

EXECUTION VERSION

ROSY CAPITAL GLOBAL LIMITED  
(美京環球有限公司)

BEIJING CAPITAL JUDA LIMITED  
(首創鉅大有限公司)

BEIJING CAPITAL GROUP CO., LTD.  
(北京首都創業集團有限公司)

ABCI CAPITAL LIMITED

BANK OF CHINA (HONG KONG) LIMITED

CHINA CONSTRUCTION BANK CORPORATION, SINGAPORE BRANCH

DBS BANK LTD.

AND

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED

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SUBSCRIPTION AGREEMENT  
RELATING TO  
CNY1,300,000,000 5.25 PER CENT. GUARANTEED  
NOTES DUE 2018

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**THIS AGREEMENT** is made on 23 July 2015

**BETWEEN**

- (1) **ROSY CAPITAL GLOBAL LIMITED** (美京環球有限公司) (the "**Issuer**");
- (2) **BEIJING CAPITAL JUDA LIMITED** (首創鉅大有限公司) (the "**Guarantor**");
- (3) **BEIJING CAPITAL GROUP CO., LTD.** (北京首都創業集團有限公司) (the "**Company**"); and
- (4) **ABCI CAPITAL LIMITED, BANK OF CHINA (HONG KONG) LIMITED, CHINA CONSTRUCTION BANK CORPORATION, SINGAPORE BRANCH, DBS BANK LTD. and THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED** (together, the "**Joint Lead Managers**" and each a "**Joint Lead Manager**").

**WHEREAS**

- (A) The Issuer is a company incorporated in the British Virgin Islands and is a direct wholly-owned Subsidiary of the Guarantor, which is in turn an indirect Subsidiary of the Company.
- (B) The Issuer has authorised the creation and issue of CNY1,300,000,000 in aggregate principal amount of 5.25 per cent. guaranteed notes due 2018 (the "**Notes**"), which will be guaranteed (the "**Guarantee of the Notes**") by the Guarantor pursuant to the Trust Deed (as defined below).
- (C) The Company has authorised its entry into (1) a keepwell and liquidity support deed (the "**Keepwell and Liquidity Support Deed**") dated on or about 30 July 2015 with the Issuer, the Guarantor and The Hongkong and Shanghai Banking Corporation Limited (the "**Trustee**") as trustee for the holders of the Notes; and (2) a deed of equity interest purchase undertaking (the "**Deed of Equity Interest Purchase Undertaking**") dated on or about 30 July 2015 with the Issuer, the Guarantor and the Trustee.
- (D) The Notes will be in registered form and in the denomination of CNY1,000,000 each and integral multiples of CNY10,000 in excess thereof. The Notes will be represented by a global note certificate (the "**Global Note Certificate**"), which will be exchangeable for individual note certificates (together with the Global Note Certificate, the "**Note Certificates**") in the circumstances specified in the Global Note Certificate.
- (E) The Notes will be offered and sold outside the United States in reliance on Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended (the "**Securities Act**").
- (F) The Notes will be constituted by a trust deed (the "**Trust Deed**") to be entered into between the Issuer, the Guarantor, the Company and the Trustee, to which will be scheduled the form of the Note Certificates.

- (G) The Notes will be the subject of an agency agreement (the "**Agency Agreement**") between the Issuer, the Guarantor, the Company, The Hongkong and Shanghai Banking Corporation Limited as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes) and as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), the transfer agents named therein (the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes), the paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the Trustee, a draft of which is in the agreed form.

**IT IS AGREED** as follows:

1. **INTERPRETATION**

1.1 **Definitions**

In this Agreement the following expressions have the following meanings:

"**Billing and Delivery Agent**" means The Hongkong and Shanghai Banking Corporation Limited;

"**business day**" means any day (other than a Saturday and a Sunday) on which (a) if the Notes are lodged with the CMU, the CMU is operating and (b) if on that day a payment is to be made, commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments;

"**Closing Date**" means, subject to Clause 9.3 (*Postponed closing*), 30 July 2015;

"**CMU**" means the Central Moneymarkets Unit service operated by the Hong Kong Monetary Authority;

"**CMU Main Account**" means an account, other than a custody account, within the CMU of a person who has entered into an appropriate membership agreement with the Hong Kong Monetary Authority;

"**CNY**", "**Renminbi**" or "**RMB**" means the lawful currency of the PRC;

"**Conditions**" means the terms and conditions of the Notes as scheduled to the agreed form of the Trust Deed as the same may be modified prior to the Closing Date, and any reference to a numbered "**Condition**" is to the correspondingly numbered provision thereof;

"**Enlarged Group**" means the Guarantor Group and the Targer Group;

"**Event of Default**" means one of those circumstances described in Condition 8 (*Events of Default*);

"**Fee Letters**" means the fee letters to be entered into between the Issuer and Joint Lead Managers (individually or collectively) on or before the Closing Date setting out

the commission to be paid to each Joint Lead Manager pursuant to Clause 7 (*Fees and Expenses*), which shall supplement, and upon execution, be read together with and form a part of, this Agreement;

**"Final Offering Circular"** means the final offering circular dated the date of this Agreement prepared in connection with the issue of the Notes;

**"Guarantor Group"** means the Guarantor and its Subsidiaries as of 31 December 2014, taken as a whole;

**"Group"** means the Company and its Subsidiaries, taken as a whole;

**"Hong Kong"** means the Hong Kong Special Administrative Region of the PRC;

**"Issue"** means the issue of the Notes by the Issuer;

**"Issue Documents"** means this Agreement, the Trust Deed, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking and the Agency Agreement;

**"Issue Price"** means 100.00 per cent. of the aggregate principal amount of the Notes;

**"Listed Subsidiaries"** means any Subsidiary of the Company whose ordinary shares are listed on any recognised stock exchange and any Subsidiary of such listed Subsidiary;

**"Macau"** means the Macau Special Administrative Region of the PRC;

**"Marketing and Roadshow Materials"** means the materials supplied or disclosed in writing or orally, including but not limited to, the answers and documents furnished at investor roadshows relating to the Notes between 20 July 2015 and 23 July 2015 (both dates inclusive) and any other material approved by the Issuer, the Guarantor and/or the Company (including any electronic roadshow materials and any new or additional information serving to update or amend such information supplied or disclosed by the Issuer, the Guarantor or the Company to investors) in connection with the issue, offering, sale, marketing or distribution of the Notes;

**"Material Adverse Effect"** means a material adverse effect on the condition (financial or otherwise), prospects, results of operations, profitability, business, properties or general affairs of the Issuer, the Company, the Guarantor or the Group or which could adversely affect the ability of the Issuer, the Guarantor or the Company to perform their respective obligations under the relevant Issue Documents or (in the case of the Issuer) the Notes or an effect which are otherwise material in the context of the issue, offering, sale, marketing or distribution of the Notes;

**"Non-Listed Subsidiary"** means any Subsidiary of the Company, except for any Subsidiary whose ordinary shares are listed on any recognised stock exchange or any Subsidiary of such listed Subsidiary;

**"Offering Circulars"** means the Preliminary Offering Circular and the Final Offering Circular;

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**PRC**" means the People's Republic of China, which, for the purpose of this Agreement, shall not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;

"**Preliminary Offering Circular**" means the preliminary offering circular dated 20 July 2015, and as further amended or supplemented from time to time, prepared in connection with the Issue;

"**Related Party**" means, in respect of any person, any affiliate of that person or any officer, director, employee or agent of that person or any such affiliate or any person by whom any of them is controlled (where the terms "affiliate" and "controlled" have meanings given to them by the Securities Act and the regulations thereunder);

