class Meetings for consideration and approval by way of special resolutions.

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K. THE REPORT ON THE USE OF PROCEEDS FROM PREVIOUS FUND RAISING ACTIVITIES

The Company has prepared the report on the use of proceeds of the Domestic Share Subscription. As disclosed in the Company's circular in relation to the Domestic Share Subscription dated 11 September 2015, the proceeds from the Domestic Share Subscription was expected (a) to fund three projects in the Beijing-Tianjin area, namely Phase I of Wuqing Project, Xanadu Building No. 5 Project and Shijingshan Project; (b) to fund investment and development of potential projects in the near future; and (c) to enhance the general working capital of the Company. As at 31 December 2015, the net proceeds were utilised as follows:

	Estimated amounts to be utilised as set out in the circular dated 11 September 2015 <i>RMB million</i>	Actual amounts to be utilised (after deducting issuance expenses) <i>RMB million</i>	Amounts utilised as at 31 December 2015 <i>RMB million</i>	Amounts not yet utilised as at 31 December 2015 <i>RMB million</i>
Phase I of Wuqing Project	313.5	313.5	313.5	–
Xanadu Building No. 5 Project	519.3	519.3	0.5	518.8
Shijingshan Project	510.1	510.1	–	510.1
Enhancement of general working capital	614.1	609.0	609.0	–
Investment and development of potential projects	1,116.0	1,116.0	–	1,116.0
	1,116.0	1,116.0	–	1,116.0
Total	3,073.0	3,067.9	923.0	2,144.9

This proposal has been approved by the Board and is submitted to the EGM for consideration and approval by way of ordinary resolution.

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L. THE SELF-ASSESSMENT REPORT ON THE COMPANY'S PROPERTY DEVELOPMENT BUSINESS AND RELATED UNDERTAKINGS

In accordance with relevant documents such as the Notice of the General Office of the State Council on Further Improving Regulation of the Real Estate Market (《關於繼續做好房地產市場調控工作的通知》) (the "Notice") and the Policy on the adjustment of supervision of real estate business involved in the re-financing, merger and acquisition and reorganization of listed companies (《證監會調整上市公司再融資、併購重組涉及房地產業務監管政策》) (the "Policy") issued by the CSRC, the Company has formed a self-assessment team to investigate if there has been any breach or infringement of applicable rules and regulations from the Group's operations, including idling of land, speculating in land, stocking inventory and manipulation of property prices during the track record period. The self-assessment team has prepared the self-assessment report on the Company's property development business and related undertakings.

Each of the controlling shareholder, Directors, supervisors and senior management of the Company confirm that:

- (a) During the track record period, the Company did not conduct any illegal activities by idling of land, and speculating in land which have caused the Company to be subject to any administrative penalty imposed by the land resources department or investigation.
- (b) During the track record period, the Company did not conduct any illegal activities by stocking inventory or manipulation of property prices which have caused the Company to be subject to any administrative penalty imposed or investigation.
- (c) If the Company and its subsidiaries fails to disclose any administrative penalties or investigations caused by idling of land, speculating in land, stocking inventory and manipulation of property prices causing any loss and damages to the Company and its investors, each of the controlling shareholder, Directors, supervisors and senior management of the Company will be responsible to compensate the loss and damages (if any) caused to the Company and its investors according to relevant laws, administrative rules and regulations, and the requirements of the securities supervisory authorities.

This proposal has been approved by the Board and is submitted to the EGM for consideration and approval by way of ordinary resolution.

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M. THE APPOINTMENT OF THE AUDITORS FOR THE PROPOSED A SHARE OFFERING

The Board proposed to appoint PricewaterhouseCoopers Zhong Tian LLP as the auditor for the proposed A Share Offering, and to authorise the Board to determine its remuneration.

This proposal has been approved by the Board and is submitted to the EGM for consideration and approval by way of ordinary resolution.

N. PROPOSED AMENDMENTS TO THE ARTICLES

In accordance with the Guidelines and other applicable laws and regulations of the PRC, the Board proposed to amend the Articles and corporate governance rules for use after the listing of the A Shares. The main amendments to the Articles include, inter alia, provisions to reflect the share capital structure as a result of the proposed A Share Offering and provisions which are mandatory for or relevant to the listing of A Shares. As at the Latest Practicable Date, the information relating to the number of A Shares to be finally issued is still outstanding, the Company will fill in the relevant information once such information is finalized.

Please refer to Appendix I of the circular for the proposed amendments to the Articles. The Articles are prepared in Chinese without an official English version. Any English translation is for reference only and in case of any discrepancy between the Chinese version and English version, the Chinese version shall prevail.

The proposal has been approved by the Board, and is submitted to the Shareholders at the EGM for consideration and approval by way of special resolution. The amended Articles will become effective from the date of the completion of the A Share Offering.

O. PROPOSED AMENDMENTS TO THE CORPORATE GOVERNANCE RULES

Amendments to the corporate governance rules and introduction of new corporate governance rules of the Company have been proposed, including but not limited to the following:

- (i) the proposed rules of procedure of the general meeting of Shareholders;
- (ii) the proposed rules of procedure of meetings of Directors;
- (iii) the proposed rules of procedure of meetings of supervisors;
- (iv) the proposed work instructions for independent Directors;
- (v) the proposed measures for administration of related party transactions;

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- (vi) the proposed measures for administration of the provision of external guarantees;
- (vii) the proposed measures for administration of external investment (referred to as rules on investments management in the Announcement);
- (viii) the proposed measures for administration of raised funds; and
- (ix) the proposed detailed rules on implementation of cumulative voting system.

The proposals have been approved by the Board, among which, rules (i), (ii) and (iii) above will be considered and approved at the EGM by way of special resolutions while the remaining rules will be considered and approved at the EGM by way of ordinary resolutions. Rules (i) to (iii), (viii) and (ix) will become effective from the date of the completion of the A Share Offering and the remaining rules will become effective from the passing of the relevant resolution(s) at the EGM by the Shareholders, portion(s) of which will become effective from the date of the completion of the A Share Offering.

Please refer to Appendix II to X of the circular for the proposed amendments to the corporate governance rules and other newly proposed corporate governance rules. The corporate governance rules mentioned above are prepared in Chinese without an official English version. Any English translation is for reference only and in case of any discrepancy between the Chinese version and English version, the Chinese version shall prevail.

The corporate governance rules mentioned above are formulated in accordance with relevant laws, regulations and listing rules of the PRC, some provisions of which may be different from the requirements of the Listing Rules. In the event that the requirements of the Listing Rules and the corporate governance rules mentioned above are different, the Company will comply with all relevant listing rules on which the Shares are listed, whichever is stricter or impose greater obligation.

P. BENEFITS AND REASONS FOR THE PROPOSED A SHARE OFFERING

The Board believes that the proposed A Share Offering will establish a new financing platform for the Company to fund its ongoing property projects and business development. It will also improve the Company's capital structure and financial conditions, and strengthen the Company's influence in the capital markets. The Board also believes that the proposed A Share Offering will help to strengthen its position and competitiveness in the real estate industry, which will be beneficial to the long term development of the Company.

The Board believes that the proposed A Share Offering will be in the interests of the Company and the Shareholders as a whole. Each of the resolution above is a requisite part of the proposed A Share Offering and is required to be passed for the Company to proceed with the proposed A Share Offering.

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Q. EFFECT OF THE PROPOSED A SHARE OFFERING ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming that a total of 370,000,000 A Shares are issued under the proposed A Share Offering and the issued share capital of the Company remains unchanged prior to completion of the proposed A Share Offering, the simplified shareholding structure of the Company as at the Latest Practicable Date and immediately upon completion of the proposed A Share Offering is set out as follows:

		As at the Latest Practicable Date		Immediately upon listing and the completion of the A Share Offering	
Share class		Number of Shares	Percentage of the issued share capital of the Company	Number of Shares	Percentage of the issued share capital of the Company
Domestic and Non-H Foreign Shares					
Capital Group	Domestic	1,649,205,700	54.47%	– <i>(Note 1)</i>	– <i>(Note 1)</i>
China Resource Products Limited <i>(Note 3)</i>	Non-H Foreign	357,998,300	11.82%	– <i>(Note 1)</i>	– <i>(Note 1)</i>
Total Domestic and Non-H Foreign Shares		2,007,204,000	66.29%	–	–
A Shares					
Capital Group	A Shares	–	–	1,612,205,700 <i>(Note 1)</i>	47.45% <i>(Note 1)</i>
China Resource Products Limited <i>(Note 3)</i>	A Shares	–	–	357,998,300 <i>(Note 1)</i>	10.54% <i>(Note 1)</i>
National Council for Social Security Fund <i>(Note 2)</i>	A Shares	–	–	37,000,000	1.09%
A Shares to be issued under the proposed A Share Offering	A Shares	–	–	370,000,000	10.89%
Total A Shares		–	–	2,377,204,000	69.97%

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	Share class	As at the Latest Practicable Date		Immediately upon listing and the completion of the A Share Offering	
		Number of Shares	Percentage of the issued share capital of the Company	Number of Shares	Percentage of the issued share capital of the Company
H Shares					
Reco Pearl Private Limited	H Shares	165,070,000	5.45%	165,070,000	4.86%
Other H Shareholders (Note 4)	H Shares	855,686,000	28.26%	855,686,000	25.17%
Total H Shares		1,020,756,000	33.71%	1,020,756,000	30.03%
Total issued Shares		3,027,960,000	100%	3,397,960,000	100%

Notes:

- (1) The existing Domestic Shares held by Capital Group and Non-H Foreign Shares held by China Resource Products Limited will be converted into and listed as A Shares in accordance with applicable laws and regulations.
- (2) In accordance with the relevant PRC laws and regulations, Capital Group as the only state-owned shareholder of the Company will be required to transfer 10% of the A Shares to be issued under the proposed A Share Offering to the National Council for Social Security Fund.
- (3) China Resource Products Limited is deemed to be interested in the 82,762,100 Shares held by Yieldwell International Enterprise Limited pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) by virtue of Yieldwell International Enterprise Limited being a subsidiary of China Resource Products Limited.
- (4) To the best knowledge of the Company and having made all reasonable enquiries, as at the Latest Practicable Date, the other H Shareholders are public Shareholders.

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R. FUND RAISING ACTIVITIES

As at the Latest Practicable Date, the Company has not conducted any fund raising activities in relation to the issue of equity securities of the Company in the 12 months immediately preceding the Latest Practicable Date, except for the Domestic Share Subscription, details of which are set out in the relevant circular of the Company dated 11 September 2015 and the application of the relevant proceeds as at 31 December 2015 is as follows:

Event (Date of announcement)	New proceeds	Intended use of proceeds	Actual use of proceeds/intended use of amount not yet utilized
Domestic Share Subscription (10 August 2015)	Approximately RMB3,068 million	<p>(a) approximately 80% to fund land acquisitions to increase its land bank reserves and/or project development including the development of existing projects in Wuqing (武清), in Tianjin and Xanadu Building No. 5 (禧瑞都5號樓) in Beijing and the development of the Company's existing and potential land resources in Beijing such as in Hujialou shanty town (呼家樓棚戶區), Shijingshan shanty town (石景山棚戶區) and Jinhaihu (金海湖), subject to the market conditions, the availability and securing of land and government policies; and</p> <p>(b) approximately 20% to enhance general working capital of the Company.</p>	<p>Approximately RMB314 million has been used for existing projects in Wuqing (武清), in Tianjin and Xanadu Building No. 5 (禧瑞都5號樓) in Beijing. The remaining amount of approximately RMB2,145 million which is not yet utilized is being held in the Group's bank accounts and will be deployed as per the intended use of proceeds previously disclosed.</p> <p>Approximately RMB609 million has been deployed as the general working capital of the Company.</p>

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S. EGM AND CLASS MEETINGS

A notice convening the EGM of the Company to be held at 9:00 a.m. on Friday, 13 May 2016 at F17, Red Goldage, No. 2, Guang Ning Bo Street, Beijing, PRC, is set out on pages EGM-1 to EGM-4 of this circular. A notice of the H Share Class Meeting to be held at 9:30 a.m. (or immediately after the conclusion of the EGM) on Friday, 13 May 2016 at F17, Red Goldage, No. 2, Guang Ning Bo Street, Beijing, PRC is set out on pages HCM-1 to HCM-3 of this circular. A notice of the Domestic Share Class Meeting to be held at 10:00 a.m. (or immediately after the conclusion of the H Share Class Meeting) on Friday, 13 May 2016 at F17, Red Goldage, No. 2, Guang Ning Bo Street, Beijing, PRC is set out on pages DCM-1 to DCM-3 of this circular.

The Articles provide that those Shareholders who intend to attend any Shareholders' general meeting shall send a written reply to the Company 7 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 and/or Class Meetings represent holders of less than one half of the total number of Shares with voting rights, the Company shall within 5 days after the Reply Date inform the Shareholders in the form of a public announcement the matters to be considered at the EGM and/or Class Meetings, and the date and place of the meeting. The relevant EGM and/or Class Meetings may be convened after such announcement has been published.

The reply slips and proxy forms for use at the EGM and the Class Meetings are also enclosed herein. Whether or not you are able to attend the EGM and/or the Class Meetings in person, you are requested to complete the enclosed proxy forms in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for the holders of H Shares only) or the Company's principal place of business in the PRC at F17, Red Goldage, No. 2, Guang Ning Bo Street, Beijing, PRC (for holders of Domestic Shares and Non-H Foreign Shares only), as soon as possible but in any event not later than 5:00 p.m. on Thursday, 5 May 2016 for the reply slips and not later than 24 hours before the respective times appointed for holding the EGM and/or the Class Meetings or any adjournment thereof for the proxy forms.

In view of the above requirements in respect of the meeting convened by the notice of the EMG and/or Class Meetings, 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 and/or Class Meetings. Completion and return of the proxy forms shall not preclude you from attending the EGM and/or the Class Meetings and voting in person at the EGM and/or the Class Meetings or any adjourned meetings should you so desire and in such event, the relevant form(s) of proxy shall be deemed to be revoked. Shareholders who intend to attend the meetings in person or by proxy should complete and return the reply slips in accordance with the instructions printed thereon on or before Thursday, 5 May 2016.

LETTER FROM THE BOARD

T. RECOMMENDATIONS

The Directors (including the independent non-executive Directors) consider that all the resolutions relating to the A Share Offering to be proposed at the EGM and the Class Meetings are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends that the Shareholders vote in favour of all the resolutions to be proposed at the EGM and the Class Meetings.

U. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll. As such, the resolutions set out in the notices of the EGM and the Class Meetings will be voted by way of poll. Voting results will be uploaded to the website of the Company at www.bjcapitalland.com.cn and the Stock Exchange's website at www.hkex.com.hk as soon as possible after the conclusion of the EGM and Class Meetings.

Yours faithfully,
By Order of the Board
Beijing Capital Land Ltd.
Tang Jun
President

**ARTICLES OF ASSOCIATION
OF
BEIJING CAPITAL LAND LTD.**

Chapter 1 General Principles

Article 1.1 To protect the legitimate rights and interests of Beijing Capital Land Ltd. (hereinafter the “Company”), the Company’s shareholders and creditors and to regulate the Company’s organization and acts, in accordance with the Company Law of the PRC (《中華人民共和國公司法》, “Company Law”), the Securities Law of the PRC (《中華人民共和國證券法》, “Securities Law”), Special Regulations of the State Council Concerning the Floatation and Listing Abroad of Stocks by Limited Stock Companies (《國務院關於股份有限公司境外募集股份及上市的特別規定》, “Special Regulations”), the Mandatory Provisions for the Articles of Association of Companies Listing Overseas (《到境外上市公司章程必備條款》, “Mandatory Provisions”), Letter of Opinion on Supplemental Amendment to Articles of Association of Companies Listing in Hong Kong (《關於到香港上市公司對公司章程作補充修改的意見的函》, “Letter of Opinion”), Guidelines for the Articles of Association of the Listed Company (《上市公司章程指引》) and other relevant, these Articles of Association are formulated.

Article 1.12 ~~Beijing Capital Land Ltd. (hereinafter the “Company”) The Company is a joint stock limited company established in accordance with the Company Law of the PRC (《中華人民共和國公司法》, “Company Law”), Provisional Regulations on the Establishment of Foreign Funded Joint Stock Companies Limited (《關於設立外商投資股份有限公司若干問題的暫行規定》, “Provisional Regulations”), Special Regulations of the State Council Concerning the Floatation and Listing Abroad of Stocks by Limited Stock Companies (《國務院關於股份有限公司境外募集股份及上市的特別規定》, “Special Regulations”), the Mandatory Provisions for the Articles of Association of Companies Listing Overseas (《到境外上市公司章程必備條款》, “Mandatory Provisions”), Letter of Opinion on Supplemental Amendment to Articles of Association of Companies Listing in Hong Kong (《關於到香港上市公司對公司章程作補充修改的意見的函》, “Letter of Opinion”) and other relevant legislations and administrative regulations of the PRC.~~

The Company is established by way of promotion with the approval from the Ministry of Foreign Trade and Economic Cooperation of the PRC as evidenced by the approval document Wai Jing Mao Zi Yi Han No. [2002] 1344. It was registered with and has obtained a business licence from the State Administration for Industry and Commerce in Beijing Municipal on 5 December 2002. The ~~business licence number~~ uniform social credit code of the Company is 11000041017768291110000744701379C.

The promoters of the Company are: Beijing Capital Group Co., Ltd., Beijing Sunshine Real Estate Comprehensive Development Company, Beijing Capital Sunshine Real Estate Development Co., Ltd., Beijing Capital Technology Investment Ltd., Beijing Capital HangYu Economic Development Construction Co., Ltd., China Resource Products Limited and Yieldwell International Enterprise Limited.

- Article 1.23 The registered Chinese name of the Company:
首創置業股份有限公司
- The English name of the Company: BEIJING CAPITAL LAND LTD.
- Article 1.34 Address of the Company: Room 6008, Block 1, No. 26 Qingchun Road, Huairou District, Beijing.
Postal Code: 101400
Telephone No.: 6652 3000
Facsimile.: 6652 3131, 6652 3062
- Article 1.45 The Chairman of the Company shall be the legal representative of the Company.
- Article 1.56 The Company is a joint stock company with perpetual existence. The Company is an independent legal person, governed and protected by the laws and administrative regulations of the PRC. The Company has obtained the approval from the PRC Ministry of Foreign Trade and Economic Cooperation and established as an Enterprise with Foreign Investment.
- Article 1.67 All of the Company's assets are divided into equal value shares. The rights and obligations in respect of the Company enjoyed and assumed by shareholders of the Company shall be limited to the extent of the class and number of shares ~~held~~subscribed by them. The Company shall be liable to its creditors to the extent of all of its assets.
- Article 1.78 The Company may not be a shareholder with unlimited liability in any profit-making organisations.
- Article 1.89 Provisions included in the Articles according to Mandatory Provisions may not be amended or revoked, unless otherwise required by the Company Law or relevant laws and regulations.

Article 1.9~~10~~10 The Articles of the Company shall be effective upon the passing of a special resolution(s) at ~~shareholders' general meeting~~General Meeting of Shareholders of the Company and the approval of the State Council authorized approving authorities and shall prevail over the articles of association previously registered with the State Administration of Industry and Commerce. From the date when the Articles take effect, ~~the Articlesthey~~ shall constitute a legally binding document regulating the structure and activities of the Company and governing the relations of rights and obligations between the Company and its shareholders and among the shareholders. The Articles shall be binding on the Company, its shareholders, directors, supervisors, general ~~and deputy general~~ managers and other officers. All the persons mentioned above may, pursuant to the Articles of Association, put forward claims concerning the affairs of the Company. In accordance with the Articles, actions may be brought by the shareholders against other shareholders, directors, supervisors, the CompanyGeneral Manager and other officers of the Company as well as the Company; by the Company against the shareholders, ~~by the shareholders against each other, and by the shareholders against~~directors, supervisors, the directors, supervisors, generalGeneral Manager and deputy general managers and other officers of the Company. For the purpose of this article, "action" includes taking court proceedings and arbitration proceedings.

Article 1.10~~11~~11 The Company may invest in other companies ~~with limited liability and joint stock limited companies~~ may not be jointly and shall be severally liable to ~~such company in which the Company has made an investment~~liabilities of companies it invests in unless the laws provide otherwise.

Article 1.12 "Officers" in the Articles refers to the ~~extent of the amount~~General Manager and Deputy General Managers, secretary of the capital so investedBoard of Directors and persons in charge of financial matters.

Chapter 2 Objects and Scopes of Business

Article 2.1 The object of operation of the Company shall be: to be committed to the property market of the PRC, to satisfy the needs of the customers with greatest efforts, and to create new life and value so as to become the most valued integrated operator of real estate in the PRC and to maximize interests of the shareholders and promote the economic and social development of the PRC.

Article 2.2 The scope of operation of the Company shall include property development, sale of commodity flats, rental and related consultancy services, property management; real estate agency; promotional exhibition of properties; hotel management; and the provision of travel information.

The scope of operation of the Company shall be the same as approved by the State Council authorized approving authorities and the State Administration of Industry and Commerce. The Company may, upon approval of the approving authorities, make adjustment to its business objects and scopes according to the market trends and business requirements of the Company and may also set up branches both within and outside the PRC.

Chapter 3 Shares and Registered Capital

Article 3.1 The capital of the Company is divided into shares.

The Company may at any time create ordinary shares: The Company may create other class of shares according to its requirements and upon approval of the State Council authorized approving authorities.

Article 3.2 The issuance of shares of the Company shall follow the principles of openness, justice and fairness. Shares of the same classes shall be conferred the same rights. Shares of the same classes issued at the same time shall bear the same conditions for issuance and price. Any institutions or individuals subscribing for shares of the Company shall pay equal amounts for one share.

Article 3.23 The shares issued by the Company shall have a par value of Renminbi 1 per share.

Article 3.34 The Company may issue shares to domestic and overseas investors upon the approval of the authorities of the State Council responsible for securities.

~~Domestic investors shall mean the investors within the PRC other than those investors from Hong Kong, Macau and Taiwan. Overseas~~The above-mentioned overseas investors shall mean the investors from foreign countries and the regions of Hong Kong, Macau and Taiwan who subscribe for the shares issued by the Company; domestic investors shall mean investors within the PRC, outside Hong Kong, Macau and Taiwan.

Article 3.45 The shares issued by the Company to the domestic investors and subscribed in Renminbi shall be called domestic shares, and such shares listed within China shall be called A shares. The shares issued by the Company to the overseas investors and subscribed in foreign currency shall be called foreign invested shares. Those foreign invested shares listed overseas shall be called overseas listed foreign invested shares. Shareholders entitled to domestic shares listed within China and overseas listed foreign invested shares are all shareholders of ordinary shares with the same obligations and rights (including rights to dividends and other distributions). H shares shall mean the overseas listed foreign invested shares which have been admitted for listing on the Stock Exchange of Hong Kong Limited (“~~HKSE~~HKEx”) and are subscribed for and traded in Hong Kong currency.

Article 3.56 As approved by the relevant authorities, the Company has a total of 1,100,000,000 shares when it is established. All such shares were subscribed and held by the promoters, of which 81,158,800 shares were held by Beijing Capital Group Co., Ltd., representing 7.38% of the total number of ordinary shares issueable upon the establishment of the Company; 83,862,900 shares were held by Beijing Sunshine Real Estate Comprehensive Development Company, representing 7.62% of the total number of ordinary shares issueable upon the establishment of the Company; 286,225,700 shares were held by Beijing Capital Sunshine Real Estate Development Co., Ltd., representing 26.02% of the total number of ordinary shares issueable upon the establishment of the Company; 172,006,700 shares were held by Beijing Capital Technology Investment Ltd., representing 15.64% of the total number of ordinary shares issueable upon the establishment of the Company; 118,747,600 shares were held by Beijing Capital HangYu Economic Development Construction Co., Ltd., representing 10.80% of the total number of ordinary shares issueable upon the establishment of the Company; 275,236,200 shares were held by China Resource Products Limited, representing 25.02% of the total number of ordinary shares issueable upon the establishment of the Company; and 82,762,100 shares were held by Yieldwell International Enterprise Limited, representing 7.52% of the total number of ordinary shares issueable upon the establishment of the Company.

Article 3.67 As approved by the relevant authorities and ~~HKSEHKEx~~, the Company has issued 513,300,000 overseas listed foreign invested shares at June 2003 after its incorporation and according to the relevant requirements of the State in respect of reduction of state-owned shares, the state-owned shareholder of the Company has sold 51,330,000 state-owned shares to overseas investors upon the issuance of overseas listed foreign invested shares. As approved by the relevant authorities and ~~HKSEHKEx~~, the Company has allotted 102,660,000 overseas listed foreign invested shares at February 2005 and according to the relevant requirements of the State in respect of reduction of state-owned shares, the state-owned shareholder of the Company has sold 10,266,000 state-owned shares to overseas investors upon the issuance of overseas listed foreign invested shares. As approved by the relevant authorities and ~~HKSEHKEx~~, the Company has further allotted 312,000,000 overseas listed foreign invested shares at October 2006 and according to the relevant requirements of the State in respect of reduction of state-owned shares, the state-owned shareholder of the Company has sold 31,200,000 state-owned shares to overseas investors upon the issuance of overseas listed foreign invested shares. Pursuant to the approval of the relevant authorities, the Company has allotted 1,000,000,000 new ~~domestic~~ shares to Beijing Capital Group Co., Ltd. ~~at 11 November 2015.~~ in November 2015. Upon the approval of [Approving Authorities], the Company, for the first time, has issued [●] Renminbi ordinary shares to the general public within China on [●] [●], [●], which, together with the existing domestic shares of the Company, will be listed in [●] on [Listing Date].

The share capital structure of the Company would be: ~~3,027,960,000~~[●] ordinary shares, of which [●] shares would be held by holders of the domestic shares and foreign invested shares, representing ~~66.29%~~[●%] of the total ~~issueable~~ ordinary shares of the Company, ~~and~~ 1,020,756,000 shares would be held by holders of the overseas listed foreign invested shares, representing ~~33.71%~~[●%] of the total issueable ordinary shares of the Company, and [●] shares would be held by the general public of China, representing [●%] of the total issueable ordinary shares of the Company.

Article 3.78 Upon the plan for the issue by the Company of overseas listed foreign invested shares and domestic shares being approved by the authorities of the State Council responsible for securities, the Board may implement arrangement, for the respective issue thereof.

The plan for the issuance of overseas listed foreign invested shares and domestic shares may be implemented respectively by the Company pursuant to the provisions as aforesaid within 15 months upon the approval of the authorities of the State Council responsible for securities.

Where the total number of shares to be issued by the Company as determined under the plan includes the number of overseas listed foreign invested shares and the number of domestic shares, the capital shall be raised by one instalment; where the capital cannot be raised by one instalment under special circumstances, it can be raised by separate instalments with the approval of the authorities of the State Council responsible for securities.

Article 3.9 The registered capital of the Company shall be Renminbi 3,027,960,000 upon completion of the aforesaid issue of new domestic shares. [●].

~~The Company shall apply to the Administration of Industry and Commerce for registration of its registered capital, and shall report the same to the authorities of the State Council responsible for business approval and securities administration respectively.~~

Article 3.810 The Company may, based on its operation and business requirements, approve the increase in its capital in accordance with the relevant provisions of the Articles, the laws and regulations.

The manners in which the capital of the Company may be increased are as follows:

- (1) public offering of shares;
- (2) non-public offering of shares;
- (3) issue of new shares to existing shareholders by way of placing ;
- (~~3~~)4) issue bonus shares to existing shareholders;
- (~~4~~)5) transfer of reserves into share capital;
- (6) other methods permitted by the laws ~~and~~, administrative regulations and approval of relevant regulating authorities.

The increase in the capital of the Company by way of issuing new shares, upon approval pursuant to the provisions of the Articles, shall be implemented in accordance with relevant laws and administrative regulations of PRC.

Article 3.911 Save as otherwise stipulated by the laws and administrative regulations, shares of the Company may be transferred free of any lien.

Chapter 4 Reduction of Capital and Repurchase of Shares

Article 4.1 The Company may reduce its registered Capital pursuant to the provisions of the Articles. Such reduction shall be effected in accordance with the Company Law and other relevant regulations following the procedures provided in the Articles.

Article 4.2 ~~Upon the reduction of registered capital, the Company shall prepare a balance sheet and a list of its assets.~~

~~The Company shall notify its creditors within 10 days from the date of passing of the resolution for the reduction of registered capital and shall publish the notice in a newspaper at least for three times within 30 days thereof. The creditors who have received the said notice shall have the right within 30 days from the date of receiving the notice, and the creditors who have not received the notice shall have the right within 90 days from the date of the notice was published in the newspaper, to demand the Company to settle the debt or to provide corresponding security in respect of the debt.~~

~~The registered capital shall not be less than the minimum statutory requirement after the reduction of capital.~~

Article 4.3 ~~The Company shall apply to the original company registration authority for registration of reduction of capital.~~

Article 4.42 Under the following circumstances, the Company may ~~pass resolutions~~acquire shares of the Company in accordance with ~~the laws, administrative regulations, rules of stock exchanges and, code of regulatory authorities and provisions of relevant authorities and of the Articles and obtain approval from the authorities of the State Council responsible for securities, repurchase of foreign shares of the Company:~~

- (1) to decrease its registered capital by cancelling its shares;
- (2) to merge with another company that holds shares of the Company;
- (3) to offer shares to employees of the Company as awards;
- (4) to acquire shares held by shareholders who do not approve resolutions of General Meetings of the Company with respect to amalgamation and demerger as required by such shareholders;

~~(3)~~(5) other circumstance as permitted by law or administrative regulations.

The Company will not purchase or sell shares of the Company in circumstances other than the above five circumstances.

Article 4.53

The Company may ~~with the approval of the authorities of State Council responsible for securities repurchase~~ acquire its shares in any of the following manner:

- (1) to make a repurchase offer to all shareholders in proportion to their respective shareholdings;
- (2) to repurchase shares in open trading on a stock exchange; ~~and~~
- (3) to repurchase shares by way of agreement other than through a stock exchange; ~~and~~
- (4) other manners approved by laws, administrative regulations and competent authorities.

Article 4.64

Where the Company repurchases shares by way of agreement other than through a stock exchange, it shall obtain the prior approval of the shareholders in ~~general meeting~~ General Meeting according to the provisions of the Articles, laws and regulations, code of regulatory authorities and rules of stock exchanges. Where prior approval has been obtained from the shareholders in ~~general meeting~~ General Meeting in the same manner, the Company may release or modify the contract entered into in the aforesaid manner or waive any right granted under such contract.

The contract to repurchase shares referred to above shall include (but not limited) to agreements agreeing to undertake the obligations to repurchase shares or acquiring the rights to repurchase shares. The contract to repurchase shares on the repurchase of shares or any of the rights provided therein are not capable of being assigned by the Company.

Article 4.5 Acquisition of its shares by the Company due to reasons listed in items (1) to (3) in Article 4.2 hereof shall be approved by the resolution of the General Meeting or Class Meeting. If a holder of H shares requests the Company to acquire his/her shares in accordance with requirements of item (4) of Article 4.2 hereof, such acquisition shall comply with relevant rules of stock exchanges and code of regulatory authorities. If the circumstance of item (1) of Article 4.2 shall apply, shares so acquired shall be cancelled within ten days upon such acquisition; if the circumstance of item (2) and item (4) of Article 4.2 shall apply, shares so acquired shall be transferred or cancelled within six months.

Shares of the Company acquired in accordance with item (3) of Article 4.2 shall not represent more than 5% of the total issued shares of the Company; expenses arising from such acquisition shall be paid out of the after-tax profits of the Company. Shares so acquired shall be transferred to employees within one year.

Article 4.76 The Company shall cancel the shares duly repurchased within the deadline stipulated by law and administrative regulations after the repurchase of such shares and shall apply to the original company registration authority for registration of alteration of its registered capital.

The registered capital of the Company ~~will~~shall be diminished by the total nominal value of the shares so cancelled.

Article 4.8Z Unless the Company is in the process of liquidation, the repurchase of issued shares by the Company shall be subject to the following provisions:

- (1) if the shares are repurchased at ~~par~~face value, payment may be made out of the balance of the book value of distributable profits ~~in the books~~ of the Company and from the proceeds of initial issuance~~fresh issue~~ of new shares for the purpose of repurchase of issued shares;
- (2) if the shares are repurchased at a premium, payment up to the ~~par~~face value may be made out of the balance of the book value of distributable profits ~~in the books~~ of the Company and from the proceeds of initial issuance~~fresh issue~~ of new shares for the purpose of repurchase of issued shares. Payment of the portion in excess of the ~~par~~face value shall be effected in the following manner:

- (a) if the repurchased shares were issued at par value, payment shall be made out of the balance of the book value of distributable profits ~~in the books~~ of the Company; and
 - (b) if the repurchased shares were issued at a premium, payment shall be made out of the balance of the book value of distributable profits ~~in the books~~ of the Company and from the proceeds of initial issuance~~fresh issue~~ of new shares for the purpose of repurchase of issued shares provided that, the amount paid out of the proceeds of initial issuance~~fresh issue~~ of new shares shall not exceed the aggregate of premium received on the issuance~~ee~~ of the shares repurchased, nor the amount of share premium account (or capital surplus reserve fund account) of the Company at the time of such repurchase (including the amount of the premium received on the initial ~~fresh~~ issuance of new shares);
- (3) the payment for the following shall be made out of the distributable profits of the Company:
- (a) to acquire rights to repurchase its shares;
 - (b) to amend the contract of the repurchase of its shares; and
 - (c) to release any of its obligations under the repurchase contract; and
- (4) after the registered capital of the Company has been diminished by the total nominal amount of the shares so cancelled pursuant to relevant provisions, the amount which has been deducted from the distributable profits and used for repurchasing the nominal value of the shares shall be credited to the share premium account (or capital surplus reserve fund account) of the Company.

Chapter 5 Financial Assistance of Purchase of Shares of the Company

Article 5.1 Save as provided otherwise in Article 5.3 of the Articles, no financial assistance shall be provided at any time and in any manner by the Company and its subsidiaries (including companies affiliated to the Company) to any person acquiring or intending to acquire the shares of the Company. The aforesaid person(s) acquiring the shares of the Company shall include the person(s) who undertake(s), directly or indirectly, obligations as a result of an acquisition of shares of the Company. No financial assistance shall be provided at any time and in any manner by the Company and its subsidiaries to reduce or release the obligations of the said person(s) undertaking such obligations.

Article 5.2 The financial assistance referred to in this chapter shall include but not limited to assistance in the following ways:

- (1) gift, disbursements or compensations;
- (2) guarantee (including provision by the guarantor of an undertaking or property to secure the performance of obligations by the obligor), indemnity (other than an indemnity in respect of the Company's own neglect or default) or a release or waiver thereof;
- (3) provision of loan or making of a contract under which the obligations of the Company are to be fulfilled before the obligations of another party to the contract, the novation of the loan or changes of the parties to the contract and the assignment of rights under the loan and the contract; and
- (4) any other financial assistance given by the Company when the Company is insolvent or has no net assets or when its net assets would thereby be reduced to a material extent.

The undertaking referred to in this chapter shall include the undertaking of obligations by the obligor of contract or arrangement (whether the contract or arrangement is enforceable or to be undertaken individually or jointly with others) or changes in his/her financial position in any manner.

Article 5.3 The following activities shall not be deemed to be prohibited by the Articles:

- (1) the provision of financial assistance is given in good faith in the interests of the Company and the principal purpose in giving such assistance is not for acquisition of shares in the Company, or the giving of the assistance is but an incidental part of a master plan of the Company;
- (2) distribution of the assets of the Company by way of dividends lawfully declared;
- (3) the allotment of bonus shares as dividends;
- (4) a reduction of registered capital, repurchase of shares, adjustment of shareholding structure effected in accordance with the Articles;
- (5) the lending of money by the Company in the ordinary course of its business where the lending of money is part of the scope of business (only if the Company has net assets which are not thereby reduced or to the extent that those assets are thereby reduced, if the financial assistance is provided out of the distributable profits of the Company); and
- (6) the provision of money by the Company for contributions to the share option scheme for employees (only if the Company has net assets which are not thereby reduced or to the extent that those assets are thereby reduced, if the financial assistance is provided out of the distributable profits of the Company).

Chapter 6 Share Transfer

Article 6.1 Shares of the Company may be duly transferred.

Article 6.2 The Company shall not accept shares of the Company as the subject matter of a pledge.

Article 6.3 Shares of the Company held by its promoters may not be transferred within one year upon its establishment. Domestic shares issued prior to the public offering may not be transferred within one year upon the date when shares of the Company are listed and traded in domestic stock exchanges.

Directors, supervisors and officers of the Company shall report to the Company with respect to shares held by them respectively (including preferred shares). A shares of the same class transferred by each of such persons every year may not exceed 25% of total shares of the same class held by such a person during their term of service; A shares held by such persons may not be transferred within one year upon the date when shares of the Company are listed and traded in stock exchanges. Such persons may not transfer A shares of the Company they held within six months after their vacation of offices.

Article 6.4 Returns arising from the sale of A shares of the Company within six months after the purchase of these shares and from repurchase of shares within six months after the sale of these shares by directors, supervisors and officers of the Company as well as shareholders holding more than 5% of A shares of the Company shall be credited to the account of the Company and will be collected by the Board of Directors, provided that securities companies which underwrite remaining shares of the Company after sale and thus hold more than 5% of the shares of the Company shall not be subject to the six-month limitation with regard to the sale of such underwritten shares.

Shareholders shall be entitled to require that the Board of Directors act in accordance with provisions of the previous paragraph within thirty days if it fails to do so. If the Board of Directors fails to satisfy such requirements within the aforesaid period, shareholders shall be entitled to bring an action to the people's court in their own names for the benefit of the Company.

Responsible directors shall be jointly and severally liable if the Board of Directors fails to act in accordance with provisions of the first paragraph of this Article.

Chapter 7 Share Certificates and Register of Shareholders

Article 67.1 Share certificates are evidence of shareholding issued by the Company to shareholders. The shares issued by the Company may be in the form of book-entry or physical certificates pursuant to the requirements of the relevant government and authorities where the shares are issued and listed, or in other forms as stipulated by the authorities of the State Council responsible for securities.

Article 67.2 The shares issued by the Company shall be in register form. In addition to those particulars as stipulated by the Company Law, the share certificates of the Company shall contain other items as required by the stock exchange on which the shares are listed.

Overseas listed foreign invested shares issued by the Company may, in accordance with laws of the place of issuance and the listing rules and following practices of the security registration and depository practices of the place of issuance, be issued in the form of overseas depository receipts or other derivatives of shares.

Article 67.3 The share certificates shall be signed by the ~~chairman~~Chairman and also be signed by other relevant officers of the Company if required by the stock exchange on which the shares of the Company are listed. The share certificates shall come into effect upon the seal of the Company has been affixed or being affixed in the mode of printing. The affixing of the Company seal on the share certificates shall require the authority of the Board previously given. The signature of the ~~chairman~~Chairman or other relevant officers of the Company may be affixed to share certificates in the mode of printing.

Under the precondition of paperless issuance and trading of shares of the Company, such issuance and trading shall be regulated by securities regulation authorities and stock exchanges of the place where shares of the Company are issued.

Article ~~67~~.4 The Company shall maintain a register of shareholders and enter therein the following particulars:

- (1) name, address (residential), occupation or description of each shareholder;
- (2) class and number of shares held by each shareholder;
- (3) the amount paid or payable for the shares held by each shareholder;
- (4) the serial number of the shares held by each shareholder;
- (5) the date on which person was entered in the register as a shareholder;
- (6) the date on which any person ceased to be a shareholder.

Unless there is evidence to the contrary, the register of shareholders shall be sufficient evidence of shareholdings in the Company.

Article ~~67~~.5 The Company may, in accordance with the agreement or understanding between the authorities of the State Council responsible for securities and overseas securities supervisory authorities, keep the register of shareholders in relation to overseas listed foreign invested shares outside the PRC and shall appoint overseas agencies to manage such register. The original register of shareholders in relation to overseas listed foreign invested shares listed in Hong Kong shall be kept in Hong Kong.

Copies of the register of shareholders in relation to overseas listed foreign invested shares shall be kept at the seat of the Company. Appointed overseas agencies shall from time to time guarantee that the original register of shareholders in relation to overseas listed foreign invested shares and the copies thereof shall be consistent. Where there is any inconsistency between the original register of shareholders of overseas listed foreign invested shares and the copies thereof, the original shall prevail.