"**RMB**" means the lawful currency of the PRC;

"**Securities Act**" means the United States Securities Act of 1933, as amended;

"**SEHK**" means The Stock Exchange of Hong Kong Limited;

"**Stabilising Manager**" means The Hongkong and Shanghai Banking Corporation Limited or any of its affiliates acting as a stabilising manager;

"**Subsidiary**" means, in relation to any Person (the "**first Person**") at any particular time, any other Person (the "**second Person**"):

- (a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

"**Target Company**" means Xi'an Capital Xin Kai Real Estate Ltd., a company established in the PRC with limited liability;

"**Target Group**" means the Target Company and Xi'an Hengfu;

"**Terms and Conditions**" means means the terms and conditions of the Notes as scheduled to the agreed form of the Trust Deed as the same may be modified prior to the Closing Date;

"**Xi'an Hengfu**" means Xi'an Hengfu Commercial and Enterprise Management Company Limited, a company established in the PRC with limited liability and wholly-owned by the Target Company; and

"**U.S.\$**" or "**U.S. dollars**" mean the lawful currency of the United States of America.

## 1.2 **Clauses and Schedules**

Any reference in this Agreement to a Clause, a sub-clause or a Schedule is, unless otherwise stated, to a clause or sub-clause hereof or a schedule hereto.

## 1.3 **Legislation**

Any reference in this Agreement to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

## 1.4 **Headings**

Headings and sub-headings are for ease of reference only and shall not affect the construction of this Agreement.

## 1.5 **Agreed Form**

Any reference herein to a document being in "**agreed form**" means that the document in question has been agreed between the proposed parties thereto, subject to any amendments that the parties may agree upon on or prior to the Closing Date.

## 1.6 **Several Liability and Rights**

Any provision of this Agreement which is expressed to bind more than one of the Joint Lead Managers shall, save where expressly stated to be otherwise, bind each of them severally (and not jointly and severally). For the avoidance of doubt, each Joint Lead Manager will be responsible under this Agreement on a several (and not joint) basis only for its own actions and omissions and will not be responsible in any manner for any actions or omissions of any other Joint Lead Manager.

## 2. **ISSUE OF THE NOTES**

### 2.1 **Undertaking to issue**

Each of the Issuer, the Guarantor and the Company (in the case of Clause 2.1.2 (*Issue documentation*) only) undertakes to the Joint Lead Managers that:

#### 2.1.1 **Issue of Notes**

subject to and in accordance with the provisions of this Agreement, the Notes will be issued on the Closing Date, in accordance with this Agreement and the Trust Deed; and

#### 2.1.2 **Issue documentation**

it will, on or before the Closing Date, execute the remaining Issue Documents to which it is a party.

## 2.2 Undertaking to subscribe

Each of the Joint Lead Managers, severally and not jointly, agrees with the Issuer that, subject to and in accordance with the provisions hereof, it will subscribe and pay for, or procure subscribers to subscribe and pay for the Notes in the amounts set forth opposite its name in Schedule 3 (*Subscription Amount*) on the Closing Date at the Issue Price *plus* (if the Closing Date is postponed in accordance with Clause 9.3 (*Postponed closing*)) any accrued interest thereon, less the fees referred to in Clause 7 (*Fees and Expenses*). None of the Joint Lead Managers shall be liable for any act or omission of the other Joint Lead Managers.

## 2.3 Offer of Notes

Each of the Issuer, the Guarantor and the Company confirms that it has authorised the Joint Lead Managers to offer the Notes on behalf of the Issuer for subscription at the Issue Price, subject to the execution of this Agreement. Each of the Issuer, the Guarantor and the Company acknowledges and agrees that any Joint Lead Manager may offer and sell the Notes to or through any affiliate of such Joint Lead Manager and that any such affiliate may offer and sell Notes purchased by it from the Joint Lead Managers, and that a Joint Lead Manager or any of its affiliates may purchase the Notes and be allocated the Notes for asset management and/or proprietary purposes and not with a view to distribution.

## 2.4 Offering Circular

Each of the Issuer, the Guarantor and the Company confirms that it has prepared the Offering Circulars for use in connection with the offering of the Notes and the listing of the Notes on the SEHK and hereby authorises the Joint Lead Managers and their respective affiliates to distribute copies of the Final Offering Circular in connection with the offering and sale of the Notes subject to and in accordance with the selling restrictions as more particularly described in Schedule 2 (*Selling Restrictions*) hereto, copies of the Preliminary Offering Circular having already been distributed with the consent of the Issuer, the Guarantor and the Company.

## 2.5 Stabilisation

In connection with the issue of the Notes, the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) may over allot Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail, but in so doing, the Stabilising Manager shall act as principal and not as agent of the Issuer, the Guarantor or the Company. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Such stabilisation shall be conducted in accordance with all applicable laws and rules. Any loss or profit sustained as a consequence of any such over-allotment or stabilisation shall be allocated as set out in Clause 2.7. The Joint Lead Managers acknowledge that the Issuer has not authorised the creation and issue of Notes in excess of CNY1,300,000,000 in aggregate principal amount.



## 2.6 **Publicity**

Each of the Issuer, the Guarantor and the Company confirms the arrangements made on its behalf by the Joint Lead Managers for announcements in respect of the Notes (including any announcements to be made after the date hereof) to be published on such dates and in such newspapers or other publications as it may agree with the Joint Lead Managers.

## 2.7 **Agreement among Joint Lead Managers**

The Joint Lead Managers agree as between themselves that they will be bound by and will comply with the International Capital Market Association Standard Form Agreement Among Managers version 1 (the "AAM") as amended in the manner set out below and further agree that references in the AAM to the "Lead Manager" shall mean the Joint Lead Managers, references in the AAM to the "Managers" shall mean the Joint Lead Managers, references in the AAM and this Agreement to the "Settlement Lead Manager" shall mean The Hongkong and Shanghai Banking Corporation Limited, references in the AAM to the "Stabilising Manager" shall mean the Stabilising Manager (or persons acting on its behalf), references in the AAM to the "Commitments" shall mean, for the purposes of clause 9 of the AAM only, the fee allocation proportion entitled by each of the Joint Lead Managers as set out in the relevant Fee Letters, and for other applicable clauses under the AAM, the amounts subscribed by the Joint Lead Managers in the amounts set out in Schedule 3 (*Subscription Amount*) and references in the AAM to the "Commitments Notification" shall mean this Agreement. The Joint Lead Managers agree as between themselves to amend the AAM as follows:

- 2.7.1 in clause 1, the phrase "as agent of the Issuer" shall be deemed to be deleted;
- 2.7.2 clauses 2, 3 and 7 shall be deemed to be deleted in their entirety;
- 2.7.3 clauses 4(2) and 4(3) and the last two sentences of clause 4 shall be deemed to be deleted in their entirety;
- 2.7.4 clause 5 shall be deemed to be deleted in its entirety and replaced by:

"Each Manager acknowledges that, in order to assist in the orderly distribution of the Notes, the Stabilising Manager may, after consultation with the other Managers, over-allot in arranging subscriptions, sales and purchases of the Notes and may subsequently make purchases and sales of the Notes, in addition to the Purchase Percentage, in the open market or otherwise, on such terms as the Stabilising Manager deems advisable. All such purchases, sales and over-allotments shall be made in accordance with applicable law for the account of the Managers, and may be reallocated among the Managers according to the Purchase Percentage (as defined below); *provided, however, that* notwithstanding the foregoing, upon consultation by the Stabilising Manager with the Managers, each Manager shall be responsible for managing its individual long or short position (the "**Individual Position**") and may cover any short position, sell any long position and/or engage in hedging activity in respect of its Individual Position (collectively, the "**Stabilising Activities**"). "**Purchase Percentage**" means the principal amount of Notes subscribed for

by a Manager as a ratio of the aggregate principal amount of the Notes. Each Manager shall be liable for any loss, or entitled to any profit, arising from its own Stabilising Activities and, for the avoidance of doubt, no Manager shall be liable for the loss, or entitled to any profit, arising from the Stabilising Activities of any other Manager's Individual Position. All Stabilising Activities and any gains or losses arising therefrom shall be made in accordance with applicable law. Upon the aforementioned consultation by the Stabilising Manager with the Managers, any Stabilising Activities may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but in no case later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes."; and

2.7.5 clause 6(b) shall be deemed to be deleted in its entirety and replaced by:

"Each Manager agrees that all fees and expenses that are the joint responsibility of, and payable by, the Managers, including any out-of-pocket expenses that are reimbursable but not reimbursed by the Issuer shall be aggregated and allocated among the Managers *pro rata* to their share of fees, and each Manager authorises the Settlement Lead Manager to charge or credit such Managers' account for its proportional share of such fees and expenses pursuant to this clause."

Within 30 days upon receiving official invoice from any other Joint Lead Manager, the Settlement Lead Manager shall determine and pay the net commissions due to such Joint Lead Manager. The parties agree that interest earned on the aggregate net commission will be shared between the Joint Lead Managers *pro rata* by reference to their respective Commitments.

Where there are any inconsistencies between this Agreement and the AAM, the terms of this Agreement shall prevail.

### **3. REPRESENTATIONS AND WARRANTIES**

#### **3.1 Representations and Warranties by the Issuer, the Guarantor and the Company**

The Issuer, the Guarantor and the Company jointly and severally represent and warrant to the Joint Lead Managers as set out in Schedule 1 (*Representations and Warranties*).

#### **3.2 Change in matters represented**

The Issuer, the Guarantor and the Company shall forthwith notify the Joint Lead Managers of anything which at any time prior to the later of completion (in the view of the Joint Lead Managers) of the offer of the Notes and listing of the Notes on the SEHK has or may have rendered, or will or may render, untrue or incorrect in any respect any representation and warranty by the Issuer, the Guarantor and the Company in this Agreement as if it had been made or given at such time with reference to the facts and circumstances then subsisting and take such steps as may be requested by the Joint Lead Managers to remedy and/or publicise the same.

### 3.3 **Representations repeated**

The representations and warranties in Schedule 1 (*Representations and Warranties*) are given on the date of this Agreement and shall be deemed to be repeated (with reference to the facts and circumstances then subsisting) on each date falling on or before the Closing Date and on each date which the Offering Circulars are supplemented or amended.

## 4. **UNDERTAKINGS**

### 4.1 **Clear market**

From the date of this Agreement to (and including) the date falling 30 days after the Closing Date, none of the Issuer, the Guarantor, the Company nor any of their respective Non-Listed Subsidiaries shall make any announcements of, or any issue or offer of debt securities (other than the Notes) outside the PRC to the public or through a private placement in connection with which the Issuer, the Guarantor and the Company or any other member of the Group is the issuer, guarantor, obligor or provider of credit enhancement, directly or on their behalf, unless the Issuer, the Guarantor and the Company have obtained the prior written consent of the Joint Lead Managers. The Issuer, the Guarantor and the Company jointly and severally represent and warrant that, as of the date hereof and during the 30-day period referred to above, none of the Issuer, the Guarantor or the Company has mandated or will mandate any other party to arrange any issue or offering of debt securities (other than the Notes) in connection with which it is the issuer, guarantor, obligor or provider of credit enhancement.

### 4.2 **Publication and delivery of Offering Circulars**

The Issuer, the Guarantor and the Company shall deliver to the Joint Lead Managers, without charge, on the date of this Agreement and hereafter from time to time as requested as many copies of the Offering Circulars as the Joint Lead Managers may reasonably request.

### 4.3 **Supplements**

Without prejudice to its obligations under applicable law, the Issuer, the Guarantor and the Company shall at the request of the Joint Lead Managers at any time prior to 30 days after the later of the Closing Date and the listing of the Notes on the SEHK amend or supplement the Final Offering Circular to the satisfaction of the Joint Lead Managers. The Issuer, the Guarantor and the Company shall procure that any such amended offering circular or supplementary offering circular is submitted to the SEHK for its approval. In addition the Issuer shall deliver, without charge, to the Joint Lead Managers from time to time as many copies of the relevant amended offering circular or supplementary offering circular as the Joint Lead Managers may reasonably request.

### 4.4 **No announcements**

From the date of this Agreement to (and including) 30 days after the Closing Date, none of the Issuer, the Guarantor or the Company shall (and each of the Guarantor

and the Company shall procure that none of their respective Non-Listed Subsidiaries shall), without the prior written consent (such consent not to be unreasonably withheld or delayed) of the Joint Lead Managers, make:

4.4.1 any announcement which might reasonably be expected to have an adverse effect on the marketability of the Notes; or

4.4.2 any communication which might reasonably be expected to prejudice the ability of any Joint Lead Manager lawfully to offer or sell the Notes in accordance with the provisions set out in Schedule 2 (*Selling Restrictions*),

unless the Issuer, the Guarantor or the Company is prevented from obtaining such prior consent by any applicable law or regulation.

#### 4.5 **Delivery of Note Certificates**

The Issuer shall and each of the Guarantor and the Company shall procure the Issuer to, make arrangements satisfactory to the Joint Lead Managers to ensure that the Note Certificates are delivered to the Registrar for authentication in the form required by, and otherwise in accordance with, the Trust Deed and the Agency Agreement, and shall co-operate with the Joint Lead Managers to procure clearance of the Notes through CMU.

#### 4.6 **Stabilisation**

Any press or other public announcement issued by the Issuer, the Guarantor, the Company or any other member of the Group referring to the proposed issue of Notes, to the extent required by applicable laws or regulations, has disclosed and shall disclose adequately the fact that stabilising action may take place in relation to the Notes to be issued.

#### 4.7 **Listing and trading**

Each of the Issuer, the Guarantor and the Company shall use its all reasonable endeavours to procure that the Notes are listed on the SEHK for as long as any of the Notes are outstanding. If, however, it is unable to do so, having used such endeavours, and having agreed to by the Joint Lead Managers, that the maintenance of the listing on the SEHK is unduly onerous, each of the Issuer, the Guarantor and the Company will instead use all reasonable endeavours promptly to obtain and thereafter to maintain a listing for the Notes on such other stock exchange as is commonly used for the quotation or listing of debt securities as the Issuer, the Guarantor and the Company may agree with the Joint Lead Managers. The Issuer, the Guarantor and the Company shall be responsible for any fees incurred in connection therewith.

#### 4.8 **Use of proceeds**

4.8.1 The Issuer, the Guarantor and the Company will use the net proceeds from the offering of the Notes for the purposes set out under "Use of Proceeds" in the Offering Circulars.

4.8.2 None of the Issuer, the Guarantor, the Company nor any other member of the Group will, directly or indirectly, use the proceeds from the offering of the

Notes, or lend, contribute or otherwise make available all or any part of such proceeds to, or for the benefit of, any subsidiary, joint venture partner, country, territory or other individual or entity:

- (a) to fund or facilitate any activities or business of or with any individual entity or in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions (as defined in paragraph 39.3(i) of Schedule 1 (*Representations and Warranties*)); or
- (b) in any other manner or for any other purpose that will result in a violation of any Sanctions or anti-bribery laws referred to in paragraph 39.1 of Schedule 1 (*Representations and Warranties*) or Anti-Money Laundering Laws (as defined in paragraph 39.2 of Schedule 1 (*Representations and Warranties*)) by any individual or entity, including any individual or entity participating in the offering, whether as underwriter, adviser, investor or otherwise.

4.8.3 The Issuer, the Guarantor and the Company shall obtain and maintain all necessary consents, clearances, permits, licenses, approvals, authorisations, orders, filings, registrations or qualifications of or with any governmental agency or regulatory body in relation to the use of the proceeds and fulfilling their respective obligations under or in connection with the Notes (including the payment of principal, interest and any redemption amount under the Notes), including, but not limited to, approvals from, and registrations with, if required and as appropriate, the relevant bodies of the Ministry of Commerce, State Administration of Foreign Exchange of the PRC and the People's Bank of China if the Issuer, the Guarantor and the Company (a) remits all or part of the proceeds of the offering of the Notes into the PRC or (b) remits the required funds from the PRC to the extent required to fulfil their respective obligations under or in connection with the Notes.

#### 4.9 **No fiduciary duty**

Each of the Issuer, the Guarantor and the Company acknowledges and agrees that each Joint Lead Manager is acting solely pursuant to a contractual relationship with the Issuer, the Guarantor and the Company on an arm's length basis with respect to the subscription for the Notes and not as a financial advisor or a fiduciary to the Issuer, the Guarantor or the Company. The Issuer, the Guarantor and the Company shall consult with their own advisors concerning such matters and shall be responsible for making their own independent investigation and appraisal of the transactions contemplated hereby, and none of the Joint Lead Managers shall have any responsibility or liability to the Issuer, the Guarantor or the Company with respect thereto. Each of the Issuer, the Guarantor and the Company further acknowledges and agrees that (i) any review by the Joint Lead Managers of the Issuer, the Guarantor, the Company or the Group, the terms of the Notes and the Issue Documents and other matters relating thereto will be performed solely for the benefit of the Joint Lead Managers and shall not be on behalf of the Issuer, the Guarantor, the Company, any other member of the Group or any other person and (ii) no fiduciary or agency relationship between any of the Issuer, the Guarantor, the Company or any Joint Lead Manager has been created in respect of any issue of Notes, irrespective of whether any Joint Lead Manager has advised or is advising the Issuer, the Guarantor or the

Company or any other members of the Group on other matters, and hereby waives any claims that it may have against any Joint Lead Manager with respect to any breach of fiduciary duty in connection with any issue of the Notes.

#### 4.10 **Compliance with laws and rules**

Each of the Issuer, the Guarantor and the Company shall comply with all applicable laws, regulations, rulings, rules, approvals and consents (as amended from time to time) of any governmental or regulatory authorities, central bank and any stock exchange on which the Notes and the securities of the Issuer, the Guarantor, the Company and each member of the Group are or will be listed, relating to or in connection with the issue, offering, sale, marketing or distribution of the Notes and the performance of and compliance with their obligations under the Notes and the Issue Documents, and shall obtain and maintain all necessary approvals and consents and promptly make all necessary notifications, registrations and filings as may from time to time be required in order to ensure compliance therewith.

#### 5. **SELLING RESTRICTIONS**

Each of the parties to this Agreement represents, warrants and undertakes as set out in Schedule 2 (*Selling Restrictions*).

#### 6. **INDEMNIFICATION**

- 6.1 Each of the Issuer, the Guarantor and the Company undertake on a joint and several basis to each Joint Lead Manager that if that Joint Lead Manager or any of that Joint Lead Manager's Related Parties (each an "**Indemnified Person**"), incurs any loss, liability, cost, charge, claim, damages, expense (including but not limited to legal costs and expenses), judgments, awards or demand (or actions in respect thereof) (a "**Loss**") in relation to, in connection with or arising out of (i) any inaccuracy or alleged inaccuracy of any representation and warranty by the Issuer, the Guarantor or the Company in, or deemed to be made pursuant to, or any certificate issued by the Issuer, the Guarantor or the Company pursuant to, this Agreement (on the date of this Agreement or on any date when it is deemed to be repeated), (ii) any breach or alleged breach by the Issuer, the Guarantor or the Company of any of the undertakings and agreements in this Agreement including, but without limitation, the failure by the Issuer to issue the Notes, or (iii) any untrue or misleading (or allegedly untrue or misleading) statement in, or any omission (or alleged omission) from, the Preliminary Offering Circular, the Final Offering Circular or any other material (including, without limitation, any Marketing and Roadshow Materials) approved by the Issuer or the Company for use in connection with the issue, offering, sale, marketing or distribution of the Notes, the Issuer, the Guarantor and the Company shall on a joint and several basis pay to the Joint Lead Managers on demand an amount which on an after tax basis is equal to such Loss and any Loss which it or any Related Party may pay or incur in connection with investigating, disputing, defending or preparing to defend or providing evidence in connection with, any litigation, action, claim, proceeding, inquiries, investigation, demand, judgment or award (each a "**Claim**") (whether or not the Indemnified Person is an actual or potential party to such Claim) or in establishing any Claim or mitigating any Loss on its part or otherwise enforcing its rights under this Clause 6 (*Indemnification*). This undertaking

to make payment will be in addition to any liability that the Issuer, the Guarantor or the Company may otherwise have.

- 6.2 None of the Joint Lead Managers shall have any duty or obligation, whether as fiduciary or trustee for any Related Party or otherwise, to recover any such payment or to account to any other person for any amounts paid to it under this Clause 6 (*Indemnification*).
- 6.3 None of the Issuer, the Guarantor or the Company shall, without the prior written consent of the relevant Joint Lead Manager and the relevant Related Party (if such Related Party is the subject thereof), settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim or action in respect of which recovery may be sought hereunder (whether or not any of the relevant Joint Lead Managers or any Related Party is an actual or potential party to such claim or action).
- 6.4 Notwithstanding Clause 6.3 above, where such settlement, compromise or consent to be entered into by the Issuer, the Guarantor or the Company in relation to the claim or action set out in Clause 6.3 above fulfils the conditions in this Clause 6.4 to the satisfaction of the relevant Joint Lead Manager and the relevant Related Party, the restriction set out in Clause 6.3 shall not apply to the Issuer or the Company:
- 6.4.1 such settlement, compromise or consent shall include an unconditional release of the relevant Joint Lead Manager and the relevant Related Party from liability; and
- 6.4.2 such settlement, compromise or consent shall not include admission of fault, culpability or failure to act by the relevant Joint Lead Manager or and the relevant Related Party.

## 7. FEES AND EXPENSES

### 7.1 Commission

The Issuer (failing which, the Guarantor) shall, on the Closing Date, pay (and the Company will ensure that the Issuer, or as the case may be, the Guarantor, has sufficient funds to do so) to the Joint Lead Managers a combined management and underwriting commission of        per cent. of the aggregate principal amount of Notes. Such commission shall be split amongst the Joint Lead Managers as set out in the relevant Fee Letters. The commission payable under this Clause 7.1 (*Commission*) shall be deducted from the Issue Price of the Notes as provided in Clause 9.2.3 (*Payment of net issue proceeds*).