Article ~~67~~.6 The Company shall have a complete register of shareholders.

The register of shareholders shall contain the following parts:

- (1) register of shareholders other than those provided in ~~items~~~~paragraphs~~ (2) and (3) below kept at the seat of the Company;

- (2) register of shareholders in relation to overseas listed foreign invested shares kept at the place of the overseas stock exchange on which those shares are listed; and
- (3) register of shareholders kept at other place(s) as the Board thinks fit for the purpose of listing the shares of the Company.

Article ~~6~~7.7 Different parts of the register of shareholders shall not overlap. No transfer of any shares registered in any part of the register of shareholders, shall during the continuance of that registration, be registered in any other part of the register of shareholders.

Alteration or rectification to any part of the register of shareholders shall be made in accordance with the laws of the place where the relevant part of the register is kept.

Article ~~6~~7.8 All the fully paid overseas listed foreign invested shares listed in Hong Kong shall be freely transferable pursuant to the Articles. However, the Board may refuse to recognise any instrument of transfer without assigning any reason thereof, unless:

- (1) a sum of HK\$2.50 or ~~such higher~~less than or equal to the highest amount as approved~~provided~~ by the ~~HKSE for the~~HKEx from time ~~being to time~~ has been paid to the Company for registering any instrument of transfer or other documents related to or affecting the ownership of any shares;
- (2) the instrument of transfer only involves overseas foreign invested shares listed in Hong Kong;
- (3) the stamp duty in respect of the instrument of transfer has been paid;
- (4) the relevant share certificates and such other evidence as the ~~board~~Board of ~~directors~~Directors may reasonably require to show the right of the transferor to make the transfer have been produced;
- (~~4~~5) if the shares are transferred to joint holders, the number of joint holders shall not exceed 4; ~~and~~
- (~~5~~6) the shares concerned are free of any lien in favour of the Company; and

(67) holders of overseas-listed foreign invested shares listed in Hong Kong shall effect transfer of all or any part of such shares by the standard transfer form specified by the ~~HKSE~~HKEx or any other form acceptable to the Board. The instrument of transfer shall be signed by both the transferor and transferee by hand or by machine.

Article ~~67.9~~ No registration of the changes relating to share transfer shall be made in the register of members within 7 days prior to the ~~general meeting~~General Meeting or within 5 days prior to the record date for determining the distribution of dividends.

If securities regulation authorities of the place where shares of the Company are listed provide otherwise, such provisions shall prevail.

Article ~~67.10~~ In the event the Company decides to convene a ~~shareholders' general meeting~~General Meeting of Shareholders, distribute dividends, liquidate or engage in activities which require confirmation of shareholdings, the Board or the convener of the ~~general meeting~~General Meeting shall confirm a date as a record date of the shareholdings. Shareholders registered on the register after the closing of the record date of shareholdings shall enjoy the relevant interests.

Article ~~67.11~~ Any person who does not agree to the register of shareholders and requests to have his/her name registered thereon or removed therefrom may apply to the court of law having jurisdiction on the register for rectification of the register.

Article ~~67.12~~ Any shareholder whose name is registered in the register of shareholders or any person who requests to have his/her name registered in the register of shareholders has lost his/her share certificate (the "Original Certificate"), may apply to the Company for issuing new share certificate in respect of such shares (the "Relevant Shares").

Domestic shareholder who lost his/her share certificate may apply to the People's Court to declare the share certificate null and void pursuant to the procedure for publicizing public notice for assertion of claims of the Civil Procedure Law of the PRC. According to such procedure, after the declaration by the People's Court, the shareholder may apply to the Company for issuing new share certificate as replacement.

~~Holder of overseas listed foreign invested shares who lost his share certificate may apply for the issue of new share certificate in accordance with the laws, stock exchange rules and other relevant regulations of the place where the original register of shareholders in relation to overseas listed foreign invested shares is kept.~~

Application for replacement of lost share certificate made by a holder of overseas listed foreign invested shares listed in Hong Kong shall be subject to the following requirements:

- (1) Applicant shall submit the application in standard form prescribed by the Company together with a notarial certificate or statutory declaration. The notarial certificate or statutory declaration shall include the reason of the application made by the applicant, the circumstances under which the share certificate was lost and the supporting evidence and a declaration that no other person shall be entitled to register as a shareholder in respect of the relevant shares.
- (2) No declaration made by any person other than the applicant has been received by the Company for registration as a shareholder of the relevant shares prior to the determination of the Company to issue new certificate.
- (3) If the Company determines to issue new certificate to the applicant as replacement, it shall publish a notification for issuing new certificate for replacement purpose in the newspapers designated by the Board and the period for such notification shall be 90 days and such notification shall be published at least once every 30 days. The newspapers so designated shall be Chinese and English newspapers in Hong Kong.
- (4) Prior to the publishing of the notification for issuing new certificate for replacement purpose, the Company shall submit a copy of the notification to be published to the stock exchange where its shares are listed. The notification may be published upon the reply of such stock exchange confirming that the said notification has been exhibited in such stock exchange. The period for the exhibition of the notification in such stock exchange shall be 90 days. If the consent for the application for replacement of the certificate has not been obtained from the registered shareholder of the Relevant Shares, the Company shall send to the said shareholder by post a copy of such notification to be published.

- (5) Upon the expiry of 90 days for the publication and exhibition of the notification as provided in ~~items~~ paragraphs (3) and (4) above and no objection has been received from any person against the replacement of certificate, new share certificate shall be issued to the applicant based on his/her application.
- (6) Where the Company issues new share certificate pursuant to this article, it shall forthwith cancel the Original Certificate and make such entry in the register of shareholders in order to record such cancellation and issue.
- (7) All expenses relating to the cancellation of Original Certificate and issuing new share certificate by the Company shall be borne by the applicant. The Company shall be entitled to refuse to take any action until the applicant can provide reasonable indemnity.

Article ~~67~~.13 Upon the issue by the Company of new share certificate pursuant to the provisions of the Articles, the name of the bona fide purchaser who acquires the relevant shares or the person who subsequently registered as the shareholder of the said shares (as a bona fide purchaser) shall not be removed from the register of shareholders.

Article ~~67~~.14 The Company shall assume no liability for any loss incurred by any person as a result of the cancellation of the Original Certificate or in issuing new share certificate, unless it can be proved by such person that the Company is fraudulent.

Chapter ~~78~~ Rights and Obligations of Shareholders

Article ~~78~~.1 Shareholders of the Company shall be the persons who hold the shares of the Company in accordance with the laws and have their names registered in the register of shareholders.

Shareholders shall enjoy the rights and assume the obligations according to the class of and number of shares held by them. Shareholders ~~holding~~ holding the same class of shares shall enjoy the same rights and assume the same obligations.

The Company may not prejudice any rights or interests attached to any shares held by any interest holders who fail to disclose their interests directly or indirectly held by them to the Company prior to the execution of any relevant rights by way of freezing or any other ways.

Article 78.2 A holder of ordinary shares of the Company shall have the following rights:

- (1) to claim dividends and distribution in any other form in proportion to the number of shares held;
- (2) the right to ~~attend~~request for the attendance at, convene, preside at, or appoint a ~~proxy~~an agent to attend ~~shareholders general meetings~~General Meetings, and exercise voting right, according to laws;
- (3) to supervise and manage the business activities of the Company and to put forward proposals and raise inquiries;
- (4) to transfer, grant to others or pledge the shares held in accordance with the requirements of the laws, administrative regulations and the Articles;
- (5) to receive information as provided in the Articles, including:
 - (a) the right to a copy of the Articles upon payment of the cost thereof;
 - (b) upon payment of reasonable charges, the right to inspect and make copies of:
 - (A) all parts of the register of shareholders;
 - (B) personal particulars of the directors, supervisors, ~~general and deputy general~~ managers and other officers of the Company, including:-
 - (i) present forename and surnames and any former forename or surname and any aliases;
 - (ii) principal address (residential);
 - (iii) nationality;
 - (iv) occupation and all other part-time occupation and positions; and
 - ~~(iv)~~v) identification documents and its number;
 - (C) state of the share capital of the Company;

- (D) debenture counterfoil of the Company;
 - (E) financial statements of the Company disclosed to the general public;
 - (F) reports showing the total nominal value and number of different classes of shares repurchased by the Company since the end of the last financial year, quantity, the highest and the lowest price paid and the aggregate amount paid by the Company in respect of such repurchases; and
 - (~~E~~G) minutes and resolutions of general~~General Meetings,~~ resolutions of the meetings of the Board and the Supervisory Committee.
- (6) the right to participate in the distribution of the surplus assets of the Company in proportion to the number of shares held in the event of the termination or liquidation of the Company;
- (7) to require the Company acquire shares held by it if it does not approve resolutions of General Meetings of the Company with respect to amalgamation and demerger; and
- (~~7~~)(8) other rights conferred by the laws, administrative regulations, relevant authorities and the Articles.

Article 8.3 A shareholder requiring to check information relating to Article 8.2 or to obtain materials shall be satisfied after the Company verifies the identity of such shareholder based on the written documents provided by such shareholder certifying the class and number of shares of the Company held by such shareholder.

Article 8.4 A shareholder has the right to request that people’s court invalidate contents of resolutions of General Meetings and the Board in violation of laws and administrative regulations.

If the convening procedures and way of voting of General Meetings and meetings of the Board violate the laws, administrative regulations or the Articles, or contents of resolutions of General Meetings and that meetings of the Board violate the Articles, a shareholder shall have the right to request that the people’s court revoke such resolutions within sixty days upon the passing of such resolutions.

Article 8.5 If directors and officers of the Company breach provisions of the laws, administrative regulations or the Articles in the performance of their functions and cause losses to the Company for more than one hundred and eighty days consecutively, a shareholder holding or shareholders holding in total more than 1% of shares of the Company may make a written request with the Supervisory Committee for actions against such directors and officers to the people's court; if the Supervisory Committee of the Company breaches provisions of the laws, administrative regulations or the Articles in the performance of its functions and causes losses to the Company, shareholders may make a written request with the Board for actions against the Supervisory Committee to the people's court.

If the Supervisory Committee and the Board refuses to bring an action after receipt of the written request specified in the previous paragraph, or fails to bring an action within thirty days after receipt of such request, or where the case is urgent and the failure to bring an action immediately will cause irreparable losses to the interests of the Company, shareholders specified in the previous paragraph may, for the benefit of the Company, bring an action to the people's court in their own names.

If other persons violate the legitimate rights and interests of and cause losses to the Company, shareholders as provided in the first paragraph of this Article may, in accordance with the provisions of the first two paragraphs of this Article, bring an action to the people's court.

Article 8.6 If directors and officers of the Company breach provisions of the laws, administrative regulations or the Articles and undermine interests of shareholders, shareholders may bring an action to the people's court.

Article 7.38.7 A holder of ordinary shares of the Company shall undertake the following obligations:

- (1) to comply with the laws, administrative regulations and the Articles;
- (2) to pay subscription monies according to the number of shares subscribed and the method of subscription; ~~and~~
- (3) not to withdraw contributions to the subscription of shares unless under circumstances provided by laws and regulations;

- (4) not to abuse rights of shareholders in a way that will undermine interests of the Company or other shareholders; not to abuse the position of the Company as an independent legal person and the limited liability assumed by shareholders to undermine the rights and interests of the Company's creditors.

If a shareholder of the Company abuses its rights and causes losses to the Company or other shareholders, it shall be liable to compensation in accordance with laws.

If a shareholder of the Company abuses the position of the Company as an independent legal person and the limited liability assumed by shareholders, evades the repayment of debts and materially undermine the rights and interests of the Company's creditors, it shall be jointly and severally liable to the liabilities of the Company.

- ~~(3)~~(5) other obligations that shall be undertaken in accordance with the provisions of the laws, administrative regulations and the Articles.

A shareholder shall not be liable to make further contribution to the subsequent increase in share capital other than the terms as agreed by the subscriber of the relevant shares on subscription.

Article 8.8

A shareholder shall report to the Company in written form with regard to its pledge of shares it holds representing more than 5% of shares entitled to vote on the date when such pledge happens.

Article 7.48.9

In addition to the obligations imposed by the laws and administrative regulations or required by the listing rules of the stock exchange ~~on which the shares of the Company are listed~~, the controlling shareholder, in exercising the power as a shareholder, shall not exercise his/her voting rights in a manner prejudicial to the interests of all or some part of the shareholders when making decision on the following matters:

- (1) to relieve a director or supervisor of his/her duty to act honestly in the best interests of the Company;
- (2) to approve the expropriation by a director or supervisor (for his/her own benefit or for the benefit of another), in any guise, the assets of the Company, including (but not limited) to an opportunity beneficial to the Company; and

- (3) to approve the expropriation by a director or supervisor (for his/her own benefit or for the benefit of another) the individual rights of other shareholders, including (but not limited) to rights to distributions and voting rights save and except restructuring of the Company submitted for approval by the shareholders in ~~general meeting~~General Meeting in accordance with the Articles.

Article 7.5

~~A controlling shareholder referred to in Article 7.4 means a person who satisfies any one of the following conditions:~~

- (1) ~~he may alone or acting in concert with others has the power to elect more than half of the directors;~~
- (2) ~~he may alone or acting in concert with others has the power to exercise 30 per cent. or more of the voting rights in the Company or control the exercise of 30 per cent. or more of the voting rights in the Company;~~
- (3) ~~he may alone or acting in concert with others holds 30 per cent. or more of the issued shares of the Company; and~~
- (4) ~~he may alone or acting in concert with others has de facto control of the Company in any other manner.~~

Article 8.10

The controlling shareholder and the actual controller of the Company may not take advantage of the affiliations between them and undermine the benefits of the Company. In case of violation that causes losses to the Company, such controlling shareholder and actual controller shall be liable to compensation. Controlling shareholder and actual controller of the Company shall be honest with the Company and holders of social public shares of the Company. Controlling shareholder shall, in strict compliance with the laws, exercise rights of contributors and may not infringe upon the legitimate rights and interests of the Company and holders of social public shares by making use of distribution, asset restructuring, external investment, fund occupation and loan guarantee offering, nor may the controlling shareholder undermine the benefits of the Company and holders of social public shares by taking advantage of its controlling role as the controlling shareholder.

Chapter 89 General Meetings

Article 89.1 ~~The shareholders' general meeting~~General Meeting of Shareholders shall be the source of authority of the Company and shall exercise ~~its~~ the following powers according to the laws.;

Article 8.2 ~~The shareholders' general meeting shall have the following powers:~~

- (1) to determine the business policies and investment plans of the Company;
- (2) to elect and replace directors and supervisors that are not at the same time representatives of the staff and workers and to determine the remuneration of the directors;
- ~~(3) to elect and replace supervisors who are representatives of the shareholders and to determine the remuneration of such and~~ supervisors;
- ~~(4)~~3) to consider and to approve the report of the Board;
- ~~(5)~~4) to consider and to approve the report of the ~~supervisory committee~~Supervisory Committee;
- ~~(6)~~5) to consider and to approve the annual financial budgets and final accounts;
- ~~(7)~~6) to consider and to approve the plan for profit distribution and plan for making up losses;
- ~~(8)~~7) to approve the increase in or reduction of the registered capital of the Company;
- ~~(9)~~8) to approve the amalgamation, demerger, dissolution ~~and~~ liquidation or alteration to the corporate form of the Company;
- ~~(10)~~9) to approve the ~~issuance~~issuance of debentures of the Company;
- ~~(11)~~10) to approve the appointment, dismissal ~~or discontinuance of~~ appointment of the ~~accountants~~accounting firm;
- ~~(12)~~11) to amend the Articles;
- (12) to consider guaranty-related matters that subject to approval of the General Meeting according to the Articles;

- (13) to consider matters related to the Company's purchase/sale of material assets within a year involving more than 30% of the total assets of the Company that are most recently audited;
- (14) to consider and approve matters related to changing the purpose of the money raised;
- (15) to consider an equity incentive plan;
- ~~(1316)~~ to consider the motion put forward by ~~the~~ a shareholder or shareholders together representing ~~3% or more~~ than 3% of the shares of the Company carrying voting rights; and
- ~~(1417)~~ other matters to be approved at the ~~shareholders' general meeting~~ General Meeting of Shareholders as required by the laws, administrative regulations, relevant authorities and the Articles.

Article ~~8.39.2~~ Unless prior approval by a special resolution has been obtained from the ~~general meeting~~ General Meeting, the Company may not enter into contract with any person other than a director, supervisor, general ~~and deputy general~~ manager or other officer of the Company whereby such person undertakes the management and administration of the whole or any substantial part of the business of the Company.

Article 9.3 External guarantee by the Company shall be considered and approved by General Meetings:

- (1) guarantee offered by the Company after the amount of external guarantees by the Company and its share-holding subsidiaries has reached or exceeded 50% of the latest audited net assets of the Company;
- (2) guarantee with an amount (accruing for twelve months consecutively) that exceeds 30% of the latest audited total assets of the Company;
- (3) guarantee with an amount (accruing for twelve months consecutively) that exceeds 50% of the latest audited net assets of the Company and with an absolute amount (accruing for twelve months consecutively) of more than Renminbi 50 million;
- (4) guarantee offered to subjects with a debt asset ratio of more than 70%;
- (5) guarantee with an amount that exceeds 10% of the latest audited net assets of the Company; and

- (6) guarantee offered to shareholders, actual controllers and related parties of the Company.

Article 8.49.4 ~~General Meetings of Shareholders' general meetings~~ are ~~consist~~consisted of annual ~~general meetings~~General Meetings and extraordinary ~~general meetings~~General Meetings. ~~Shareholders' general meetings shall be convened by the Board.~~General Meetings. Annual ~~general meeting~~General Meeting shall be held once every year and within six months from the end of the last financial year.

Under any of the following circumstances, the ~~Board~~Company shall convene an extraordinary ~~general meeting~~General Meeting within two months thereof:

- (1) when the number of directors falls below the number required by the Company Law or two-thirds of the number ~~required~~provided by the Articles;
- (2) when the losses of the Company which have not been made up amount to one-third of the total share capital of the Company;
- (3) upon the written request of shareholder(s) alone or in aggregate holding 10 per cent. or more of the shares issued in the public carrying voting rights for the convening of an extraordinary ~~general meeting~~General Meeting;
- (4) when the Board deems necessary;
- (5) upon the request of the ~~supervisory committee~~Supervisory Committee;
- (6) upon the proposal of an independent director and approval of more than half of the total independent directors; and
- (7) any other circumstances prescribed by the laws, administrative rules, relevant authorities or the Articles.

Article 89.5 ~~The General meetings shall be convened at: the seat of the Company or other places specified in the notice of General Meetings.~~

General meetings shall be convened in a meeting hall in the form of on-site meetings. Shareholders may also enjoy the convenience of attending General Meetings through the Internet or by other means as provided by the Company. Shareholders attending General Meetings through the Internet or by other means as offered by the Company shall be deemed as present at such General Meetings.

Article 9.6 To hold a General Meeting, the Company shall engage a legal counsel to issue a legal opinion in respect of the following and then make an announcement of the same:

- (1) whether the meeting is convened and held in accordance with the laws, administrative regulations, and the Articles;
- (2) whether participants in and convener of the meeting have legally valid qualifications;
- (3) whether the voting procedures and results at the meeting are legally valid; and
- (4) legal opinions issued at the request of the Company with regard to other relevant issues.

Article 9.7 An independent director shall have the right to make a request with the Board for holding an extraordinary General Meeting. Within ten days after receipt of such request for an extraordinary General Meeting from an independent director, the Board shall reply in writing indicating its approval/disapproval of holding the extraordinary General Meeting according to the laws, administrative regulations and the Articles. In case of approval of the Board, a notice of General Meeting shall be issued within five days after relevant resolution is passed by the Board. In case of disapproval of the Board, reasons shall be given and an announcement shall be made to this effect.

Article 9.8 The Board of Supervisors shall have the right to propose holding an extraordinary General Meeting by making a written request to the Board. Within ten days after receipt of such request, the Board shall reply in writing indicating its approval/disapproval of holding the extraordinary General Meeting according to the laws, administrative regulations and the Articles.

In case of approval of the Board, a notice of extraordinary General Meeting shall be issued within five days after relevant resolution is passed by the Board. Any changes to the original request as contained in such notice shall be subject to consent of the Supervisory Committee.

Disapproval of the Board or failure of the Board to give a written reply within ten days after receipt of the request shall be deemed as the inability or failure of the Board 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 9.9 The shareholder or shareholders holding more than 10% of the shares of the Company carrying voting rights shall have the right to propose holding an extraordinary General Meeting by making a written request to the Board. Within ten days after receipt of such request, the Board shall reply in writing indicating its approval/disapproval of holding the extraordinary General Meeting according to the laws, administrative regulations and the Articles.

In case of approval of the Board, a notice of extraordinary General Meeting shall be issued within five days after relevant resolution is passed by the Board. Any changes to the original request as contained in such notice shall be subject to consent of the relevant shareholders.

In case of disapproval of the Board or failure of the Board to give any reply within ten days after receipt of the request, the shareholder or shareholders holding more than 10% of the shares of the Company may propose holding an extraordinary General Meeting by making a written request to the Supervisory Committee.

In case of approval of the Supervisory Committee, a notice of General Meeting shall be issued within five days after receipt of such request. Any changes to the original request as contained in such notice shall be subject to consent of the shareholder(s) concerned.

Failure of the Supervisory Committee to issue a notice of General Meeting within the specified time shall be deemed as the failure of the Supervisory Committee to convene and preside at the General Meeting, in which case, a shareholder or shareholders holding more than 10% of the Company shares for more than ninety consecutive days may convene and preside at the meeting by itself/themselves.

Article 9.10 If the Supervisory Committee or shareholder(s) decides to convene a General Meeting by itself, a written notice shall be given to the Board, and registration shall be made with the local China Securities Regulatory Commission (CSRC) office and stock exchange where the Company is located.

Shareholding of the shareholder(s) convening the meeting shall be not less than 10% until any resolution of the General Meeting is announced.

When issuing the notice of General Meeting and announcing the resolutions of the General Meeting, the convening shareholder(s) shall submit relevant certifications and documents to the local China Securities Regulatory Commission office and stock exchange where the Company is located.

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 9.11 Cooperation from the Board and the Secretary of the Board will be offered in connection with a General Meeting convened by the Supervisory Committee or shareholder(s). The Board shall provide the register of shareholders as of the date of record.

Article 9.12 Expenses required for a General Meeting convened by the Supervisory Committee or shareholder(s) shall be paid out of the Company's account.

Article 9.13 A motion shall contain what is within the authority of the General Meeting, have a clear topic for discussion and specific matters to be resolved, and in compliance with laws, administrative regulations and relevant provisions of the Articles.

Article 8.69.14 In case of annual General Meeting, the Board, the Supervisory Committee, shareholders alone or in aggregate holding more than 3% 3 per cent. or more of the total number of shares carrying voting rights shall be entitled to propose new motions in writing to the Company.

The holder or holders of at least 3% of shares carrying voting rights of the Company may put forward and submit to the convener in writing a provisional motion ten days before the General Meeting is held. The convener shall include matters mentioned in such motion that fall within the powers of the General Meeting of Shareholders into the agenda of the General Meeting and issue an additional notice of General Meeting within two days after receipt of such motion and announce the content of such motion. and the Company shall include the same, which falls within the powers of the shareholders' general meeting, into the agenda of such meeting.

Except as provided in the previous paragraph, the convener shall not modify any existing motions contained in the notice of General Meeting or devise any new motions after the notice is issued.

The General Meeting may not vote or adopt a resolution on any motions that are not specified in the notice of General Meeting or otherwise not in compliance with the provisions of the Articles.

Article 8.59.15 The Company shall issue written notice 20 days prior to the date of the annual general meeting or 15 days prior to the date of the extraordinary general meeting. 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. The shareholders who intend to attend shall send their written replies to the Company 7 days prior to the date of the meeting.

Article ~~8.79.16~~ 8.89.16 ~~The Company shall convene the General Meeting.~~

~~The Company shall convene the general meeting~~ if the written replies received from the shareholders by the Company 7 days before the date of the meeting show that 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 with voting rights, failing which the Company shall, within 5 days, inform the shareholders again in the form of public notice the proposed matters for consideration at the meeting and the date and venue of the meeting. General meetings may be convened after such notice has been published. Resolutions on matters not specified in the notice shall not be passed at extraordinary ~~general meetings~~General Meetings.

No resolutions shall be passed at an extraordinary General Meeting on matters not listed in the notice of General Meeting.

Article ~~8.89.17~~ 8.89.17 Notice of a ~~general meeting~~General Meeting shall satisfy the following requirements:

- (1) it shall be in writing;
- (2) it shall specify the place, date and time of the meeting;
- (3) it shall state the nature of business to be discussed at the meeting;
- (4) it shall provide such information and explanation as are necessary for the shareholders to make an informed decision on the business to be transacted. Without limiting the generality of the foregoing, where a proposal is made to amalgamate the Company with another, to repurchase shares of the Company, to reorganize the share capital, or to restructure the Company in any way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement (if any), and the causes and effects must be properly explained.;

- (5) it shall contain a disclosure of the nature and extent, if any, of material interests of any director, supervisor, ~~general and deputy general manager~~ General Manager and Deputy General Manager or other officer in the transaction proposed and the effect of the proposed transaction on them in their capacity as shareholders in so far as it is different from the effect on the interests of the shareholders of the same class;
- (6) it shall contain the full text of any special resolution proposed to be passed at the meeting;
- (7) it shall contain conspicuously a statement that a shareholder entitled to attend and vote at the meeting shall be entitled to appoint one or more proxies to attend such meeting and to vote thereat instead of him and that a proxy need not be a shareholder;
- (8) it shall specify the time and place for lodging proxy forms for the relevant meeting;
- (9) it shall specify the date of record for determining the shareholders who shall have the right to attend the General Meeting; and
- (10) it shall specify the name and phone number of the permanent contact persons for meeting affairs.

The notice or additional notice of General Meeting shall disclose in an adequate and complete manner, the specifics of all motions. If opinion of independent directors is sought for with regard to the business to be discussed, the opinion or reasons given by independent directors shall be disclosed at the same time with the notice or additional notice of General Meeting.

Where the Company holds a General Meeting and online voting or voting held in other ways is made available, the time and procedures for online voting or voting held in other ways shall be specified in the notice of General Meeting. Time for online voting or voting using other methods at a General Meeting shall commence at a time not earlier than 3:00 pm of the day immediately prior to the date when the on-site meeting is held, nor later than 9:30 am of the date for holding the on-site meeting, and shall end at a time not earlier than 3:00 pm of the date when the on-site meeting is closed.

The date of record shall be not more than seven working days prior to the date of meeting, which may not be changed once determined.

Article 9.18 If election of directors or supervisors is to be discussed at a General Meeting, detailed information of the candidates for the office of director or supervisor shall be fully disclosed in the notice of General Meeting, which shall include at least the following:

- (1) educational background, working experience, part-time jobs and other personal information;
- (2) affiliations, if any, with the Company, the controlling shareholder of the Company or actual controller of the Company;
- (3) the number of shares of the Company being held; and
- (4) whether or not having been punished by the CSRC or other relevant authorities or the stock exchange.

Each director candidate or supervisor candidate shall be put forward separately as a single motion, except for election of directors or supervisors under the system of cumulative voting.

Article 9.19 A General Meeting shall not be postponed or canceled or motions listed in the notice of General Meeting shall not be revoked without proper reasons after the notice of General Meeting is issued. In case of postponement or cancellation, the convener shall make an announcement of and give reasons for the same at least two working days prior to the original date of meeting.

Article 8.99.20 The notice of a ~~general meeting~~ General Meeting shall be sent to shareholders (regardless of whether such shareholders are entitled to vote at the ~~general meeting~~ 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, (including holders of A shares), the notice of a ~~general meeting~~ General Meeting may be given in the form of public notice.

The public notice referred to above shall be published 20 days to 25 days prior to the date of the annual ~~general meeting~~ General Meeting or 15 days to 20 days prior to the date of the extraordinary ~~general meeting~~ General Meeting in a newspaper or several newspapers prescribed by the authorities of the State Council responsible for securities. Once published, all domestic shareholders (including holders of A shares) shall be deemed to have received the relevant notice of the ~~general meeting~~ General Meeting.

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 8.10 The accidental omission to give a notice of a meeting to or the
9.21 non-receipt of notice of a meeting by any person who is entitled to
 receive notice shall not invalidate the meeting and the resolutions
 passed at such meeting.

~~Any shareholder who is entitled to attend the general meeting~~

Article 9.22 The Board and other conveners shall take such measures as necessary
 for keeping the General Meeting in good order. Measures shall be taken
 to stop any disturbance of the General Meeting, trouble-making acts or
 acts violating the legal rights and interests of shareholders, and
 competent authorities shall be notified of the same for investigation and
 punishment.

Article 9.23 All registered shareholders on the date of record shall have the right to
 attend the General Meeting in person or by proxy, and exercise voting
 rights in accordance with relevant laws, regulations and the Articles.

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.

Article Any shareholder who is entitled to attend the General Meeting and to
8.119.24 vote thereat shall be entitled to appoint one or more persons (whether a
 shareholder) as his/her proxy to attend and vote on his/her behalf.
 Such proxy or proxies shall exercise the following rights pursuant to the
 appointment made by the appointing shareholder:

- (1) the same right as the shareholder to speak at the ~~general
meeting~~General Meeting;
- (2) authority to demand or join in demanding a poll; and
- (3) the right to vote by show of hands or on a poll; however, when a
 shareholder has appointed more than one proxy, those proxies
 may only vote on a poll.

Article 8.12 The instrument appointing a proxy shall be in writing under the hand of
9.25 the appointer or his/her attorney duly authorized in writing, or if the
 appointer is a ~~corporation~~legal person or other institutions, either
 under its seal or under the hand of a ~~director~~its legal representative or
 an ~~officer or attorney~~agent duly authorized.

The instrument shall specify:

- (1) name of the proxy;

- (2) ~~number of shares represented~~held by the ~~proxies. If more than one proxy is appointed,~~appointing shareholder;
- (3) whether such shares held carry voting rights;
- (4) instructions on how to vote (vote for, against or withhold votes) in respect of each item on the instrument shall specify agenda of the number of shares represented by the respective General Meeting to be discussed;
- (5) date and validity of such proxy letter; and
- (6) signature (or seal) of the appointer.

Article 8.13
9.26

The instrument appointing a proxy shall be deposited at the seat of the Company or such other place as specified in the notice of meeting not less than 24 hours before the time appointed for the meeting at which the person named in the instrument proposes to vote or, 24 hours before the time appointed for taking of the poll. Where such instrument is signed by a person under a power of attorney or other authority on behalf of the appointer, that power of attorney or other authority shall be notarized. A notarially certified copy of that power of attorney or other authority together with the instrument appointing a proxy shall be deposited at the seat of the Company or such other place as is specified in the notice of the meeting.

If the appointer is a legal person, the legal representative or such person as is by the resolution of its ~~board~~Board of ~~directors~~Directors or other governing body authorized to act as its representative may attend at the ~~general meeting~~General Meeting of the Company.

If a shareholder is an recognized clearing house as defined under the laws of Hong Kong as enacted from time to time (“Recognized Clearing House”) or its agent, it may appoint one or more persons to act as its representatives at any ~~general meeting~~General Meeting or class meeting. ~~If, provided that, if more than one person is appointed, the power of attorney shall specify the number and class of the shares respectively represented by each of the representatives~~person so appointed shall be stated in the proxy letter. Such representatives may exercise the rights of the Recognized Clearing House (or its agent) as if they were an individual shareholder.

~~Article 8.14~~ Any form issued to a shareholder by the ~~board~~Board of ~~directors~~Directors for use by him for appointing a proxy shall be in such as to enable the shareholder, according to his/her intention, to instruct the proxy to vote in favour or against each resolution dealing with business to be transacted at the meeting. Such a form shall contain a statement that in default of such instructions, the proxy may vote as he/she thinks fit.

Article ~~8.15~~
9.27 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or loss of capacity of the principal or revocation of the proxy or power of authority or other authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no notice in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company before the commencement of the meeting at which the proxy is used.

Article 9.28 Where an individual shareholder attends the meeting in person, his/her ID card or other valid certificate or certification indicating the identity of such shareholder and the stock account card shall be produced. If a proxy attends the meeting on behalf of an individual shareholder, the valid identity certificate of the proxy as well as the proxy letter issued by the shareholder shall be produced.

Where a shareholder is a legal person, its legal representative or a person authorized by such legal representative or by resolution of the Board of Directors or other decision-making bodies shall attend the meeting. Where the legal representative attends the meeting, his/her ID card and valid certificates of his/her capacity as a legal representative shall be produced. If an authorized person attends the meeting, his/her ID card and a written power of attorney issued by the shareholder concerned in accordance with laws and the Articles shall be produced.

Article 9.29 A register of persons attending the meeting shall be prepared by the Company for the meeting. Such meeting register shall state the names, ID card numbers or domiciles of the attendees, number of shares with voting rights they hold or represent and names of the appointers etc.

- Article 9.30 The lawyers appointed by the convener and the Company shall jointly check the validity of qualifications of the shareholders based on the register of shareholders provided by the securities registration and clearing organization and other valid documents, and register the names of and number of shares with voting rights held by the shareholders. The meeting registration shall come to an end before the chairman of the meeting announces the number of shareholders and proxies present at the meeting and the total shares with voting rights they hold.
- Article 9.31 If the Company holds a General Meeting, all directors, supervisors and the Secretary of the Board shall attend the meeting while the General Manager and other officers shall attend the meeting as non-voting delegates.
- Article 9.32 A General Meeting shall be chaired by the Chairman of the Board. If the Chairman of the Board is unable to or fails to carry out such duties, a director elected by more than a half of the total directors shall chair the meeting.
- If a General Meeting is convened by the Supervisory Committee by itself, the Chairman of the Board shall chair the meeting. If the Chairman of the Supervisory Committee is unable to or fails to carry out such duties, a supervisor elected by more than a half of the total supervisors shall chair the meeting.
- If a General Meeting is convened by the shareholder(s), a representative elected from such convener shall chair the meeting.
- If the chairman of the meeting goes against the rules of procedures during the General Meeting, making it impossible to continue the meeting, the General Meeting may elect a person to chair the meeting after consent of shareholders holding more than 50% of the voting rights present at the meeting, in which case, the meeting shall continue.
- Article 9.33 The Company shall formulate rules of procedure of the General Meeting, providing detailed rules of the convening and voting procedures of General Meetings which shall cover notification, registration, review of motions, voting, counting votes, announcement of voting results, formation of resolutions, minutes of General Meetings and executing of the same, making announcements, as well as principle of authorization from the General Meeting to the Board. Contents of such authorization shall be expressly specified. As a schedule to the Articles, rules of procedure of the General Meeting shall be formulated by the Board and approved by the General Meeting.

- Article 9.34 At an annual General Meeting, the Board and the Supervisory Committee shall report to the General Meeting on the work done in the previous year and each independent director shall also report on his/her work.
- Article 9.35 Directors, supervisors and the officers shall provide explanations for any questions raised by the shareholders at the General Meeting.
- Article 9.36 The chairman of the meeting shall announce the number of shareholders and proxies present at the meeting and the total shares with voting rights they hold before any voting, which shall be calculated based on the meeting registration.
- Article 9.37 The Secretary of the Board shall be responsible for preparation of the meeting minutes, which shall contain the following:
- (1) time, place and agenda of the meeting, name of the convener;
 - (2) names of the chairman of the meeting, directors, supervisors, Secretary of the Board, General Manager or other officers present at the meeting;
 - (3) the number of shareholders and proxies present at the meeting, the total number of shares with voting rights they hold and its proportion in the total shares of the Company;
 - (4) process of discussion, key points and voting results in connection with each proposal;
 - (5) any questions raised or suggestions given by the shareholders and the corresponding responses or explanations;
 - (6) names of the lawyers, vote counters and scrutineers; and
 - (7) other information to be included in the minutes of meeting as required by the Articles.
- Article 9.38 The convener shall ensure that the content of the minutes of meeting is true, accurate and complete. The directors, supervisors, Secretary of the Board, convener or its representative and the chairman of the meeting present shall sign the minutes of meeting. The minutes of meeting shall be kept for not less than ten years, together with the attendance book containing the signature of shareholders present, proxy letters and valid materials about voting online or otherwise.

Article 9.39 The convener shall ensure that the General Meeting proceeds continuously until a final decision is made. If the General Meeting is suspended or the General Meeting is prevented from passing a resolution due to force majeure or other special reasons, necessary measures shall be taken to resume the meeting as soon as possible or directly terminate the meeting, in which case, timely announcement shall be made. In addition, the convener shall report the same to the local CSRC office and stock exchange where the Company is located.

Article 8.16 Resolutions of the ~~general meeting~~ General Meeting shall be divided
Article 9.40 into ordinary resolutions and special resolutions.

Ordinary resolution of a ~~general meeting~~ General Meeting shall be passed by ~~one more than half or more~~ of the voting rights held by the shareholders (including proxies) present at the meeting. Special resolution of a ~~general meeting~~ General Meeting shall be passed by more than two-thirds or more of the voting rights held by the shareholders (including proxies) present at the meeting.

Article 9.41 The following matters shall require sanction of an ordinary resolution at a General Meeting:

- (1) the working reports of the Board and the Supervisory Committee;
- (2) plan for distribution of profits and plans for making up losses prepared by the Board;
- (3) the 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;
- (4) annual financial budgets and statements of final accounts of the Company;
- (5) annual report of the Company; and
- (6) matters not otherwise required by the laws, administrative regulations or the Articles to be passed by special resolutions.

Article 9.42 The following matters shall require the sanction of a special resolution at a General Meeting:

- (1) the increase in and reduction of the share capital of the Company, and the issuance of any class of shares, warrants or other similar securities;

- (2) the issuance of bonds of the Company;
- (3) the demerger, amalgamation, dissolution and liquidation of the Company;
- (4) amendments to the Articles;
- (5) matters related to the Company's purchase/sale of material assets within a year involving more than 30% of the total assets of the Company that are most recently audited;
- (6) equity incentive plan; and
- (7) other matters which have been adopted by ordinary resolutions at the General Meeting, and which are considered to have significant effect on the Company shall be adopted by special resolutions.

Article 8.17
9.43

For the purpose of voting at the ~~general meeting~~General Meeting, a shareholder (including proxy) shall exercise voting rights in accordance with the number of shares carrying voting rights represented by him. Each share shall have one vote.

With regard to significant matters discussed by the meeting that have an impact on the interests of small and medium investors, the votes cast by small and medium investors shall be counted separately.

The shares held by the Company itself shall carry no voting rights and shall not be included in the total voting shares present at the meeting.

The Board of the Company, independent directors or other qualified shareholders may solicit the voting rights of shareholders in an open manner. To solicit the voting rights of shareholders, the specific voting intentions and other information shall be disclosed in full to the shareholders whose voting rights are solicited. Solicitation of voting rights of shareholders with pay, whether in disguised form or not, is prohibited. The Company shall not impose any limitation of the minimum shareholding with regard to solicitation of voting rights.

Article 8.18
9.44

Resolutions at the ~~general meeting~~General Meeting shall be determined by a show of hands unless a poll is required by the securities regulatory authorities or stock exchange where the Company's shares are listed or a requisition for a poll has been made before or after the show of hands by the following persons:

- (1) the chairman of the meeting;

- (2) at least two shareholders with voting rights or the proxies thereof; and
- (3) one or more shareholders (include proxy) who, individually or together, hold an aggregate of ~~10 per cent.~~ or more than 10% shares carrying voting rights at such meeting.

The chairman of the meeting shall determine whether a resolution of the ~~general meeting~~General Meeting is passed or not according to the result of the show of hands. His decision shall be announced at such meeting and recorded in the minutes book and such result shall be final and conclusive without the need of stating any supporting proof of such passing or the votes for or against such resolution or the ratio thereof, unless a ~~requisition for a poll has been made~~is required.

The requisition for a poll may be revoked by its requisitionists.

Article 8.19
9.45

Where the motion requested to be decided by way of poll is in connection of the election of the chairman or termination of the meeting, the poll shall take place immediately. For other motions requested to be decided by way of a poll, the time of the poll shall be decided by the chairman and the meeting may continue to transact other matters. The result of such poll shall be deemed as a resolution passed at such meeting.

Article 8.20
9.46

On a poll, a shareholder (including proxy) entitled to two or more than two votes need not use all his/her votes or cast all the votes he/she uses in the same way, unless otherwise required by the securities regulatory authorities or stock exchange where the Company's shares are listed, in which case, such other requirements shall be applicable to the listed shares.

That, where any shareholder is, under ~~the listing rules applicable to securities formulated from time to time and the~~ relevant rules and regulations, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

Article 8.21
9.47

In the case of an equality of votes, whether at a show of hands or a poll, the ~~Chairman~~chairman of the meeting shall be entitled to a second vote.

Article 8.22

~~The following matters shall require sanction of an ordinary resolution at a general meeting:~~

- (1) ~~the working reports of the Board and the supervisory committee;~~

- (2) ~~plan for distribution of profits and plans for making up losses prepared by the Board;~~
- (3) ~~the removal~~

Article 9.48 Affiliated shareholders shall not engage in the voting process with respect to matters relating to connected transactions reviewed by the General Meeting. Shares with voting rights held by such shareholders shall be excluded from the total number of valid votes. Announcement of resolution passed at General Meetings shall fully disclose voting information relating to each non-affiliated shareholder.

Article 9.49 Based on the precondition that General Meetings held by the Company are legitimate and valid, the Company shall prioritize the use of online voting platform or other modern information technologies made available to shareholders in every possible way that will provide convenience to shareholders attending general meetings.

Article 9.50 Name list of the membersdirector and supervisor candidates shall be submitted to the General Meeting for voting in the form of the Boarda motion.

The cumulative voting method shall be adopted by the General Meeting for voting on election of directors or supervisors.

For the purpose of the preceding paragraph, cumulative voting method refers to a method for voting on election of directors or supervisors where each share shall represent the same number of votes as the number of the directors or supervisors to be elected, and the supervisory committeevotes held by shareholders may be used in a concentrated manner. The Board shall announce resumes of and basic information about the director candidates and supervisor candidates.

Article 9.51 Except in case of cumulative voting, the General Meeting shall vote on all motions one by one. If different motions are put forward with regard to the same matter, the motions shall be voted on in sequence based on the time when they are put forward. The General Meeting shall not set aside or refuse to vote on any motions, except where the General Meeting is suspended or the General Meeting is prevented from passing a resolution due to force majeure or other special reasons.

Article 9.52 The General Meeting shall not make any modifications to any motions when it reviews the same; otherwise, any modification made shall be deemed to be a new motion, which may not be voted on at the current meeting.

Article 9.53 A share shall be voted through one and only one of the on-site voting, online voting or other acceptable voting methods. In case of repeated voting by the same voting right, the first vote shall govern.

Article 9.54 Two shareholders shall be elected to participate in the vote counting and scrutinizing before the poll is carried out on site at the meeting. Shareholders related to the matters to be voted on and their remuneration (including but not limited to compensation for proxies shall not participate in the vote counting and scrutinizing.

When a motion is voted on at the General Meeting by a poll on site, the lawyers, representatives of shareholders and the representatives of supervisors shall jointly count the votes, scrutinize the vote counting and declare the voting results on the spot. The voting results shall be recorded in the minutes of meeting.

Shareholders or their loss of office or at the expiry of proxies casting votes online or using other methods shall have the right to check their term of office)and method of payment;votes through the voting system concerned.

- ~~(4) annual financial budgets and statements of final accounts, balance sheets, profit statements and other financial statements of the Company;~~
- ~~(5) matters not otherwise required by the laws, administrative regulations or the Articles to be passed by special resolutions.~~

Article 8.239.55 The following matters on-site General Meeting shall require the sanction of a special resolution not be closed at a general time earlier than the meeting:

- ~~(1) the increase in and reduction of the share capital of the Company, and the issue of any class of shares, warrants or other similar securities;~~
- ~~(2) the issue of bonds of the Company;~~
- ~~(3) the demerger, amalgamation, dissolution and liquidation of the Company;~~
- ~~(4) amendments to the Articles;~~

- (5) ~~other matters which have been adopted by ordinary resolutions at the general held through online voting or otherwise. The chairman of the meeting, and which are considered to have significant effect on the Company shall be adopted by special resolutions.~~

Article 8.24 ~~The procedures declare the voting information and results for convening an extraordinary general meeting each motion, and further declare that a resolution is passed or a class meeting of lost depending on the voting results.~~

~~Companies, vote counters, scrutineers, major shareholders on requisition, network service providers or other parties involved in the on-site voting, online voting or other voting methods shall keep the voting information confidential until the voting results are duly declared.~~

Article 9.56 On a poll, a shareholder attending the General Meeting shall vote for, against or otherwise withhold votes in respect of a motion to be voted on, provided that the securities registration and clearing organization, as the nominal holder of the shareholders shares of Shanghai-Hong Kong Stock Connect, may make declarations based on the intentions of the actual holders.

Votes that are blank, illegible or contain mistakes or votes not cast shall be deemed as follow:

- (1) ~~two or more shareholders holding an aggregate a waiver of 10 per cent. or more of shares carrying the voting rights at such meetings can sign one or several written requests in the same format and content requesting the Board to convene an extraordinary general meeting or a class meeting of the shareholders, specifying the objects of the meeting. Upon receipt of the said written requests, the Board shall convene an extraordinary general meeting or a class meeting of shareholders as soon as possible. The aforesaid by the voters, and the number of the shares held as they hold shall be equivalent to the shares held by the shareholders at the date of the written requisition counted as "withhold".~~
- (2) ~~Where the Board fails to give 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 are convened.~~

~~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 upon the receipt of the aforesaid requests shall be repaid to the shareholders by the Company, and shall be deducted from the remunerations to be paid to the defaulting directors by the Company.~~

Article 8.25 The general meeting of shareholders shall be convened by the Board and chaired by the Chairman of the Company. If the Chairman is unable to attend the meeting for any reason, the meeting shall be convened and chaired by any one director appointed by the Chairman. In the event that the chairman of the meeting is not appointed, the shareholders present at the meeting may elect one person at the meeting to be the chairman; if for any reason the shareholders cannot elect the chairman, the shareholder (including proxies) present at the meeting carrying the largest number of shares carrying voting rights shall be the chairman.

Article 8.26 The chairman of the meeting shall be responsible for determining
Article 9.57 whether a resolution of the ~~shareholders' general meeting~~General Meeting of Shareholders is passed or not and his/her decision shall be final and conclusive and the same shall be announced at such meeting and recorded in the minutes book.

Article 8.27 If the chairman of the meeting has any doubt as the result of a resolution
9.58 put to the vote at the meeting, he/she may take a poll vote. If the chairman of the meeting fails to take a poll vote any shareholder who is present in person or by proxy and who objects to the results announced by the chairman of the meeting may demand a poll vote immediately after the declaration of the result, and the chairman shall take a poll vote forthwith.

Article 8.28 If there is a poll vote at a ~~general meeting~~General Meeting, the result
9.59 thereof shall be recorded in the minutes book.

~~Minutes together with the shareholders' attendance lists and instruments appointing proxies shall be kept at the seat of the Company.~~

Article 8.29 A shareholder shall be entitled to inspect copies of minutes of any
9.60 ~~shareholders' general meeting~~General Meeting of Shareholders free of charge during the business hours of the Company. If the shareholder demands from the Company a copy of such minutes, the Company shall send him the copy within seven days after having received reasonable charges.

Article 9.61 Any resolutions of the General Meeting shall be announced promptly, in which the announcement shall set out the number of shareholders and proxies present at the meeting, the total number of voting shares they hold and its proportion in the total voting shares of the Company, way of voting, the voting results for each motion and the specifics of each resolution adopted.

Article 9.62 Resolutions lost or any changes made at the current General Meeting to the resolutions passed at the previous General Meetings shall be specially indicated in the announcement of resolutions of the General Meeting.

Article 9.63 Where motions for election of directors or supervisors are passed by the General Meeting, the directors or supervisors elected shall take office when relevant motions for election are passed by the General Meeting, unless otherwise provided by resolutions passed by the General Meeting.

Article 9.64 Where motions related to distribution of cash dividends, distribution of stock dividends or conversion of capital reserve to share capital are passed by the General Meeting, detailed plans for implementation of the same shall be carried out by the Company within two months after close of the meeting.

Chapter 910 Special Procedures for the Voting of Different Class Shareholders

Article 910.1 Shareholders of different classes of shares shall be classified as class shareholders.

Class shareholders shall have rights and shall undertake obligations pursuant to the provisions of the laws, administrative regulations and the Articles.

Article 910.2 The rights attached to any class of shares may be varied or abrogated with the sanction of a special resolution passed at the ~~shareholders' general meeting~~ General Meeting of Shareholders and by holders of shares of the affected class passed at a separate ~~general meeting~~ General Meeting of the holders of shares of the class convened in accordance with Article 910.4 to Article 910.8 respectively.

Article 910.3 The following shall be considered as a variation or abrogation of the rights of class shareholders:

- (1) to increase or reduce the number of shares in that class or to increase or reduce the number of shares in a class of shares which have rights on voting, distribution or other privileges equal or superior to that class of shares;
- (2) to exchange all or a portion of shares of that class for shares of another class, or to exchange all or a portion of the shares of another class for shares of that class or to grant the rights to exchange the same;
- (3) to cancel or reduce the rights to claiming all the accrued dividends or cumulative dividends of shares of that class;
- (4) to reduce or cancel the preferential rights of that class to claim the dividends or the preference to distribution of assets upon the liquidation of the Company;
- (5) to increase, cancel or reduce the rights to conversation of shares, options, voting rights, rights of transfer, pre-emptive rights and the rights to acquire the securities of the Company of that class;
- (6) to cancel or reduce the rights to receive the monies payable by the Company in a particular currency of that class;
- (7) to create a new class of shares which have the rights to voting, distribution or other privileges equal or superior to that class of shares;
- (8) to restrict or to impose more restrictions on the transfer or ownership of that class of shares;
- (9) to issue options or rights on subscription for or conversion of shares into that class or another class of shares;
- (10) to increase the rights and privileges of another class of shares;
- (11) to re-structure the Company in such a way that different class shareholders will undertake disproportionate obligations under the proposed restructuring; and
- (12) to vary or abrogate the provisions in this chapter.

Article ~~9~~10.4 The class shareholders so affected whether or not otherwise having voting rights at a ~~shareholders' general meeting~~General Meeting of Shareholders, shall be entitled to vote at the class meeting involving matters provided in items (2) to (8) and (11) to (12) of Article ~~9~~10.3, provided that any interested shareholders shall not be entitled to vote at that class meeting.

The meaning of an interested shareholder as referred to in the preceding paragraph shall be as follows:

- (1) Where the Company has made a repurchase offer to all shareholders in the same proportion in accordance with the provisions of Article ~~4.53~~ of the Articles or repurchases its shares on a stock exchange through open transactions, "interested shareholder" shall mean the controlling shareholder as defined in Article ~~7.526.3~~ of the Articles;
- (2) Where the Company repurchases its shares by way of an agreement otherwise than on a stock exchange in accordance with the provisions of Article ~~4.53~~ of the Articles, "interested shareholder" shall mean the shareholder to which the agreement relates; and
- (3) In the case of a restructuring of the Company, "interested shareholder" shall mean a shareholder who undertakes obligations by a lower proportion than that of other shareholders of the same class, or a shareholder who holds interests different from those held by other shareholders of the same class.

Article ~~9~~10.5 Resolution of a class meeting shall be passed by more than two-thirds ~~or more~~ of the shares with voting rights held by the class shareholders who, according to Article ~~9~~10.4 are entitled to vote at that class meeting.

Article ~~9~~10.6 The Company shall, before convening annual general meeting simultaneously with class meeting, issue written notice 20 days prior to the date of the meeting and shall, before convening extraordinary general meeting simultaneously with class meeting, issue written notice 15 days prior to the date of the meeting. The Company shall by written notice inform all shareholders whose names appear on the register of shareholders in respect of such class shares the proposed matters for consideration at the meeting and the date and venue of the meeting. The shareholders who intend to attend shall send their written replies to the Company 7 days prior to the date of the meeting.

Article ~~9~~10.7 The Company is entitled to convene the class 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 with voting rights, failing which the Company shall, within 5 days, inform the shareholders again in the form of public notice the proposed matters for consideration at the meeting and the date and venue of the meeting. Class meetings may be convened after such notice has been published.

Article ~~9~~10.8 The notice of a class meeting shall only be given to the shareholders who are entitled to vote at such meeting only. The proceedings of a class meeting shall be as nearly as possible as that of a ~~shareholders' general meeting~~General Meeting of Shareholders. The provisions in the Articles relating to the proceedings of a ~~shareholders' general meeting~~General Meeting of Shareholders shall apply to the class meeting.

Article ~~9~~10.9 In addition to holders of other classes of shares, domestic shareholders (including holders of A shares) and shareholders of overseas listed foreign invested shares shall be deemed to be different classes of shareholders.

The special procedures for voting of class shareholders shall not apply to the following circumstances:

- (1) Where, upon approval by a special resolution passed at a ~~shareholders' general meeting~~General Meeting of Shareholders, the Company issues domestic shares and overseas listed foreign invested shares either separately or concurrently once every twelve months, and the total amount of the domestic shares and overseas listed foreign invested shares so issued do not exceed 20 ~~per cent.~~% of their total issued amount respectively; and
- (2) Where the Company plans to issue domestic shares and overseas listed foreign invested shares on establishment, to be implemented within fifteen months from the date of approval by the competent authorities of the State Council~~Securities Committee~~.

Chapter ~~10~~11 Board of Directors

Article ~~10~~11.1 There shall be a ~~board~~Board of ~~directors~~Directors which shall report to the ~~shareholders' general meeting~~General Meeting of Shareholders. The ~~board~~Board of ~~directors~~Directors shall comprise 9 members. Among them, the number of executive directors shall not exceed one half of the total number of directors. The executive directors shall be responsible for managing daily affairs assigned by the Company. The remaining members shall be non-executive directors who shall not manage daily affairs. The ~~board~~Board of ~~directors~~Directors shall have one chairman.

Article ~~10.2~~11.2 Directors shall be elected or removed at the ~~shareholders' general meeting~~General Meeting of Shareholders for a term of three years. Upon the expiry of the term, a director shall be eligible for re-election.

Written notice of the intention to nominate a candidate for election as a director and the written notice by such candidate of his/her willingness to accept the nomination shall be sent to the Company ~~7~~seven days before the date of the ~~shareholder's general meeting~~General Meeting of Shareholders. The above notice period shall not begin on or before the issuance of the notice of the meeting for electing directors, and such notice period shall end 7 days (or before) the date of the meeting.

A director shall not be required to hold any shares of the Company.

The chairman shall be elected and removed by more than half of all directors. The term of office for the chairman shall be three years and he/she shall be eligible for re-election.

Subject to the relevant laws and administrative regulations, the ~~shareholders' general meeting~~General Meeting of Shareholders may by an ordinary resolution remove a director before the expiration of his/her term of office but without prejudice to any claim for damages under any contract. The tenure of the substitute director shall be calculated from the date when he/she takes office until expiration of the term of office of the replaced director.

If re-election is not held in a timely manner after expiration of the term of office of a director, such director shall continue performing the obligations of directors as specified in the laws, administrative regulations, provisions of relevant authorities and the Articles until the director replacing him is elected and takes office.

The General Manager or other officers may concurrently hold the office of director, provided that the number of directors who are representatives of employees, or who are working as the General Manager or holding other officer posts shall not exceed 1/2 of the total number of directors of the Company.

Article 11.3 A director neither attending the meetings of the Board in person nor appointing other directors to attend the same on his/her behalf for two times consecutively, shall be deemed as unable to perform his/her functions. The Board shall propose to the General Meeting his/her removal.

Article 11.4 A director may resign from the Board prior to expiration of his/her term of office by submitting a resignation report in writing to the Board. Relevant information will be disclosed by the Board within two days.

If the number of directors of the Company becomes less than the minimum number legally required due to resignation of a director, such director shall continue performing the obligations of directors as specified in the laws, administrative regulations, provisions of relevant authorities and the Articles until the director replacing him is elected and takes office.

Except as stated above, the resignation of a director shall become effective from the time when the resignation report is delivered to the Board.

Article 11.5 Directors whose resignation takes effect or term of office expires shall go through all handover procedures with the Board. The obligation of such directors to be loyal to the Company and its shareholders shall not be revoked automatically upon the expiration of the term of office and shall remain valid within the reasonable period provided in the Articles.

Article 11.6 Without legal authorization by the Articles or the Board, no directors may act on behalf of the Company or the Board in his/her own name. If any third party will reasonably presume that a director acting in his/her own name represents the Company or the Board, such director shall make a prior statement with regard to his/her position and status.

Article 11.7 If a director is found in breach of the laws, administrative regulations, provisions of relevant authorities or the Articles during performance of duties and loss of the Company is incurred thereby, such director shall be liable for compensation.

Article 11.8 An independent director shall perform his/her duties in accordance with relevant provisions of the laws, administrative regulations and relevant authorities.

Article 10.311.9 The Board shall be responsible to the ~~shareholders' general meeting~~General Meeting of Shareholders and shall have the following powers and duties:

- (1) to be responsible for convening ~~shareholders' general meeting~~General Meeting of Shareholders and to report on its work to the ~~general meeting~~General Meeting;
- (2) to implement resolutions of the ~~general meeting~~General Meeting;
- (3) to determine the business plans and investment proposals of the Company;
- (4) to prepare the annual financial budgets and final accounts of the Company;
- (5) to prepare plans for profit distribution (including distribution of final dividend) and proposal for making up losses for the Company;
- (6) to formulate the Company's proposals for the increase in and reduction of registered capital and the issue and listing of corporate bonds and other securities;
- (7) to formulate proposals for significant merger, demerger ~~and~~, dissolution and alteration to the corporate form of the Company;
- (8) to formulate proposals for significant acquisition of the Company and the acquisition of the shares of the Company; to decide on matters relating to external investment, acquisition and sale of assets, mortgage of assets, external guarantees, wealth management engagement and connected transactions of the Company within the authority conferred by General Meetings;
- (89) to decide on the internal management structure of the Company;

- (910) to employ or dismiss a ~~general manager~~General Manager, Secretary of the Board and securities affairs representative; to engage or dismiss a ~~deputy general manager~~Deputy General Manager and an officer in charge of financial matters and other officers on the basis of nominations from the ~~general manager~~General Manager and to determine their remunerations ~~and~~, reward and penalty;
- (1011)to set up the basic management systems of the Company;
- (1112)to formulate proposals for amendments of the Articles;
- (1213)to ~~perform any~~manage information-disclosure-related matters of the Company;
- (14) to make a request with the General Meeting for the employment or replacing of the accounting firm;
- (15) to listen to the work report of the General Manager of the Company and examine his/her performance; and
- (16) other powers and duties conferred and provided by the shareholders' general meetinglaws, administrative regulations, relevant authorities, General Meetings and the Articles.

Except directors' resolutions in respect of the matters specified in items (6), (7) or (1112) above which shall be passed by more than two-thirds of the directors, directors' resolutions in respect of all other matters above may be passed by more than one half of the directors.

~~If the board of directors~~Matters beyond the power authorized by the General Meeting shall be submitted to the General Meeting for consideration.

Article 11.10 The Board of the Company shall offer to the General Meeting explanations with respect to the non-standard audit opinion given by the registered accountant relating to the financial report of the Company.

Article 11.11 The Board shall formulate rules of procedures of the Board to guarantee implementation of resolutions by General Meetings and scientific decision-making by the Board and promote efficiency. Such rules of procedures shall establish procedures for the convening of meetings of the Board and voting to be prepared by the Board and approved by General Meetings.

Article 11.12 The Board shall define authorities relating to external investment, acquisition and sale of assets, mortgage of assets, external guarantees, wealth management engagement and connected transactions of the Company, establish strict examination and decision-making procedures, organize relevant experts and professionals to review material investment project and submit the same to General Meetings for approval.

Article
10.411.13 If the Board of Directors proposes to dispose of the Company's fixed assets, where the aggregate of the amount or value of the consideration for the proposed disposal and where any fixed assets of the Company have been disposed of in the period of 4 months immediately preceding the proposed disposal, the amount or value of the consideration for any such disposal in that period exceeds 33-per cent.% of the value of the fixed assets as shown in the latest balance sheet laid before the Company in ~~shareholders' general meeting~~ General Meeting of Shareholders held, the Board shall not dispose of or agree to dispose of the said fixed assets without the prior approval of the ~~general meeting~~ General Meeting.

The proposed disposal of fixed assets referred to in this article shall include the acts of transferring certain interests in that assets but exclude the acts of charging that fixed assets by way of security.

The validity of the transaction on the disposal of fixed assets by the Company shall not be affected by the breach of the first paragraph of this article.

Article ~~10.5~~
11.14 The chairman shall have the following powers and duties:

- (1) to preside over the ~~general meeting~~ General Meeting and to convene and preside over the meeting of the Board;
- (2) to urge and examine the implementation of the resolutions of the Board;
- (3) to sign the securities issued by the Company; and
- (4) other powers conferred by the Board.

Where the chairman is unable to perform his/her duties, ~~the Board may designate~~ a director may be appointed by more than half of directors to perform the same on his/her behalf.

Article ~~10.6~~
11.15 Meeting of the Board shall be held at least twice every year and shall be convened by the chairman. The notice for such meeting shall be given to all directors and supervisors 10 days in advance. ~~In case of emergency, interim~~Interim meeting of the Board may be convened at the request of more than one-third of the directors (inclusive), more than half of independent directors, shareholders representing more than one-tenth of shares carrying voting rights or the general managerSupervisory Committee of the Company. Within ten days upon receipt of such request, the chairman shall convene and chair such interim meeting of the Board.

Article 11.16 The notice of an interim meeting of the Board shall be given by hand, facsimile, express mail or email at least one day before such meeting is convened.

Article 11.17 The notice of a meeting of the Board shall contain the following:

- (1) date and place of the meeting;
- (2) duration of the meeting;
- (3) reasons for convening the meeting and matters to be discussed;
and
- (4) date when the notice of the meeting is delivered.

Article
~~10.7~~11.18 The quorum of the meeting of the Board shall be more than one-half of the directors. Each director shall have one vote. Resolutions of the Board shall be passed by one-half of all directors. Relevant provisions shall be applicable if the laws, regulations, normative documents, rules of the stock exchange or the Articles provide otherwise as to the proportion of directors passing a resolution.

~~In the case of an equality of votes, the Chairman of the meeting shall be entitled to a second vote.~~

Article 11.19 Except as otherwise provided by the Articles, where a director has any affiliations with a company, agreements, arrangements or any proposals in which a director or any of its close associates has material interests involving in any resolutions to be passed by a meeting of the Board, such director shall be excluded from the quorum and may not exercise the voting right to vote for or against such resolution, nor may he/she exercise the voting rights of other directors on their behalf. Such meeting of the Board may be convened if more than half of directors that have no such affiliations intend to attend the same. Resolution made at such meeting of the Board shall be passed by more than half of such directors. If less than three directors that have no such affiliations attend such meeting of the Board, matters to be discussed at the same shall be submitted to the General Meeting for consideration.

Article 11.20 A resolution put to the vote of the meeting of the Board shall be decided on a show of hands or by a poll. An interim meeting of the Board, while securing the opportunity of every director to fully express their opinions, may be held and make resolutions to be signed by directors attending such meeting of the Board by conference telephone or similar communication equipment.

Article
10.811.21 The time and place of meeting of the Board may be fixed by the Board in advance and recorded in the meeting minutes. Where such minutes have been given to all directors not less than 10 days before the convening of the next Board meeting, no notice of such meeting shall be served.

~~Where the time and place of the meeting of the Board have not been fixed by the Board in advance, notice of the meeting of the Board specifying the time and place of the meeting shall be given by the chairman or the secretary of the Board to the directors by telex, cable, facsimile, express courier service, registered mail or by hand at least 5 days (but not more than 10 days) before the meeting.~~

A director shall be deemed to have received the notice of meeting if he/she is present at the meeting and does not raise the issuance of the non-receipt of such notice prior to or at the time of his/her arrival at the meeting.

The meeting of the Board may be 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. Resolutions made by and minutes of such telephone conference shall be signed by participating directors.

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article ~~10.9~~
11.22 The manager who is not a director may attend any meeting of the Board and shall be entitled to receive notice and relevant documents thereof and to speak to such meeting, unless provided otherwise by the Board. The manager who is not a director shall not be entitled to vote at any meeting of the ~~board~~Board of ~~directors~~Directors.

Article ~~10.10~~
11.23 The Board may accept resolutions in writing in lieu of convening a meeting of the Board. However, the draft of such resolutions shall be sent to every director by hand or by post, or facsimile. A resolution shall be a director's resolution without convening a meeting of the Board if ~~it~~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~~Secretary of the Board by one of the aforesaid means.

Article
~~10.11.24~~
11.24 Directors shall attend the meeting of the Board in person. Where any director is unable to attend the meeting, he/she may in writing appoint another director to attend the meeting on his/her behalf. The appointing instrument shall specify the name of the appointed director, actions to be taken by the appointed director on behalf of the appointing director, the scope of the authorization and validity term. Such ~~appointing instrument shall bear the signature or seal of the appointer.~~

The director attending a meeting on other's behalf shall exercise the rights of the director who appoints him within the scope of the authorization. If a director is unable to attend a meeting of the ~~board~~Board of ~~directors~~Directors and has not appointed a representative to attend the meeting on his/her behalf, he/she shall be deemed to have waived his/her right to vote at such meeting.

~~Where a director has any interest in the subject matter of the meeting, such director shall withdraw from the meeting, does not enjoy any voting rights and shall not be counted in the quorum thereof.~~

Article ~~10.12~~
11.25 The Board shall cause the matters resolved at the meeting of the Board to be recorded in form of minutes. The minutes shall be signed by the directors who attended such meeting and the person taking notes of the proceeding of such meeting.

Minutes of meetings of the Board shall be kept as the documentation of the Company for at least ten years.

The directors shall be responsible for the resolution passed by the Board. Where any resolution of the Board contravenes the laws, administrative regulations or the Articles, causing severe losses to the Company, the directors involved in passing such resolution shall be liable to indemnify the Company for losses sustained by the Company as the consequences of such contravention unless it has been proved that he/she objected to the resolution and the objection has been recorded in the minutes of such meeting, such director may be exempt from the liability.

Article 11.26 Minutes of meetings of the Board shall include:

- (1) date when and place where the meeting is convened; name of the convener;
- (2) names of attending directors or appointed by others (as representative);
- (3) agenda of meetings of the Board;
- (4) key points of directors' speeches; and
- (5) way and result of voting as to every resolution (such result shall specify number of votes for and against each resolution and withheld).

Chapter ~~11~~2 Secretary of the Board of Directors of the Company

Article ~~11~~2.1 The Company shall have ~~secretary~~Secretary of the Board. The secretary is an officer of the Company.

Article ~~11~~2.2 The secretary shall be a natural person who has the requisite professional knowledge and experience. The secretary shall be appointed or dismissed by the Board. The duties of the secretary shall be ~~to ensure that:~~

- (1) to ensure that the constitution documents and records of the Company are in order;
- (2) to ensure that the necessary reports and documents are prepared and submitted to relevant authorities in accordance with the laws; ~~and~~

- (3) to ensure that the register and information of shareholders of the Company are properly maintained and that persons entitled to records and documents of the Company are furnished with such records and documents without delay;
- (4) to prepare for General Meetings and meetings of the Board; and
- (5) to process information disclosure.

The Secretary of the Board shall comply with relevant provisions of the laws, administrative regulations, provisions of relevant authorities and the Articles.

Article ~~11~~12.3 Other than ~~supervisors~~supervisors, any director or officer of the Company may be appointed as the ~~secretary~~Secretary of the Board. Any accountant of the ~~accountants~~accounting firm appointed by the Company shall not be appointed the ~~secretary~~Secretary of the Board.

Where the ~~secretary~~Secretary of the Board is also a director and an act is required to be done by a director and the secretary separately, such person who is acting both as director and the secretary shall not perform the act in both capacities.

Chapter ~~12~~13 General and Deputy General Managers of the Company

Article ~~12~~13.1 The Company shall have one ~~general manager~~General Manager and several ~~deputy general managers~~Deputy General Managers who shall be appointed or dismissed by the Board. The ~~deputy general managers~~Deputy General Managers shall assist the ~~general manager~~General Manager in performing his/her duty.

The General Manager and Deputy General Manager, persons in charge of financial matters and the Secretary of the Board shall be the officers of the Company.

Article 13.2 Persons employed by the controlling shareholder and actual controller of the Company not as directors may not be the officers of the Company.

Article 13.3 The General Manager shall serve a term of three years and may serve consecutive terms if re-employed.

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article ~~The general manager~~ The General Manager of the Company shall be
12.213.4 responsible to the Board and shall have the following powers and
duties:

- (1) to be responsible for the production and management of the Company ~~and~~ to organize the implementation of the resolutions of the Board and to report his/her work to the Board;
- (2) to organize the implementation of the annual business plans and investment proposals of the Company;
- (3) to prepare proposals for the internal management structure of the Company;
- (4) to prepare the basic management systems of the Company;
- (5) to draft the regulations of the Company;
- (6) to propose to the Board the employment and dismissal of ~~deputy general managers~~ Deputy General Managers and persons in charge of financial matters;
- (7) to employ and dismiss management staff other than those who shall be employed and dismissed by the Board; and
- (8) other powers conferred by the Articles of Association and the ~~board~~ Board of directors Directors.

The General Manager may attend meetings of the Board.

Article The ~~general manager~~ General Manager shall discharge his/her duties
12.313.5 honestly and diligently in accordance with the laws, administrative
regulations and the Articles.

Article 13.6 The General Manager shall formulate the General Manager working
guidelines and implement the same after its approval by the Board.

Article 13.7 The General Manager working guidelines shall cover:

- (1) conditions and procedures for the convening of the meeting of the
General Manager and participants;
- (2) Detailed duties and responsibilities of the General Manager and
other officers of the Company;

- (3) application of funds and assets of the Company, authority to enter into material contracts and the procedures for reporting to the Board and the Supervisory Committee; and
- (4) other matters as deemed necessary by the Board.

Article 13.8 The General Manager may apply for resignation prior to the expiration of his/her term of office. Procedures for and methods of the General Manager's resignation shall be provided in the employment contract entered into by and between the General Manager and the Company.

Article 13.9 If an officer is found in breach of the laws, administrative regulations or provisions of relevant authorities and the Articles during performance of duties and loss of the Company is incurred thereby, the responsible person shall be liable for compensation.

Chapter ~~1314~~ Supervisory Committee

Article ~~1314.1~~ The Company shall have a ~~supervisory committee~~Supervisory Committee.

Article ~~1314.2~~ The ~~supervisory committee~~Supervisory Committee shall consist of at least three but no more than five members. The particular number of supervisors shall be determined at the ~~shareholders' general meeting.~~General Meeting of Shareholders. One of the supervisors shall act as the chairman of the ~~supervisory committee.~~Supervisory Committee. The appointment and removal of the chairman of the ~~supervisory committee~~Supervisory Committee shall be made by a resolution passed by more than two-thirds or more of the members of the ~~supervisory committee.~~Supervisory Committee.

The term of office for the members of the ~~committee~~Committee shall be three years and they shall be eligible for re-election.

The chairman of the Supervisory Committee shall convene and chair the meetings of the Supervisory Committee. If the chairman of the Supervisory Committee is unable or fails to perform his/her duty, the meeting of the Supervisory Committee shall be convened and presided by such director as jointly recommended by more than half of supervisors.

- Article ~~13~~14.3 ~~The supervisory committee~~Supervisory Committee shall comprise ~~two to four~~ representatives of the shareholders and ~~one representative of the staff and workers~~. ~~The representatives of the shareholders shall be elected and removed by the shareholders' general meeting, whereas the representativestaff and workers, the number of which shall be reasonable and not less than one-thirds of the total number of the Supervisory Committee. Representatives of the staff and workers shall be elected and removed through democratic election by the staff and workers of the Company through democratic election in the form of meetings of the representatives of the staff and workers, meetings of the staff and workers and others.~~
- Article ~~13~~14.4 Any director, ~~the general manager~~General Manager and ~~deputy general managers and officer in charge of financial matters~~other officers shall not act as a supervisor.
- Article 14.5 Supervisors shall comply with the laws, administrative regulations and the Articles, maintain loyal, honest and diligent to the Company and may not take advantage of their posts for bribery, other illegal gains or possession of the Company's property.
- Article 14.6 If no reelection is held upon the expiration of the term of office of any supervisor or the members of the Supervisory Committee is less than the quorum due to resignation of any supervisor, such supervisor shall continue its performance as a supervisor in accordance with the laws, administrative laws and regulations and the provisions of the Articles.
- Article 14.7 Supervisors shall make sure that information disclosed by the Company is true, accurate and complete.
- Article 14.8 Supervisors may attend meetings of the Board as a non-voting delegate, and may inquire about or give suggestions on matters to be resolved by the Board.
- Article 14.9 Supervisors may not take advantage of his/her affiliations and undermine the benefits of the Company and shall be liable for compensation for loss thus incurred by the Company (if any).
- Article 14.10 If any supervisor is found in breach of the laws, administrative regulations or provisions of relevant authorities and the Articles during performance of duties and loss of the Company is incurred thereby, the responsible person shall be liable for compensation.

Article 13.514.11 The meeting of the Supervisory Committee shall be convened at least twiceonce every year and the meeting shall be convened six months by the chairman of the supervisory committee. Supervisory Committee. An extraordinary

Article 13.6 The supervisory committee shall be responsible to the shareholders' general meeting of the Supervisory Committee may be held upon proposal of the chairman of the Supervisory Committee or more than half of the supervisors. Notice of an extraordinary meeting of the Supervisory Committee shall be delivered to all supervisors one day before such meeting is actually convened.

Article 14.12 The Supervisory Committee shall be responsible to the General Meeting of Shareholders and shall have following powers and duties in accordance with the laws:

- (1) to review and produce written opinions about the regular report of the Company prepared by the Board;
- (2) to examine the financial conditions of the Company;
- (23) to supervise the conduct of the directors, generalGeneral Manager and deputy general managers and other officers of the Company and to see whether they contravenepropose the removal of directors and officers in violation the laws, administrative regulations or, the Articles in performing the duties or resolution of the CompanyBoard;
- (34) to request the directors, general and deputy general managersGeneral Manager and other officers of the Company to rectify their acts which are prejudicial to the interests of the Company;
- (45) to represent the Company in negotiating with the directors and officers or taking legal proceedings against the directors and officers in accordance with Article 151 of the Company Law;
- (56) to verify the financial information such as accounting reports, business reports, profits distribution proposals submitted by the Board to the shareholders' general meetingGeneral Meeting of Shareholders; where any query arises, the financial information shall be referred to a registered accountant or practicing auditor appointed in the name of the Company to re-examine the same;

(67) to propose the convening of extraordinary ~~general meetings~~General Meetings and to convene and chair the General Meeting where the Board fails to do the same in accordance with the Company Law;

~~(7)~~(8) to propose motions to the General Meeting; and

(9) other powers and duties provided in the laws, administrative regulations, relevant authorities and the Articles of Association.

~~Supervisors may attend meetings of the board of directors.~~

Article 14.13 ~~The Supervisory Committee shall formulate rules of procedures of the Supervisory Committee to guarantee high efficiency of and scientific decision-making by the Supervisory Committee. Such rules of procedures shall establish procedures for the convening of meetings of the Supervisory Committee and voting.~~

Article 14.14 ~~The Supervisory Committee shall have minutes of meetings prepared to include all resolutions on the matters discussed. Supervisors attending the meetings shall sign the minutes of such meetings.~~

~~Supervisors have the right to require that his/her speech at meetings of the Supervisory Committee be recorded in the minutes of such meetings together with some explanation. Minutes of meetings of the Supervisory Committee shall be kept as the documentation of the Company for at least ten years.~~

Article 14.15 ~~Notice of a meeting of the Supervisory Committee shall include:~~

- ~~(1) Time, place and duration of the meeting;~~
- ~~(2) Reasons for the convening of the meeting and matters to be discussed; and~~
- ~~(3) date when the notice of the meeting is delivered.~~

Article 13.7~~14.16~~ ~~The quorum of meetings of the supervisory committee~~Supervisory Committee shall be all supervisors. In case of extraordinary meeting of the ~~committee~~Committee where there are supervisors who are unable to attend, the quorum of such meeting shall be reduced to three-fifths of all supervisors.

~~The resolutions of the supervisory committee~~Supervisory Committee shall be passed by more than two-thirds ~~or more~~ of supervisors.

Article 13.8 ~~13.8~~ 14.17 The reasonable costs and expenses incurred in engaging professionals such as lawyers, registered accountants and practicing auditors as are required by the ~~supervisory committee~~ Supervisory Committee in discharging its duties shall be borne by the Company.

Article 13.9 ~~A supervisor shall comply with the laws, administrative regulations and this Articles of Association, undertake the supervisory duties in good faith.~~

Chapter ~~14~~ 15 Qualifications and Obligations of Directors, Supervisors, ~~the General and Deputy General Managers~~ Manager and other Officers of the Company

Article ~~14~~ 15.1 A person shall be disqualified from being a director, supervisor, ~~general~~ General Manager or ~~deputy general manager~~ Deputy General Managers or other officer of the Company in any one of the following circumstances:

- (1) the individual has no civil capacity or restricted civil capacity;
- (2) a person of less than 5 years has elapsed since the conviction of corruption, bribery, unauthorized appropriation of properties, embezzlement of properties or disrupting social and economic order; or a period of less than 5 years has elapsed since being deprived of political rights for commission of offences;
- (3) a period of less than 3 years has elapsed since the completion of the liquidation of any company or enterprise which was insolvent due to unsound business operation and management and where the person acted as a director or factory manager, manager of such company or enterprise and was personally liable for such insolvency;
- (4) a period of not less than 3 years has elapsed since revocation of the business licence of a company or enterprise due to illegal business operations where the person was the legal representative of such company or enterprise and for which he/she was personally liable;
- (5) the person is personally liable for a substantial loan which was due for payment but remains unpaid;
- (6) the person has been involved in criminal offences subject to investigation by judicial authorities and the case has yet to be settled;

- (7) ~~the person is not eligible for acting in the leadership of a company or enterprise according to the laws or administrative regulations;~~
- (8) ~~the person is not a natural person; and~~
- (98) a period of less than 5 years has elapsed since the person was adjudged by the relevant governing authority to be guilty of contravention of provisions of securities regulations involving fraud or dishonesty;
- (9) he is prohibited by the CSRC from entering into the securities market as a punishment and the prohibition period has not expired; and
- (10) the person is not eligible for acting in the leadership of a company or enterprise according to the laws or administrative regulations or as otherwise provided by the laws, administrative regulations and relevant authorities.

Election and appointment of directors and supervisors or engagement of officers in violation of the provision of this Article 14.2 shall be invalid. Directors, supervisors or officers that become disqualified as provided in item (1) of this Article shall be dismissed by the Company.

Article 15.2

Directors of the Company shall comply with the laws, administrative regulations and the Articles and maintain diligent to the Company as to:

- (1) be cautious, careful and diligent in the exercise of all rights conferred by the Company and make sure that the business practices of the Company are in compliance with all requirements imposed by the laws, administrative regulations and all economic policies promulgated by China;
- (2) treat every shareholder of the Company in a fair way;
- (3) know about the operation and management status of the Company in a timely manner;
- (4) sign the confirmation in writing of the regular report of the Company and make sure information disclosed by the Company is true, accurate and complete;
- (5) provide authentic information and materials as required by the Supervisory Committee and avoid hindering the Supervisory Committee or any supervisors from exercising its rights; and

(6) other obligations as provided by the laws, administrative regulations, provisions of relevant authorities and the Articles.

Provisions of the above items (4) to (6) shall also be applicable to officers of the Company.

Article 14.215.3 The validity of an act of a director, ~~general or deputy~~the general manager~~General Manager~~ or an officer of the Company acting on behalf of the Company against any bona fide third party shall not be affected by any irregularity in his/her appointment, election or any defects in his/her qualification.

Article 14.315.4 In addition to the obligations imposed by the laws and administrative regulations or required by the listing rules of the stock exchange ~~on which the shares of the Company are listed~~, a director, supervisor, ~~the general or deputy general manager~~General Manager or officer owes a duty to each shareholder for the following in the exercise of the powers entrusted to him:

- (1) not to cause the Company to exceed the scope of business stipulated in its business licence;
- (2) to act honestly in the best interests of the Company;
- (3) not to expropriate in any guise the properties of the Company, including but not limited to usurp the opportunities beneficial to the Company; and
- (4) not to expropriate the individual rights of shareholders including but not limited to rights of distribution and voting rights save and except pursuant to a restructuring of the Company submitted for approval of the shareholders in ~~general meeting~~General Meeting in accordance with these Articles.