### 7.2 Issuer's costs and expenses

The Issuer (failing which, the Guarantor) is responsible for paying (and the Company will ensure that the Issuer, or as the case may be, the Guarantor, has sufficient funds to do so):

#### 7.2.1 Professional advisers

The fees and expenses of the legal, accountancy and other professional advisers instructed by the Issuer, the Guarantor or the Company in connection with the creation and issue of the Notes and the preparation of the Preliminary Offering Circular and the Final Offering Circular.

**7.2.2 Legal documentation**

The costs incurred in connection with the preparation and execution of the Issue Documents.

**7.2.3 Printing**

The cost of setting, proofing, printing and delivering the Preliminary Offering Circular, the Final Offering Circular and the Note Certificates.

**7.2.4 Trustee and Agents**

The fees and expenses of the other parties to the Issue Documents and their respective legal counsels (if any).

**7.2.5 Advertising**

The cost of any advertising agreed among the Issuer, the Guarantor, the Company and the Joint Lead Managers.

**7.2.6 Listing**

The costs incurred in connection with the application for the Notes to be listed on the SEHK.

**7.2.7 Ratings**

The cost of obtaining any credit rating for the Notes.

**7.2.8 Marketing and roadshow**

The costs and expenses of the making of any marketing and roadshow presentations to investors (including but not limited to all costs and expenses arising from travelling, accommodation, recording, investor presentations, investor luncheons, meals, usage of conference rooms, conference facilities, the conduct of conference calls and the preparation and dissemination of the Marketing and Roadshow Materials and electronic roadshow materials).

If the Joint Lead Managers incur any of such fees, costs and expenses on behalf of the Issuer, the Guarantor or the Company, the Issuer (failing which, the Guarantor) shall on demand reimburse (and the Company will ensure that the Issuer, or as the case may be, the Guarantor, has sufficient funds to do so) the Joint Lead Managers for the same *provided that* the Issuer, the Guarantor and the Company have agreed to such fees, costs and expenses. Any amount due to the Joint Lead Managers under this sub-clause shall be paid within 30 days after the Closing Date.



### 7.3 **Expenses**

In addition, the Issuer (failing which, the Guarantor) shall upon receipt of the relevant invoices reimburse (and the Company will ensure that the Issuer, or as the case may be, the Guarantor, has sufficient funds to do so) the Joint Lead Managers on demand for all legal and other professional fees (including but not limited to the fees and expenses of the legal advisers instructed by the Joint Lead Managers and costs incurred by the Joint Lead Managers in connection with the preparation, negotiation and execution of the Issue Documents) and expenses, including any travelling, accommodation, communication, courier, postage and other out-of-pocket costs and expenses properly incurred by them in connection with the preparation, management and marketing of the issue of the Notes and distribution of the Notes. Any amount due to the Joint Lead Managers under this sub-clause shall be paid within 30 days after the Closing Date.

### 7.4 **Taxes**

All payments in respect of the obligations of the Issuer, the Guarantor and the Company under this Agreement shall be made free and clear of, and without withholding, claims, set-off or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the British Virgin Islands, the Cayman Islands, the PRC or any political subdivision or any authority thereof or therein having power to tax, unless such withholding, claims, set-off or deduction is required by law. In that event, the Issuer (failing which, the Guarantor) shall pay (and the Company will ensure that the Issuer, or as the case may be, the Guarantor, has sufficient funds to do so) such additional amounts as will result in the receipt by the relevant Joint Lead Manager of such amounts as would have been received by it if no such withholding, claims, set-off or deduction had been required.

### 7.5 **Stamp duties**

The Issuer (failing which, the Guarantor) shall pay (and the Company will ensure that the Issuer, or as the case may be, the Guarantor, has sufficient funds to do so) all stamp, issue, registration documentary and other taxes and duties (including any interest and penalties thereon or in connection therewith) which may be payable upon or in connection with the creation and issue of the Notes, the giving of the Guarantee of the Notes and the execution and delivery of the Issue Documents, and each of the Issuer, the Guarantor and the Company shall on a joint and several basis indemnify each Joint Lead Manager against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, legal fees) which it may incur as a result or arising out of or in relation to any failure to pay or delay in paying any of the same.

## 8. **EXCHANGE RATE INDEMNITY**

### 8.1 **Currency of Account and Payment**

All sums payable by the Issuer, the Guarantor or the Company under or in connection with the Issue Documents and the Notes will be made (i) in the case of the damages and amounts claimed under Clause 6 (*Indemnification*) and Clause 7.1 (*Commission*),

U.S. dollar or (ii) in any other case, such currency as specified in the relevant invoice or receipt (each a "**Contractual Currency**").

## 8.2 **Extent of Discharge**

An amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer, the Guarantor or the Company or otherwise), by the Joint Lead Managers in respect of any sum expressed to be due to the recipient from the Issuer, the Guarantor or the Company, as the case may be, will only discharge the Issuer, the Guarantor or the Company, as the case may be, to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

## 8.3 **Indemnity**

If that Contractual Currency amount is less than the Contractual Currency amount expressed to be due to the recipient under the Issue Documents or the Notes, the Issuer, the Guarantor and the Company will on a joint and several basis indemnify such recipient against any liability sustained by it as a result. In any event, the Issuer, the Guarantor and the Company will on a joint and several basis indemnify the recipient against the cost of making any such purchase.

## 8.4 **Indemnities as separate obligations**

The indemnities in this Clause 8 (*Exchange Rate Indemnity*) and in Clause 6 (*Indemnification*) constitute separate and independent obligations from the other obligations in this Agreement, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by the Joint Lead Managers and will continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under this Agreement or any other judgment or order.

## 9. **CLOSING**

### 9.1 **CMU accounts**

The Joint Lead Managers shall, on or before the second business day preceding the Closing Date, notify the Billing and Delivery Agent of the CMU Main Accounts to which the Notes to be subscribed by the Joint Lead Managers should be credited.

### 9.2 **Global Note Certificate and net issue proceeds**

Subject to Clause 9.4 (*Conditions precedent*), the closing of the issue of the Notes shall take place on the Closing Date, whereupon:

#### 9.2.1 **Delivery of Global Note Certificate**

The Issuer shall, by 11:00 a.m. (Hong Kong time) (or such other time as may be agreed between the Joint Lead Managers and the Issuer) on the second

business day prior to the Closing Date, procure the delivery of the Global Note Certificate, duly executed on behalf of the Issuer in the manner contemplated by, and authenticated in accordance with, the Agency Agreement and the Trust Deed, to the CMU Lodging and Paying Agent;

**9.2.2 Lodgment of Global Note Certificate**

the CMU Lodging and Paying Agent shall, not later than 11:00 a.m. (Hong Kong time) (or such other time as may be agreed between the Joint Lead Managers and the Issuer) on the Closing Date, lodge the Global Note Certificate with the sub-custodian of the CMU and procure the entry in the register of Noteholders of the Hong Kong Monetary Authority to be holders of the Notes; delivery and lodgement of the Global Note Certificate, and the completion of the register of Noteholders shall constitute the issue and the delivery of the Notes;

**9.2.3 Payment of net issue proceeds**

against the lodgement of the Global Note Certificate by the CMU Lodging and Paying Agent and the completion of the register of Noteholders by the Registrar, the Joint Lead Managers will pay or cause to be paid the net subscription moneys for the Notes (being the aggregate amount payable for the Notes subscribed under this Agreement calculated at the Issue Price of the Notes less the commission payable to the Joint Lead Managers as referred to in Clause 7.1 (*Commission*)) into the Renminbi account notified by the Issuer (not less than three business days prior to the Closing Date) on or before 11:30 a.m. (Hong Kong time) on the Closing Date or, as such other time and/or date as the Issuer and the Joint Lead Managers may agree; and

**9.2.4 CMU settlement instructions**

the Billing and Delivery Agent shall, by not later than 3:00 p.m. on the second business day before the Closing Date, give irrevocable instructions to the Principal Paying Agent (acting as lodging agent of the Issuer) confirming the details of the account(s) maintained by member(s) of the CMU to which the Principal Paying Agent shall arrange for the subscribers' interest in the Notes to be credited.