Article 14.415.5 A director, supervisor, ~~general or deputy~~the general manager~~General Manager~~ or an officer of the Company, owes a duty, in the exercise of his/her powers and discharge of his/her duties, to exercise the care, diligence and skill that a reasonable prudent person would be expected to exercise in comparable circumstances.

Article 14.515.6 A director, supervisor, ~~general or deputy~~the general manager~~General Manager~~, an or officer of the Company owes a duty, in performing his/her duties, to observe obligations of a fiduciary not to place himself in a position where his/her 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~~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 these Articles or with the informed consent of shareholders in ~~general meeting~~General Meeting, not to enter into any contract, transaction or arrangement with the Company;
- (6) without the informed consent of shareholders in ~~general meeting~~General Meeting not to use the Company's property for his/her own benefit;
- (7) not to use his/her authority for obtaining bribes or other illegal income and not to expropriate in any guise the property of the Company including but without limitation, not to usurp opportunities beneficial to the Company;
- (8) without the informed consent of the ~~shareholders' general meeting~~General Meeting of Shareholders, not to accept commissions in connection with the Company's transaction;
- (9) to observe the Articles; to perform the duties faithfully; to protect the interests of the Company; not to use his/her position and authority in the Company to make his/her own benefit;
- (10) without the informed consent of the ~~shareholders' general meeting~~General Meeting of Shareholders 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/her 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; and

- (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~~General Meeting of Shareholders; 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 such director, supervisor, ~~the General or deputy general~~Manager or other officer to require disclosure.

Article
14.615.7

A director, supervisor, ~~general or deputy~~the general managerGeneral Manager and other officer of the Company shall not cause any of the following person or association (the "associates") to do such things as such director, supervisor, ~~general or deputy general manager or~~General Manager and senior management officer is prohibited from doing:

- (1) the spouse or minor child of that director, supervisor, ~~general or deputy~~the general managerGeneral Manager or other officer of the Company;
- (2) the trustee of that director, supervisor, ~~general or general deputy manager~~the General Manager or other officer of the Company or any person referred to in item (1) of this article;
- (3) the partner of that director, supervisor, ~~general or deputy general manager~~the General Manager or other officer of the Company or any person referred to in items (1) and (2) of this article;
- (4) a company in which that director, supervisor, ~~general or deputy general manager~~the General Manager or other officer of the Company alone or jointly with one or more of the persons referred to in items (1), (2) and (3) of this article or other directors, supervisors, ~~general or deputy general manager~~the General Manager or other officers of the Company, has a de facto controlling interest; and
- (5) a director, supervisor, ~~general or deputy general manager~~the General Manager or other officer of a company being controlled as referred to in ~~paragraph~~item (4) of this article.

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article
14.715.8 The fiduciary duty of a director, supervisor, ~~general and deputy general manager and the General Manager and~~ other officer of the Company does not necessarily cease upon the termination of his/her tenure of office. The obligation of confidence in relation to the trade secrets of the Company shall survive after the termination of his/her tenure. Other obligations may continue for such period as to be determined under the principle of fairness, depending on the time lapse between the acts concerned and the termination and the circumstances and the conditions under which the relationship with the Company terminated.

Article
14.815.9 Except as provided in Article 7.48.9 of the Articles, a director, supervisor ~~general or deputy general manager, the General Manager and~~ other officer of the Company may be relieved of liability of specific breaches of his/her duty by the informed consent of the shareholder in ~~general meeting~~General Meeting.

Article
14.815.10 Where a director, supervisor, ~~general or deputy general manager, the General Manager and~~ other officer of the Company is in any way directly or indirectly materially connected in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company (other than the contracts of service of the director, supervisor, ~~general~~General Manager or ~~deputy general manager~~Deputy General Manager or other officer), he/she shall disclose the nature and extent of his/her connection to the Board at the earliest opportunity whether or not the contract, transaction, arrangement or proposal therefor is otherwise subject to the approval of the ~~board~~Board of ~~directors~~Directors in normal circumstance.

Unless the connected director, supervisor, ~~general or deputy general manager~~the General Manager and other officer of the Company has disclosed his/her connection to the Board in accordance with the preceding paragraph and the contract, transaction or arrangement has been approved by the Board at meeting in which the connected director, supervisor, ~~general or deputy general manager~~the General Manager and other officer of the Company is not counted in the quorum and has refrained from voting, such contract, transaction or arrangement is voidable at the instance of the Company except as against a bona fide third party.

Where the associates of any director, supervisor, ~~general or deputy general manager~~the General Manager and other officer of the Company are connected in any contract, transaction or arrangement, the director, supervisor, ~~general or deputy general manager~~General Manager or Deputy General Manager or other officer of the Company shall be deemed as connected also.

Article 14.10~~15~~.11 Where a director, supervisor, ~~general or deputy general manager~~the General Manager and other officers of the Company gives a notice in writing to the Board before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration on behalf of the Company, stating that, by reason of facts specified in the notice, shall be deemed for the purpose of Article ~~14.9~~15.10 to be a disclosure of interests of such director, supervisor, ~~general or deputy general manger~~the General Manager and other officers of the Company, so far as attributable to those facts in relation to any contract, transaction or arrangement of that description which may subsequently be made by the Company.

Article 14.11~~15~~.12 The Company shall not, in any manner, pay tax for or on behalf of its director, supervisor, ~~general or deputy general manager~~the General Manager and other officers of the Company.

Article 14.12~~15~~.13 The Company shall not directly or indirectly, make a loan to or provide any guarantee in connection with a loan made by any person to its directors, supervisors, ~~general or deputy general manager~~the General Manager and other officers of the Company or of its holding company; or make a loan to or provide any guarantee in connection with any loan made by any person to the associates of such person as aforesaid.

The preceding provision shall not apply to the following:

- (1) the provision of a loan or a guarantee for a loan by the Company to a company which is a subsidiary of the Company;
- (2) the provision of a loan or a guarantee for loan by the Company to any of its directors, supervisors, ~~general or deputy general manager~~the General Manager or other officers under a service contract as approved by shareholders in ~~general meeting~~General Meeting or the provision of funds by the Company to him to meet expenditure incurred or to be incurred by him for the purpose of the Company or for the purpose of enabling him properly to perform his/her duties; and
- (3) where the ordinary course of business of the Company includes the lending of money and the giving of guarantees, the Company may make a loan to or provide a guarantee in connection with a loan by another person to any of its directors, supervisors, ~~general or deputy general manager~~the General Manager and other officers of the Company and his/her associates on normal commercial terms.

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- Article 15.14.13 A loan made by the Company in breach of the preceding provisions, shall be forthwith repayable by the recipient regardless of the terms of the loan.
- Article 14.1415.15 A guarantee provided by the Company in breach of item 1 of Article 14.1215.13 shall be unenforceable against the Company except that:
- (1) a loan was made by a person to the associates of a director, supervisor, ~~general or deputy general manager~~the General Manager and other officers of the Company or of its parent company, and at the time the loan was advanced to the lender who did not know about the relevant circumstances; and
 - (2) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.
- Article 14.15.16 The guarantee referred to in the Article 14.1415.15 shall include an undertaking by the guarantor or property provided to secure the performance of obligations by the obligor.
- Article 14.1615.17 Where a director, supervisor, ~~general or deputy general manager~~the General Manager and other officer of the Company is in breach of his/her obligations to the Company, the Company shall have a right to take the following measures in addition to the various rights and remedies provided by the laws and administrative regulations:
- (1) to request such director, supervisor, ~~general or deputy general manager~~the General Manager and other officer of the Company to pay damages for the losses sustained by the Company as a natural consequence of his/her breach of duties;
 - (2) to rescind any contract or transaction entered into by the Company with such director, supervisor, ~~general or deputy general manager~~the General Manager and other officer of the Company and any contract or transaction entered into by the Company with a third party (where such third party knew or should have known that such director, supervisor, ~~general or deputy general manager~~the General Manager and other officer of the Company representing the Company is in breach of the obligations to the Company);
 - (3) to request such director, supervisor, ~~general or deputy general manager~~the General Manager and other officer of the Company to return the proceeds received as a consequence of the breach of the obligations;

- (4) to recover from such director, supervisor, ~~general or deputy general manager~~ the General Manager and other officer of the Company any monies which should otherwise have been received by the Company, including without limitation to commissions; and
- (5) to request such director, supervisor, ~~general or deputy general manager~~ the General Manager and other officer of the Company to return such interests accrued or may be accrued from the monies which should otherwise have been paid to the Company.

Article
14.17~~15~~18

The Company shall, with the prior approval of the shareholders in ~~general meeting~~ General Meeting, enter into a contract in writing with a director or supervisor in respect of their remuneration. The emoluments referred to above shall include:

- (1) the emoluments in respect of his/her service as a director, supervisor or other officer of the Company;
- (2) the emoluments in respect of his/her service as a director; supervisor or other officer of a subsidiary of the Company;
- (3) the emoluments for provision of other services in connection with the management of the affairs of the Company and its subsidiaries; and
- (4) payment by way of compensation for loss of office or as consideration for or in connection with his/her retirement.

Save pursuant to the contract aforesaid, no legal proceedings may be brought by a director or supervisor against the Company in respect of the benefits ought to be received by him by reasons of the matters stipulated above.

Article
14.18~~15~~19

There shall be a provision in a contract made between the Company and a director or supervisor in respect of their remuneration that the director or the supervisor shall, with the prior approval of the shareholders in ~~general meeting~~ General Meeting, be entitled to payment by way of compensation for loss of office or as consideration for his/her retirement from office in connection with the take over of the Company. A takeover of the Company referred above shall mean any of the following:

- (1) a takeover offer made to all shareholders by any person; and

- (2) a takeover offer made by any person with a view to the offeror becoming the controlling shareholder. The definition of “controlling shareholder” shall be the same as the one defined in Article ~~7.5~~26.3 of the Articles.

If the relevant director or supervisor does not comply with this article, any sum received by him shall belong to the persons who have sold their shares as a result of accepting the offer made as aforesaid; and the expenses incurred by him in distributing that sum pro rata amongst those persons shall be borne by him and not deducted out of that sum.

Chapter ~~15~~16 Financial and Accounting System and Distribution of Profit

Article ~~15~~16.1 The Company shall formulate the financial and accounting system of the Company in accordance with the laws, administrative regulations and the provisions ~~in the PRC accounting standards prepared by the authority governing financial matters under the State Council of relevant authorities of China.~~

Article ~~15.2~~ ~~The Company shall, at the end of each financial year, prepare financial reports and shall examine and audit the same according to statutory requirements.~~

Article 16.2 The Company shall, within four months upon the expiration of each financial year, submit to the CSRC and the stock exchange the yearly financial and accounting report of the Company, and, within the first two months of the six-month period before the beginning of each financial year, submit to the local CSRC office and the stock exchange the semi-yearly financial and accounting report of the Company, and, within one month of three-month and nine-month period before the beginning of each financial year, submit to the local CSRC office and the stock exchange the quarterly financial and accounting report of the Company.

The aforesaid financial and accounting report shall be prepared in accordance with the provisions of relevant laws, administrative regulations and authorities.

Article 16.3 Except for the statutory accounts, the Company will not keep any other accounts. The asset of the Company shall not be deposited into any account under any individual’s name.

Article ~~15.3~~16.4 The financial year of the Company shall coincide with the calendar year, which commences from 1st January and ends on 31st December of the Gregorian calendar. The Company shall adopt Renminbi as its accounts keeping unit.

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- Article 15.4~~16.5~~
15.516.5 The Board of the Company shall place before the shareholders at every annual ~~general meeting~~General Meeting the financial statements prepared by the Company as are required by the relevant laws, administrative regulations and mandatory documents promulgated by the local government and the governing authority.
- Article 15.5~~16.6~~
15.516.6 The financial reports of the Company shall be deposited at the Company for inspection by its shareholders not less than 20 days before the annual ~~general meeting~~General Meeting. Each shareholder of the Company shall be entitled to receive the financial statements referred to in this Article.
- The Company shall send by prepaid mail 21 days before the annual ~~general meeting~~General Meeting a copy of the above reports together with the balance sheet (including documents required to be sent by provisions of the PRC laws and administrative regulations) and profit and loss account or ~~account of income and expenditures~~ account (including the above reports) to each holder of overseas listed foreign invested shares. The service address shall be the address in the register of shareholders.
- Article 15.6~~16.7~~
15.616.7 The Company's financial report shall be prepared in accordance with the China Accounting Rules and Standards.
- Article 15.7~~16.8~~
15.716.8 The announcement and disclosure of the Company's report(s) and/or financial information shall be prepared in accordance with the China Accounting Rules and Standards.
- Article 15.8 ~~The Company shall publish its financial reports twice in each financial year. The interim financial report shall be within 60 days after the end of the first 6 months of the financial year and the annual financial report shall be published within 120 days after the end of the financial year.~~
- Article 15.9 ~~The Company shall not keep accounts other than those required by law.~~
- Article 15.10~~Article 16.9~~
15.10Article 16.9 Upon completion of preparation of its interim or annual financial reports, the Company shall follow such procedures and make such announcements as required by the securities-related laws and regulations of the PRC and provisions of the stock exchange on which shares of the Company are listed.
- Article 15.11 ~~The profits after taxation of the Company shall be distributed in accordance with the following order:~~
- (1) ~~making up for losses (except for capital reserve fund);~~

- (2) ~~allocation to statutory discretionary surplus reserve fund; and~~
- (4) ~~payment of dividends in respect of ordinary shares;~~

~~The actual proportion of distribution in respect of items (3) and (4) of this article for any year shall be determined by the Board in accordance with the operational conditions and the development requirements of the Company, and shall be submitted to the shareholders' general meeting for approval.~~

Article 15.12 ~~No dividends shall be paid before the Company has made up its losses and has made allocations to the statutory reserve fund.~~

Article 15.13 ~~16.10~~ The Company shall allocate 10 ~~per cent.~~% of the profit after taxation of the year to the statutory surplus reserve fund. The Company may stop allocating to it if the amount of the accumulated statutory surplus reserve fund exceeds 50 ~~per cent.~~% of the Company's registered capital.

Article 15.14 ~~Allocation to the discretionary surplus~~ If the statutory reserve fund shall be made from the profits of the Company in accordance with a resolution is not enough to make up its losses of shareholders at the general meeting after allocation preceding years, such losses shall be covered using the profit of the Company's current year before allocating such profit to the statutory surplus reserve fund.

The Company may further allocate profit after taxation to discretionary reserve fund upon approval by the General Meeting in the form of a resolution after it allocates such profit to the statutory reserve fund.

The remaining after-tax profit upon recovery of loss and allocation to the statutory reserve fund shall be distributed to shareholders in proportion to shares held thereby, unless as other provided in the Articles.

If the Company breaches the provision of the previous paragraph and distributes profit to shareholders before it makes up losses and allocate such profit to the statutory reserve fund, shareholders must return profit so distributed to the Company.

Shares held by the Company shall not participate in the distribution of profit.

Article ~~15.15~~16.11 The capital reserve fund shall include the following sums:

- (1) the amount of share premium arising from the issuance of shares in excess of their par value; and
- (2) other income to be credited to capital reserve fund in accordance with the provisions of the authority governing financial matters under the State Council.

Article ~~15.16~~12 The reserve fund of the Company shall only be used in the following ways:

- (1) for making up the losses; (provided that the capital reserve fund shall not be used for making up the losses of the Company);
- (2) to expand the production operation of the Company; and
- (3) to increase the capital of the Company. ~~The Company capitalizes the capital reserve fund and surplus reserve fund as its capital upon the approval of the shareholders' general meeting, new shares shall be issued by way of bonus to the shareholders in proportion to their shareholdings or the par value of the shares shall be increased,~~ provided that the balance of such reserve fund ~~must~~may not be less than 25 ~~per cent.~~% of the registered capital ~~whenbefore~~ the statutory ~~surplus~~ reserve fund is capitalized as capital.

Article 15.17 ~~Subject to Articles 15.11, 15.12, and 15.13 of the Articles, annual dividends shall be paid to the shareholders in proportion to their shareholdings within six months after the end of each financial year.~~

Article 15.18 ~~The Company may distribute dividends in the following forms:~~

- (1) ~~cash;~~
- (2) ~~bonus shares.~~

Article 16.13 Profit distribution principles of the Company:

- (1) Profit distribution of the Company shall manage reasonable returns on the investment of investors and takes into consideration the sustainable development of the Company. In the consideration of the amount of profit, development goals, actual needs placed by the development strategy and external financing costs of the Company, as well as the financing environment, the Company shall establish a sustainable, stable and scientific mechanism of returns to investors. Profit distribution of the Company shall maintain continuous and stable.
- (2) Based on the actual situation, the Company may, in accordance with relevant provisions of the laws, regulations, normative documents and the Articles, distribute profit in the form of cash, bonus shares, the combination of cash and bonus shares and by other legitimate ways. While maintaining the cash payment ability of the Company required by relevant payment plans of the Company, the Company may implement interim profit distribution in cash based on the profit and cash flow of the Company.
- (3) Profit distribution shall be paid first in cash. Such payment in the form of bonus shares shall be warranted by real and reasonable factors such as the development plan of the Company or the dilution of net asset represented by each share.

Article 16.14 Amounts paid for any shares prior to any calls shall bear interest, provided that such prepaid amounts shall not grant rights to dividends declared subsequently to the holders of such shares.

All holders of ordinary shares shall have the same rights to dividends and other distributions.

Article 16.15 Conditions for profit distribution of the Company and relevant proportions:

- (1) Upon the satisfaction of all of the following conditions, the Company shall distribute dividends in cash:
 - (a) Profit of the Company available for distribution of year (namely, profit after taxation after the recovery of losses and allocation to reserve fund) is positive and the Company has abundant cash that will not hinder subsequent operation of the Company even after such distribution;
 - (b) Audit institutions issue non-standard audit report containing clean opinions on the financial report of the Company of the year;
 - (c) The Company has no significant capital expenditures; and
 - (d) Profit distribution will not breach the provisions of the laws, regulations, ordinances, normative documents promulgated by the government, applicable rules and agreements or contracts binding upon the Company or its subsidiaries.
- (2) Profit distribution of the Company shall be paid largely in cash. If the revenue of the Company grows fast, and, as stated by the Board, the share price of the Company do not match the share capital of the Company and the Company is capable of increasing its share capital, such distribution may be paid in the combination of cash and bonus shares. Plan for profit distribution in the form of bonus shares shall be submitted to the General Meeting for consideration and approval after it has been approved by the Board.
- (3) The Board of the Company shall, taking into account the features of the industry the Company engages in, the development stage, operation model, amount of profit and plan for significant capital expenditures of the Company, put forward different policies relating to the payment of dividends in cash according to different circumstances specified below and procedures provided by the Articles:
 - (a) If the Company is in a mature development stage and has no significant capital expenditure plan, at least 80% of the distribution shall be paid in cash;

- (b) If the Company is in a mature development stage and has significant capital expenditure plan(s), at least 40% of the distribution shall be paid in cash;
- (c) If the Company is in a growing development stage and has significant capital expenditure plan(s), at least 20% of the distribution shall be paid in cash; and
- (d) If the Company is in an unclear development stage and has significant capital expenditure plan(s), the provision of the previous item (c) shall be applicable.

Article 16.16 Decision-making procedures for profit distribution shall be:

- (1) to work out a detailed profit distribution plan
 - (a) The Board of the Company shall, according to the development stage of the Company, operation status of the current period and capital demand of investment project(s), strikes a balance between the short-term interests and long-term development of the Company and formulates a reasonable profit distribution plan, taking into full consideration the interests of shareholders.
 - (b) While making a detailed plan for the cash payment of profit distribution, the Board shall carefully study and verify the right moment for, conditions for, and lowest proportion of profit distribution paid in cash, conditions for adjustment and the requirements of decision-making procedures. An independent director shall clearly express his/her opinions.
 - (c) An independent director shall, before meetings of the Board in relation to profit distribution are convened, express clear opinions on the plan for profit distribution and may, if necessary, make a request for a General Meeting. An independent director may, after soliciting opinions from minority shareholders, put forward a motion of profit distribution and submit the same to the Board for consideration and approval directly.

- (d) A plan for profit distribution passed by the Board after the above procedures shall be submitted to the General Meeting for consideration and approval and may be implemented if it is passed by present shareholders (including their proxies) holding more than half of shares carrying voting rights. In case of a plan for profit distribution paid in bonus shares, it shall be passed by present shareholders (including their proxies) holding more than two-thirds of shares carrying voting rights.
 - (e) Prior to the review and consideration of the detailed plan for the cash payment of profit distribution by the General Meeting, the Company shall, by answering phone calls from or holding meetings with investors, or via the email box or online platform of the Company, take the initiative to communicate and exchange opinions with shareholders especially minority shareholders, take into full consideration opinions and requests of minority shareholders and answer questions the minority shareholders are concerned about.
- (2) Adjustments to profit distribution policies
- (a) Profit distribution policies may not be adjusted freely in a way that reduces the reasonable returns to be given to shareholders. If profit distribution policy adjustments are rendered necessary by significant alterations of the external operation environment or the operation status of the Company, the Company may make such adjustments. The adjusted profit distribution policies may not violate relevant provisions of the CSRC and the stock exchange.
 - (b) Adjustment plan for profit distribution policies shall be formulated by the Board and, upon the approval of more than half of independent directors, be submitted to the General Meeting for consideration and approval. Independent directors and the Supervisory Committee shall review the adjusted profit distribution policies so submitted and give written opinions thereabout.

- (c) If adjustments to the profit distribution policies are warranted by capital demands arising from the Company's production and operation, its significant investment project(s) and development plans, the Company shall solicit opinions from independent directors, supervisors and public investors. The Board shall set the interests of shareholders as first consideration when adjusting profit distribution policies and, in relevant proposals submitted to the General Meeting, argue and explain the reasons for adjustments to relevant policies in a detailed way. The adjusted profit distribution policies may not violate relevant provisions of the CSRC and the stock exchange. Proposals with respect to profit distribution policy adjustment shall be approved by independent directors and the Supervisory Committee, before they are submitted to the General Meeting for approval, at which it shall be passed by shareholders present at the meeting holding more than two-thirds of shares carrying voting rights. Medium and small-sized investors may enjoy the convenience and exercise their voting rights through the Internet, as allowed by the Company.

Article 16.17

The Company shall disclose matters relating to the formulation and implementation of the cash payment plan for profit distribution in its annual report in a detailed way, and make special explanations for the following:

- (1) whether the plan complies with the provisions of the Articles or resolutions passed at General Meetings;
- (2) whether standards and proportions relating to the distribution of profit are clear and express;
- (3) whether relevant decision-making procedures and mechanism are complete;
- (4) whether independent directors exercise all due diligence and perform required functions;
- (5) whether minority shareholders are given the opportunity to fully express their opinions and requests and whether interests of minority shareholders are properly protected; and

- (6) in case of modifications or adjustments to cash payment policies relating to profit distribution, whether conditions and procedures for such modifications or adjustments comply with relevant provisions and are transparent.

Article
15.1916.18

Where the Company makes any distribution of dividends to the shareholders, the Company shall make withholdings and payments on behalf of the shareholders of such tax taxable on the dividends payable to shareholders in accordance with the provisions of the PRC taxation law and the amount of dividends payable. If a shareholder occupies capital of the Company in violation of relevant provisions, the Company shall deduct the amount occupied and pay to such shareholder the remaining amount of dividends such shareholder is entitled to.

Article 16.19

The Company shall be entitled to cease the posting of a dividend cheque to a holder of overseas listed foreign invested shares, provided that such dividend cheque is not cashed after being mailed for the second time. If a dividend cheque fails to reach the intended recipient when it is mailed for the first time and is returned, the Company may also exercise such right.

Under the precondition of compliance with relevant laws, administrative regulations and rules of China, the Company may forfeit unclaimed dividends upon expiration of certain applicable time periods.

Article 1516.20

The Board may ~~decided~~decide on the proposals of interim or special dividend upon approval from the ~~shareholders' general meeting~~General Meeting of Shareholders. Amount of interim dividends shall not exceed 50% of profit available for distribution specified in the interim income statement of the Company, unless as otherwise provided by the laws and administrative regulations.

Article 1516.21

The Company shall appoint a receiving agent for shareholders of overseas listed foreign invested shares. The receiving agent shall receive on behalf of such shareholder the dividends distributed to and other amounts payable by the Company in respect of the overseas listed foreign invested shares.

The receiving agent appointed by the Company shall satisfy requirements provided under the laws or the relevant provisions of the stock exchange at the place where the shares of the Company are listed.

The receiving agent appointed by the Company for the holders of H shares listed in the ~~HKSE~~HKEX shall be a trust company registered under the Trustee Ordinance of Hong Kong.

Article 16.22 The Company implements an internal audit system and employs full-time auditors to conduct internal auditing and supervising activities with respect to the receipts and payments, as well as the economic activities of the Company.

Article 16.23 The internal audit system and duties of auditors employed by the Company shall be approved by the Board. The audit director shall be responsible and report his/her work to the Board.

Chapter ~~16~~17 Appointment of ~~Accountants Firm~~Accounting firm

Article ~~16~~17.1 The Company shall engage an independent ~~accountants~~accounting firm which satisfies the relevant requirements of the PRC and is qualified to carry out securities related business to audit the annual financial statements of the Company and to audit other financial statements of the Company.

The first ~~accountants~~accounting firm may be appointed by the founders meeting prior to the first annual ~~general meeting~~General Meeting and the ~~accountants~~accounting firm so appointed shall hold office until the conclusion of the first annual ~~general meeting~~General Meeting.

Where the power as provided above is not exercised by the founders meeting, it shall be exercised by the Board.

Article ~~16~~17.2 The term of office of the ~~accountants~~accounting firm shall be from the conclusion of the current annual ~~general meeting~~General Meeting until the conclusion of the next annual ~~general meeting~~General Meeting.

Article 17.3 The Company undertakes to provide authentic and complete accounting vouchers, books and accounts, financial and accounting reports and other accounting materials to the accounting firm it employs, and may not refuse such provision, conceal relevant materials or provide false materials.

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- Article 16.317.4 The ~~accountants~~ accounting firm appointed by the Company shall have the following rights :
- (1) to inspect at any time the books and accounts, records and supporting documents of the Company and be entitled to request the directors, ~~general and deputy general managers~~ General Manager and other officers of the Company to provide relevant information and explanations thereof;
 - (2) to request the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the performance of the duties of such ~~accountants~~ accounting firm; and
 - (3) to attend any ~~shareholders' general meeting~~ General Meeting of Shareholders and to receive all notices of and other communications relating to any ~~shareholders' general meeting~~ General Meeting of Shareholders which any shareholder is entitled to receive, and to be heard at any ~~shareholders' general meeting~~ General Meeting of Shareholders on any matter which concerns it as ~~accountants~~ accounting firm of the Company.
- Article 16.4 ~~Where the office of the accountants firm is vacated, the Board may appoint another accountants firm to fill such vacancy prior to the holding of shareholders' general meeting, but while any such vacancy continues, the surviving or continuing accountants firm or accountants firms, if any, may act~~ 17.
- Article 16.517.5 Notwithstanding anything in the agreement between the ~~accountants~~ accounting firm and the Company, the shareholders in ~~general meeting~~ General Meeting may by ordinary resolution remove an ~~accountants~~ accounting firm before the expiration of the term of office of such ~~accountants~~ accounting firm. Where the ~~accountants~~ accounting firm so removed shall be entitled to claim against the Company for damages, if any, in respect of such removal, such entitlement shall not be prejudiced thereby.
- Article ~~16~~ 17.6 The remuneration or the determination of the remuneration of the ~~accountants~~ accounting firm shall be fixed by the shareholders in ~~general meeting~~. In the case of the ~~accountants~~ firm appointed by the Board, the remuneration of the ~~accountants~~ firm may be fixed by the Board General Meeting.

Article ~~16~~17.7 The decisions by the Company to appoint, dismiss or not to re-appoint an ~~accountants~~accounting firm shall be made at the ~~shareholders' general meeting~~General Meeting of Shareholders and shall be filed with the authorities of State Council responsible for securities. The Board may not appoint an accounting firm before such decision is made at the General Meeting.

Article ~~16~~17.8 Where a resolution is proposed to be passed at the ~~shareholders' general meeting~~General Meeting of Shareholders to appoint a firm other than an existing ~~accountants~~accounting firm to fill any vacancy in the office of the ~~accountants~~accounting firm, to reappoint an ~~accountants~~accounting firm who has been appointed by the Board to fill a vacancy or to dismiss an ~~accountants~~accounting firm before the expiry of its term of office, the following provisions shall apply:

- (1) A copy of the proposed resolution in respect of appointment or removal shall be sent before notice of meeting is given to the shareholders to the ~~accountants~~accounting firm proposed to be appointed or the ~~accountants~~accounting firm proposing to leave its post or the ~~accountants~~accounting firm who has left its post in the relevant financial year. ("Leaving" includes leaving by removal, resignation and retirement.)

- (2) If the ~~accountants~~accounting firm leaving its post makes representations in writing and requests their notification to the shareholders, the Company shall take the following measures (unless the representations are received too late):
 - (a) in any notice of the resolution given to shareholders, state the fact of the representations having been made; and

 - (b) send a copy of the representations as appendix to the notice to every shareholder in accordance with the mode of service prescribed by the Articles.

- (3) If the representations of the ~~accountants~~accounting firm are not sent out as required by item (2) of this article, the ~~accountants~~accounting firm may require that the representations shall be read out at the ~~shareholders' general meeting~~General Meeting of Shareholders and may have further rights of redress;

- (4) An ~~accountants~~accounting firm which is leaving its post shall be entitled to attend:
- (a) the ~~shareholders' general meeting~~General Meeting of Shareholders at which its term of office would otherwise have expired;
 - (b) any ~~shareholders' general meeting~~General Meeting of Shareholders at which it is proposed to fill the casual vacancy caused by its removal; and
 - (c) any ~~shareholders' general meeting~~General Meeting of Shareholders convened on its resignation.

The leaving ~~accountants~~accounting firm is entitled to receive all notices of, and other communications relating to, any such meeting, and to be heard at any such meeting on any matter which concerns its as a former ~~accountants~~accounting firm of the Company.

Article ~~16~~17.9 Where the Company removes or not to reappoint an ~~accountants~~accounting firm, the Company shall give prior a fifteen-day notice to the ~~accountants~~accounting firm which shall have the right to make representations at the ~~shareholders' general meeting~~General Meeting of Shareholders. Where the ~~accountants~~accounting firm tenders its resignation, it shall explain to the ~~shareholders' general meeting~~General Meeting of Shareholders whether there is any improper matter.

Article ~~16~~17.10 An ~~accountants~~accounting firm may resign its office by depositing a notice in writing to that effect at the Company's seat. Such notice shall terminate its office on the date on which it is deposited at the Company's seat or such later date as may be specified in the notice. Such notice shall include:

- (1) a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company; or
- (2) a statement of any such circumstances as aforesaid.

Article ~~16~~17.11 Where a notice as specified in Article 17.10 is received by the Company ~~as aforesaid~~, the Company shall within ~~14~~fourteen days send a copy of the notice to the relevant governing authorities. If the notice contains a statement under ~~item (2) of Article 16~~17.10, a copy of the notice shall also be deposited at the Company for the inspection of the shareholders, and the said copies shall also be sent to every shareholder of overseas listed foreign invested shares by prepaid mail. The service address shall be the address on the register of shareholders.

Article ~~16~~17.12 Where the notice of resignation of the ~~accountants~~accounting firm contains a statement under item (2) of Article ~~16~~17.10, the ~~accountants~~accounting firm may require the Board to convene an extraordinary ~~general meeting~~General Meeting of Shareholders for the purpose of hearing an explanation of the circumstances connected with his/her resignation.

Chapter ~~17~~18 Insurance

Article ~~17~~18.1 The Company shall effect various types of insurance with insurance companies registered in PRC and allowed by the laws of PRC to provide insurance coverage to PRC companies.

Article ~~17~~18.2 The types of insurance, insured amount, period of insurance and other terms shall be discussed and decided by the Board with reference to the practices of companies in the same industry in other countries and the practice and legal requirements in PRC.

Chapter ~~18~~19 Labour Management

Article ~~18~~19.1 The Company shall formulate its labour management, personnel management, wages and welfare and social insurance systems in accordance with the laws and administrative regulations of the PRC.

Article ~~18~~19.2 In respect of all levels of management personnel, the Company shall adopt appointment system and the Company shall adopt contract system in respect of ordinary staff and workers. The Company shall have autonomy in respect of the allocation and the assignment of work of its employees and may exercise its own discretion to recruit and, in accordance with regulations and the terms of contracts, dismiss management personnel, staff and workers.

Article ~~18~~19.3 The Company shall have autonomy in determining the levels of wages and welfare benefits for various levels of its management personnel and staff and workers in accordance with its own cost-effectiveness within the ambit permitted by the relevant administrative regulations.

Article ~~18~~19.4 The Company shall arrange for medical insurance, retirement insurance and unemployment insurance for its management personnel and staff and workers in accordance with the relevant administrative regulations of the PRC government and of local government and shall implement the laws, regulations and relevant requirements in respect of labour insurance for retired and unemployed staff and workers.

Chapter ~~19~~20 Trade Union Organization

Article ~~19~~20.1 The staff and workers of the Company shall have the right to establish a trade union and engage in trade union activities in accordance with the Trade Union Law of the PRC. The activities of the trade union shall be conducted beyond the normal working hours unless otherwise prescribed by the ~~board~~Board of ~~directors~~Directors.

Chapter ~~20~~21 Amalgamation, Demerger, Increment and Reduction of Capital of the Company

Article ~~20~~21.1 The Board of the Company shall put forward proposals for amalgamation or demerger which shall be submitted to relevant approving authorities for approval in accordance with the laws after the same have been approved according to the procedures provided in the Articles of the Company. Shareholders who oppose the proposals for amalgamation or demerger shall have the right to request the Company or shareholders who are in favour of amalgamation or demerger to purchase their shares at a fair price. Special reports of the resolution of amalgamation or demerger shall be prepared for the inspection by the shareholders.

Such documents shall be sent to holders of H shares by post.

Article ~~20~~21.2 The amalgamation of the Company may take the form of either amalgamation by absorbing another company or amalgamation by establishing a new company.

Parties to the amalgamation shall execute an agreement for the amalgamation and balance sheets and assets inventories shall be prepared. The Company shall within 10 days after the passing of the resolution for amalgamation notify the creditors and shall publish the notification ~~for at least three times within 30 days in a newspaper. on~~ media designated by the Articles within thirty days. Within thirty days upon the receipt of such notification (where the creditors do not receive such notification, within forty-five days upon such publication), the creditors may require the Company to repay its debts or provide corresponding security.

Upon amalgamation, all claims and liabilities of the parties to the amalgamation shall be taken over by the company, which exists after the amalgamation or, by the newly established company.

Article ~~20~~21.3 Where the Company demerge, its assets shall be apportioned in an appropriate manner.

Parties to the demerger shall execute an agreement for the demerger and balance sheets and assets inventories shall be prepared. The Company shall within 10 days after the passing of the resolution for demerger notify the creditors and shall publish the notification ~~for at least three times within 30 days in a newspaper. The liabilities of the Company before demerger shall be taken over by the company after demerger in accordance with the agreement for the demerger~~within 30 days in a newspaper agreed by the stock exchange on which the shares are listed. Within 30 days upon the receipt of such notification (where the creditors do not receive such notification, within forty-five days upon such publication), the creditors may require the Company to repay its debts or provide corresponding security.

The company after demerger shall be jointly and severally liable to the liabilities of the Company before demerger, unless as otherwise provided by written agreement(s) entered into by and between the Company and the creditors with respect to debt repayment.

Article 21.4 Where the Company needs to reduce its registered capital, balance sheets and assets inventories shall be prepared. The Company shall within 10 days after the passing of the resolution for reduction of registered capital notify the creditors and shall publish the notification within 30 days on media designated by the Articles. Within 30 days upon the receipt of such notification (where the creditors do not receive such notification, within forty-five days upon such publication), the creditors may require the Company to repay its debts or provide corresponding security.

The reduced registered capital shall not be less than the statutory minimum.

Article ~~20~~21.5 Changes in registration items arising from amalgamation or demerger shall be registered with ~~companies registration department~~Company Registration Department in accordance with the laws; in the case of dissolution, the dissolution shall be registered according to the laws; where new companies are established, the establishment shall be registered according to the laws.

Increment or reduction of the registered capital shall be registered with Company Registration Department in accordance with the laws.

Chapter ~~21~~22 Dissolution and Liquidation

Article ~~21~~22.1 The Company shall be dissolved ~~and liquidated~~ upon the occurrence of any the following events:

- (1) where the ~~shareholders' general meeting~~business term provided for by the Articles expires or any other cause for dissolution as prescribed by the Articles has occurred;
- (2) where the General Meeting of Shareholders resolves by special resolution to dissolve the Company;
- (~~2~~3) where dissolution of the Company is necessary for amalgamation or demerger;
- (3) where the ~~Company is adjudged insolvent in accordance with the applicable laws as a result of its inability to pay its debts when due; or~~
- (4) where the Company is declared bankrupt according to laws due to its insolvency;
- (5) where the Company's business license is revoked or the Company is closed or deregistered in accordance with the applicable laws as; and
- (6) where the Company's operation and management encounter severe difficulties which cannot be solved with other approaches and its continuous existence may cause grave loss of the shareholders' benefits and the shareholders representing more than 10% of the voting rights of the Company make a request with a result of its breach of the laws or administrative regulations, people's court for the dissolution of the Company, which is approved.

Article 22.2 In case of the first occurrence as mentioned in item (1) of Article 22.1, the Company may continue to exist via amendment to the Articles.

Adjustments to the Articles in accordance with the provisions of the previous paragraph shall be approved by shareholders attending a General Meeting holding shares carrying more than two-thirds of the voting rights.

Article 21.222.3 If the Company is dissolved pursuant to item (1), ~~(2), (4) and (5)~~ of Article 21.22.1, it shall within 15 days ~~thereof~~upon the occurrence of the cause for dissolution, establish a liquidation committee and liquidate the members~~Company~~. Members of which~~such~~ liquidation committee shall be elected by an ordinary resolution of shareholders in ~~general meeting~~. If the Company is dissolved pursuant to item (3) of Article 21.1, the People's Court shall form a liquidation committee comprising the shareholders, relevant authorities and relevant professionals in accordance with the laws to proceed with the liquidation. If the Company is dissolved pursuant to item (4) of Article 21.1, the relevant governing authority shall form General Meeting. Where the Company fails to establish a liquidation team ~~comprising~~committee within the shareholders, relevant authorities and relevant professionals in accordance with~~prescribed time period, the laws~~creditors may apply to proceed with a people's court for the appointment of liquidation committee members and liquidate the Company.

Article 21.322.4 Where the Board decides to liquidate the Company (except for the liquidation as a result of the insolvency of the Company), it shall specify in the notice convening the ~~shareholders' general meeting~~General Meeting of Shareholders for such purpose that the Board has made a full inquiry into the affairs of the Company and is of the opinion that the Company will be able to pay its debts in full within 12 months from the commencement of the liquidation.

Upon the passing of the resolution for liquidation by shareholders in ~~general meeting~~General Meeting, the duties and powers of the Board shall cease forthwith.

The liquidation committee shall comply with the instructions of the ~~shareholders' general meeting~~General Meeting of Shareholders and shall report to it at least once every year the receipts and payments of the liquidation committee, the business and the progress of liquidation of the Company. Upon the completion of liquidation it shall also give a final report to the ~~shareholders' general meeting~~General Meeting of Shareholders.

Article 21.422.5 The liquidation committee shall notify the creditors within 10 days ~~following~~following its establishment and shall make public announcement regarding the same in a newspaper ~~at least three times~~agreed by the stock exchange on which the Company's shares are listed within 60 days. Within thirty days upon the receipt of such notification (where the creditors do not receive such notification, within forty-five days upon such publication), the creditors may declare to the liquidation committee their creditor's rights.

Such declaration of creditor’s rights shall reveal matters relating to the creditor’s rights and supporting materials. The liquidation committee shall register the creditor’s rights so declared.

During creditor’s right declaration, the liquidation committee may not make registration on all claims relevant repayment to the creditors.