**9.3 Postponed closing**

The Issuer, the Guarantor, the Company and the Joint Lead Managers may agree to postpone the Closing Date to another date not later than 13 August 2015, whereupon all references herein to the Closing Date shall be construed as being to that later date.

**9.4 Conditions precedent**

The Joint Lead Managers shall only be under obligation to subscribe and pay for the Notes if:

- 9.4.1 the Joint Lead Managers receive on the Closing Date:

- (a) *Legal opinions*: legal opinions dated the Closing Date, in each case in a form acceptable to the Joint Lead Managers, from:
  - (i) Clifford Chance, legal advisers to the Joint Lead Managers as to the laws of Hong Kong;
  - (ii) Global Law Office, legal advisers to the Joint Lead Managers as to the laws of the PRC;
  - (iii) JunZeJun, legal advisers to the Issuer and the Company as to the laws of the PRC;
  - (iv) Maples and Calder, legal advisers to the Issuer as to the laws of the British Virgin Islands; and
  - (v) Maples and Calder, legal advisers to the Guarantor as to the laws of the Cayman Islands.
- (b) *Closing certificates*: closing certificates dated the Closing Date, addressed to the Joint Lead Managers, signed by any duly authorised signatory on behalf of each of the Issuer, the Guarantor and the Company in the form set out in Schedule 4 (*Form of Closing Certificate*);
- (c) *Comfort letters*: comfort letters in relation to the Company and the Guarantor, dated the date of this Agreement and the Closing Date from Ruihua Certified Public Accountants and Ernst & Young Certified Public Accountants, respectively, and addressed to the Joint Lead Managers in a form acceptable to the Joint Lead Managers;
- (d) *CFO Certificates*: CFO certificates dated the date of this Agreement and the Closing Date, addressed to the Joint Lead Managers, signed by the Chief Financial Officer of each of the Guarantor and the Company in the form set out in Schedule 5 (*Form of CFO Certificate*);
- (e) *Authorisation of the Issuer*: a copy of:
  - (i) the constitutive documents of the Issuer; and
  - (ii) the resolution(s) of the board of directors of the Issuer authorising the execution of the Issue Documents to which it is a party to which it is a party, the issue of the Notes, the listing of the Notes on the SEHK and the entry into and performance of the transactions contemplated hereby and thereby;
- (f) *Authorisation of the Guarantor*: a copy of:
  - (i) the constitutive documents of the Guarantor; and
  - (ii) the resolution(s) of the board of directors of the Guarantor authorising the execution of the Issue Documents, the issue of the Notes, the giving of the Guarantee of the Notes, the listing

of the Notes on the SEHK and the entry into and performance of the transactions contemplated hereby and thereby;

- (g) *Authorisation of the Company*: a copy of:
    - (i) the constitutive documents of the Company; and
    - (ii) the resolution(s) of the board of directors of the Company authorising the execution of the Issue Documents, the issue of the Notes, the listing of the Notes on the SEHK and the entry into and performance of the transactions contemplated hereby and thereby;
  - (h) *Incumbency certificates*: certificates dated the Closing Date from each of the Issuer, the Guarantor and the Company setting out the names and signatures of the persons authorised to sign, on behalf of the Issuer, the Guarantor or the Company, the Issue Documents and any other documents to be delivered by the Issuer, the Guarantor and the Company;
  - (i) *Listing*: the Joint Lead Managers receive confirmation on or before the Closing Date that the Notes will, subject only to the execution of the Trust Deed, the execution, authentication and delivery of the Global Note Certificate and the publication of the formal notice on the website of the SEHK, be listed on the SEHK;
  - (j) *CMU authorisation*: a copy of an authorisation from the Issuer to the CMU Lodging and Paying Agent to lodge the Global Note Certificate with a sub-custodian of the CMU on its behalf; and
  - (k) *Confirmation of rating*: confirmation from Fitch Ratings Ltd. ("**Fitch**") that the Notes have been rated at least BBB;
- 9.4.2 *Issue documentation*: the remaining Issue Documents are executed on or before the Closing Date by or on behalf of all parties thereto;
- 9.4.3 *Execution of Fee Letters*: the execution and delivery on or prior to the Closing Date by the Issuer and the Joint Lead Managers of the Fee Letters;
- 9.4.4 *Other Documents*: the execution and delivery (the case may be) of any other approvals, certificates or documents as the Joint Lead Managers may reasonably request in form and substance satisfactory to the Joint Lead Managers;
- 9.4.5 *No material adverse change*: there has, since the date of this Agreement up to and including the Closing Date, in the opinion of the Joint Lead Managers, been no adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise), prospects, results of operations, profitability, business, properties or general affairs of the Issuer, the Guarantor, the Company or the Group or which could adversely affect the ability of the Issuer, the Guarantor or the Company to perform their respective obligations under the Issue Documents or the Notes or which is otherwise

material in the context of the issue, offering, sale, marketing or distribution of the Notes;

9.4.6 *Accuracy of representations and performance of obligations:* (i) the representations and warranties by the Issuer, the Guarantor and the Company in this Agreement are true and correct on the date of this Agreement and on each date on which they are deemed to be repeated and would be true and correct if they were repeated on the Closing Date with reference to the facts and circumstances then subsisting and (ii) the Issuer, the Guarantor and the Company have performed all of their obligations under this Agreement to be performed on or before the Closing Date; and

9.4.7 *No adverse change of rating:* Fitch has not issued any notice indicating (a) that it intends to downgrade the Notes, (b) that it is considering the possibility of downgrading the Notes or (c) any review for a possible downward change in any rating of the Notes,

*provided, however, that the Joint Lead Managers may, at their discretion, waive satisfaction of any of the conditions specified in this Clause 9.4 (Conditions precedent).*

## 10. TERMINATION

### 10.1 Joint Lead Managers' right to terminate

Notwithstanding anything contained in this Agreement, each Joint Lead Manager may give a termination notice to the Issuer, the Guarantor and the Company at any time prior to the payment of the net proceeds of the issue of the Notes to the Issuer on the Closing Date if:

#### 10.1.1 Inaccuracy of representation

any representation and warranty by the Issuer, the Guarantor or the Company in this Agreement is or proves to be untrue or incorrect on the date of this Agreement or on any date on which it is deemed to be repeated;

#### 10.1.2 Breach of obligation

the Issuer, the Guarantor or the Company fails to perform any of its obligations under this Agreement;

#### 10.1.3 Failure of condition precedent

any of the conditions in Clause 9.4 (*Conditions precedent*) is not satisfied or waived by the Joint Lead Managers on the Closing Date;

#### 10.1.4 Force majeure

since the date of this Agreement, there has been, in the opinion of the Joint Lead Managers, such a change or any development involving a prospective change, in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would in their view be

likely to prejudice materially the success of the offering or distribution of the Notes or dealings in the Notes in the secondary market;

**10.1.5 Moratorium on banking activities**

if, in the opinion of the Joint Lead Managers, there shall have occurred a general moratorium on, or disruption in, commercial banking activities, securities settlement or clearance services in the United Kingdom, the United States, New York, Hong Kong or the PRC or by any United Kingdom, United States, New York State, Hong Kong or PRC authorities which would be likely to prejudice materially the success of the offering or distribution of the Notes or dealings in the Notes in the secondary market;

**10.1.6 Suspension of trading**

since the date of this Agreement, there shall have occurred, in the opinion of the Joint Lead Managers, (i) a suspension or material limitation of trading of securities generally, on the New York Stock Exchange, the London Stock Exchange, the SEHK, the Shanghai Stock Exchange, the Shenzhen Stock Exchange or on any other exchange or over-the-counter market or (ii) a suspension of trading of the securities of any member of the Group;

**10.1.7 Withdrawal**

any of the Issuer, the Guarantor or the Company withdraws the Final Offering Circular or does not proceed with the Issue; or

**10.1.8 Hostilities**

there shall have occurred, in the opinion of the Joint Lead Managers, any event or series of events (including, but not limited to, the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic) as would likely prejudice materially the success of the offering or distribution of the Notes.