Article
21.522.6

The liquidation committee shall during the liquidation period perform the following duties:

- (1) to dispose of the Company’s assets, to prepare balance sheets and an inventory of assets;
- (2) to give notices or make public announcements to the creditors;
- (3) to deal with the unfinished business of the Company in relation to the liquidation;
- (4) to settle all tax in arrear as well as tax amounts arising from the process of liquidation;
- (5) to repay all the claims and debts;
- (6) to deal with the remaining assets of the Company after the repayment of debts; and
- (7) to represent the Company in civil proceedings.

Article
21.622.7

After the completion of the disposal of the assets of the Company and the preparation of the balance sheets and an inventory of assets, the liquidation committee shall prepare a liquidation proposal and submit the same to the ~~shareholders’ general meeting or relevant governing authorities~~ General Meeting of Shareholders or the people’s court for their approval.

The assets of the Company shall be used to make repayments in the following order of priority:

- (1) liquidation costs;
- (2) accrued wages ~~and~~, labour insurance premiums and statutory compensation of employees of the Company;
- (3) tax in arrear; and
- (4) liabilities of the Company.

Any assets remaining after repayment of debts in accordance with the provisions above shall be distributed to shareholders in proportion to the number of shares held by them.

During the liquidation, the Company shall ~~not carry on any new business~~ continue to be existing, provided that no operation activities can be conducted other than those related to-

Article
21.722.8

~~If the Company is to be dissolved by liquidation, the~~ Property of the Company shall not be distributed to shareholders until full settlement is made as stated in the preceding article.

The liquidation committee discovers that, after the disposal of the assets of the Company and preparation of the balance sheets and assets inventory, the assets of the Company are insufficient to repay its debts in full, it shall forthwith apply to the People’s Court for a declaration of insolvency.

Upon declaration of insolvency of the Company by the People’s Court, the liquidation committee shall hand over liquidation affairs of the Company to the People’s Court.

Article
21.822.9

Following the completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report and statement of receipts and expenditures and various financial records for the period of liquidation which shall, upon being audited by an accountant registered in the PRC, be submitted to the ~~shareholders’ general meeting or relevant governing authority~~ General Meeting of Shareholders or the people’s court for their approval.

The liquidation committee shall, within 30 days upon the approval of the ~~shareholders’ general meeting~~ General Meeting of Shareholders and relevant governing authority ~~the people’s court~~, submit the said documents to the ~~company registration department~~ Company Registration Department, and apply for the cancellation of registration of the Company and to make public announcement in respect of the termination of the Company.

Article 22.10

Members of the liquidation committee shall duly perform their duties and discharge their liquidation obligations in accordance with the laws.

Members of the liquidation committee may not take advantage of their posts for bribery, other illegal gains or possession of the Company’s property. Where a member of the liquidation committee causes losses to the Company or the creditors of the Company due to willful or material fault, such member shall be liable for compensation.

Article 22.11 Where the Company declares bankrupt pursuant to the laws, liquidation shall be effected in accordance with laws relating to corporate bankruptcy.

Chapter ~~2223~~ Procedures for Amendments to the Articles of Association

Article ~~2223~~.1 The Company ~~may~~shall amend the Articles ~~pursuant to their~~:

- (1) provisions of the Articles conflict with those of the revised Company Law or other relevant laws, or administrative regulations;
- (2) Facts stated in the Articles are not consistent with the actual situation of the Company as it has experienced some change since the drafting of the Articles; and the provisions of the Articles.
- (3) the General Meeting has passed a resolution to amend the Articles.

Article ~~2223~~.2 The ~~Article~~Articles may be amended in accordance with the following procedures :

- (1) the Board shall adopt a resolution in accordance with the Articles to propose amendments to the Articles by shareholders in ~~general meeting~~General Meeting and to formulate the proposal for amendments;
- (2) the shareholders shall be notified of the proposals for amendments and a ~~shareholders' general meeting~~General Meeting of Shareholders shall be convened to vote on the amendments; and
- (3) subject to the relevant provisions of the Articles of the Company, the amendments put to the vote at a ~~shareholders' general meeting~~General Meeting of Shareholders shall be passed by way of a special resolution.

Article ~~2223~~.3 Where the amendments to the Articles involve anything set out in the Mandatory Provisions, the amendments shall be effective upon the approval of State Council authorized approving authorities and the authorities of the State Council responsible for securities; where the amendments involve company registration items, the registration of the changes shall be made in accordance with the laws.

Article 23.4 The Articles shall be amended by the Board in accordance with the resolution for amendments to the Articles passed at the General Meeting and approval of relevant competent authorities.

Article 23.5 Amendments to the Articles are information to be disclosed as required by the laws and regulations and shall be announced in accordance with relevant regulations.

Chapter ~~23~~24 Settlement of Disputes

Article ~~23~~24.1 The Company shall comply with the following rules for settlements of disputes:

- (1) Whenever any disputes or claims arising from the Articles, or any rights or obligations conferred or imposed by the Company Law and other relevant laws or administrative regulations concerning the affairs of the Company between the shareholders of overseas listed foreign invested shares and the Company, between the shareholders of overseas listed foreign invested shares and any director, supervisor, ~~general or deputy general manager~~General Manager or other officer of the Company or between the shareholders of overseas listed foreign invested shares and shareholders of domestic shares, the parties involved shall refer such kind of disputes or claims for settlement by arbitration.

In referring the said disputes or claims to arbitration, the entire claims and disputes shall be referred; and all the persons having the same cause of action or all the parties whose participation is necessary for the settlement of the disputes or the claims, including the Company, shareholders, directors, supervisors, ~~general and deputy general managers~~General Manager or other officers of the Company, shall submit to arbitration.

As to the disputes on the definition of a shareholder or register of the shareholders, it may be settled by methods other than arbitration.

- (2) At the election of the claimant, the disputes or claims shall be referred to arbitration at either China International Economic and Trade Arbitration Commission in Beijing in accordance with its arbitration rules, or Hong Kong International Arbitration Centre in accordance with its Securities Arbitration Rules. Once a claimant refers a disputes or claims to arbitration, the other party must submit to the arbitration body elected by the claimant. If the claimant elects to proceed with the arbitration at Hong Kong International Arbitration Centre, either party may request to proceed with the arbitration in Shenzhen in accordance with the provisions of the Securities Arbitration Rules of the Hong Kong International Arbitration Centre.
- (3) The laws of the People’s Republic of China shall be applicable to the settlement of disputes and claims by way of arbitration mentioned in item (1) of this article unless the laws and administrative regulations provide otherwise.
- (4) The award of the arbitration body is final and conclusive and is binding on all parties.

Chapter 2425 Notices

Article 2425.1 ~~Notices, information or written statements to be sent by of the Company to holders of H shares shall be delivered to the registered address of each holder of H shares;~~

- ~~(1) by hand or;~~
- ~~(2) by post to the respective address of each holder of H shares as shown in the register of shareholders;~~
- ~~(3) by facsimile;~~
- ~~(4) in a form of an announcement; and~~
- ~~(5) in other forms provided by the Articles.~~

Article 25.2 Notices of the Company delivered in the form of announcements shall be deemed to have been received by all relevant persons once they are announced.

Article 25.3 Notices of General Meetings shall be serviced in the form of announcements, by hand, letter, facsimile or email.

Article 25.4 Notices of meetings of the Board shall be serviced by hand, letter, facsimile or email.

Article 25.5 Notices of meetings of the Supervisory Committee shall be serviced by hand, letter, facsimile or email.

Article 25.6 Where a notice is sent by ~~post~~hand, service of the notice shall be deemed to have been effected by ~~properly addressing with~~in the name of the addressee, ~~prepaying, putting~~date on the intended recipient signs or affixes a seal to the receipt confirmation. Where a notice ~~into an envelope and posting an envelope containing the~~ is sent by letter, service of the notice ~~and~~ shall be deemed to have been effected ~~at the expiration of 24 hours after~~on the date when such letter is delivered to the post office. Where a notice is serviced in the form of an announcement, service of the notice shall be deemed to have been effected on the date when the Company first makes the announcement. Where a notice is sent by email, service of the notice shall be deemed to have been effected on the date when the email is sent. Where a notice is sent by facsimile, service of the notice shall be deemed to have been effected on the date when the facsimile is sent.

For the purpose of H shares, all notices or documents (including all “corporate communications” as defined by designated stock exchange) (whether sent to shareholders by the Company in accordance with the Articles or not) shall be delivered in writing or by cable, telex, facsimile or other electronic transmitting or communicating ways. Any of such notices or documents can be sent by the Company to any shareholder by hand or by prepaid letter to the respective address of such shareholder as shown in the register of shareholders, or to any other addresses provided by such shareholder to the Company for the purpose thereof, or (as the case may be) to any other addresses provided by such shareholder to the Company for the purpose of receiving notices, or to any addresses, cable numbers, fax numbers, electronic numbers or websites that persons transmitting such notice reasonably and sincerely believe would allow such shareholder to duly receive such notice within relevant time period. The Company may also, pursuant to provisions of designated stock exchange, make an announcement of such notice in an appropriate newspaper or (to the extent applicable laws allow) on the Company’s website or on the website of designated stock exchange and send a notice to shareholders that such notice or document are available for inspection (“Notice of Availability For Inspection”). Notice of Availability For Inspection can be delivered to shareholders by any of the aforesaid ways provided that announcements on websites are not applicable. In the case of joint holders of a share, all notices shall be sufficient if given to the joint holder first named in the register of members as if they were given to all joint holders of such share.

For the purpose of any notice or other document:

- (1) where a notice is sent or delivered by post (or by air mail, as may be required by certain circumstances), such notice or document shall be deemed as delivered or sent on the day following the date when the prepaid and properly addressed envelope containing the notice or document is posted. For the purpose of proving that such notice or document has been sent or delivered, evidence shall be sufficed and conclusive showing that the envelope or package containing such notice or document has been correctly addressed and duly posted together with the written statement signed by the Secretary of the Board, other officers of the Company or other persons appointed by the Board, stating that the envelope containing or package containing such notice or document has been correctly addressed and duly posted as aforesaid.
- (2) where a notice is sent or delivered by way of electronic communication, such notice or document shall be deemed as delivered or sent on the date when the same is posted sent via the server of the Company or its representative. Where a notice is sent or delivered in the form of announcement published on the website of the Company or the website of designated stock exchange, or in the form of advertisement published in an appropriate newspaper, such notice or document shall be deemed as delivered or sent to shareholders by the Company on the day following the date when the Notice of Availability For Inspection is sent to shareholders or on the date following the publication of such advertisement.
- (3) where a notice is sent or delivered by any other ways proposed in the Articles, such notice or document shall be deemed as delivered or sent when the intended recipient receives such notice or document in person or when such notice or document is sent or delivered (as the case may be). For the purpose of proving that such notice or document has been sent or delivered, written statement signed by the Secretary of the Board, other officers of the Company or other persons appointed by the Board shall be sufficient and conclusive evidence proving that such notice or document has been sent or delivered at the time specified.
- (4) the Company may prepare such notice or document in English or Chinese and send the same to shareholders, provided that in doing so it complies with all applicable regulations, rules and ordinances.

Article ~~24.2~~
25.7 Any notice, document, information or written statement sent to the Company by the shareholders or directors shall be serviced by hand or registered mail to the seat of the Company.

Article
~~24.3~~25.8 For the purpose of proving that any notice, document, information or written statement has been sent to the Company by the shareholders or directors, evidence shall be sufficed showing that such notice, document, information or written statement has been deposited within the period specified for depositing the same by the ways specified in ~~Article 24.3 of the Articles~~; in the case of delivery by hand, the receipt confirmation of the Company shall be sufficed; in the case of delivery by registered mail, supporting information showing that the mail has been prepaid and sent to the correct address shall be sufficed.

Article 25.9 The accidental omission to give a notice of a meeting to or the non-receipt of notice of a meeting by any person who is entitled to receive notice shall not invalidate the meeting and the resolutions passed at such meeting.

Article 25.10 The Company will make announcements and other disclosure via information disclosure media designated by the CSRC and on the website of [●] Stock Exchange and the websites of The Stock Exchange of Hong Kong Limited and the Company.

Chapter ~~2526~~ Construction and Definitions

Article ~~2526.1~~ Any matter not provided in the Articles shall be resolved by the resolution proposed by the Board and passed at the ~~shareholders' general meeting~~General Meeting of Shareholders.

Article ~~2526.2~~ The Articles are written in both Chinese and English and the Chinese version most recently verified and registered by the company registration authority shall prevail in case of discrepancy.

Article ~~2526.3~~ ~~Unless the context otherwise requires,~~Definitions

(1) Controlling shareholder means the person fulfilling the following expressions qualifications:

(a) At his/her own discretion or with the support of others, he/she may elect more than half of directors;

- (b) At his/her own discretion or with the support of others, he/she may exercise or control the exercise of voting rights carried by more than 30% of shares of the Company with voting rights;
- (c) Solely or jointly with others, he/she holds more than 30% of shares issued by the Company; and
- (d) Solely or with the support of others, he/she actually controls the Company in other ways.
- (2) Actual controller means a person, though not a shareholder in the Company, is able to actually manipulate acts of the Company as an investor or a party to an agreement or other arrangement.
- (3) Affiliations mean the relations between the controlling shareholder, the actual controller, directors, supervisors, or officers of the Company and enterprises directly or indirectly controlled by them, as well as other relations that may cause transfer of interests in the Company, provided that state-controlled enterprises shall not be deemed to have the following meaningsaffiliations with each other just because they are all controlled by the state.
- (4) Accounting firm mentioned in the Articles: shall have the same meaning as the "auditor" defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

"Articles"	the articles of association of the Company
"Board"	the board of directors of the Company
"chairman"	the chairman of the Board
"director"	any director of the Company
"overseas listed foreign invested shares"	any overseas listed foreign invested shares of the Company
"seat of the Company"	Room 6008, Block 1, No. 26 Qingchun Road, Huairou District, Beijing, the legal address of the Company
"Renminbi"	the lawful currency of the PRC

APPENDIX I	PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
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“secretary to the Board”	the company secretary appointed by the Board
“PRC” and “State”	the People’s Republic of China
“HKSE”	The Stock Exchange of Hong Kong Limited
“Company”	the Company, Beijing Capital Land Ltd.
“Accountants Firm”	has the meaning ascribed to “auditor” under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited

(5) Close associate mentioned in the Articles shall have the same meaning as the “close associate” defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Article 26.4 The Board may, pursuant to provisions of the Articles, formulate detailed rules of the Articles which may not conflict with provisions of the Articles.

Article 26.5 Any reference to figures with expressions “more than” or “within” or “below” as mentioned in the Articles shall include the very figure that follows. Any reference to figures with expressions “beyond” or “lower than” or “no more than” or “not more than” as mentioned in the Articles shall not include the very figure that follows.

Article 26.6 The Articles shall be interpreted by the Board of the Company.

Article 26.7 Schedules to the Articles shall include Rules of Procedure of the General Meeting of Shareholders, Rules of Procedure of the Board of Directors and Rules of Procedure of the Supervisory Committee.

Article 26.8 The Articles shall be implemented after being approved by the General Meeting as of the date when the RMB ordinary shares (A shares) of the Company are listed upon the initial public offering.

**BEIJING CAPITAL LAND LTD.
RULES OF PROCEDURE OF A 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 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 Securities Law of the People’s Republic of China, the Code of Corporate Governance for Listed Companies in China, Rules for the General Meeting of Shareholders of Listed Companies 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”).

General Meetings shall be held by the Company in strict accordance with laws, administrative regulations, these Rules and the Articles of Association so as to ensure the shareholders’ exercising of their rights under laws. The Board of Directors of the Company shall duly perform its obligations to organize General Meetings in a timely manner. All directors of the Company shall make efforts with due diligence to ensure that General Meetings are properly held so that the General Meeting could exercise its authorities under laws.

Article 2 These Rules constitute a basic code of conduct for the General Meeting and the General Meeting shall exercise its authorities to the extent specified by the Company Law and the Articles of Association.

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 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 or supervisors who are not representatives of employees and to make decisions on matters related to remuneration of relevant directors or supervisors;
- (III) To consider and approve reports submitted by the Board of Directors;
- (IV) To consider and approve reports submitted by the Board of Supervisors;

- (V) To consider and approve annual financial budget plans and final accounts plans of the Company;
- (VI) To consider and approve the Company's profit distribution plans and plans for loss recovery;
- (VII) To adopt resolutions on the increase/decrease of the Company's registered capital;
- (VIII) To adopt resolutions on the issuance of bonds of the Company;
- (IX) To adopt resolutions on the amalgamation, demerger, dissolution or liquidation of the Company;
- (X) To amend the Articles of Association;
- (XI) To adopt resolutions on the appointment/dismissal of an accounting firm by the Company;
- (XII) To consider guaranty-related matters that subject to approval of General Meetings according to the Articles of Association;
- (XIII) To consider matters related to the Company's purchase/sale of material assets within a year involving more than 30% of the total assets of the Company that are most recently audited;
- (XIV) To consider and approve matters related to changing the purpose of the Capital raised;
- (XV) To consider an equity incentive plan;
- (XVI) To consider proposals put forward by a shareholder or shareholders together representing more than 3% of the voting shares of the Company; or
- (XVII) To consider any other matters subject to resolution of the General Meeting as required by laws, administrative regulations, departmental regulations or the Articles of Association.

Chapter III Conditions for Holding a General Meeting

Article 5 General Meetings can be divided into Annual General Meetings and Extraordinary General Meetings. The Annual General Meeting (“AGM”) takes place every year within six months after the close of the financial year. An Extraordinary General Meeting (“EGM”) shall be held by the Board of Directors within two months after occurrence of the following:

- (I) Number of the directors becomes less than the minimum required by the Company Law or otherwise becomes less than 2/3 of the number of directors specified by the Articles of Association;
- (II) Losses not recovered by the Company reach up to 1/3 of the total share capital;
- (III) A shareholder or shareholders representing more than 10% of the voting rights of the Company makes a written request for holding an EGM;
- (IV) It is deemed necessary by the Board of Directors;
- (V) The Board of Supervisors proposes holding an EGM;
- (VI) An independent director proposes holding an EGM and obtains approval of more than 1/2 of the total independent directors; or
- (VII) Under other circumstances set forth in the Articles of Association.

For the purpose of the aforesaid Item (III), calculations shall be made based on the number of shares held on the date when the written request is made by the shareholder(s).

In case the Company is unable to hold a General Meeting within the said periods, it shall notify the local office of China Securities Regulatory Commission (CSRC) and the stock exchange where the Company is located, indicating the reasons and making an announcement.

Article 6 In case the Company holds a General Meeting, it shall engage a legal counsel to issue legal opinion in respect of the following and then make an announcement of the same:

- (I) Whether the meeting is convened and held in accordance with laws, administrative regulations, the Rules for the General Meeting of Shareholders of Listed Companies and the Articles of Association;
- (II) Whether participants and convener of the meeting have legally valid qualifications;
- (III) Whether the voting procedures and results at the meeting are legally valid; or

- (IV) Legal opinions issued at the request of the Company with regard to other relevant issues.

Article 7 The Board of Directors is required to convene a General Meeting within the time specified in Article 5 of this Rule.

Article 8 An independent director shall have the right to make a request to the Board of Directors for holding an EGM. Within ten days after receipt of such request for an EGM from an independent director, the Board of Directors shall reply in writing indicating its approval/disapproval of holding the EGM according to laws, administrative regulations and the Articles of Association. In case of approval of the Board of Directors, a notice of General Meeting shall be issued within five days after relevant resolution is passed by the Board of Directors. In case of disapproval of the Board of Directors, reasons shall be given and an announcement shall be made to this effect.

Article 9 The Board of Supervisors shall have the right to propose holding an EGM by making a written request to the Board of Directors. Within ten days after receipt of such request, the Board of Directors shall reply in writing indicating its approval/disapproval of holding the EGM according to laws, administrative regulations and the Articles of Association.

In case of approval of the Board of Directors, a notice of General Meeting shall be issued within five days after relevant resolution is passed by the Board of Directors. Any changes to the original request as contained in such notice shall be subject to consent of the Board of Supervisors.

Disapproval of the Board of Directors or failure of the Board of Directors to give a written reply within ten days after receipt of the request shall be deemed as the inability or failure of the Board of Directors to perform its obligations to convene a General Meeting, in which case, the Board of Supervisors may convene and chair the General Meeting by itself.

Article 10 The shareholder or shareholders holding more than 10% of the voting shares of the Company shall have the right to propose holding an EGM by making a written request to the Board of Directors. Within ten days after receipt of such request, the Board of Directors shall reply in writing indicating its approval/disapproval of holding the EGM according to laws, administrative regulations and the Articles of Association.

In case of approval of the Board of Directors, a notice of General Meeting shall be issued within five days after relevant resolution is passed by the Board of Directors. Any changes to the original request as contained in such notice shall be subject to consent of the shareholder(s) concerned.

In case of disapproval of the Board of Directors or failure of the Board of Directors to give any reply within ten days after receipt of the request, the shareholder or shareholders holding more than 10% of the shares of the Company may propose holding an EGM by making a written request to the Board of Supervisors.

In case of approval of the Board of Supervisors, a notice of General Meeting shall be issued within five days after receipt of such request. Any changes to the original request as contained in such notice shall be subject to consent of the shareholder(s) concerned.

Failure of the Board of Supervisors to issue a notice of General Meeting within the specified time shall be deemed as the failure of the Board of Supervisors to convene and chair the General Meeting, in which case, a shareholder or shareholders holding more than 10% of the Company shares for more than 90 consecutive days may convene and chair the meeting by itself/themselves.

Article 11 In the event that the Board of Supervisors or shareholder(s) decides to convene a General Meeting by itself, a written notice shall be given to the Board of Directors, and registration shall be made at the local CSRC office and stock exchange where the Company is located.

Shareholding of the shareholder(s) convening the meeting shall be not less than 10% until any resolution of the General Meeting is announced.

When issuing the notice of General Meeting and announcing the resolutions of the General Meeting, the Board of Supervisors or the convening shareholder(s) shall submit relevant certificates and documents to the local CSRC office and stock exchange where the Company is located.

Article 12 Cooperation from the Board of Directors and the secretary of the Board of Directors is required in connection with a General Meeting convened by the Board of Supervisors or shareholder(s). The Board of Directors shall provide the register of shareholders as of the date of record. In case the Board of Directors fails to provide the register of shareholders, the convener may apply to the securities registration and clearing organization for such register by submitting the announcement related to notice of the General Meeting. The register of shareholders obtained by the convener shall not be used for purpose other than holding the General Meeting.

Article 13 Expenses required for a General Meeting convened by the Board of Supervisors or shareholder(s) shall be paid out of the Company's account.

Chapter IV Proposal and Notice of the General Meeting

Article 14 A proposal shall contain what is within the authority of the General Meeting, have a clear topic for discussion and specific matters to be resolved, and be in compliance with laws, administrative regulations and the Articles of Association.

Article 15 The holder or holders of common stock of the Company holding more than 3% of the Company shares 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 an additional notice of 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 devise any new proposals after the notice is issued.

The General Meeting shall not vote or adopt resolving on any proposals that are not specified in the notice of General Meeting or otherwise not in compliance with Article 14 of this Rule.

Article 16 A 20-day prior notice shall be issued by the convener to each shareholder for an AGM and a 15-day prior notice shall be issued to each shareholder for an EGM. The notice of General Meetings shall specify the business to be discussed, date and venue of the meeting and the date of share registration. Shareholders who intend to attend the meeting shall submit written reply slip to the Company to this effect not later than seven days prior to the date of the meeting.

Article 17 The notice or additional notice of General Meeting shall be disclosed in an adequate and complete manner, the specifics of all proposals as well as all materials or explanations are necessary for the shareholders to make proper judgment on the business to be discussed. In case opinion of independent directors is sought for with regard to the business to be discussed, the opinion or reasons given by independent directors shall be disclosed at the same time with the notice or additional notice of General Meeting. In case any changes to a resolution adopted at the previous General Meeting are required, the relevant proposal shall state the whole resolution in complete, rather than simply listing the parts to be changed.

No resolutions shall be passed at an EGM on matters not listed in the notice of General Meeting.

Article 18 The Board of Directors of the Company shall act for the maximum benefit of the Company and the shareholders, and shall review the proposals at the General Meetings pursuant to applicable regulations and the Articles of Association.

Article 19 Any shareholder whose proposal has been excluded by the Board of Directors from the agenda of a General Meeting may propose convening an EGM according to the Articles of Association, if he/she is not satisfied with such exclusion.

Article 20 In case a proposal is put forward by the Board of Directors to change the purpose of the Capital raised, reasons for such changes, overview of the new project and future impact on the Company shall be specified in the notice of General Meeting.

Article 21 Matters in relation to public offering or otherwise required to be reported to the CSRC for approval shall be put forward as a special proposal.

Article 22 After discussion and approval of the annual report, the Board of Directors shall pass a resolution on the profit distribution plan, which shall form a proposal at the AGM.

Article 23 To appoint an accounting firm, a proposal shall be made by the Board of Directors. A proposal for dismissal or non-renewal of an accounting firm may be made by the Board of Directors 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.

In case of resignation of the accounting firm, the Board of Directors 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 to the Company, either in writing or by appointing a person to attend the General Meeting.

Article 24 In case election of directors or supervisors is to be discussed at a General Meeting, detailed information of the candidates for the office of director or supervisor shall be fully disclosed in the notice of General Meeting, which shall include at least the following:

- (I) Educational background, working experience, part-time jobs and other personal information;
- (II) Relationship, if any, with the Company, the controlling shareholder of the Company or actual controller of the Company;
- (III) The number of any shares of listed companies being held; and
- (IV) Whether or not having been punished by the CSRC or other competent authorities or the stock exchange.

Each director or supervisor candidate shall be put forward separately as a single proposal, except for the election of directors or supervisors under the system of cumulative voting.

Article 25 A notice of General Meeting shall be issued as follows:

- (I) Made in writing;
- (II) Specifying the place, date and time of the meeting;

- (III) Stating the matters to be discussed at the meeting;
- (IV) Providing the shareholders with materials or explanations necessary for the shareholders 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;
- (V) Disclosing the significant interests, if any, of any directors, supervisors, 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 or other senior management as a shareholder that is different from the impact on the other shareholders of the same class, such difference shall be stated;
- (VI) Containing the full text of any special resolutions proposed to be passed at the meeting;
- (VII) Indicating with conspicuous words that all holders of common stock are entitled to attend a General Meeting and a shareholder entitled to attend and vote at the meeting shall have the right to appoint one or more proxies to attend and vote at the meeting on his/her behalf, in which the proxies may not necessarily be a shareholder;
- (VIII) Stating the time and place of delivery of the instrument appointing a proxy to vote at the meeting;
- (IX) Stating the date of share registration for determining the shareholders who shall have the right to attend the General Meeting; and
- (X) Stating the name and phone number of the permanent contact persons for meeting affairs.

Article 26 The date of share registration shall be not more than 7 working days prior to the date of meeting, which shall not be changed once determined.

Article 27 A General Meeting shall not be postponed or canceled or proposals listed in the notice of General Meeting shall not be revoked without proper reasons after the notice of General Meeting is issued. In case of postponement or cancellation, the convener shall make an announcement and give reasons at least two working days prior to the original date of meeting.

Article 28 The notice of General Meeting shall be delivered to the shareholders (with or without voting rights at the meeting) through personal delivery or postage prepaid mail to the address of the recipient contained in the register of shareholders. The notice of General Meeting to be issued to domestic share holders (including A-share holders) may be given through publishing announcement.

The preceding announcement shall be published via one or more newspapers or periodicals designated by the competent securities authority under the State Council, not less than 20 days before the date of an AGM or 15 days before the date of an EGM. Once an announcement is published, all domestic share holders (including A-share holders) shall be deemed to have received the relevant notice of General Meeting.

Chapter V Qualifications of Shareholders

Article 29 All registered shareholders on the date of share registration shall have the right to attend the General Meeting in person or by proxy, which shall not be withheld by the Company or the convener for any reason.

A shareholder may attend and vote at the General Meeting in person or appoint a proxy to attend and vote at the General Meeting on his/her behalf. Such proxy shall vote within his/her authority and 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 by signing a proxy letter in person or having the same signed by an agent duly authorized by the appointer in writing. In case the authorized agent is a legal person or other organizations, the proxy letter shall bear the seal of such legal person or the signature of the legal representative or duly authorized agent of such legal person.

Article 30 The proxy letter issued by a shareholder appointing a proxy to attend a General Meeting shall specify:

- (I) Name of the proxy;
- (II) Percentage of shares he/she represents;
- (III) Whether the proxy has voting rights;
- (IV) Instructions on how to vote (vote for, against or withhold votes) in respect of each item on the agenda of the General Meeting to be discussed;
- (V) 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;
- (VI) Date and validity of such proxy letter; and
- (VII) Signature (or seal) of the appointer.

It shall be clearly stated in the proxy letter that the proxy may vote at his/her own discretion unless specific instructions are given by the shareholder.

Article 31 The proxy letter appointing a proxy to vote 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 a shareholder is a legal person, its legal representative or a person authorized by resolution of the board of directors or other decision-making bodies should attend the Company's General Meetings on behalf of such shareholder.

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 meetings of any class of shareholders. 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.

The form of proxy letter issued by the Board of Directors of the Company to a shareholder shall enable the shareholder to freely instruct the proxy to vote in favor of or against a resolution and give separate instructions on proposed resolutions under each topic for discussion at the meeting.

Article 32 A vote given by a proxy in accordance with the proxy letter shall be valid notwithstanding the previous death or incapability of the appointer or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, if no information in writing of such matters has been received by the Company before the commencement of the meeting.

Article 33 In case an individual shareholder attends the meeting in person, his/her ID card or other valid certificates or certification indicating the identity of such shareholder and the stock account card shall be produced. In case a proxy attends the meeting on behalf of an individual shareholder, the valid identity certificate of the proxy as well as the proxy letter issued by the shareholder shall be produced.

Where a shareholder is a legal person, its legal representative or a person authorized by such legal representative or by resolution of the board of directors or other decision-making bodies shall attend the meeting. In case the legal representative attends the meeting, his/her ID card and valid certificates of his/her capacity as a legal representative shall be produced. In case an authorized person attends the meeting, his/her ID card and a written power of attorney issued by the shareholder concerned in accordance with laws, the Articles of Association and these Rules shall be produced.

Article 34 The agent for open solicitation of voting rights of shareholders shall produce the following when attending the General Meeting:

- (I) The announcement made via the media designated by the CSRC;
- (II) The legal opinion issued by a law firm or a notary public office;
- (III) The original power of attorney issued by the principal with regard to open solicitation of voting rights of shareholders and relevant documents; and
- (IV) Other documents required by competent securities authorities.

Article 35 A person present at a General 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 shareholder or the proxy attending the meeting is fake, invalid 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 detailed rules for the implementation of the same;
- (II) The identity card and materials produced by the shareholder 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 shareholder or the proxy attending the meeting are otherwise in clear violation of laws, regulations or the Articles of Association.

Article 36 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 VI Holding the General Meeting

Article 37 A General Meeting may be held through on-site meeting, online voting or otherwise. In case online voting is required for a matter to be voted on in accordance with laws, administrative regulations or the Articles of Association, the Company must hold the meeting through online voting. A shareholder attending a General Meeting in the said ways shall be deemed to be present at the meeting.

Article 38 An on-site General Meeting shall be held by the Company at the Company's domicile or the place specified in the notice of the General Meeting.

Article 39 In case the Company holds a General Meeting and online voting is made available to the shareholders, the time and procedures for online voting shall be specified in the notice of General Meeting. Time for online voting or voting using other methods at a General Meeting shall commence at a time not earlier than 3:00pm of the day immediately prior to the date when the on-site meeting is held, nor later than 9:30am of the date for holding the on-site meeting, and shall end at a time not earlier than 3:00pm of the date when the on-site meeting is closed.

In case online voting is adopted for a General Meeting, all registered shareholders on the date of record set for such General Meeting shall have the right to exercise their voting rights through online voting. A share shall be voted through one and only one of the on-site voting, online voting or other acceptable voting methods. In case of repeated voting by the same voting right, the first vote shall govern.

Article 40 The Board of Directors and other conveners shall take such measures as necessary for keeping the General Meeting in good order. Measures shall be taken to stop any disturbance of the General Meeting, trouble-making acts or acts violating the legal rights of shareholders, and competent authorities shall be notified of the same for investigation and punishment.

Article 41 Shareholders intending 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 through letter, fax, email or otherwise.

Article 42 A register of persons attending the meeting shall be prepared by the Company for the meeting. Such meeting register shall state the names, ID card numbers or domiciles of the attendees, number of voting shares they hold or represent and names of the appointers etc.

Article 43 Shareholders or proxies who have registered for the meeting shall produce their ID certificates 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. In case such documents are found consistent with 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 44 A shareholder who fails to be present or sign on the attendance book at the time specified in the notice of meeting may get 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.

Article 45 The lawyers appointed by the convener and the Company shall jointly check the validity of qualifications of the shareholders based on the register of shareholders provided by the securities registration and clearing organization and other valid documents, and register the names of and number of voting shares held by the shareholders. The meeting registration shall come to an end before the chairman of the meeting announces the number of shareholders and proxies present at the meeting and the total voting shares they hold.

Article 46 In case the Company holds a General Meeting, all directors, supervisors and the secretary of the Board of Directors shall attend the meeting while the General Manager and other senior management shall attend the meeting as non-voting delegates.

Article 47 A General Meeting shall be chaired by the chairman of the Board of Directors. In case the chairman of the Board of Directors is unable to or fails to carry out such duties, a director elected by more than a half of the total directors shall chair the meeting.

In case of a General Meeting convened by the Board of Supervisors by itself, the chairman of the Board of Supervisors shall chair the meeting. In case the chairman of the Board of Supervisors is unable to or fails to carry out such duties, a supervisor elected by more than a half of the total supervisors shall chair the meeting.

In case of a General Meeting convened by the shareholder(s), a representative elected from such convener shall chair the meeting.

Article 48 In case the chairman of the meeting goes against the rules of procedures during the General Meeting, making it impossible to continue the meeting, the General Meeting may elect a person to chair the meeting upon consent of shareholders holding more than 50% of the voting rights present at the meeting, in which case, the meeting shall continue.

Article 49 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. No meeting registration or sign-in shall be made after commencement of the meeting.

Article 50 At an AGM, the Board of Directors and the Board of Supervisors shall report to the General Meeting on the work done in the previous year and each independent director shall also report on his/her work.

Article 51 Directors, supervisors and the senior management shall provide explanations for any questions raised by the shareholders at the General Meeting.

Article 52 The chairman of the meeting shall announce the number of shareholders and proxies present at the meeting and the total voting shares they hold before any voting, which shall be calculated based on the meeting registration.

Article 53 In case a shareholder is related to any matters to be discussed by the General Meeting, he/she shall disclose such relationship to the General Meeting and avoid 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.

With regard to significant matters discussed by the meeting that have an impact on the interests of small and medium investors, the votes cast by small and medium investors shall be counted separately. The results of votes counted separately shall be disclosed in a prompt manner.

The shares held by the Company itself shall contain no voting rights and shall not be included in the total voting shares present at the meeting.

The Board of Directors of the Company, independent directors or other qualified shareholders may solicit the voting rights of shareholders in an open manner. To solicit the voting rights of shareholders, the specific voting intentions and other information shall be disclosed in full to the shareholders whose voting rights are solicited. Solicitation of voting rights of shareholders with pay, whether in disguised form or not, is prohibited. The Company shall not impose any limitation of the minimum shareholding with regard to solicitation of voting rights.

Article 54 According to the Articles of Association, the cumulative voting method shall be adopted by the General Meeting for voting on election of directors or supervisors.

For the purpose of the preceding paragraph, cumulative voting method refers to a method for voting on election of directors or supervisors where each share shall represent the same number of votes as the number of the directors or supervisors to be elected, and the votes held by shareholders may be used in a concentrated manner.

Article 55 Except in the case of cumulative voting, the General Meeting shall vote on all proposals one by one. In case different proposals are put forward with regard to the same matter, the proposals shall be voted on in sequence based on the time when they are put forward. The General Meeting shall not set aside or refuse to vote on any proposals, except in case the General Meeting is suspended or the General Meeting is prevented from passing a resolution due to force majeure or other special reasons. The chairman shall chair the meeting and make topics and proposals listed on the agenda discussed and voted on one by one in sequence.

Article 56 The General Meeting shall not make any modifications to any proposals when it reviews the same; otherwise, any modification made shall be deemed to be a new proposal, which may not be voted on at the current meeting.

Article 57 Voting at the General Meeting shall be made by a show of hands unless a poll is required by the securities regulatory authority or stock exchange where the Company's shares are listed, or a poll is demanded before or after a show of hands by:

- (I) Chairman of the meeting;
- (II) At least two shareholders with voting rights in person or by proxy; or
- (III) A shareholder or shareholders (including proxies) individually or jointly holding more than 10% of the voting shares at the meeting.

Article 58 Unless a poll is so demanded, a declaration by the chairman that a resolution has on a show of hands been passed or lost, and an entry to that effect in the minutes of meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favor of or against the resolution.

Article 59 During a poll, it is not necessary for a shareholder (including a proxy) holding two or more votes to vote for or against a resolution with all his/her votes, unless otherwise required by the securities regulatory authority or stock exchange where the Company's shares are listed, in which case, such other requirements shall be applicable to the listed shares.

Article 60 During a poll, a shareholder attending the General Meeting shall vote for, against or otherwise withhold votes in respect of a proposal to be voted on, provided that the securities registration and clearing organization, as the nominal holder of shares of Shanghai-Hong Kong Stock Connect, may make declarations based on the intentions of the actual holders.

Votes that are blank, illegible or contain mistakes or votes not cast shall be deemed as a waiver of the voting rights by the voters, and the number of shares they hold shall be counted as "withhold".

Article 61 Two shareholders shall be elected to participate in the vote counting and scrutinizing before the poll is carried out on site at the meeting. Shareholders related to the matters to be voted on and their proxies shall not participate in the vote counting and scrutinizing.

When a proposal is voted on at the General Meeting by a poll on site, the lawyers, representatives of shareholders and the representatives of supervisors shall jointly count the votes, scrutinize the vote counting and declare the voting results on the spot. The voting results shall be recorded in the minutes of meeting.

Shareholders or their proxies casting votes online or using other methods shall have the right to check their votes through the voting system concerned.

Article 62 In the event that a shareholder is required by regulations or rules to withhold votes or to vote for or against a certain matter, any votes cast in violation of relevant requirements or limitations, whether cast in person or by proxy, shall be excluded from the voting results.

Article 63 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second vote.

Article 64 The on-site General Meeting shall be closed at a time not earlier than the meeting held through online voting or otherwise. The chairman of the meeting shall declare the voting information and results for each proposal, and further declare that a resolution is passed or lost according to the voting results.

Companies, vote counters, scrutineers, major shareholders, network service providers or other parties involved in the on-site voting, online voting or other voting methods shall keep the voting information confidential until the voting results are duly declared.

Article 65 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 declared, in which case, the chairman of the meeting shall immediately recount the votes. The results of recounting, if any, at the General Meeting shall be recorded in the minutes of meeting.

Article 66 Any resolutions of the General Meeting shall be announced promptly, in which the announcement shall set out the number of shareholders and proxies present at the meeting, the total number of voting shares they hold and its proportion in the total voting shares of the Company, way of voting, the voting results for each proposal and the specifics of each resolution adopted.

Article 67 Resolutions lost or any changes made at the current General Meeting to the resolutions passed at the previous General Meetings shall be specially indicated in the announcement of resolutions of the General Meeting.

Article 68 The secretary of the Board of Directors shall be responsible for preparation of the meeting minutes, which shall contain the following:

- (I) Time, place and agenda of the meeting, name of the convener;
- (II) Names of the chairman of the meeting, directors, supervisors, secretary of the Board of Directors, General Manager or other senior management present at the meeting, whether as a non-voting delegate or not;
- (III) The number of shareholders and proxies present at the meeting, the total number of voting shares they hold and its proportion in the total shares of the Company;
- (IV) Process of discussion, key points and voting results in connection with each proposal;
- (V) Any questions raised or suggestions given by the shareholders and the corresponding responses or explanations;

- (VI) Names of the lawyers, vote counters and scrutineers; and
- (VII) Other information to be included in the minutes of meeting as required by the Articles of Association.

The directors, secretary of the Board of Directors, convener or its representative and the chairman of the meeting present shall sign the minutes of meeting and ensure that the content thereof is true, accurate and complete. The minutes of meeting shall be kept for not less than 10 years, together with the attendance book containing the signature of shareholders present, proxy letters and valid materials about voting online or otherwise.

Article 69 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 meeting, the Company shall deliver a copy within 7 days after receipt of reasonable fees.

Article 70 The convener shall ensure that the General Meeting proceeds continuously until a final decision is made. In case the General Meeting is suspended or the General Meeting is prevented from passing a resolution due to force majeure or other special reasons, necessary measures shall be taken to resume the meeting as soon as possible or directly terminate the meeting, in which case, timely announcement shall be made. In addition, the convener shall report the same to the local CSRC office and stock exchange where the Company is located.

Article 71 Where proposals for election of directors or supervisors are passed by the General Meeting, the directors or supervisors elected shall take office pursuant to the Articles of Association.

Article 72 Where proposals related to distribution of cash dividends, distribution of stock dividends or conversion of capital reserve to share capital are passed by the General Meeting, detailed plans for the implementation of the same shall be carried out by the Company within two months after close of the meeting.

Article 73 Any resolutions of the General Meeting inconsistent with laws and administrative regulations shall be invalid.

The controlling shareholder or the actual controller of the Company shall not limit or prevent the small and medium investors from exercising voting rights under laws, and shall not infringe the legal rights of the Company or the small and medium investors.

Where the convening procedures or voting methods at the General Meeting are not in compliance with laws, administrative regulations or the Articles of Association, or any resolutions passed at the meeting are in violation of the Articles of Association, the shareholders may apply to a people's court for revocation of the same within 60 days after such resolutions are adopted.

Chapter VI Supplementary Provisions

Article 74 These Rules are the elaboration on and supplementary to provisions of the Articles of Association related to the General Meeting. 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 timely manner.

Article 75 These Rules shall be interpreted by the Board of Directors of the Company. 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 Directors and reported to the General Meeting for approval.

Article 76 These Rules shall be attached to the Articles of Association and shall be implemented after being adopted by the resolution of the General Meeting as of the date when the RMB common stock (A-share) of the Company is listed upon the initial public offering.

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

Chapter I General Provisions

Article 1 These rules of procedure (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 Code of Corporate Governance for Listed Companies in China 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 shall be three years. A director is eligible for re-election upon expiration of his/her tenure, provided that an independent director shall serve for not more than two consecutive terms.

Subject to applicable laws and administrative regulations, the General Meeting may remove a director from his/her office prior to the expiration of his/her tenure by an ordinary resolution. The tenure of the substitute director shall be calculated from the date when he/she takes office until expiration of the tenure of the replaced director.

APPENDIX III PROPOSED RULES OF PROCEDURE OF MEETINGS OF DIRECTORS

In case re-election is not held in a timely manner after the expiration of the tenure of a director, such 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 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.

Article 8 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; and
- (IV) To keep the trade secrets confidential.

Article 9 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 10 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;

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- (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 11 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 12 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 13 Remuneration shall be paid to directors as appropriate to reflect the time input and responsibilities undertaken by directors when they serve in the Board. Such remuneration shall include:

- (I) Remuneration for working as a director of the Company; and
- (II) Remuneration for providing other services related to the management of the Company or its subsidiaries.

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

APPENDIX III PROPOSED RULES OF PROCEDURE OF MEETINGS OF DIRECTORS

Article 14 Generally, only directors (including full-time Chairman of the Board) holding specific business management posts in the Company are offered by the Company 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 directors, get only allowances from the Company.

Article 15 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 case of independent directors, to request consulting independent and professional institutions with the consulting fee to be paid by the Company, if advice of independent 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 16 Failure of a director to attend Board meetings in person or by authorizing another director to attend the meetings on his/her behalf for two consecutive times shall be deemed as the director's non-performance of his/her duties, in which case, a suggestion for replacement of such director shall be given by the Board to the General Meeting.

Article 17 A director may resign from the Board prior to the expiration of his/her tenure by submitting a resignation report in writing to the Board. Relevant information will be disclosed by the Board within two days.

In case the number of directors of the Company becomes less than the minimum number legally required due to the resignation of a director, such 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.

Except as stated above, the resignation of a director shall become effective from the time when the resignation report is delivered to the Board.

Article 18 The Company shall notify the relevant stock exchange of any resignation of or changes in directors as soon as possible, and shall promptly notify the relevant stock exchange of the reasons for any resignation or removal of independent directors.

Article 19 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 20 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.

Article 21 The Board is a standing body of the Company and makes managerial decisions in accordance with the Articles of Association and 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; and
 - 7. 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, audit work plans or investment 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 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 transactions (excluding providing guarantees by the Company, accepting donation of cash assets or debts simply reducing the obligations of the Company) between the Company and related parties involving an amount more than RMB 30 million and accounting for more than 5% of the absolute value of the net assets of the Company most recently audited. In case regulations of the stock exchange related to authority of the General Meeting to consider related party transactions are inconsistent with those stated above, the stricter of the two shall be adopted by the Company.
5. To consider transactions (excluding providing guarantees by the Company, accepting donation of cash assets or debts simply reducing the obligations of the Company) satisfying any of the following conditions:
 - (1) The total assets (the higher of the book value and assessed value, if both exist) involved in the transaction account for more than 50% of the total assets of the listed Company most recently audited;

- (2) The amount (including the debts and expenses incurred) of the transaction accounts for more than 50% of the listed Company's net assets most recently audited with the absolute amount exceeding RMB 50 million;
- (3) The profit derived from the transaction accounts for more than 50% of the audited net profit of the listed Company for the most recent financial year, with the absolute amount of the profit exceeding RMB 5 million;
- (4) The operating income related to the subject matter of the transaction (for instance, equity interests) for the most recent financial year accounts for more than 50% of the audited operating income of the listed Company for the same period, with the absolute amount of the income exceeding RMB 50 million; or
- (5) The net profit related to the subject matter of the transaction (for instance, equity interests) for the most recent financial year accounts for more than 50% of the audited net profit of the listed Company for the same period, with the absolute amount of the net profit exceeding RMB 5 million.

In case a certain figure involved in the aforesaid indicators is of negative value, the absolute value thereof shall be used in the calculation. In case regulations of the stock exchange related to authority of the General Meeting to consider significant transactions are inconsistent with those stated above, the stricter of the two shall be adopted by the Company.

6. To consider external guarantees to be provided by the Company for another entity that are, by laws, regulations, normative documents of securities regulatory authorities or stock exchanges or the Articles of Association, required to be considered by the General Meeting;
7. To consider matters related to the Company's purchase/sale of material assets within a year involving more than 30% of the total assets of the Company that are most recently audited. In case regulations of the stock exchange related to authority of the General Meeting to consider this kind of transactions are inconsistent with those stated above, the stricter of the two shall be adopted by the Company; and
8. 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 related party transactions, significant transactions or guarantees for another entity such as those which are not, by laws, regulations, normative documents of securities regulatory authorities or stock exchanges or the Articles of Association, 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 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 and the Audit Department;
3. To appoint or dismiss the General Manager of the Company, Secretary of the Board or representative for securities affairs; to appoint or dismiss the Deputy General Manager or person in charge of finance of the Company based on nomination by the General Manager;
4. To evaluate the work performance of the General Manager;
5. To approve the shareholder representative to be dispatched to subsidiaries controlled by the Company or otherwise the Company has an interest in; recommend candidates for the posts of director, supervisor or person in charge of finance to such subsidiaries according to their articles of association or agreements; and
6. To approve the pension plans and other welfare benefits plans for employees.

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;
- (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;
- (VII) To ensure a smooth information communication by the Company and evaluate the information so that it is accurate, complete and provided in a timely manner; and
- (VIII) To require the leadership of the Company to submit minutes of production and operation meetings to the Secretary Office of the Board after each production and operation meeting.

Chapter IV Organizational Structure of the Board

Article 26 The Board has a secretary and various committees to deal with daily administrative affairs and professional affairs of the Board.

Section I Secretary of the Board

Article 27 The Secretary of the Board is a senior officer of the Company to be nominated by the Chairman of the Board and appointed or dismissed by the Board.

Article 28 A director or 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 29 The Secretary of the Board shall be a natural person having necessary expertise and experience 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, having received training organized by the China Securities Regulatory Commission or other professional institutions in qualifications for working as a secretary of the board of directors and passed the assessment. In addition, the Secretary of the Board shall have coordination skills, work carefully, carry out duties faithfully, be good at paper work and have great ability of dealing with administrative affairs.

Article 30 Major duties of the Secretary of the Board are:

- (I) To be responsible for publishing the Company's information, coordinating affairs related to information disclosure, making arrangements to formulate regulations for the management of information disclosure affairs, and making sure the Company and persons who are obligated to disclose information can comply with regulations related to information disclosure;
- (II) To be responsible for the management of investor relations and facilitating the communication of the Company with securities regulatory institutions, investors, securities service institutions and media;
- (III) To make preparation for the Board meetings and General Meetings, participate in General Meetings, Board meetings, meetings of the Board of Supervisors or meetings of senior officers, and prepare and sign the minutes of Board meetings;
- (IV) To be responsible for confidentiality with respect to information disclosure and report to the stock exchange and make disclosure in a timely manner whenever any material information not published is leaked;
- (V) To pay attention to media coverage and take the initiative to ascertain whether the coverage is true, and urge the Board to respond to the inquiries of the stock exchange in a timely manner;
- (VI) To organize training for directors, supervisors and senior officers in relevant laws, administrative regulations, rules of the stock exchange and relevant rules, and help the said persons to have a clear understanding of their respective roles in information disclosure;
- (VII) To remind the relevant person and immediately report to the stock exchange upon his/her knowledge of any violation of laws, administrative regulations, departmental rules, other normative documents, rules of the stock exchange or the Articles of Association by any director, supervisor or senior officer of the Company, or of any decisions made by the Company that are or may be in violation of relevant regulations;

- (VIII) To be responsible for equity management affairs, preserve documents evidencing shareholdings of directors, supervisors, senior officers or controlling shareholder of the Company or directors, supervisors or senior officers of such controlling shareholder in the Company, and be responsible for disclosing any changes in the shareholdings of directors, supervisors or senior officers of the Company; and
- (IX) To carry out other duties prescribed in the Company Law or required by the securities regulatory authorities and stock exchanges.

Article 31 The Company shall appoint a representative for securities affairs having equivalent qualifications to that of the Secretary of the Board. In case the Secretary of the Board is unable to perform his/her duties or with the authorization of the Secretary of the Board, the representative for securities affairs shall perform the duties in place of the Secretary of the Board.

Section II Strategy Committee

Article 32 The Strategy Committee consists of three members, specifically, the Chairman of the Board, another director holding a post in the Company and an independent director, where the Chairman of the Board shall act as the Chairman of the Committee.

Members of the Strategy 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 economy policies of the country as well as the economic development at home and abroad.

Article 33 Duties of the Strategy 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; and
- (II) To consider the mid-and long-term goals and strategies for the development of the Company, and supervise the implementation of strategies.

Article 34 The Strategy Committee may, depending on the matters to be discussed, invite other directors, senior officers, department managers or other persons to attend meetings of the Strategy Committee as non-voting delegates.

Section III Audit Committee

Article 35 The Audit Committee is mainly responsible for carrying out independent and objective review in respect of the economic operation, financial policies, financial work procedures, internal control, risk management, external audit, internal audit, financial reports and accuracy of financial data of the Company, and assisting the Board in performing related duties. The internal audit team of the Company shall be under the leadership of the Board.

Article 36 The Audit Committee consists of three members which are all non-executive directors, including two independent directors, one of which shall be an accounting professional. The Audit Committee shall have one chairman who shall be an independent director.

Article 37 Members of the Audit Committee shall be familiar with the business characteristics and operation mode of the Company, and have considerable financial knowledge, rich commercial working experience as well as skills in business management.

Article 38 Major duties of the Audit Committee are:

Relations between the Audit Committee and the external audit institution:

- (I) In accordance with the approval or ratification requirements of the General Meeting, to offer proposals with respect to the appointment, re-appointment and removal of an external audit institution, to approve the compensation for and employment terms of an external audit institution and to see to any matters in relation to the resignation or removal of such external audit institution. Such proposals shall be submitted to the Board and be passed at a General Meeting after voting procedures after being submitted by the Board;
- (II) To verify and monitor the independence and objectivity of an external audit institution and the efficiency of its auditing procedures following applicable standards and to discuss with the audit institution the nature and scope of the auditing work and relevant reporting responsibilities prior to the beginning of audit;
- (III) To formulate and implement policies on non-auditing services provided by external audit institutions (“external audit institutions” include any institution under the same control, ownership or management as the company responsible for audit, a third party which reasonably becomes aware of all relevant materials, and any institution which can be reasonably determined to be operating part of the domestic or international businesses of such company responsible for audit); to report to the Board any matters in relation to any relevant actions or improvement as the case may require and put forward corresponding proposals;

To review financial materials of the Company:

(IV) To have a meeting with the management of the Company and external auditors and discuss and review financial statements, quarterly reports (if any), interim reports, annual reports and accounts of the Company prior to submitting these materials to the Board for the purpose of verifying their completeness; to review important opinions stated in these statements and reports about financial reporting, especially:

1. Any modification to the accounting policies and practices;
2. Opinions involving significant judgment;
3. Significant adjustment arising from the auditing work;
4. Presumption of continuous operation of enterprises and any reservations;
5. Whether accounting standards are violated; and
6. Whether rules of stock exchanges and other laws and regulations with respect to financial reporting are violated.

To be specific:

- (1) Members of the Audit Committee shall communicate with the Board and senior officers of the Company. If not attended by other members of the Board and the management, the Audit Committee shall have at least two meetings with external auditors every year, with at least one of such meetings focusing on matters in relation to audit fees, any matters arising from the audit work and other matters put forward by auditors; and
- (2) The Audit Committee shall review descriptions of the audit work submitted to the management by external auditors, any important questions put to the management by external auditors about accounting records, financial accounts or the supervising system and the response of the management, taking into proper consideration any matters put forward by the accounting and financial staff and auditors.

Financial reporting system, risk management and internal monitoring procedures of the Company:

(V) To supervise the financial monitoring system, internal audit system, internal monitoring system and risk management system of the Company and the implementation thereof;

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- (VI) To discuss with the management risk management and internal monitoring system and make sure that the management has performed its duties and established effective systems, including whether resources of the Company, qualifications and experience of employees are able to support the accounting and financial reporting work of the Company, whether employees are properly trained and whether relevant budget is sufficient;
- (VII) To verify the effectiveness of the mechanism established by the Company that allow its employees to secretly report possible misconduct in relation to financial reporting, internal monitoring and others through internal channels. The Audit Committee shall maintain proper procedures that allow the Company to carry out fair and independent inquiries into such matters and take corresponding actions;
- (VIII) To study important results of investigation into risk management and internal monitoring and the corresponding response of the management actively or at the request of the Board;
- (IX) To coordinate internal and external audit; to make sure that internal audit has access to enough resources for the performance of its duties and is properly valued; to examine and monitor the functioning of internal audit;
- (X) To examine the financial and accounting policies and practices of the Company and its subsidiaries;
- (XI) To regularly report to the Board all matters covered by its scope of duties, including its decisions and proposals;
- (XII) To take into consideration other matters as provided by the Board;

Others:

- (XIII) To facilitate the communication of the management, the Risk Management Centre and relevant departments with the external audit institutions;
- (XIV) To control, monitor and manage connected transactions of the Company; and
- (XV) To perform other duties as authorized by the Board or as required by laws, regulations, normative documents and the Articles of Association.

Article 39 The Audit Committee may, depending on the matters to be discussed, invite other directors, internal audit team, Financial Department, independent auditors or other relevant departments and persons to attend meetings of the Audit Committee as non-voting delegates.

Section IV Nomination Committee

Article 40 The Nomination Committee consists of three members, including two independent directors. The Committee shall have one chairman who shall be an independent director.

Article 41 Major duties of the Nomination Committee include:

- (I) To examine the structure, number of members and composition of the Board (including the diversity of skills, knowledge, experience and members) and offer proposals with respect to any modifications to the Board as required by the policies of the Company;
- (II) To study the standards and procedures for the selection of directors or managers, and offer suggestions;
- (III) To make an extensive search for qualified director or manager candidates and decide nominees for directors or present its opinions to the Board thereabout;
- (IV) To review and give suggestions in respect of the director candidates or manager candidates;
- (V) To evaluate the independence of independent directors; and
- (VI) To give suggestions on plans related to the appointment of directors, replacement of directors or succession of directors.

Section V Compensation and Evaluation Committee

Article 42 The Compensation and Evaluation Committee consists of three members, including two independent directors. The Committee shall have one chairman who shall be an independent director.

Article 43 Major duties of the Compensation and Evaluation Committee include:

- (I) To offer suggestions about 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 about the compensation for certain executive directors and senior officers, including non-monetary benefits, pension and indemnification (including indemnification for the loss of positions or the termination of the appointment thereof), and about the compensation for non-executive directors;
- (III) To compare compensation granted by the Company with that by peers and decide working hours and job duties, as well as the qualifications for other vacancies of the Company;

- (IV) To examine the compensation for the management in accordance with guidelines and goals set by the Board;
- (V) To examine indemnification of executive directors and senior officers for the loss of positions or the termination of the appointment thereof and make sure that such indemnification is in line with terms of relevant contracts and in case of inconsistency, to make sure that such indemnification is fair, reasonable and is not excessive;
- (VI) To examine the indemnification of directors for dismissal or removal thereof due to their misconduct and make sure that such indemnification is in line with terms of relevant contracts and in case of inconsistency, to make sure that such indemnification is fair, reasonable and is not excessive;
- (VII) To make sure that directors or any of their associates may not participate in the determination of their compensation;
- (VIII) To study the standards for the evaluation of directors or managers, make evaluations and offer suggestions;
- (IX) To study and review the policies and plans related to the compensation for directors or senior officers; and
- (X) To consider the gross payroll adjustment plans, incentive system, stock/option plans (or similar plans) and the compensation system adjustment plans of the Company.

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 chair the Board meetings;
- (II) To supervise and check the implementation of the Board resolutions;
- (III) To sign the securities issued by the Company; and
- (IV) To exercise other authority delegated by the Board.

Article 46 In case the Chairman of the Board is unable to exercise its duties for any reasons for a short term, a director elected by more than a half of the directors shall exercise such duties.

Article 47 The Chairman of the Board is obligated:

- (I) To be responsible for and report to the Board;
- (II) To be solely responsible for any damage to the Company caused by the performance of duties by himself/herself or other persons beyond the scope of authority delegated by the Board;
- (III) To take primary leadership responsibility for any damage to the Company arising from failure of the Chairman of the Board to supervise the General Manager, person in charge of finance or Secretary of the Board of the Company in a proper manner; and
- (IV) To perform other obligations as required by laws, regulations and the Articles of Association.

Chapter VI Regulations on Independent Directors

Article 48 Upon the consent of more than 50% of all independent directors, an independent director may exercise the following special authority at the Board meetings:

- (I) To review and approve a significant related party transaction before it is submitted to the Board for discussion, and to engage an agent to issue an independent financial consulting report before and as the basis for his/her review;
- (II) To put forward a proposal to the Board of Directors about the appointment or dismissal of an accounting firm;
- (III) To make a request to the Board of Directors for holding an extraordinary General Meeting;
- (IV) To make a request for holding a meeting of Board of Directors;
- (V) To engage external audit institutions or consulting institutions independently;
- (VI) To solicit voting rights from shareholders in an open way before the General Meeting is held; and
- (VII) To exercise other authority specified by the Articles of Association or rules of the stock exchange.

Article 49 Independent directors shall offer independent opinions to the Board or the General Meeting with regard to the following:

- (I) Nomination or removal of directors;
- (II) Appointment or dismissal of senior officers;

- (III) Remuneration for directors or senior officers of the Company;
- (IV) Any related party transactions, borrowings or other capital flows existing or taking place between the Company and any shareholders of the Company, actual controller of the Company or its related companies with a total amount falling within applicable requirements of the rules of the stock exchange or other regulatory regulations, and whether the Company should take effective measures to collect the indebtedness;
- (V) Matters that, in the opinion of independent directors, may damage the rights and interests of small and medium shareholders;
- (VI) Failure of the Board to make preliminary cash distribution plans;
- (VII) The Company's changes of the investment projects where the fund raised are invested; and
- (VIII) Other issues specified by laws, administrative regulations, other normative documents, rules of the stock exchange and the Articles of Association.

In respect of the aforesaid issues, the independent directors shall offer opinions 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 directors, the opinion of each independent director shall be disclosed separately by the Board.

Section VII Board Meetings

Section I Meeting Preparation and Notice

Article 50 Board meetings shall take place at least twice every year, which shall be convened by the Chairman of the Board with a 10-day prior notice to all directors and supervisors.

Article 51 The Board shall hold a Board meeting respectively prior to the announcement of annual or semi-annual operation results.

Article 52 The Chairman of the Board shall decide to convene an extraordinary Board meeting in any of the following cases:

- (I) As deemed necessary by the Chairman of the Board;
- (II) Upon the request of more than 1/3 of the directors;
- (III) Upon the request of more than 1/2 of the independent directors;

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- (IV) Upon the request of shareholders representing more than 1/10 of the voting rights; or
- (V) Upon the request of the Board of Supervisors.

Article 53 An one-day prior written notice shall be given to all directors before an extraordinary meeting of the Board takes place, by personal delivery, fax, express mail service or email etc.

Article 54 Any proposals at the Board meetings shall be submitted by the proposers in writing to the Secretary Office of the Board, which shall be delivered together with the meeting notice 10 days before the time for holding the meeting, in case of a regular Board meeting, or shall be delivered together with the meeting notice 1 day before the time for holding the meeting, in case of an extraordinary Board meeting.

Article 55 The notice of a Board meeting shall contain the time, place, duration, causes and topics of the meeting, and the date when the notice is issued.

Article 56 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 57 In case more than 1/3 of the directors or at least two independent 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 58 In case the Chairman of the Board is unable to chair the Board meeting, a director elected by more than a half of the directors shall convene and chair the Board meeting.

Article 59 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 60 Generally, Board meetings shall be held on site. If necessary, voting through video, telephone, fax or email is acceptable upon the consent of the convener (chairman of the meeting) and proposers, to the extent that directors can fully express their viewpoints. Board meetings may also be held through on-site meetings in combination with other ways of holding the meetings.

In case a meeting is not held on site, the number of directors attending the meeting shall be calculated based on the number of directors who are present at the meeting as shown by video, or who express their opinions through telephone, or the fax, emails or other valid votes actually received within the prescribed time, or written letters submitted by directors thereafter confirming their participation in the meeting.

Article 61 The Board meetings shall not commence unless more than a 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 62 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 63 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 64 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.

Article 65 A director may appoint a proxy and a proxy may attend the Board meetings as authorized subject to the following principles:

- (I) Where related party transactions are to be discussed, the non-related directors shall not appoint a related director to attend the meeting on his/her behalf and a related director shall not accept such appointment;
- (II) An independent director shall not appoint a non-independent director to attend the meeting on his/her behalf and the non-independent director shall not accept such appointment;

- (III) A director shall not appoint another director to attend a Board meeting with full powers without stating his/her personal opinions and voting intentions in respect of the proposals. The director concerned shall not accept appointment with full powers or appointment without clear authorization; and
- (IV) A single director shall not accept appointments made by more than two directors and a director shall not appoint a director who has accepted the appointments made by another two directors to attend the Board meetings on his/her behalf.

Section III Validity of Resolutions and Responsibilities of Directors

Article 66 Each director has one vote. A resolution is passed by the Board if approved by more than a half of all directors, unless otherwise required by laws, regulations, normative documents, rules of the stock exchange or the Articles of Association with regard to the proportion for the Board to pass a resolution, in which case, such other requirements shall prevail.

In the case of an equality of votes, the Chairman of the Board shall be entitled to a second vote.

Article 67 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. 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 68 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:

- (I) Directors voting for such resolution in person or by proxy shall bear direct responsibilities;
- (II) After verification, Directors who are found voting against such resolution, which has been recorded in the minutes of meeting, may be released;
- (III) Directors who have withheld votes or fail to attend the meeting in person or by proxy shall not be released; and
- (IV) Directors who expressly raise objections against such resolution during discussion but fail to expressly vote against the same, or fail to have their names recorded during voting or require or cause their objections be recorded in the minutes of meeting shall not be released.

Section IV Rules of Procedure

Article 69 A Board resolution is passed after being signed in writing at a Board meeting.

Article 70 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 by a show of hands 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 71 Decisions made on the matters discussed at the meetings shall be incorporated by the Board into the minutes of meetings. Directors and persons who prepare the minutes of meetings shall sign on the same. The minutes of Board meetings shall be kept as the Company's files for not less than ten years.

Article 72 Minutes of a Board meeting shall include the following:

- (I) The date, place and convener of the meeting;
- (II) Names of directors attending the Board meeting in person or directors (proxies) attending the meeting on behalf of others;
- (III) Agenda of the meeting;
- (IV) Key points put forward by directors; and
- (V) The voting methods and results for each matter voted on (the voting results shall contain the number of votes for or against each resolution, or withheld).

Article 73 Directors present at the meeting shall have the right to have their comments made at the meeting incorporated into the minutes of the meeting in the form of descriptive statements. The key points put forward by directors as contained in the minutes of the meeting shall be kept by the Secretary Office of the Board after being reviewed by the directors present at the meeting.

Article 74 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 75 Resolutions passed at the meeting shall be kept by the Secretary Office of the Board together with the signatures of the directors attending the meeting and the proxy letters.

Article 76 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.

Article 77 Any resolutions of the Board shall be reported to the stock exchange for filing and announced according to the rules of the stock exchange within 2 working days after the end of the Board meeting, including the Board resolutions declaring that all proposals are rejected. Directors shall ensure that the Board resolutions announced are true, accurate and complete, and contain no false statements, misleading statements or significant omissions.

Chapter VIII Supplementary Provisions

Article 78 These Rules are the elaboration on and supplementary to provisions of the Articles of Association related to the Board. 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 79 These Rules shall be interpreted by the Board of Directors of the Company. 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 Directors and reported to the General Meeting for approval.

APPENDIX III PROPOSED RULES OF PROCEDURE OF MEETINGS OF DIRECTORS

Article 80 These Rules shall be attached to the Articles of Association and shall be implemented after being adopted by resolution of the General Meeting as of the date when the RMB common stock (A-share) of the Company is listed upon the initial public offering.

**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. (hereinafter referred to as the “Company”), 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 Code of Corporate Governance for Listed Companies in China 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, where the representatives of employees shall account for not less than 1/3. 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, General Manager 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 social and economic order, 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 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 a natural person;
- (VIII) 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;
- (IX) He/she is prohibited by the China Securities Regulatory Commission from entering into the securities market as a punishment and the prohibition period has not expired; or
- (X) He/she is not allowed by laws or administrative regulations to act as a leader of a company or otherwise required by laws, administrative regulations or departmental rules.

Article 6 Supervisors shall comply with laws, administrative regulations and the Articles of Association, be loyal to the Company and shall not offer/receive bribery or other illegal income by using their authority, or embezzle the Company's property.

Article 7 Members of the Board of Supervisors shall perform the following obligations in a diligent manner in accordance with laws, administrative regulations and the Articles of Association:

- (I) To exercise the rights granted by the Company in a prudent, careful and diligent manner so as to ensure that the commercial acts of the Company are in compliance with laws, administrative regulations and various economic policies of the country and the business activities are carried out within the scope of business stated in the business license;
- (II) To treat all shareholders with equality;

- (III) To get to know the status of business management of the Company in a timely manner;
- (IV) To sign written comments made on regular reports of the Company so as to ensure that the information disclosed by the Company is true, accurate and complete;
- (V) To provide accurate information and materials concerned to the Board of Supervisors and shall not prevent the Board of Supervisors or the supervisors from exercising their authority; and
- (VI) To perform other obligations with due diligence as required by laws, administrative regulations, departmental rules and the Articles of Association.

Article 8 The Board of Supervisors shall have one chairman, i.e., a convener of the Board of Supervisors who shall be elected by the Board of Supervisors. In case the Chairman is unable 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 9 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 10 The Board of Supervisors shall be responsible for and report to the General Meeting and exercise the following authority:

- (I) To review and give written comments on the regular reports of the Company prepared by the Board of Directors;
- (II) To review the financial affairs of the Company;
- (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 directors or senior officers on behalf of the Company or take actions against directors or senior officers in accordance with Article 151 of the Company Law;
- (VI) To verify financial reports, operation reports, profit distribution plans and other financial materials to be submitted by the Board of Directors to the General Meeting; and engage certified public accountants or certified auditors in the Company's name to review the said materials in case of any doubt;
- (VII) 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 as required by the Company Law;
- (VIII) To put forward proposals to the General Meeting; and
- (IX) To perform other authority as required by laws, administrative regulations, departmental rules and the Articles of Association.

Article 11 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 12 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 13 The Board of Supervisors shall inspect the implementation of the accounting system of the Company at least once every year. If necessary, the Board of Supervisors may carry out inspections or interviews in the subsidiaries of the Company in order to have a thorough understanding of the operation of the Company. The Board of Supervisors may also appoint the law firms, accounting firms or Audit Department of the Company to offer help.

Article 14 The Board of Supervisors shall arrange training for supervisors in politics, current affairs, policies and regulations and work skills on a regular basis in each year, and shall have supervisors participating in meetings or training organized by authoritative departments of the state, in order to keep improving the quality and ability of legal supervision of the supervisors.

Article 15 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 16 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 17 Upon resignation or expiration of the tenure of a supervisor, its 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 18 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 19 Meetings of the Board of Supervisors shall take place at least every 6 months, 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 20 An extraordinary meeting of the Board of Supervisors can be held at the request of the Chairman of the Board of Supervisors or more than 1/2 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 21 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 22 The Board of Supervisors shall discuss through meetings, including on-site meetings, teleconference or meetings using similar telecommunication devices. All proposals shall be voted on by a show of hands, poll or through telecommunication.

Article 23 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 24 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, he/she shall authorize in writing another supervisor to chair the meeting.

Article 25 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:

- (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;
- (III) Information about related-party transactions; and
- (IV) Other significant issues that are required to be reported to the General Meeting.

Article 26 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 27 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 28 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. Each supervisor shall have one vote with regard to a proposed resolution of the Board of Supervisors and a resolution is duly passed if more than 2/3 of the supervisors vote for it.

Article 29 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 30 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 31 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 state the time, place, means and convener (Chairman) of the meeting, attendance of the supervisors, topics discussed, process of discussion and voting results. 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 32 In case a meeting of the Board of Supervisors is held through telecommunication voting, the proposals shall be delivered personally or through mail, fax or email. Resolutions to be passed at such meeting shall be delivered to each supervisor for signature through personal delivery, mail or fax. In case the number of supervisors who sign and approve such resolution reaches the quorum for making a resolution, such resolution shall become a valid resolution of the Board of Supervisors after the signed resolutions are delivered to the secretary of the Board of Directors through personal delivery or fax. The original of the faxed signature shall be delivered to the secretary of the Board of Directors by the supervisor concerned in person or through personal delivery or mail. All originals signed by the supervisors shall constitute a single original resolution of the Board of Supervisors.

Article 33 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 34 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 for such a period as stated in the Articles of Association.

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

Article 35 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 36 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 37 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.

Article 38 The secretary of the Board of Directors shall be responsible for the disclosure of the Company information and the Board of Supervisors shall act in strict accordance with provisions of the Company Law, Securities Law and rules of the stock exchange related to information disclosure and supervise to make sure that the information of the Company is disclosed in a timely, accurate, legal and complete manner.

Chapter VI Supplementary Provisions

Article 39 These Rules are the elaboration on and supplementary to provisions of the Articles of Association related to the Board of Supervisors. 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 40 These Rules shall be interpreted by the Board of Supervisors of the Company. 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.

Article 41 These Rules shall be attached to the Articles of Association and shall be implemented after being adopted by resolution of the General Meeting as of the date when the RMB ordinary shares (A share) of the Company is listed upon the proposed A share initial public offering.

BEIJING CAPITAL LAND LTD.
WORK INSTRUCTIONS FOR INDEPENDENT DIRECTORS

Chapter I General Provisions

Article 1 These work instructions (hereinafter referred to as these “Instructions”) are hereby formulated to further improve the governance structure of Beijing Capital Land Ltd. (hereinafter referred to as the “Company”), to facilitate the proper operation of the Company and to protect the legal interests of the Company and shareholders, especially the small and medium shareholders, in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Guiding Opinions on Establishing the Independent Director System in Listed Companies, the Code of Corporate Governance for Listed Companies in China and other 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 An independent director refers to a director who holds no post in the Company other than the post of director and has no such relationship with the Company or its major shareholders that may prevent him/her from making an independent and objective judgment.

Article 3 Independent directors have fiduciary duty and duty of diligence to the Company and all shareholders. They shall carefully perform their duties, secure the overall interests of the Company and pay special attention to protecting the legal rights and interests of small and medium shareholders from infringement, in accordance with laws, regulations, normative documents and the Articles of Association. Independent directors shall perform their duties independently without influence from major shareholders or actual controller of the Company or other stakeholders, whether enterprises or individuals.

Article 4 Generally, an independent director of the Company is allowed to concurrently act as the independent director of not more than 5 listed companies or companies to be listed (including the Company) and shall ensure that he/she has time and energy enough to perform the duties of an independent director in an efficient manner.

Article 5 The Company shall appoint three independent directors, including at least one accounting professional with a senior professional title or CPA (certified public accountant) qualifications.

Article 6 In the event that independent directors become unable to satisfy the independence requirement or otherwise become unsuitable for performing the duties of an independent director, as a result of which, the number of independent directors of the Company falls short of the requirements of laws, regulations, normative documents or these Instructions, the Company shall introduce additional independent directors as required.

Article 7 Independent directors of the Company and persons who are going to act as independent directors of the Company shall receive the training organized by the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) and institutions authorized by the CSRC, in accordance with the CSRC requirements.

Chapter II Qualifications

Article 8 The following basic requirements shall be satisfied by independent directors:

- (I) Qualified for working as a director of the Company in accordance with relevant requirements of laws, regulations, normative documents and the Articles of Association;
- (II) Independent as required by laws, regulations and normative documents;
- (III) Possessing basic knowledge of operation of listed companies and be familiar with relevant laws, administrative regulations, rules and procedures;
- (IV) More than five years of work experience of laws, economics or otherwise necessary for an independent director to perform his/her duties; and
- (V) Other requirements set out in laws, regulations, normative documents and the Articles of Association.

Article 9 The following persons shall not be nominated as candidates for the post of independent director of the Company:

- (I) A person who holds a post in the Company or its subsidiaries, or his/her immediate family or major social relations, where the immediate family refers to spouse, parents or children etc. and the major social relations refer to brothers, sisters, parents-in-law, children-in-law, spouses of the siblings and the siblings of the spouse etc.;
- (II) A natural person who directly or indirectly holds more than 1% of the issued shares of the Company or is among the top 10 shareholders of the Company, or the near relatives of such person;
- (III) A person who works in a company that directly or indirectly holds more than 5% of the issued shares of the Company or is among the top 5 institutional shareholders of the Company, or the immediate family of such person;
- (IV) A person who works in the Company’s controlling shareholder or actual controller or its affiliated companies, or the immediate family of such person;

- (V) A person who provides financial, legal or consulting services to the Company or its controlling shareholder or their respective affiliated companies, including but not limited to all members of the project teams from the service agencies, reviewing officers at all levels, persons signing the reports, partners or major responsible persons;
- (VI) A person who works in companies that have material business relationship with the Company or its controlling shareholder, actual controller or their respective affiliated companies, or working in the controlling shareholder of the aforesaid companies;
- (VII) A person who has met any of the conditions stated in Item (I) to (VI) above in the past one year;
- (VIII) A person who is prohibited by the CSRC from entering into the securities market and the prohibition period has not expired;
- (IX) A person who has received administrative punishment by the CSRC in the past three years;
- (X) A person who has received public censure by the stock exchange or notices of criticism have been circulated against him/her by the stock exchange for more than three times in the past three years;
- (XI) A person who is publicly identified by the stock exchange as not suitable for acting as a director, supervisor or senior officer of a listed company; or
- (XII) Other persons specified by laws, regulations, normative documents, the CSRC or the stock exchange.

Chapter III Appointment/Removal Procedures

Article 10 The Board of Directors, the Board of Supervisors or shareholders individually or jointly holding more than 1% of the issued shares of the Company may nominate independent director candidates, who shall be subject to election at the General Meetings.

Article 11 The nominator for independent directors shall obtain the consent of the nominee prior to nomination. The nominator shall have a full understanding of the job, educational background, professional title, detailed work history and all part-time jobs of the nominee, and give opinions on the qualifications and independence of such nominee acting as an independent director. The nominee shall make public statements indicating that there is no such relationship between the nominee and the Company that may prevent the nominee from making an independent and objective judgment.

APPENDIX V PROPOSED WORK INSTRUCTIONS FOR INDEPENDENT DIRECTORS

The said information shall be disclosed by the Board of Directors of the Company as required before the General Meeting where independent directors are to be elected is held.

Article 12 Before the General Meeting where independent directors are to be elected is held, materials related to all nominees shall be submitted by the Company to the CSRC, local CSRC office and stock exchange (hereinafter referred to as the “Exchange”) where the Company is located. In case the Board of Directors of the Company has any doubts about the information of a nominee, written opinions of the Board of Directors shall be submitted at the same time.

In case the CSRC has any objection against any nominee, such nominee shall not stand as a candidate for the post of independent director, but may run for director of the Company.

During the General Meeting where independent directors are elected, the Board of Directors of the Company shall state relevant information as to whether the CSRC has any objection against the candidates for independent director in terms of their qualifications and independence.

Article 13 Independent directors shall have the same tenure with the other directors and are eligible for re-election upon expiration of the tenure, provided that an independent director shall serve continuously for not more than 6 years.

Article 14 In case an independent director fails to attend the meetings of the Board of Directors continuously for 3 times, a proposal for removal of such independent director shall be submitted by the Board of Directors to the General Meeting.

Except as stated above or in other circumstances required by laws, regulations, normative documents or these Instructions where an independent director shall be removed, an independent director shall not be removed without reasons prior to expiration of his/her tenure. In case of early termination, the Company shall disclose the same as a special matter. The independent director being removed may make a public statement if he/she thinks that the reasons given by the Company for his/her removal are not appropriate.

Article 15 An independent director may offer to resign prior to expiration of his/her tenure by submitting a written resignation report to the Board of Directors and giving any information related to his/her resignation or otherwise deserving attention of the shareholders or creditors of the Company.

In case the proportion of independent directors in the Board of Directors of the Company falls below the minimum requirements of laws, regulations or normative documents due to resignation of an independent director, the resignation report of such independent director shall not become effective until the new independent director takes his/her place.

Chapter IV Code of Conduct

Article 16 In case any independent director believes that his/her independence with regard to a matter to be discussed may be affected, he/she shall so declare to the Company and evade such matter. Where his/her independence is significantly affected during his/her tenure, he/she shall notify the Company of the same and offer to resign in a timely manner.

Article 17 In addition to the authority granted to directors by the Company Law and other relevant laws, regulations and normative documents, independent directors have the following special authority:

- (I) Proposed related party transactions between the Company and the related parties with a total amount exceeding RMB 3 million or 5% of the net asset value of the Company most recently audited shall be subject to approval of independent directors before being submitted to the Board of Directors for discussion. Independent directors may engage an agency to issue an independent financial consulting report before making a decision;
- (II) To put forward a proposal to the Board of Directors about appointment or dismissal of an accounting firm;
- (III) To make a request to the Board of Directors for holding an extraordinary General Meeting;
- (IV) To make a request for holding a meeting of Board of Directors;
- (V) To engage external audit institutions or consulting institutions independently;
- (VI) To solicit voting rights from shareholders in an open way before the General Meeting is held; and
- (VII) To exercise other authority stipulated by the Articles of Association.

The said authority of independent directors shall be performed upon consent of more than 1/2 of all independent directors. In case the said proposals are rejected or the said authority cannot be performed properly, relevant information shall be disclosed by the Company.