**10.2 Consequences**

Upon the giving of a termination notice under Clause 10.1 (*Joint Lead Managers' right to terminate*) and subject to Clause 10.3 (*Saving*):

10.2.1 *Discharge of the Issuer, the Guarantor and the Company*: the Issuer, the Guarantor and the Company shall be discharged from performance of their respective obligations under Clauses 2.1.1 (*Issue of Notes*), 7.1 (*Commission*) and 9.2.1 (*Delivery of Global Note Certificate*); and

10.2.2 *Discharge of Joint Lead Manager(s)*: each Joint Lead Manager shall be discharged from performance of its obligations under Clause 2.2 (*Undertaking to subscribe*) and sub-clause 9.2.3 (*Payment of net issue proceeds*).

### 10.3 **Saving**

A discharge pursuant to Clause 10.2 (*Consequences*) shall not affect the other obligations of the parties to this Agreement and shall be without prejudice to accrued liabilities.

### 11. **SURVIVAL**

The provisions of this Agreement (including the representations, warranties, agreements, undertakings and indemnities) shall continue in full force and effect notwithstanding the completion of the arrangements set out herein for the issue of the Notes and regardless of any investigation by any party to this Agreement.

### 12. **TIME**

Any date or period specified herein may be postponed or extended by mutual agreement among the parties but, as regards any date or period originally fixed or so postponed or extended, time shall be of the essence.

### 13. **NOTICES**

#### 13.1 **Addresses for notices**

All notices and other communications hereunder shall be made in writing and in English (by letter or fax) and shall be sent as follows:

##### 13.1.1 **Issuer**

If to the Issuer, to it at:

Suites 2906-08, AIA Central,  
1 Connaught Road Central,  
Hong Kong

Fax: +852 2537 1069  
Attention: Sylvia Wang

##### 13.1.2 **Guarantor**

If to the Guarantor, to it at:

Suites 2906-08, AIA Central,  
1 Connaught Road Central,  
Hong Kong

Fax: +852 2537 1069  
Attention: Sylvia Wang

##### 13.1.3 **Company**

If to the Company, to it at:



15/F, Capital Plaza,  
No.6 Chaoyangmen North Street,  
Dongcheng District, Beijing.

Fax: +86(0)10 5838 3050  
Attention: Jin Xi

#### 13.1.4 **Joint Lead Managers**

If to the Joint Lead Managers, to their respective addresses at:

##### **ABCI Capital Limited**

10/F, Agricultural Bank Of China Tower  
50 Connaught Road  
Central  
Hong Kong

Fax: +852 2861 0061  
Attention: Debt Capital Markets

##### **Bank of China (Hong Kong) Limited**

7/F Bank of China Tower  
1 Garden Road  
Central  
Hong Kong

Fax: +852 2868 4306  
Attention: Debt Capital Market, Global Markets

##### **China Construction Bank Corporation, Singapore Branch**

9 Raffles Place,  
#33-01 Republic Plaza,  
Singapore 048619

Fax: +65 6535 1983  
Attention: Investment Banking Department

##### **DBS Bank Ltd.**

10/F The Center  
99 Queen's Road Central  
Hong Kong

Fax: +852 2169 3836  
Attention: T&M – FI Origination

##### **The Hongkong and Shanghai Banking Corporation Limited**

Level 17, HSBC Main Building  
1 Queen's Road Central  
Hong Kong

Fax: +852 3409 2755  
Attention: Transaction Management

## 13.2 Effectiveness

Every notice or other communication sent in accordance with Clause 13.1 (*Addresses for notices*) shall be effective upon receipt by the addressee; *provided, however, that* any such notice or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the addressee.

## 14. LAW AND JURISDICTION

### 14.1 Governing law

This Agreement is governed by, and shall be construed in accordance with, Hong Kong law.

### 14.2 Jurisdiction

The courts of Hong Kong have exclusive jurisdiction to settle any dispute (a "**Dispute**"), arising out of or in connection with this Agreement, or a dispute regarding the existence, validity or termination of this Agreement or the consequences of its nullity and accordingly any legal action or proceedings arising out of or in connection with this Agreement ("**Proceedings**") may be brought in such courts. Each of the parties hereto irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

### 14.3 Appropriate Forum

Each of the parties hereto agrees that the courts of Hong Kong are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

### 14.4 Service of Process

14.4.1 Each of the Issuer and the Company irrevocably appoints the Guarantor and the Guarantor irrevocably accepts such appointment, at the Guarantor's registered office (currently at Suites 2906-08, AIA Central, 1 Connaught Road Central, Hong Kong) to receive for the Issuer and the Company service of process in Hong Kong. Service upon the Guarantor shall be deemed valid service upon the Issuer or the Company, as the case may be, whether or not the process is forwarded to or received by the Issuer or the Company.

14.4.2 Each of the Issuer, the Guarantor and the Company shall inform the Joint Lead Managers in writing of any change in the Guarantor's address as set out in Clause 14.4 within 30 days of such change. If for any reason the Guarantor shall cease to be able to act as agent for service of process or to have an address in Hong Kong, each of the Issuer and the Company shall forthwith appoint a new agent for service of process in Hong Kong and deliver to the Joint Lead Managers a copy of the new agent's written acceptance of that appointment within 30 days. If the Guarantor ceases to have an address in Hong Kong, the Guarantor shall forthwith appoint an agent for service of process in Hong Kong and deliver to the Joint Lead Managers a copy of the

agent's written acceptance of that appointment within 30 days. Nothing in this Clause 14.4 shall affect the right of the Joint Lead Managers to serve process in any other manner permitted by law.

**14.5 Consent to enforcement etc.**

Each of the Issuer, the Guarantor and the Company consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which is made or given in such Proceedings.

**14.6 Waiver of immunity**

To the extent that the Issuer, the Guarantor or the Company may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgement or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer, the Guarantor, the Company or their respective assets or revenues, each of the Issuer, the Guarantor and the Company agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

**15. COUNTERPARTS**

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when so executed shall constitute one and the same binding agreement between the parties.

**AS WITNESS** the hands of the duly authorised representatives of the parties to this Agreement the day and year first before written.