Article 18 In addition to the said authority, independent directors shall offer independent opinions to the Board of Directors or the General Meeting with regard to the following issues of significance:

- (I) Nomination or removal of directors;
- (II) Appointment or dismissal of senior officers;
- (III) Remuneration for the directors or senior officers of the Company;

APPENDIX V PROPOSED WORK INSTRUCTIONS FOR INDEPENDENT DIRECTORS

- (IV) Procedures for preparation, adjustment and decision-making in respect of cash dividend policies of the Company, implementation of such policies and related information disclosure, and whether the profit distribution policies are infringing the legal rights and interests of small and medium investors;
- (V) Any material issues required to be disclosed, such as related party transactions, trust management of finances, financial support provided, changes in the purpose of the funds raised or investment in stock or its derivatives;
- (VI) Any borrowings or other capital flows existing or taking place from the Company to any shareholders of the Company, actual controller of the Company or its related companies with a total amount exceeding RMB 3 million or 5% of the net asset value of the Company most recently audited, and whether the Company should take effective measures to collect the indebtedness;
- (VII) Significant asset restructuring plans or equity incentive plans;
- (VIII) The Company's proposals for delisting its shares from the Exchange or applying for trading or transfer at another stock exchange;
- (IX) Other matters that, in the opinion of independent directors, may damage the legal rights and interests of the small and medium shareholders; and
- (X) Other matters specified by laws, regulations, normative documents, rules of the Exchange or the Articles of Association.

Independent directors shall offer independent opinions in the following ways: agreement, qualified opinions and reasons thereof, dissenting opinions and reasons thereof, or no opinions and reasons thereof. The opinions offered shall be clear and definite.

In case the matter concerned is subject to disclosure, the opinions of independent directors shall be announced by the Company. In case of conflicting opinions between independent directors, the opinion of each independent director shall be disclosed separately by the Board of Directors.

Article 19 Independent opinions offered by independent directors with regard to a significant issue shall include at least the following:

- (I) Basic information of the significant issue;
- (II) Basis for such opinions, including the procedures followed, documents reviewed or information of on-site investigation etc.;
- (III) Compliance of the significant issue;

APPENDIX V PROPOSED WORK INSTRUCTIONS FOR INDEPENDENT DIRECTORS

- (IV) Impacts on the rights and interests of the Company or the small and medium shareholders, any potential risks and whether the measures taken by the Company work; and
- (V) Conclusive opinions given. In case of qualified opinion or dissenting opinion, or in case no opinions can be given with regard to the significant issue, the independent director concerned shall clearly state the reasons.

Independent directors shall sign the independent opinions for confirmation and submit the same to the Board of Directors in a timely manner for disclosure together with relevant announcements of the Company.

Article 20 Independent directors who find any of the following shall actively perform the obligation of due diligence and report to the Exchange in a timely manner, and engage an agency to carry out special investigations if necessary:

- (I) The Company fails to submit important issues to the Board of Directors for discussion as required;
- (II) The Company fails to perform the obligation of information disclosure in a timely manner;
- (III) The information published by the Company contains false records, misleading statements or material omission; or
- (IV) The Company is otherwise suspected of damaging the legal rights and interests of the small and medium shareholders in violation of laws or regulations.

Article 21 In addition to attending the meetings of the Board of Directors, independent directors shall spend time as appropriate carrying out on-site investigations with regard to production and operation of the Company, development and implementation of administration, internal control and other systems and implementation of resolutions of the Board of Directors. In case something abnormal is identified during the on-site investigations, the Board of Directors of the Company and the Exchange shall be notified in a timely manner.

Article 22 In any of the following cases, the independent director shall notify the CSRC, the Exchange and the local CSRC office where the Company is located:

- (I) The independent director is removed by the Company, but he/she believes that the reasons for removal are not proper;
- (II) The independent director resigns due to the fact that the Company prevents him/her from performing his/her authority under laws;

APPENDIX V PROPOSED WORK INSTRUCTIONS FOR INDEPENDENT DIRECTORS

- (III) The materials for a meeting of the Board of Directors are not sufficient and more than 2 independent directors request in writing postponing the meeting or postponing discussion of relevant proposals, and which request is rejected;
- (IV) The Board of Directors fails to take effective measures after being notified by the independent director of any suspected violation of laws or regulations on the part of the Company or its directors, supervisors or senior officers; or
- (V) Other circumstances that greatly prevent the independent director from performing his/her authority.

Any public statements to be made by the independent director with regard to the said circumstances shall be reported to the Exchange before disclosure.

Article 23 The Company shall maintain an Independent Director Work Records and independent directors shall record their performance of authority in writing in the Independent Director Work Records.

Chapter V Work Procedure of Independent Directors related to Annual Reports

Article 24 Independent directors shall duly perform their obligations and duties with due diligence during preparation and disclosure of the annual reports of the Company in accordance with the rules of the CSRC and the Exchange and subject to the authority or power granted by the Articles of Association.

Article 25 During preparation of the annual report, independent directors shall assume confidentiality obligations and shall not disclose the content of the annual report to the public by any means before the annual report is announced.

Article 26 Independent directors shall actively perform their duties according to the work plans through interview, on-site investigation, communication with the accounting firm or other methods. Written records shall be maintained in respect of independent directors' performance of authority in connection with annual reports. Documents of importance shall be signed by the person concerned.

Article 27 Before the CPAs responsible for auditing the annual report of the Company come and start the audit, the persons in charge of finance and audit of the Company shall provide each independent director with the schedule for the audit work of the current year in writing and other relevant materials, so that independent directors can fully communicate with the management of the Company and the CPAs responsible for annual audit during preparation of the annual report. In case independent directors have any questions about the audit work schedule or other financial matters, timely responses shall be given by the persons in charge of finance and audit of the Company.

APPENDIX V PROPOSED WORK INSTRUCTIONS FOR INDEPENDENT DIRECTORS

Article 28 After preliminary audit opinions are issued by the CPAs responsible for annual audit and before a meeting of the Board of Directors is held to discuss the annual report, the Company shall make arrangements for independent directors to meet with the CPAs to talk about any issues identified during the audit. Independent directors shall perform the said meeting obligations, analyse the causes for the issues identified, determine the risks of such issues and look for solutions.

Article 29 Independent directors shall pay attention to procedure of the Board of Directors for consideration and resolution of matters related to the annual report, including the relevant proposing procedures, decision-making authority, voting procedure, matters to be evaded, completeness and delivery time of the materials related to the proposals, and make prudent and comprehensive judgments and decisions with regard to matters to be submitted to the Board of Directors for consideration.

In case independent directors find any non-compliance with the regulations of holding a meeting of the Board of Directors or find that the basis for making judgments is not solid, they may ask for additional information, corrections or postponing the meeting of the Board of Directors. Where two or more independent directors believe that the materials are not sufficient or the demonstrations are not clear, and they jointly make a written request to the Board of Directors for postponing the meeting of Board of Directors or postponing discussion of the matter, such request shall be complied with by the Board of Directors.

Article 30 The opinions communicated between independent directors and the management of the Company and CPAs responsible for annual audit shall be made into written communication records which shall be signed by the persons concerned and reported to the CSRC Beijing Office for filing.

Article 31 Independent directors in the Audit Committee shall also perform the following authority:

- (I) Independent directors shall negotiate with the accounting firm to determine the schedule for audit of the annual report, urge the accounting firm to submit the audit report within the specified time and record in what ways and how many times they urge the accounting firm and the consequences thereof, in the form of written opinions of the Audit Committee to be signed by relevant responsible persons for confirmation.
- (II) Independent directors shall review the financial statements prepared by the Company before the CPAs responsible for annual audit come and offer a written opinion of the Audit Committee after a full discussion with the other directors of the Audit Committee. Independent directors shall enhance the communication with the CPAs after they come and review the financial statements of the Company again after preliminary audit opinions are provided by the CPAs and offer a written opinion of the Audit Committee after full discussion with the other directors of the Audit Committee.

APPENDIX V PROPOSED WORK INSTRUCTIONS FOR INDEPENDENT DIRECTORS

- (III) Independent directors and the other directors of the Audit Committee shall jointly vote on the annual financial report and the resolutions passed by the Audit Committee shall be submitted to the Board of Directors for review. In addition, independent directors and the other directors of the Audit Committee shall hold full discussion on the summary report in connection with the audit work carried out by the accounting firm in the current year and on renewal or replacement of the accounting firm in the next following year, after which, a resolution shall be passed by the Audit Committee and submitted to the Board of Directors.

Article 32 Independent directors shall provide independent opinions with regard to significant related-party transactions, external guarantees provided by the Company to another entity or other significant matters within the year.

Article 33 In case independent directors have any objections on a specific matter related to the annual report, an external audit institution may be engaged independently upon consent of more than 1/2 of the independent directors, to provide audit and consulting services in respect of such specific matter at the Company's expense.

Article 34 The secretary of the Board of Directors shall be responsible for facilitating the communication between independent directors and the management of the Company and provide, together with relevant departments, necessary conditions for independent directors to perform their authority during preparation of the annual report, and make arrangements as appropriate for independent directors to carry out on-site investigations on the operation and development of the Company.

Article 35 Independent directors shall sign their opinions to the annual report. They shall state reasons and express opinions if they cannot ensure, or have any doubts about the authenticity, accuracy or completeness of the content of the annual report, which reasons and opinions shall be disclosed.

Article 36 Independent directors shall prepare and disclose the Annual Work Report of Independent Directors based on the format and requirements specified by the Exchange, and further submit the report to shareholders at the Annual General Meeting of the Company.

Article 37 Independent directors shall submit the work report at the Annual General Meeting of the Company and submit the same to the Exchange for filing. The work report shall include the following:

- (I) How and how many times they have attended the meetings of the Board of Directors during the year and the voting results, and how many times they have attended the General Meetings as non-voting delegates;
- (II) Information about the independent opinions offered;
- (III) Information about on-site verification;

- (IV) Information about any requests for holding a meeting of the Board of Directors, appointment/dismissal of the accounting firm or appointment of an external audit institution or consulting institution in an independent manner;
- (V) Other work done to protect the legal rights and interests of small and medium shareholders; and
- (VI) Description of other matters required by securities regulating institutions or stock exchanges.

Chapter VI Working Conditions

Article 38 The Company shall ensure that independent directors have the same right to know with the other directors. For any matters to be determined by the Board of Directors, the Company shall notify independent directors in advance within the time legally required and provide adequate materials at the same time. Additional materials may be demanded if independent directors believe that the materials are not sufficient.

When two or more independent directors believe that the materials are not sufficient or the demonstrations are not clear, they may jointly make a written request to the Board of Directors for postponing the meeting of Board of Directors or postponing the discussion of the matter, in which request shall be complied with by the Board of Directors.

The materials provided by the Company to independent directors shall be kept by the Company and the independent directors concerned for at least 5 years.

Article 39 The Company shall provide independent directors with working conditions necessary for the performance of authority. The secretary of the Board of Directors of the Company shall actively assist independent directors in the performance of authority, such as briefing independent directors on relevant information and providing materials. For independent opinions, proposals or written statements given by independent directors that are required to be announced, the secretary of the Board of Directors shall deal with the announcement in respect thereof at the Exchange in a prompt manner.

Article 40 The relevant persons of the Company shall actively cooperate with independent directors when they perform their authority and shall not reject, obstruct or conceal information or prevent independent directors from performing their authority independently.

Article 41 Any expenses for engaging an agency by independent directors or other expenses arising out of the performance of authority by independent directors shall be for the Company's account.

APPENDIX V PROPOSED WORK INSTRUCTIONS FOR INDEPENDENT DIRECTORS

Article 42 The Company shall offer proper allowances to independent directors. The allowance standards shall be proposed by the Board of Directors and approved by the General Meeting after consideration, which shall be disclosed in the annual report of the Company.

In addition to the said allowances, independent directors shall not receive any other additional and undisclosed advantages from the Company, major shareholders of the Company or stakeholders of the Company, whether entities or individuals.

Article 43 The Company may establish the independent director's liability insurance system if necessary, so as to reduce the risks that may be incurred when independent directors duly perform their authority.

Chapter VII Supplementary Provisions

Article 44 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 Instructions 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 Instructions shall be modified accordingly in a prompt manner.

Article 45 These Instructions shall be interpreted by the Board of Directors and shall not be modified unless modifications are proposed by the Board of Directors of the Company and approved by the General Meeting after consideration.

Article 46 These Instructions shall be implemented as of the date of approval by the General Meeting of the Company after consideration. These Instructions are only applicable to A share listed companies shall be implemented after the listing upon the initial public offering of RMB ordinary shares (A share) of the Company.

APPENDIX VI PROPOSED MEASURES FOR ADMINISTRATION OF RELATED PARTY TRANSACTIONS
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**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 Code of Corporate Governance for Listed Companies in China, the listing rules of the stock exchange 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 subsidiaries wholly-owned or held by the Company (hereinafter referred to as the “Subsidiaries”). The Subsidiaries shall inform the Company promptly after relevant resolutions are passed at the meetings of their boards of directors or general meetings/assemblies of shareholders, in order for the Company to perform the obligations related to disclosure of relevant information.

In the event that a company in which the Company has an interest and a related party of the Company carry out any such transactions as stated in Chapter II of these Measures, which may have a significant impact on the transaction prices of the Company’s shares or its derivatives, the Company shall perform the obligation of information disclosure by reference to the regulations herein.

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 3 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 relevant rules of the China Securities Regulatory Commission and the stock exchange, 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.

Article 4 A legal person or another organization will be a related legal person of the Company if it meets any of the following conditions:

- (I) The legal person or the other organization directly or indirectly controls the Company;
- (II) The legal person or the other organization other than the Company and its controlled subsidiaries that is controlled either directly or indirectly by the legal person or other organization defined in the preceding paragraph;

APPENDIX VI PROPOSED MEASURES FOR ADMINISTRATION OF RELATED PARTY TRANSACTIONS
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- (III) The legal person or the other organization other than the Company and its controlled subsidiaries that is controlled either directly or indirectly by a related natural person of the Company as stated in Article V hereof, or where such related natural person serves as a director or senior officer;
- (IV) The legal person or the other organization that holds more than 5% of the shares of the Company;
- (V) The legal person or the other organization that holds more than 10% of the shares of the Subsidiaries that are of great importance to the Company; or
- (VI) The legal person or the other organization that has a special relationship with the Company that would make the Company tilted towards its interests, as determined by the Company or the securities authority or the stock exchange where the Company is listed 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, unless the legal representative, General Manager or more than a half of the directors of such person serve concurrently as the directors, supervisors or senior officers of the Company.

Article 5 A natural person will be a related natural person of the Company if he/she meets any of the following conditions:

- (I) The natural person who directly or indirectly holds more than 5% of the shares of the Company;
- (II) The natural person who is a director, supervisor or senior officer of the Company;
- (III) The natural person who was a director of the Company during the 12 months preceding the date of a related party transaction;
- (IV) The natural person who holds more than 10% of the shares of the Subsidiaries that are of great importance to the Company;
- (V) The natural person who is a director, supervisor or senior officer of any related legal person defined in Para. (I) of Article IV hereof;
- (VI) The natural person who is a close family member of the persons referred to in Para. (I) or Para. (II) of this article; or

APPENDIX VI PROPOSED MEASURES FOR ADMINISTRATION OF RELATED PARTY TRANSACTIONS
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(VII) The natural person who has a special relationship with the Company that would make the Company tilted towards its interests, as determined by the Company or the securities authority or the stock exchange where the Company is listed in accordance with the Substance over Form Principle.

Article 6 A legal person, other organization or natural person shall be deemed as a related party of the Company if 1) under the agreement or arrangement entered into with the Company or its related legal persons, such party will meet any of the conditions stated in Article IV or Article V hereof after such agreement or arrangement takes effect or within the next twelve months; or 2) such party has ever met any of the conditions stated in Article IV or Article V hereof in the past twelve months.

Article 7 The Company's directors, supervisors, senior officers, shareholders with more than 5% 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.

Article 8 A related party transaction of the Company refers to a transaction that leads to a transfer of resources or obligations between the Company or its controlled 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;

APPENDIX VI PROPOSED MEASURES FOR ADMINISTRATION OF RELATED PARTY TRANSACTIONS
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- (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, as determined in accordance with the listing rules and relevant guidance of the securities authority or the stock exchange where the Company is listed, or otherwise determined in accordance with the Substance over Form Principle, include providing financial assistance or guarantees to a company jointly invested with a related party that exceeds its shareholding or proportion of contribution, or waiving the right of first refusal or the right to proportionally increase its shareholding in such jointly invested company.

Article 9 The Company shall prepare and update in a timely manner a list of related parties of the Company in accordance with applicable laws, regulations and the rules of the stock exchange. 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 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 10 Related party transactions of the Company shall be carried out based on the following basic principles:

- (I) The principle of good faith; and

APPENDIX VI PROPOSED MEASURES FOR ADMINISTRATION OF RELATED PARTY TRANSACTIONS
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- (II) The Board of Directors of the Company shall decide based on objective standards whether such related party transactions are beneficial to the Company. Professional appraisers or independent financial consultants shall be engaged to issue or provide advice, if necessary.

Article 11 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 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 Company or the securities authority or the stock exchange where the Company is listed in accordance with the Substance over Form Principle.

Article 12 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 the following shareholders or shareholders that meet any of the following conditions:

- (I) The counterparty to the transaction;

APPENDIX VI PROPOSED MEASURES FOR ADMINISTRATION OF RELATED PARTY TRANSACTIONS
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- (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 securities authority or the stock exchange where the Company is listed.

Article 13 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 14 The Company shall not make any loans to its directors, supervisors or senior officers either directly or indirectly.

Article 15 The Board of Directors of the Company shall consider the related party transactions in accordance with the following:

- (I) A related party transaction between the Company and a related natural person with an amount exceeding RMB 300,000 (excluding the Company's provision of guarantee) shall be subject to consideration and approval of the Board of Directors;
- (II) A related party transaction between the Company and a related legal person with an amount exceeding RMB 3 million and accounting for more than 0.5% of the absolute value of the Company's net assets most recently audited (excluding the Company's provision of guarantee) shall be subject to the consideration and approval of the Board of Directors; and
- (III) In case regulations of the stock exchange related to authority of the Board of Directors to approve related party transactions are inconsistent with those stated above, the stricter of the two shall be adopted by the Company.

APPENDIX VI PROPOSED MEASURES FOR ADMINISTRATION OF RELATED PARTY TRANSACTIONS
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Article 16 The General Meeting of the Company shall consider the related party transactions in accordance with the following:

- (I) A related party transaction between the Company and a related party with an amount exceeding RMB 30 million and accounting for more than 5% of the absolute value of the Company's net assets most recently audited (excluding providing guarantees by the Company, accepting donation of cash assets or debts simply reducing the obligations of the Company) shall be subject to consideration by the General Meeting after being approved by the Board of Directors after consideration. In case regulations of the stock exchange related to the authority of the General Meeting to approve related party transactions are inconsistent with those stated above, the stricter of the two shall be adopted by the Company.
- (II) The Board of Directors shall provide the General Meeting with detailed information about the related party transaction, including the amounts involved, price (or pricing methods), book value of the assets, impacts on the Company and approval thereof.
- (III) The Company shall engage a securities service agency with the qualifications for practice in securities or futures related business to issue an audit or appraisal report with regard to the subject matter of the said related party transaction. Audit or appraisal reports are not required for the subject matter of the related party transactions relating to daily operation.
- (IV) The Company shall make timely disclosure of any guarantee it provides for a related party, irrespective of the amount hereof, after the Board of Directors approves such guarantee, and submit such guarantee to the General Meeting for consideration.

Any guarantee provided by the Company for a shareholder with less than 5% shareholding shall be governed, *mutatis mutandis*, by the preceding paragraph and the shareholder in question shall avoid voting at the General Meeting.

- (V) 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 17 Where the Company and a related party co-invest to establish a company, the capital contribution made by the Company shall be taken as the transaction amount and the provisions of Article XV and Article XVI hereof shall apply. If the Company's waiver of its right to contribute additional capital or the right of first refusal causes any changes to the scope of its consolidated financial statements, the amount of transaction shall be the total net assets as of the end of the latest period of the company corresponding to such waiver, and the provisions of Article XV and Article XVI hereof shall apply.

APPENDIX VI PROPOSED MEASURES FOR ADMINISTRATION OF RELATED PARTY TRANSACTIONS
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Article 18 Where the Company conducts related party transactions such as “providing financial assistance” or “trustee investment”, the actual amount incurred shall be used as the calculation standard and be aggregated for a period of 12 consecutive months for each category of transactions respectively. When the aggregate amount reaches the standards set forth in Article XV or Article XVI hereof, the relevant provisions thereof shall apply respectively.

In case that the relevant obligations have been fulfilled pursuant to Article XV or Article XVI hereof, the transaction in question shall no longer be included in the foregoing aggregate calculation.

Article 19 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 XV or Article XVI hereof respectively:

- (I) Transactions conducted with the same related party; or
- (II) Transactions conducted with different related parties but with related subject matters.

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 case that the relevant obligations have been fulfilled pursuant to Article XV or Article XVI hereof, the transaction in question shall no longer be included in the foregoing aggregate calculation.

Article 20 Where the Company conducts related party transactions relating to daily operation, such as purchasing raw materials, selling products or commodities, providing or accepting labor, selling by consignment or selling on commission, making deposits at or taking loans from the finance company of a related party, or co-investing with the related party, the Company shall make disclosure and follow the relevant consideration procedures as follows:

- (I) For the daily related party transaction conducted for the first time, the Company shall enter into a written agreement with the related party, make timely disclosure and submit the agreement to the Board of Directors or the General Meeting for consideration based on the transaction amount under the agreement and the standards stated in these Measures. In the absence of any specific transaction amount under the agreement, such agreement shall be submitted to the General Meeting for consideration.

APPENDIX VI PROPOSED MEASURES FOR ADMINISTRATION OF RELATED PARTY TRANSACTIONS
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- (II) Where, in the course of performance of any agreement of daily related party transactions approved by the Board of Directors or the General Meeting of the Company, the main terms and conditions of the agreement have no material changes, the Company shall disclose the actual performance of such agreement in its regular reports in accordance with relevant regulations and state whether the provisions of the agreement are complied with; where the main terms and conditions of the agreement have material changes in the course of performance or the agreement needs to be renewed upon the expiration thereof, the Company shall submit the revised or renewed agreement to the Board of Directors or the General Meeting for consideration based on the transaction amount under the agreement and the standards stated in these Measures. In the absence of any specific transaction amount under the agreement, such agreement shall be submitted to the General Meeting for consideration.
- (III) If the Company conducts a considerable amount of daily related party transactions each year and, as a result, it needs to enter into new agreements frequently and is hardly able to submit each agreement to the Board of Directors or the General Meeting for consideration as prescribed in Para. (I) of this article, the Company may, prior to its disclosure of the annual report for the previous year, reasonably estimate the aggregate amount of daily related party transactions to be conducted in the current year, submit the estimated aggregate amount to the Board of Directors or the General Meeting for consideration based on the standards stated herein, and make relevant disclosure. The Company shall disclose in its annual and interim reports all the daily related party transactions that fall within the estimated aggregate amount, and submit any actual daily related party transactions in excess of the estimated aggregate amount to the Board of Directors or the General Meeting for re-consideration based on the excess amount and the standards stated herein, and make relevant disclosure.

Article 21 The agreements of daily related party transactions shall at least contain main terms and conditions such as the pricing principle and basis, transaction price, gross transaction amount or the specific method for determining the gross transaction amount, time and terms of payment.

Where the agreement does not contain a specific transaction price but only state that the market price shall be referred to, at the time when the Company fulfills disclosure obligations as set forth in the preceding paragraph, it shall disclose the actual transaction price, the market price and the method of determining the market price, as well as the reasons for any difference between the two prices.

Article 22 If an agreement of daily related party transactions made between the Company and a related party has a term of over three years, the Company shall perform the relevant consideration procedure and disclosure obligations every three years based on the provisions of this chapter.

APPENDIX VI PROPOSED MEASURES FOR ADMINISTRATION OF RELATED PARTY TRANSACTIONS
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Article 23 Where the Company enters into any related party transaction with a related party as a result of either party's participation in open bids or auctions, the Company may apply to the stock exchange for exemption from the consideration and disclosure as required for a related party transaction.

Article 24 The Company may be exempt from the consideration and disclosure as required for a related party transaction if the Company conducts the following transactions with the related party:

- (I) One party subscribes in cash for the stocks, corporate bonds or enterprise bonds, convertible corporate bonds or other derivatives publicly offered by the other party;
- (II) One party, as a member of the underwriting syndicate, underwrites the stocks, corporate bonds or enterprise bonds, convertible corporate bonds or other derivatives publicly offered by the other party;
- (III) One party obtains dividends, bonuses or remuneration in accordance with the resolutions of the General Meeting of the other party; or
- (IV) Other transactions recognized by the stock exchange.

Chapter IV Supplementary Provisions

Article 25 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 26 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 27 These Measures shall be interpreted by the Board of Directors and shall not be modified unless modifications are proposed by the Board of Directors and approved by the General Meeting after consideration.

Article 28 These Measures shall be implemented as of the date of approval by the General Meeting after consideration. Certain provisions of these Measures applicable to A-share listed companies only shall be implemented after the RMB common stock (A-share) of the Company is listed upon the initial public offering.

**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, the Securities Law of the People’s Republic of China, the Guaranty Law of the People’s Republic of China (hereinafter referred to as the “Guaranty Law”), the Notice Concerning Some Issues on Regulating the Funds between Listed Companies and Associated Parties and Listed Companies’ Provision of Guaranty to Other Parties Circular on Regulating the External Guaranties Provided by Listed Companies, the Circular on Regulating the External Guaranties Provided by Listed Companies and other 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 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.

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 3 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.

Article 4 The provision of external guarantees by the Company is subject to centralized management and no one shall have the right to execute, in the Company’s name, any contracts, agreements or similar documents in connection with providing external guarantees, unless being approved by resolutions of the Board of Directors or the General Meeting of the Company.

Article 5 The independent directors of the Company shall offer independent opinions in the annual report of the Company and to state the conditions of the Company’s external guarantees in aggregate and in the current period and the circumstances of the implementation of relevant rules, and may engage accounting firms to check, if necessary. Anything abnormal identified shall be reported to the Board of Directors and the regulatory authority and announced in a timely manner.

APPENDIX VII	PROPOSED MEASURES FOR ADMINISTRATION OF THE PROVISION OF EXTERNAL GUARANTEES
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Article 6 These Measures are applicable to the external guarantees provided by the subsidiaries held or actually controlled by the Company (hereinafter collectively referred to as the “Subsidiaries”). The Subsidiaries shall inform the Company promptly after relevant resolutions are passed at the meetings of their boards of directors or general meetings/assemblies of shareholders, in order for the Company to perform the obligations related to disclosure of relevant information.

In the event that a company in which the Company has an interest provides external guarantees for others, which may have a significant impact on the transaction prices of the Company’s shares or its derivatives, the Company shall perform the obligation of information disclosure by reference to the regulations herein.

Chapter II Conditions and General Principles for Providing External Guarantees

Article 7 The warrantees for 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 To provide a guarantee, the Company shall require the warrantee to provide a counter guarantee and decide in a prudent manner the actual ability of the counter guarantee provider and the enforceability of such counter guarantee. A counter guarantee may not be required for a guarantee provided by the Company for the Subsidiaries.

Article 9 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 pay back 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 warrant may become unable to pay back 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;
- (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;
- (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; or
- (IX) Other circumstances where the General Meeting or the Board of Directors believes that the Company shall not provide a guarantee.

Chapter III Acceptance and Preliminary Review of Applications for External Guarantees

Article 10 Applications for external guarantees shall be entertained by the Finance Department of the Company in a centralized manner. The warrantee shall provide the application for guarantee and attachments within the time required by the Finance Department. Before deciding to provide the guarantee, the Company shall get to know 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 checking the following:

- (I) The warrantee is an enterprise legal person legally incorporated and duly existing and there is no circumstance where the warrantee is required to be terminated;
- (II) The operation, finance and credit status of the warrantee is good and the warrantee has stable cash flow or good prospects;
- (III) No creditor has ever required the Company to perform the joint and several responsibilities, if the Company used to provide a guarantee to the warrantee;
- (IV) The warrantee has assets that can be mortgaged (pledged) and has the corresponding ability to provide a counter guarantee (except for the Company's subsidiaries);
- (V) The financial materials provided by the warrantee are true, complete and valid; and
- (VI) There is no other legal risk.

APPENDIX VII PROPOSED MEASURES FOR ADMINISTRATION OF THE PROVISION OF EXTERNAL GUARANTEES

Article 11 The application for guarantee provided by the warrantee shall at least contain the following:

- (I) Basic information of the warrantee;
- (II) Information of the principal debts to be guaranteed;
- (III) Type and duration of the guarantee;
- (IV) Main terms and conditions of the guarantee agreement;
- (V) Schedule and sources of capital for repayment of the guaranteed debts by the warrantee; and
- (VI) The counter guarantee plans.

Article 12 Relevant materials to be attached to the application for guarantee provided by the warrantee shall include:

- (I) A copy of the business license of the warrantee as an enterprise legal person that has passed the latest annual inspection;
- (II) Audited financial statements of the warrantee for the previous year and the most recent period;
- (III) The principal debt contract related to the guarantee;
- (IV) The guarantee contract form provided by the creditor;
- (V) Statements indicating that there is no significant action, arbitration or administrative punishment, whether threatened or pending; and
- (VI) Other materials as deemed necessary by the Finance Department of the Company.

Article 13 After entertaining 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 a written report and deliver the same to the secretary of the Board of Directors together with copies of the application for guarantee and the attachments thereof.

Article 14 Upon receipt of the written report, application for guarantee and other relevant materials from the Finance Department, the secretary of the Board of Directors shall review their compliance and the aggregate amount of external guarantees provided.

Article 15 In case the application for guarantee is found satisfactory after the compliance review, the secretary for the Board of Directors shall make arrangements to go through the process for approval by 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 16 External guarantees to be provided that are subject to consideration and approval by the General Meeting of the Company include but not limited to the following:

- (I) Any guarantee granted after the total amount of external guarantees provided by the Company and the Subsidiaries reaches up to or exceeds 50% of the net assets most recently audited;
- (II) Guarantees of the amount aggregated over a period of twelve consecutive months exceeds 30% of the Company's total assets most recently audited;
- (III) Guarantees of the amount aggregated over a period of twelve consecutive months exceeds 50% of the Company's net assets most recently audited, with the absolute amount exceeding RMB 50 million;
- (IV) Any guarantee provided for any warrantee with a debt to assets ratio of over 70%;
- (V) A single guarantee of the amount exceeds 10% of the net assets most recently audited;
- (VI) Guarantees provided for shareholders, the actual controller or their related parties; or
- (VII) Other guarantees that are required by laws, regulations, normative documents or the Articles of Association to be considered by the General Meeting.

The total amount of external guarantees provided by the Company and the Subsidiaries as stated above refers to the sum of the total amount of external guarantees provided by the Subsidiaries and the total amount of external guarantees provided by the Company, including those provided to the Subsidiaries.

Guarantees stated in Paragraph. (II) of this article that are considered by the General Meeting shall not be approved unless more than two thirds of the voting rights held by the shareholders present at the General Meeting vote for the same.

APPENDIX VII	PROPOSED MEASURES FOR ADMINISTRATION OF THE PROVISION OF EXTERNAL GUARANTEES
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When the General Meeting considers any guarantee stated in Paragraph. (VI) of this article, the shareholder concerned or the shareholder controlled by the actual controller shall not vote on such guarantee and the guarantee shall not be approved unless more than a half of the voting rights held by the other shareholders present at the meeting vote for it.

Article 17 Guarantees subject to consideration and approval by the General Meeting shall not be submitted to the General Meeting for consideration and approval unless being approved by the Board of Directors after consideration. When the General Meeting or the Board of Directors votes on the guarantees, the shareholders or directors that have an interest therein shall avoid voting.

Article 18 All external guarantees other than those stated in Article 16 hereof shall be subject to consideration and approval by the Board of Directors.

Guarantees subject to consideration and approval by the Board of Directors require not only the approval of more than a half of all the directors, but also the approval of more than two-thirds of the directors attending the meeting of the Board of Directors.

Article 19 To improve the efficiency of decision making, the General Meeting or the Board of Directors may, at the beginning of each year and within its approval authority, consider and determine a maximum amount of guarantees to be provided between the Company the Subsidiaries or within the Subsidiaries in the year, and further authorize the Chairman of the Board of Directors or the General Manager of the Company to make decisions on and deal with specific matters related to such guarantees within the said maximum amount.

Article 20 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 analyse 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 21 The discussion held and voting made by the General Meeting or the Board of Directors with regard to guarantee-related matters shall be recorded by the secretary of the Board of Directors in detail.

Chapter V Review and Conclusion of Guarantee Contracts

Article 22 To provide external guarantees, guarantee contracts and counter guarantee contracts 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.

APPENDIX VII	PROPOSED MEASURES FOR ADMINISTRATION OF THE PROVISION OF EXTERNAL GUARANTEES
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Article 23 Before a 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 24 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 25 The Chairman of the Board of Directors or a person authorized by the Company shall sign 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, nobody shall sign any guarantee contract on behalf of the Company or its branches.

Article 26 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 27 The Finance Department of the Company shall be responsible for the daily management of external guarantees provided by the Company and centralized registration of matters related to the external guarantees provided by the Company and the subsidiaries controlled by the Company.

Article 28 The Finance Department 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 attachments thereof, the review opinions from the Finance Department, the secretary of the Board of Directors, other departments of the Company or the Board of Directors/General Meeting, and the guarantee contracts signed), 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 Company's external guarantees on a regular basis with copies to the General Manager of the Company and the secretary of the Board of Directors.

Article 29 In case any abnormal contracts that are not approved by the Board of Directors or General Meeting are identified by the Finance Department during management of the said documents, timely reports shall be submitted to the Board of Directors and the Board of Supervisors.

Article 30 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 31 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 32 The Company shall investigate the operation and credit status of the warrantee and supervise 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 financial materials and audit reports of the warrantee for the most recent period, analyse the financial status and solvency of the warrantee on a regular basis, pay attention to any changes in its production, operation, assets, liabilities, external guarantees provided to others, spin-off, consolidation or legal representative, keep relevant financial records and report to the Board of Directors on a regular basis;
- (II) In case the Designated Person finds that the operation of the warrantee deteriorates seriously or the warrantee incurs 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; and
- (III) The Finance Department shall evaluate the solvency of the warrantee in writing 15 days before the debts of the warrantee become due, and get to know 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.

Article 33 To provide a guarantee, the Company shall require the warrantee to provide a counter guarantee and the counter guarantee provider shall actually have the ability to 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.

APPENDIX VII	PROPOSED MEASURES FOR ADMINISTRATION OF THE PROVISION OF EXTERNAL GUARANTEES
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Article 34 In case the Company is a general surety, the Company shall not undertake suretyship liability towards the creditor before a dispute over the guarantee contract is tried or arbitrated and the obligations are not enforceable even after the debtor's assets have been seized according to laws.

Article 35 If the creditor does not seek to enforce the creditor's 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 36 After resolutions on guarantee-related matters are passed by the Board of Directors or the General Meeting, the secretary of the Board of Directors shall submit relevant documents to the stock exchange and disclose relevant information via the designated media in a timely manner, in accordance with laws, regulations and normative documents.

Article 37 Information related to external guarantees to be disclosed shall include but not limited to resolutions of the Board of Directors or the General Meeting, total amount of external guarantees provided by the Company and the Subsidiaries as of the date when the disclosure is made and the total amount of guarantees provided by the Company for the Subsidiaries etc.

Article 38 For any disclosed guarantees, the relevant responsible departments and persons shall notify the secretary of the Board of Directors promptly upon occurrence of any of the following cases, so that the Company can perform the obligation of information disclosure in a timely manner:

- (I) The warrantee fails to make repayment within fifteen working days after the debts become due; or
- (II) The warrantee incurs bankruptcy, liquidation or other events that have a material impact on its solvency.

Article 39 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 40 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.

APPENDIX VII	PROPOSED MEASURES FOR ADMINISTRATION OF THE PROVISION OF EXTERNAL GUARANTEES
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Article 41 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 belong 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.

Upon occurrence of the said circumstance, 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 42 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 43 These Measures shall be interpreted by the Board of Directors and shall not be modified unless modifications are proposed by the Board of Directors and approved by the General Meeting after consideration.

Article 44 These Measures shall be implemented as of the date of approval by the General Meeting of the Company after consideration. Provisions of these Measures applicable to A-share listed companies only shall be implemented after the RMB ordinary shares (A-share) of the Company is listed upon the initial public offering.

**BEIJING CAPITAL LAND LTD.
MEASURES FOR ADMINISTRATION OF EXTERNAL INVESTMENT
(REFERRED TO AS RULES ON INVESTMENTS MANAGEMENT
IN THE ANNOUNCEMENT)**

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, 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 refers to all kinds of investment made by the Company by using a certain amount of monetary capital, equity or evaluated physical or intangible assets, in order to obtain proceeds in the future, including equity investment, trustee investment, entrusted loans, financial assets held for investment and trading, and financial assets available for sale 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”). The Subsidiaries shall inform the Company promptly after relevant resolutions are passed at the meetings of their boards of directors or general meetings/assemblies of shareholders, in order for the Company to perform the obligations related to disclosure of relevant information.

In the event that the business or investment activities of a company in which the Company has an interest may have a significant impact on the transaction prices of the Company’s shares or its derivatives, the Company shall perform the obligation of information disclosure by reference to the regulations herein.

Chapter II Decision-making Procedures and Disclosure Obligations

Article 4 The external investment made by the Company meeting any of the following standards shall be submitted to the General Meeting for consideration after being approved by the Board of Directors and shall be disclosed in a timely manner:

- (I) The total assets (the higher of the book value and assessed value, if both exist, shall be used as the basis for calculation) involved in the transaction account for more than 50% of the total assets of the Company most recently audited;

- (II) Operating income related to the subject matter of the transaction (for instance, equity interests) for the most recent financial year accounts for more than 50% of the audited operating income of the Company for the same period, with the absolute amount of the income exceeding RMB 50 million;
- (III) Net profit related to the subject matter of the transaction (for instance, equity interests) for the most recent financial year accounts for more than 50% of the audited net profit of the Company for the same period, with the absolute amount of the net profit exceeding RMB 5 million;
- (IV) The amount (including the debts and expenses incurred) of the transaction accounts for more than 50% of the Company's net assets most recently audited with the absolute amount exceeding RMB 5 million;
- (V) Profit derived from the transaction accounts for more than 50% of the audited net profit of the Company for the most recent financial year, with the absolute amount of the profit exceeding RMB 5 million; or
- (VI) Other investment that is required to be subject to the consideration by the General Meeting by laws, regulations, normative documents, rules of the stock exchange or the Articles of Association.

Article 5 The external investment made by the Company meeting any of the following standards shall be subject to consideration and approval by the Board of Directors and shall be disclosed in a timely manner:

- (I) The amount (including the debts and expenses incurred) of the investment made by the Company accounts for more than 10% of the Company's net assets most recently audited;
- (II) The assessed value, audited value or book value, whichever is higher, of the assets disposed of by the Company for external investment purpose accounts for more than 10% of the Company's net assets most recently audited; or
- (III) Other external investment that is not required, by laws, regulations, normative documents, rules of the stock exchange or the Articles of Association, to be submitted to the General Meeting for approval or submitted to the general manager for approval based on explicit authorization.

Article 6 Securities investment, trustee investment or derivatives investment to be made by the Company shall be subject to consideration and approval by the Board of Directors or the General Meeting of the Company and such approval authority shall not be delegated to any individual director or the management of the Company.

Business and investment transactions other than those meeting the standards stated herein and subject to consideration and approval by the General Meeting or the Board of Directors shall be submitted to the general manager of the Company for consideration and approval.

Article 7 The indicators involved in the decision-making procedures stated herein shall be calculated in accordance with the applicable regulations of the stock exchange.

Article 8 Where the subject matter of any significant business or investment transaction that is required by these Measures to be submitted to the General Meeting for consideration is equity, the Company shall engage an accounting firm with the qualifications for practice in securities or futures-related business to audit the financial accounting reports of the subject matter for the most recent year and period, and the period between the base date for audit and the date of the General Meeting where the transaction is to be considered shall not exceed 6 months; where the subject matter is an asset other than equity, the Company shall engage an asset appraisal institution with the qualifications for practice in securities or futures-related business to appraise the asset and the period between the base date for appraisal and the date of the General Meeting where the transaction is to be considered shall not exceed 1 year.

For significant business or investment transactions other than those required by these Measures to be submitted to the General Meeting for consideration, the Company shall also engage a relevant accounting firm or asset appraisal institution for audit or appraisal according to the preceding paragraph, if deemed necessary by the stock exchange.

Article 9 In case of significant external investment projects, the Company shall make arrangements for relevant experts and professionals to evaluate the feasibility thereof.

Article 10 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 11 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 have different provisions, provisions of the Measures for Administration of Related Party Transactions shall govern.

Chapter III Exemption

Article 12 Where a business or investment transaction of the Company meets only the standard stated in Para. (III) or (V) of Article V of these Measures, and the absolute value of earnings per share of the Company in the most recent financial year is less than RMB 0.05, the Company may apply to the stock exchange for exemption from the consideration by the General Meeting.

Article 13 The business or investment transactions between the Company and the Subsidiaries included in the consolidated financial statements or otherwise within such Subsidiaries are exempt from the disclosure and relevant procedures stated herein, unless otherwise required by the China Securities Regulatory Commission or the stock exchange.

Chapter IV Implementation of Decisions

Article 14 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, or based on the significant business or investment decisions made by the General Manager according to these Measures, the Chairman of the Board of Directors or the General Manager upon authorization of the Chairman of the Board of Directors shall sign relevant documents or agreements.
- (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 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 and sign a project responsibility contract with the project manager (or responsible person). The project manager (or responsible person) shall provide regular written update on the progress of the project to the finance department of the Company and accept audit with regard to income and expenses etc.
- (IV) The Financial Controller of the Company shall prepare supporting capital plans and allocate the capital in a proper manner in accordance with the project implementation plans, steps and measures prepared by the relevant implementation department, to make for smooth implementation of the project decisions.
- (V) The Risk Control Center of the Company shall cause auditors to carry out regular internal audit with regard to the income and expenses of the project and offer written opinions to the Finance Department.
- (VI) The Strategy Committee of the Board of Directors (hereinafter referred to as the "Strategy Committee") shall supervise the implementation of the project and shall report to the Board of Directors in a timely manner in case anything abnormal is found.

- (VII) The Board of Supervisors shall supervise the whole process of the project within its authority and may directly report to the General Meeting if it deems necessary.
- (VIII) For fixed asset (including basic construction and technical revamp) investment projects, the open bid system shall be firmly implemented: open bidding shall be carried out in accordance with the procedures specified by relevant national regulations and experts shall be selected to strictly evaluate the bidders and their bids; written contracts shall be executed with the winning bidder and the Company shall cause relevant departments or designated personnel to assist the project supervision company in the follow-up of the management and supervision of the project and provide a regular update on the project; upon completion of the project, the Company shall have relevant departments to carry out inspection in strict accordance with the national regulations and the provisions of the construction contract for the project and audit the final accounts of the project.
- (IX) Upon completion of the significant business or investment project, the project team shall submit the investment settlement report, completion acceptance report and other settlement documents for the project to the Finance Department and make an application for review and settlement. Such documents shall be further submitted to the General Manager for consideration and approval after being reviewed by the Finance Department. The investment settlement and implementation information approved after consideration shall be reported by the General Manager to the Board of Directors or up to the General Meeting, depending on the approval authority related to the investment project, and shall be delivered to the Finance Department for filing.

Chapter V Internal Control

Article 15 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 16 To make 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 further 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 17 The Board of Directors shall designate a person to follow up the progress and safety conditions of the trustee investment. Anything abnormal shall be reported in a timely manner, so that the Board of Directors can take immediate and effective measures to withdraw the money to avoid or reduce losses of the Company.

Chapter VI Supplementary Provisions

Article 18 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 19 These Measures shall be interpreted by the Board of Directors and shall not be modified unless modifications are proposed by the Board of Directors and approved by the General Meeting after consideration.

Article 20 These Measures shall be implemented as of the date of approval by the General Meeting of the Company after consideration. Provisions of these Measures applicable to A-share listed companies only shall be implemented after the RMB common stock (A-share) of the Company is listed upon the initial public offering.

**BEIJING CAPITAL LAND LTD.
MEASURES FOR ADMINISTRATION OF RAISED FUNDS**

Chapter I General Provisions

Article 1 These measures (hereinafter referred to as these “Measures”) are hereby formulated to enhance the management of funds raised by Beijing Capital Land Ltd. (hereinafter referred to as the “Company”), to regulate the application of such funds and to duly protect the interests of the investors, in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Administrative Measures for the Issuance of Securities by Listed Companies, the No.2 Guidance on Supervising Listed Companies – Requirements on Supervising the Management and Application of Funds Raised by Listed Companies and other applicable laws, administrative regulations, departmental rules 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 For the purpose of these Measures, funds raised refer to the capital raised by the Company for specific purposes within China (excluding Hong Kong, Macau and Taiwan) from investors by issuing securities through public offering (including initial public offering, share allotment, secondary public offering, or issuing convertible bonds or bonds with warrants etc.) or private placement, excluding the capital raised by the Company through equity incentive plans.

Article 3 The Company shall use the funds raised in a prudent manner and ensure that the funds raised are used in compliance with statements in the prospectus or fund raising instructions. The Company shall not change the purpose of the raised funds arbitrarily. Detailed plans for fund use shall be prepared by the Board of Directors of the Company, in order to ensure that the funds are used in a proper, open and transparent manner.

Article 4 The Board of Directors shall disclose the actual application of the funds raised in a true, accurate and complete manner in accordance with the Company Law, the Securities Law and other applicable laws, administrative regulations, departmental rules and normative documents. In addition, an accounting firm shall be engaged by the Board of Directors during annual audits to verify the storage and use of the funds raised.

Article 5 In case the funds raised are used in violation of national laws, administrative regulations, departmental rules, normative documents or the Articles of Association, causing losses to the Company, the responsible persons in question shall be held liable for civil compensation.

Article 6 In case the projects where the raised funds are applied are carried out through subsidiaries of the Company or other enterprises controlled by the Company, these Measures shall be followed by such subsidiaries or controlled enterprises mutatis mutandis.

Chapter II Storage of Raised Funds

Article 7 The funds raised by the Company shall be deposited into a special account opened by the Board of Directors (hereinafter referred to as “Special Account for Raised Funds”) for centralized management. Capital other than raised funds shall not be deposited into the Special Accounts for Raised Funds and the Special Accounts for Raised Funds shall not be used for other purpose. Generally, the number of Special Accounts for Raised Funds (including the special accounts opened by the subsidiaries of the Company or other enterprises controlled by the Company) shall not exceed the number of projects where the funds raised are applied. In case the Company raises funds more than twice, separate Special Accounts for Raised Funds shall be opened.

In case the Company intends to increase the number of Special Accounts for Raised Funds due to the reason that there are few investment projects etc., a written application shall be made to the stock exchange in advance and consent of the stock exchange shall be obtained.

Article 8 Within 1 month after receipt of the fund raised, a tripartite agreement (hereinafter referred to as the “Agreement”) for supervision of deposits in the Special Accounts for Raised Funds shall be made and entered into by the Company, the sponsor and the commercial bank where the fund raised are deposited (hereinafter referred to as the “Commercial Bank”). The Agreement shall contain at least the following:

- (I) The Company shall deposit the funds raised into the special account in a concentrate manner;
- (II) The account number of the Special Account for Raised Funds, the investment projects in connection with such special account and the amounts deposited into such special account;
- (III) The Company shall promptly notify the sponsor if the amount of a single withdrawal or withdrawals in aggregate in a 12-month period made by the Company from the special account exceeds RMB 50 million or 20% of the net value of the total funds raised after deduction of the issuance expenses (hereinafter referred to as the “Net Value of Raised Funds”);
- (IV) Bank statements shall be issued by the Commercial Bank to the Company on a monthly basis with the sponsor being copied;
- (V) The sponsor may check the information of the special account at the Commercial Bank at any time; and
- (VI) The rights, obligations and liabilities for breach of the Company, the Commercial Bank and the sponsor.

The Company may terminate the Agreement and cancel the Special Account for Raised Funds concerned in the event that the Commercial Bank fails to issue bank statements to the sponsor or notify any deposit into/withdrawal from the special account involving a large amount in a timely manner for three times, or fails to assist the sponsor in checking and reviewing the information of the special account.

The Agreement shall be reported by the Company to the stock exchange for filing and announced by the Company within 2 trading days after the execution thereof. In case of early termination of the Agreement due to any changes in the sponsor or Commercial Bank or other reasons, the Company shall execute a new agreement with the parties concerned within 2 weeks after the Agreement is terminated and shall report the new agreement to the stock exchange for filing and announce the same within 2 trading days after the execution thereof.

Article 9 In case the sponsor finds that the Company or the Commercial Bank fails to perform the Agreement as agreed, the sponsor shall report in writing to the stock exchange promptly upon its knowledge of the relevant fact.

Chapter III Application and Management of the Funds Raised

Article 10 The Company shall use the funds raised pursuant to the raised funds investment plan indicated in the application for issuance. The Company shall make a timely announcement upon occurrence of any circumstances that materially affect the proper implementation of the raised funds investment plan.

Article 11 In case an investment project where the raised funds are applied (hereinafter referred to as "Investment Project") incurs the following, the Company shall check the feasibility and expected earnings of the Investment Project again, decide whether to continue such project and further disclose in the following regular report the progress of such project, reasons for the abnormal circumstances and the Investment Project, if any, after adjustment:

- (I) The market environment related to the Investment Project has greatly changed;
- (II) The Investment Project has been shelved for more than 1 year;
- (III) The deadline for completion of the raised funds investment plan has passed and the amount of funds invested fails to reach up to 50% of the amount contemplated in the plan; or
- (IV) The Investment Project incurs other abnormal circumstances.

APPENDIX IX PROPOSED MEASURES FOR ADMINISTRATION OF RAISED FUNDS

Article 12 Generally, the funds raised by the Company shall be used for the primary business and the following acts are prohibited during the Company's use of the raised funds:

- (I) The Investment Project is such financial investment as holding financial assets held for trading or financial assets available for sale, lending money to others or trustee investment etc., or investment is made directly or indirectly in companies the primary business of which is purchasing and selling negotiable securities;
- (II) The purpose of the funds raised is changed in the disguised form through pledge, entrusted loans or other methods;
- (III) The funds raised are occupied or embezzled by the controlling shareholder, actual controller or other related parties to obtain improper advantages for the benefit of the related parties by using the Investment Projects; or
- (IV) Other acts that are in violation of the regulations on management of the funds raised.

Article 13 In case the Company invests in the Investment Project in advance by using its own funds, the Company may replace such funds with the funds raised within 6 months after the receipt of the funds raised. Subject to consideration and approval by the Board of Directors of the Company, such replacement shall be reported to the stock exchange and announced within 2 trading days after the meeting of the Board of Directors concerned, to the extent that a verification report is issued by an accounting firm and independent directors, the Board of Supervisors and the sponsor offer explicit opinions indicating their approval of the same.

Article 14 Funds raised that are not currently being used may be subject to cash management and the products invested in must meet the following conditions:

- (I) High security, satisfying the break-even requirements and the product issuer can give a promise about break-even; and
- (II) High liquidity, without affecting the proper implementation of the raised funds investment plans.

The investment products shall not be pledged. Only raised funds can be deposited in the special settlement account for the products (if applicable) and such account shall not be used for other purposes. In case the Company opens or cancels a special settlement account for products, such opening or cancellation shall be reported to the stock exchange for filing and announced by the Company within 2 trading days.

APPENDIX IX PROPOSED MEASURES FOR ADMINISTRATION OF RAISED FUNDS

Article 15 The raised funds unused shall not be used to invest in any products unless such investment is approved by the Board of Directors of the Company after consideration and independent directors, the Board of Supervisors and the sponsor offer explicit opinions indicating their approval of the same, in which case, the following shall be announced within 2 trading days after the meeting of the Board of Directors concerned:

- (I) Basic information of the raised funds concerned, including the time of financing, amount raised, the Net Value of Raised Funds and the investment plans etc.;
- (II) Application of the raised funds;
- (III) The amount and term of the product to be invested in, whether the purpose of the funds raised is changed in the disguised form, and measures adopted for ensuring the proper implementation of the investment projects;
- (IV) Profit distribution methods, scope of investment and security of the investment product; and
- (V) Opinions offered by independent directors, the Board of Supervisors and the sponsor.

Article 16 The Company may use the raised funds unused to supplement the working capital on a temporary basis, to the extent that such use is approved by the Board of Directors after consideration and independent directors, the Board of Supervisors and the sponsor offer explicit opinions indicating their approval of the same, in which case, an announcement shall be made within 2 trading days after the meeting of the Board of Directors concerned, provided that:

- (I) The purpose of the funds raised shall not be changed in the disguised form and proper implementation of the raised funds investment plan shall not be affected;
- (II) The funds shall only be used for production and operation related to the primary business and shall not be used directly or indirectly for placement or subscription of new shares, or used in transactions in shares or its derivatives or convertible corporate bonds;
- (III) The time for each supplement to the working capital shall not exceed 12 months; and
- (IV) The funds raised previously used to supplement the working capital on a temporary basis (if applicable) have been returned within due time.

The Company shall return the funds used to supplement the working capital to the Special Account for Raised Funds before the due date and report the same to the stock exchange and make announcements within 2 trading days after the funds are returned in full.

APPENDIX IX PROPOSED MEASURES FOR ADMINISTRATION OF RAISED FUNDS

Article 17 The actual Net Value of Raised Funds in excess of the amount that is planned to be raised (hereinafter referred to as the “Excessive Funds”) may be used to supplement the working capital on a permanent basis or used to repay the bank loans, provided that the amount used in aggregate in each 12-month period shall not exceed 30% of the total Excessive Funds and the Company shall undertake not to make any investment of high risks or provide any financial assistance to others within 12 months after the working capital is supplemented.

Article 18 The Excessive Funds shall not be used to supplement the working capital on a permanent basis or used to repay the bank loans unless it is approved by the Board of Directors and the General Meeting of the Company after respective consideration (online voting shall be made available to the shareholders), in addition to explicit opinions offered by independent directors, the Board of Supervisors and the sponsor indicating their approval of the same. Within 2 trading days after the meeting of the Board of Directors concerned, the Company shall notify the stock exchange and announce the following:

- (I) Basic information of the raised funds concerned, including the time of financing, amount raised, the Net Value of Raised Funds, the Excessive Funds and the investment plans etc.;
- (II) Application of the raised funds;
- (III) The necessity to use the Excessive Funds to supplement the working capital on a permanent basis or repay the bank loans, and the detailed plans in respect thereof;
- (IV) A promise that the Company will not make any investment of high risks or provide any financial assistance to others within 12 months after the working capital is supplemented;
- (V) The impact of using the Excessive Funds to supplement the working capital on a permanent basis or repay the bank loans on the Company; and
- (VI) Opinions offered by independent directors, the Board of Supervisors and the sponsor.

Article 19 In case the Company uses the Excessive Funds in projects under construction or new projects (including acquisition of assets), the investment shall be made in the primary business, feasibility analysis shall be made with regard to the investment projects in a proper and prudent manner by reference to Article 23 to Article 27 of these Measures and timely information disclosure shall be made.

Article 20 After an Investment Project is completed, the Company shall not use the surplus funds (including the interest received) in such project for other Investment Projects, until it is approved by the Board of Directors after consideration and independent directors, the Board of Supervisors and the sponsor offer explicit opinions indicating their approval of the same. Within 2 trading days after the meeting of the Board of Directors concerned, the Company shall notify the stock exchange and make an announcement.

The Company is exempt from the procedure stated in the preceding paragraph if the amount of surplus funds (including the interest received) is less than RMB 1 million or 5% of the amount of the raised funds the Company commits to invest in the project, and the application of such surplus funds shall be disclosed in the annual reports.

In case the Company uses the surplus funds (including the interest received) in an Investment Project for purpose other than Investment Projects (including for supplementing the working capital), the procedures and disclosure obligations related to changing the Investment Project shall apply mutatis mutandis.

Article 21 In case the surplus funds (including the interest received) after all Investment Projects are completed in full account for more than 10% of the Net Value of Raised Funds, such surplus funds shall not be used by the Company until it is approved by the Board of Directors and the General Meeting after consideration and independent directors, the Board of Supervisors and the sponsor offer explicit opinions indicating their approval of the same. Within 2 trading days after the meeting of the Board of Directors concerned, the Company shall notify the stock exchange and make an announcement.

In case the surplus funds (including the interest received) account for less than 10% of the Net Value of Raised Funds, such surplus funds shall not be used until it is approved by the Board of Directors after consideration and independent directors, the Board of Supervisors and the sponsor offer explicit opinions indicating their approval of the same. Within 2 trading days after the meeting of the Board of Directors concerned, the Company shall notify the stock exchange and make an announcement.

The Company is exempt from the procedure stated in the preceding paragraph if the surplus funds (including the interest received) are less than RMB 5 million or account for less than 5% of the Net Value of Raised Funds, and the application of such surplus funds shall be disclosed in the next following regular report.

Chapter IV Changing the Purpose of the Raised Funds

Article 22 The raised funds shall be used only for purposes specified in fund raising instructions. The Investment Project shall not be changed unless it is approved by the Board of Directors and the General Meeting after consideration and independent directors, the Board of Supervisors and the sponsor offer explicit opinions indicating their approval of the same. In case the Company only changes the place where the Investment Project is carried out, approval of the Board of Directors shall be obtained and the Company shall, within 2 trading days, report to the stock exchange and announce the changes, reasons for changes, impact on implementation of the investment project and opinions from the sponsor.

Article 23 The Investment Project after change shall be investment in the primary business. The Board of Directors of the Company shall make feasibility analysis with regard to the new Investment Project in a prudent manner and make sure that such project has prospects in the market and profitability, so as to avoid investment risks in an effective manner and improve the benefits from the raised funds.

APPENDIX IX PROPOSED MEASURES FOR ADMINISTRATION OF RAISED FUNDS

Article 24 In case the Company proposes changing any Investment Project, the Company shall, within 2 trading days after the proposal is submitted to the Board of Directors for consideration, notify the stock exchange and announce the following:

- (I) Basic information of the original Investment Project and the specific reasons for such change;
- (II) Basic information of the new Investment Project, feasibility analysis and risk warnings;
- (III) The investment plans for the new Investment Project;
- (IV) Statements that the new Investment Project has obtained the approval of competent authorities or such approval remains to be obtained, if applicable;
- (V) Opinions of independent directors, the Board of Supervisors and the sponsor on changing the Investment Project;
- (VI) Statements that the change of the Investment Project still subject to further consideration of the General Meeting; and
- (VII) Other information required by the stock exchange.

In case the new Investment Project involves any related party transaction, purchase of assets or external investment, disclosure shall be made by reference to relevant rules.

Article 25 In case the Company intends to change the way of implementing the investment project to a joint venture operation, the Company shall prudently think about the necessity of joint venture after having a full understanding of the basic information of the joint venture partner and the Company shall be the controlling shareholder in order to ensure effective control over the investment project.

Article 26 Where the Company changes the purpose of the raised funds to acquiring the assets (including the equity interests) of the controlling shareholder or actual controller, the Company shall ensure that horizontal competition can be avoided and the related party transactions can be reduced effectively after such acquisition. Reasons for the transaction with the controlling shareholder or actual controller, the pricing policy and the basis for the related party transaction, the impact of the related party transaction on the Company and solutions to relevant issues shall be disclosed by the Company.

Article 27 In case the Company proposes transferring an investment project to others or replacing an investment project (except in case the investment projects are transferred to others or replaced in full during material asset restructuring of the Company), the Company shall, within 2 trading days after the proposal is approved by the Board of Directors after consideration, notify the stock exchange and announce the following:

- (I) Specific reasons for transferring or replacing the Investment Project;

- (II) The amount of raised funds input in such project;
- (III) Percentage of completion of the project and profit generated;
- (IV) Basic information of the new project after the replacement, feasibility analysis and risk warnings, if applicable;
- (V) Pricing basis for and proceeds from such transfer or replacement;
- (VI) Opinions of independent directors, the Board of Supervisors and the sponsor on transferring or replacing the Investment Project;
- (VII) Statements that the transfer or replacement of the Investment Project is subject to further consideration of the General Meeting; and
- (VIII) Other information required by the stock exchange.

The Company shall pay full attention to the payment and application of transfer price, change of the ownership of the replacing assets and continuous operation of such assets, and perform obligations of information disclosure as necessary.

Chapter V Management and Supervision of the Use of Raised Funds

Article 28 The Company shall disclose the actual use of the raised funds in a true, accurate and complete manner.

Article 29 The Board of Directors of the Company shall review the progress of Investment Projects in full on a semi-annual basis and issue a Special Report on the Storage and Actual Use of the Funds Raised by the Company (hereinafter referred to as the "Special Report") in respect of the storage and use of the raised funds.

In case the actual progress of any Investment Project is different from the investment schedule, detailed reasons shall be provided by the Company in the Special Report. In case raised funds unused are used to invest in products during a reporting period, the Company shall disclose in the Special Report the proceeds in such reporting period and the shareholdings, contracting party, product name, term and other information related to the investment as of the end of the period.

The Special Report shall be subject to consideration and approval of the Board of Directors and the Board of Supervisors and shall be reported to the stock exchange and announced within 2 trading days after being submitted to the Board of Directors for consideration. During the annual audit, the Company shall engage an accounting firm to issue a verification report in respect of the storage and use of the raised funds. Such report shall be submitted to the stock exchange at the time when the annual report is disclosed, and shall be disclosed on the website of the stock exchange at the same time.

Article 30 Independent directors, the audit committee of the Board of Directors and the Board of Supervisors shall pay continuous attention to the actual management and use of the raised funds. More than 1/2 of independent directors or members of the audit committee of the Board of Directors or the Board of Supervisors may engage an accounting firm to issue a verification report with regard to the storage and use of the raised funds. The Company shall provide active cooperation and bear necessary expenses.

The verification report stated in the preceding paragraph shall be delivered to the stock exchange and announced by the Board of Directors within 2 trading days after the receipt of the same. In case the report indicates that the raised funds of the Company are managed or used in violation of regulations, such violation, actual or potential consequences and the measures taken or to be taken shall also be announced by the Board of Directors.

Article 31 The sponsor shall make on-site investigations on the storage and the use of the funds raised by the Company at least on a semi-annual basis. After the end of each financial year, the Board of Directors of the Company shall disclose in the Special Report the conclusive opinions contained in the investigation report issued by the sponsor and the verification report issued by the accounting firm.

Chapter VI Supplementary Provisions

Article 32 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 33 These Measures shall be interpreted by the Board of Directors and shall not be modified unless modifications are proposed by the Board of Directors of the Company and approved by the General Meeting after consideration.

Article 34 These Measures shall be implemented after being considered and approved by the General Meeting of the Company, as of the date when the RMB ordinary share (A-share) of the Company is listed upon the initial public offering.

**BEIJING CAPITAL LAND LTD.
DETAILED RULES ON IMPLEMENTATION OF THE CUMULATIVE VOTING SYSTEM**

Chapter I General Provisions

Article 1 These detailed rules (hereinafter referred to as these “Rules”) are hereby formulated to regulate election of directors or supervisors by Beijing Capital Land Ltd. (hereinafter referred to as the “Company”), ensure that all shareholders of the Company can fully exercise their rights and protect the legal rights and interests of the small and medium shareholders, in accordance with the Code of Corporate Governance for Listed Companies in China and other 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 Cumulative voting system shall be adopted by the General Meeting of the Company when voting on election of more than two directors or supervisors.

The cumulative voting system as stated in the preceding paragraph refers to a method for the General Meeting to elect directors or supervisors where each valid voting share held by the shareholders shall represent the same number of votes as the total number of the directors or supervisors to be elected at the General Meeting concerned, and the total number of votes held by a shareholder is equal to the number of voting shares he/she holds multiplied by the total number of the directors or supervisors to be elected. Such votes may be cast in a concentrated manner, specifically, a shareholder may vote for a single director or supervisor candidate with all his/her votes, or may allocate his/her votes between several candidates. The elected candidates shall be determined based on the final number of votes cast for the candidates.

Article 3 These Rules are applicable to the election of the Company’s directors (including independent directors) or supervisors that are not representatives of employees. The representatives of employees in the Board of Supervisors shall be elected in a democratic manner by the Company’s employees through workers congress, assembly of workers or other means and these Rules are not applicable to such election.

Article 4 The number and structure of the directors and supervisors elected by the General Meeting shall be in compliance with the Articles of Association.

Article 5 Directors and supervisors elected by the Company under cumulative voting system do not serve for staggered terms, which means any new director or supervisor elected to fill the vacancy during the term of office shall serve for the remaining term of the current office and shall not continue to serve for the next following term of office.

Chapter II Nomination of Director or Supervisor Candidates

Article 6 The directors and supervisors of the Company shall be nominated in accordance with the Company Law, the Code of Corporate Governance for Listed Companies in China, the Rules for the General Meeting of Shareholders of Listed Companies, the listing rules of the stock exchange, the Articles of Association and other laws, regulations and internal rules of the Company. In addition, nomination of independent directors shall be consistent with the Guidance on Development of Independent Director System in Listed Companies.

Article 7 Shareholders individually or jointly holding more than 1% of the Company's shares shall have the right to nominate director or supervisor candidates. This article is also applicable to the election of independent directors, provided that independent directors shall be elected separately from other directors, to ensure the proportion of independent directors in the Board of Directors of the Company.

Article 8 The nominator shall obtain the consent of the nominee prior to nomination.

Article 9 The nominee shall provide detailed personal information to the Board of Directors of the Company, including but not limited to name, gender, age, nationality, educational background, work history, concurrent posts, relationship with the nominator and whether there is anything that makes him/her unsuitable for working as a director or supervisor.

Article 10 Before the General Meeting is held, the director or supervisor candidates shall agree in writing that the nominator may disclose their detailed personal information and warrant that the materials so disclosed are true and complete and undertake to duly perform the duties of directors or supervisors after winning the election.

Article 11 Upon receipt of the materials of the nominees, the Board of Directors of the Company shall carefully review the qualifications of such nominees in accordance with the Company Law and those who are found qualified will become candidates for the post of director or supervisor. The number of director or supervisor candidates may exceed the number of directors or supervisors specified in the Articles of Association.

Article 12 In case of a general election of the Board of Directors or the Board of Supervisors, the number of candidates shall be not less than the minimum required by laws. Where the number of directors or supervisors falls short of the minimum required by laws or 2/3 of the number specified by the Articles of Association and additional directors or supervisors are required, the number of director candidates shall be not less than the difference between the number of existing directors of the Company and the minimum required by laws or 2/3 of the number specified by the Articles of Association, while the number of supervisor candidates shall be not less than the difference between the number of existing supervisors of the Company and the minimum required by laws.

Article 13 Candidates for the post of independent director shall be nominated separately. The list of independent director candidates and the list of non-independent director candidates shall not overlap with each other in terms of the names thereon.

Chapter III Voting on and Election of Directors or Supervisors

Article 14 Before the election of more than two directors or supervisors is voted on at the General Meeting, the chairman of the meeting shall specifically notify the shareholders and proxies present at the meeting that the cumulative voting system is to be adopted. The secretary of the Board of Directors shall provide a detailed explanation and description with regard to the rules of cumulative voting and how to fill in the votes.

Article 15 Independent directors, non-independent directors and the supervisors shall be elected separately under the cumulative voting system, specifically:

- (I) The cumulative votes shall be calculated separately: the number of votes represented by each share for electing independent directors, non-independent directors and the supervisors shall be respectively equal to the number of independent directors, non-independent directors and the supervisors to be elected.
- (II) The votes shall be cast separately: the cumulative votes held by a shareholder for electing independent directors, non-independent directors or the supervisors can be used in a concentrated manner only to the extent of election of independent directors, non-independent directors or the supervisors and shall not be used for other proposals.
- (III) The voting results shall be calculated separately.

Article 16 During voting, the shareholders have the right to concentrate or allocate their cumulative votes at their own discretion while the proxies shall vote according to the instructions in the proxy letters. The voting shareholders shall indicate after the name of each director or supervisor they elect the number of votes (or voting rights) they cast.

The votes cast by each shareholder for the directors or supervisors shall not exceed the maximum votes he/she holds for election of directors or supervisors and the number of director candidates or supervisor candidates he/she votes for shall not exceed the number of directors or supervisors to be elected.

In case the total votes cast by a shareholder for several candidates exceed the cumulative votes he/she holds, his/her voting shall be invalid and he/she shall be deemed to have waived the voting rights. In case the number of director candidates or supervisor candidates a shareholder votes for exceeds the number of directors or supervisors to be elected, all votes of such shareholder shall be deemed as waived. In case the total votes cast by a shareholder for several candidates are not more than the cumulative votes he/she holds, his/her voting shall be valid and the difference between the number of cumulative votes and the number of votes actually cast shall be deemed as waived.

APPENDIX X	PROPOSED DETAILED RULES ON IMPLEMENTATION OF CUMULATIVE VOTING SYSTEM
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Article 17 The number and structure of the directors and supervisors elected by the General Meeting shall be in compliance with the Articles of Association. The elected candidates for the post of director or supervisor shall be determined based on the votes obtained. The candidates shall be ranked based on the votes obtained and the candidate with a higher number of votes wins the election, provided that the votes obtained by each candidate must reach up to more than 1/2 of the cumulative votes held by the shareholders or proxies present at the General Meeting.

Article 18 In case the number of elected candidates is less than the number of directors to be elected, but the number of directors has exceeded the number required by laws and 2/3 of the number of directors required by the Articles of Association, the vacancy shall be filled through election at the next following General Meeting.

In case the number of elected candidates is less than the number of directors or supervisors to be elected, and the number of directors or supervisors still falls short of the minimum required by laws or the number of directors still falls short of 2/3 of the number specified by the Articles of Association, the unsuccessful candidates shall participate in the second round of election.

In case the requirements in the preceding paragraph remain unsatisfied after the second round of election, another General Meeting shall be held for election within two months after the current General Meeting is closed.

Article 19 In case two or more candidates obtain the same number of votes, such candidates shall participate in the second round of election in order to determine who will be the elected candidate. In case the elected candidate cannot be determined even after the second round of election, another election shall be held at the next following General Meeting. If the number of directors is not more than 2/3 of the number specified in the Articles of Association as a result of the foregoing, another General Meeting shall be held within two months after the current General Meeting is closed, in order to elect directors to fill the vacancy.

Article 20 In case several rounds of election are held at the General Meeting, the cumulative votes held by each shareholder shall be calculated repeatedly based on the number of directors/supervisors to be elected in each round.

The secretary of the Board of Directors shall declare the cumulative votes held by each shareholder and the total cumulative votes held by the shareholders present at the meeting, before the cumulative voting in each round. In case any shareholder, independent director, supervisor or lawyer has any objections against the results declared, the results shall be reviewed immediately.

Chapter IV Supplementary Provisions

Article 21 These Rules are the elaboration on and supplementary to provisions of the Articles of Association related to the cumulative voting system. 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 22 These Rules shall be interpreted by the Board of Directors of the Company and shall not be modified unless modifications are proposed by the Board of Directors of the Company and approved by the General Meeting after consideration.

Article 23 These Rules shall be implemented after being considered and approved by the General Meeting of the Company, as of the date when the RMB ordinary share (A-share) of the Company is listed upon the initial public offering.

NOTICE OF EGM



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 Friday, 13 May 2016 at 9:00 a.m. at F17, Red Goldage, No.2, Guang Ning Bo Street, Beijing, People’s Republic of China (the “PRC”) to consider and, if thought fit, pass the following resolutions. Capitalised terms defined in the circular dated 27 April 2016 issued by the Company (the “Circular”) shall have the same meanings when used herein unless otherwise specified:

SPECIAL RESOLUTIONS

To consider and, if thought fit, pass the following resolutions as special resolutions:

1. proposal on the proposed A Share Offering;
2. proposal on the distribution plan for undistributed accumulated profit before the proposed A Share Offering;
3. proposal on granting authorisation to the Board to handle matters in relation to the proposed A Share Offering;
4. proposal on the profit distribution policy following the proposed A Share Offering;
5. the A Share price stabilisation plan for the three years following the proposed A Share Offering;
6. proposal on undertakings regarding the disclosure of information in the prospectus published in connection with the proposed A Share Offering;
7. proposal on dilution of immediate returns as a result of the proposed A Share Offering and remedial measures;
8. the proposed amendments to the Articles;
9. the proposed rules of procedure of the general meeting of Shareholders;
10. the proposed rules of procedure of meetings of Directors;
11. the proposed rules of procedure of meetings of supervisors;

NOTICE OF EGM

ORDINARY RESOLUTIONS

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

1. proposal on the use of proceeds of the proposed A Share Offering and the feasibility analysis;
2. proposal on the dividend return plan for the three years following the proposed A Share Offering;
3. the report on the use of proceeds from previous fund raising activities;
4. the self-assessment report on the Company's property development business and related undertakings;
5. the appointment of the auditors for the proposed A Share Offering;
6. the proposed work instructions for independent Directors;
7. the proposed measures for administration of related party transactions;
8. the proposed measures for administration of the provision of external guarantees;
9. the proposed measures for administration of external investment (referred to as rules on investments management in the Announcement);
10. the proposed measures for administration of raised funds; and
11. the proposed detailed rules on implementation of cumulative voting system.

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

Hong Kong, 27 April 2016

NOTICE OF EGM

Notes:

(1) Voting arrangements

Special resolutions no.s 1, 2, 3, 5, 6 and 7 above are also subject to the approval by the holders of H Shares by way of special resolution at the separate class meeting of the H Shareholders to be held on Friday, 13 May 2016 at 9:30 a.m. (or immediately after the conclusion of the EGM) and holders of Domestic Shares and Non-H Foreign Shares by way of special resolution at the separate class meeting of the Domestic Shareholders and Non-H Foreign Shareholders to be held on Friday, 13 May 2016 at 10:00 a.m. (or immediately after the conclusion of the H Share Class Meeting).

(2) 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 Thursday, 5 May 2016.

(3) 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 holder 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, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by such time.
- iii. Shareholders or their proxies shall produce their identification documents when attending the EGM.

(4) 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 2906-08, AIA Central,
1 Connaught Road Central,
Hong Kong

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

NOTICE OF EGM

The Board as of the date of this circular comprises Mr. Wang Hao (Chairman), Mr. Tang Jun (President) and Mr. Zhang Shengli who are the Executive Directors, Mr. Li Songping, Mr. Song Fengjing and Mr. Shen Jianping who are the Non-Executive Directors, Mr. Ng Yuk Keung, Mr. Wang Hong and Mr. Li Wang who are the Independent Non-Executive Directors.

NOTICE OF THE H SHARE CLASS MEETING



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 H SHARE CLASS MEETING

NOTICE IS HEREBY GIVEN that an H shareholders class meeting (the "H Share Class Meeting") of Beijing Capital Land Ltd. (the "Company") will be held on Friday, 13 May 2016 at 9:30 a.m. (or immediately after the conclusion of the extraordinary general meeting (the "EGM")) at F17, Red Goldage, No.2, Guang Ning Bo Street, Beijing, People's Republic of China (the "PRC") to consider and, if thought fit, pass the following resolutions. Capitalised terms defined in the circular dated 27 April 2016 issued by the Company (the "Circular") shall have the same meanings when used herein unless otherwise specified:

SPECIAL RESOLUTIONS

To consider and, if thought fit, pass the following resolutions as special resolutions:

1. proposal on the proposed A Share Offering;
2. proposal on the distribution plan for undistributed accumulated profit before the proposed A Share Offering;
3. proposal on granting authorisation to the Board to handle matters in relation to the proposed A Share Offering;
4. the A Share price stabilisation plan for the three years following the proposed A Share Offering;
5. proposal on undertakings regarding the disclosure of information in the prospectus published in connection with the proposed A Share Offering; and
6. proposal on dilution of immediate returns as a result of the proposed A Share Offering and remedial measures.

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

Hong Kong, 27 April 2016

NOTICE OF THE H SHARE CLASS MEETING

Notes:

(1) Voting arrangements

Special resolutions no.s 1 to 6 above (inclusive) are also subject to the approval by the Shareholders by way of special resolution at the EGM to be held on Friday, 13 May 2016 at 9:00 a.m. and holders of Domestic Shares and Non-H Foreign Shares by way of special resolution at the separate class meeting of the Domestic Shareholders and Non-H Foreign Shareholders to be held on Friday, 13 May 2016 at 10:00 a.m. (or immediately after the conclusion of the H Share Class Meeting).

(2) Registration procedures for the H Share Class Meeting

Shareholders who intend to attend the H Share Class Meeting 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 Thursday, 5 May 2016.

(3) Proxy

- i. Any Shareholder entitled to attend and vote at the H Share Class Meeting 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 holder of H Shares at the place of business of the Company in Hong Kong or to the H Share registrar of the Company not less than 24 hours before the time for holding of the H Share Class Meeting. The H Share registrar of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- iii. Shareholders or their proxies shall produce their identification documents when attending the H Share Class Meeting.

(4) Miscellaneous

- i. The duration of the H Share Class Meeting is expected not to exceed half a day. Shareholders who attend the H Share Class Meeting shall arrange for their own transportation and accommodation at their own expenses.
- ii. All voting at the H Share Class Meeting 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:

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1 Connaught Road Central,
Hong Kong

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

NOTICE OF THE H SHARE CLASS MEETING

The Board as of the date of this circular comprises Mr. Wang Hao (Chairman), Mr. Tang Jun (President) and Mr. Zhang Shengli who are the Executive Directors, Mr. Li Songping, Mr. Song Fengjing and Mr. Shen Jianping who are the Non-Executive Directors, Mr. Ng Yuk Keung, Mr. Wang Hong and Mr. Li Wang who are the Independent Non-Executive Directors.

NOTICE OF THE DOMESTIC SHARE CLASS MEETING



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 DOMESTIC SHARE CLASS MEETING

NOTICE IS HEREBY GIVEN that a domestic and non-H foreign shareholders class meeting (the "Domestic Share Class Meeting") of Beijing Capital Land Ltd. (the "Company") will be held on Friday, 13 May 2016 at 10:00 a.m. (or immediately after the conclusion of the H share class meeting (the "H Share Class Meeting")) at F17, Red Goldage, No.2, Guang Ning Bo Street, Beijing, People's Republic of China (the "PRC") to consider and, if thought fit, pass the following resolutions. Capitalised terms defined in the circular dated 27 April 2016 issued by the Company (the "Circular") shall have the same meanings when used herein unless otherwise specified:

SPECIAL RESOLUTIONS

To consider and, if thought fit, pass the following resolutions as special resolutions:

1. proposal on the proposed A Share Offering;
2. proposal on the distribution plan for undistributed accumulated profit before the proposed A Share Offering;
3. proposal on granting authorisation to the Board to handle matters in relation to the proposed A Share Offering;
4. the A Share price stabilisation plan for the three years following the proposed A Share Offering;
5. proposal on undertakings regarding the disclosure of information in the prospectus published in connection with the proposed A Share Offering; and
6. proposal on dilution of immediate returns as a result of the proposed A Share Offering and remedial measures.

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

Hong Kong, 27 April 2016

NOTICE OF THE DOMESTIC SHARE CLASS MEETING

Notes:

(1) Voting arrangements

Special resolutions nos 1 to 6 above (inclusive) are also subject to the approval by the Shareholder by way of special resolution at the EGM to be held on Friday, 13 May 2016 at 9:00 a.m. and holders of H Shares by way of special resolution at the separate class meeting of the H Shareholders to be held on Friday, 13 May 2016 at 9:30 a.m. (or immediately after the conclusion of the EGM).

(2) Registration procedures for the Domestic Share Class Meeting

Shareholders who intend to attend the Domestic Share Class Meeting 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 Thursday, 5 May 2016.

(3) Proxy

- i. Any Shareholder entitled to attend and vote at the Domestic Share Class Meeting 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 promoter 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 Domestic Share Class Meeting.
- iii. Shareholders or their proxies shall produce their identification documents when attending the Domestic Share Class Meeting.

(4) Miscellaneous

- i. The duration of the Domestic Share Class Meeting is expected not to exceed half a day. Shareholders who attend the Domestic Share Class Meeting shall arrange for their own transportation and accommodation at their own expenses.
- ii. All voting at the Domestic Share Class Meeting 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 2906-08, AIA Central,
1 Connaught Road Central,
Hong Kong

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

NOTICE OF THE DOMESTIC SHARE CLASS MEETING

The Board as of the date of this circular comprises Mr. Wang Hao (Chairman), Mr. Tang Jun (President) and Mr. Zhang Shengli who are the Executive Directors, Mr. Li Songping, Mr. Song Fengjing and Mr. Shen Jianping who are the Non-Executive Directors, Mr. Ng Yuk Keung, Mr. Wang Hong and Mr. Li Wang who are the Independent Non-Executive Directors.