## **SCHEDULE 1 REPRESENTATIONS AND WARRANTIES**

Each of the Issuer, the Guarantor and the Company jointly and severally represent and warrant to and agree with the Joint Lead Managers that:

### **1. Incorporation, Capacity and Authorisation (Issuer)**

The Issuer is duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation, is in compliance with all laws and regulations to which it is subject, is not in liquidation or receivership, has full power and authority to own, lease and operate its properties and assets and conduct its business and is lawfully qualified to do business in those jurisdictions in which business is conducted by it; the Issuer has full power and capacity to create and issue the Notes, to execute the Issue Documents to which it is a party and to undertake and perform the obligations expressed to be assumed herein and therein, and the Issuer has taken all necessary action to approve and authorise the same. The Issuer has not conducted any business activities other than in connection with the issue of the Notes and the lending of proceeds thereof to its affiliates and the Issuer has not incurred any indebtedness or made any issue of bonds, debentures, notes or other debt securities of any kind (other than the Notes).

### **2. Incorporation, Capacity and Authorisation (the Guarantor)**

Each of the Guarantor and its Subsidiaries (i) is duly incorporated, validly existing and in good standing under the laws of its respective jurisdiction of incorporation, (ii) is in compliance with all laws and regulations to which it is subject, (iii) is not in liquidation or receivership, save for Xi'an Hengfu, which is presently undergoing a solvent liquidation and such liquidation would not result in a Material Adverse Effect, (iv) has full power and authority to own, lease and operate its properties and assets and conduct its business and (v) is lawfully qualified to do business in those jurisdictions in which business is conducted by it, except to the extent that any failure to comply with sub-paragraphs (ii), (iv) and (v) which would not, individually or in the aggregate, have a Material Adverse Effect; the Guarantor has full power and capacity to execute the Issue Documents, give the Guarantee of the Notes and to undertake and perform the obligations expressed to be assumed herein and therein, and the Guarantor has taken all necessary action to approve and authorise the same. The Guarantor has the full beneficial ownership of 100 per cent. of the issued share capital of the Issuer.

### **3. Incorporation, Capacity and Authorisation (Company)**

Each of the Company and its Subsidiaries (i) is duly incorporated, validly existing and in good standing under the laws of its respective jurisdiction of incorporation, (ii) is in compliance with all laws and regulations to which it is subject, (iii) is not in liquidation or receivership, (iv) has full power and authority to own, lease and operate its properties and assets and conduct its business and (v) is lawfully qualified to do business in those jurisdictions in which business is conducted by it, except to the extent that any failure to comply with sub-paragraphs (ii), (iv) and (v) which would not, individually or in the aggregate, have a Material Adverse Effect; the Company has full power and capacity to execute the Issue Documents and to undertake and

perform the obligations expressed to be assumed herein and therein, and the Company has taken all necessary action to approve and authorise the same. The Company has the full beneficial ownership, directly or indirectly, of approximately 30.7 per cent. of the issued share capital of the Guarantor which in turn has the full beneficial ownership of 100 per cent. of the issued share capital of the Issuer.

**4. Legal, Valid, Binding and Enforceable (Issuer)**

(i) This Agreement has been duly authorised, executed and delivered by the Issuer and constitutes, (ii) the other Issue Documents to which it is a party have been duly authorised by the Issuer, and upon due execution and delivery by or on behalf of the Issuer, will constitute, and (iii) upon due execution of the Note Certificates by or on behalf of the Issuer and due authentication and delivery of the Note Certificates in accordance with the Trust Deed and Agency Agreement, the Notes will constitute, valid, legally binding and enforceable obligations of the Issuer, except that such enforceability may be limited under applicable bankruptcy or insolvency laws or similar laws affecting the rights of creditors generally and general principles of equity.

**5. Legal, Valid, Binding and Enforceable (Guarantor)**

(i) This Agreement has been duly authorised, executed and delivered by the Guarantor and constitutes, (ii) the other Issue Documents to which it is a party have been duly authorised by the Guarantor, and upon due execution and delivery by or on behalf of the Guarantor, will constitute, and (iii) the Guarantee of the Notes has been duly authorised by the Guarantor and will constitute, valid, legally binding and enforceable obligations of the Guarantor, except that such enforceability may be limited under applicable bankruptcy or insolvency laws or similar laws affecting the rights of creditors generally and general principles of equity.

**6. Legal, Valid, Binding and Enforceable (Company)**

(i) This Agreement has been duly authorised, executed and delivered by the Company and constitutes, and (ii) the other Issue Documents to which it is a party have been duly authorised by the Company, and upon due execution and delivery by or on behalf of the Company, will constitute, valid, legally binding and enforceable obligations of the Company, except that such enforceability may be limited under applicable bankruptcy or insolvency laws or similar laws affecting the rights of creditors generally and general principles of equity.

**7. Status**

7.1 The Notes (when issued) will constitute direct, general, unsubordinated and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

7.2 The Guarantee of the Notes will constitute a direct, general, unsubordinated and unconditional obligation of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor, save

for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

## 8. **Capitalisation**

- (i) The Issuer is authorised to issue a maximum of 50,000 shares of no par value of which one share has been duly authorised and validly issued and are fully paid, and all equity interests in the Issuer owned directly or indirectly by the Guarantor are free and clear of all liens, charges, encumbrances, security interests, restrictions on voting or transfer or claims of any third party.
- (ii) The Guarantor has validly issued 200,000,000 ordinary shares of HK\$0.01 par value each, which have been duly authorised and validly issued and are fully paid, and all equity interests in the Guarantor owned directly or indirectly by the Company are free and clear of all liens, charges, encumbrances, security interests, restrictions on voting or transfer or claims of any third party.
- (iii) The Company has validly issued 4,324,877,526 shares of RMB1.00 par value each, which have been duly authorised and validly issued and are fully paid.

## 9. **Consents**

No action or thing is required to be taken, fulfilled or done (including without limitation the obtaining of any consent or licence or the making of any filing or registration) for the issue of the Notes, the giving of the Guarantee of the Notes, the the execution and delivery of the Issue Documents, the carrying out of the transactions contemplated by the Issue Documents or the compliance by the Issuer, the Guarantor or the Company with the terms of the Notes and the Issue Documents, as the case may be, except for the filings required in connection with the listing of the Notes on the SEHK.

## 10. **Compliance**

The execution and delivery of the Issue Documents, the issue of the Notes, the giving of the Guarantee of the Notes, the carrying out of the transactions contemplated by the Issue Documents and compliance with their terms do not and will not (i) conflict with or result in a breach of any of the terms or provisions of, or constitute a default (nor has any event occurred which, with the giving of notice and/or the lapse of time and/or the fulfilment of any other requirement would result in a default by the Issuer, the Guarantor, the Company or any member of the Group) under, the respective articles of association or by-laws or similar organisational documents constituting the Issuer, the Guarantor, the Company or any other member of the Group or any indenture, trust deed, mortgage, loan agreement, lease or other agreement or instrument to which the Issuer, the Guarantor, the Company or any other member of the Group is a party or by which any of them or any of their respective properties is bound or (ii) violate and/or infringe any existing applicable licence, authorisation, law, rule, regulation, judgment, arbitral award, order or decree of any government, governmental or regulatory body, court or tribunal, domestic or foreign, having jurisdiction over the Issuer, the Guarantor, the Company or any other member of the Group or any of their respective properties.

## 11. **Offering Circulars and Marketing and Roadshow Materials**

- (i) Each of the Preliminary Offering Circular and the Final Offering Circular (including any amendments and supplements thereto), at the respective dates of their publication contains all information with respect to the Issuer, the Guarantor, the Company, the Group, the Notes, the Guarantee of the Notes, the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking which is material in the context of, the issue, offering, sale, marketing or distribution of the Notes (including all information which is required by applicable laws of the British Virgin Islands, the Cayman Islands, Hong Kong, PRC or according to the particular nature of the Issuer, the Guarantor, the Company and the Group and of the Notes, the Guarantee of the Notes, the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, the Guarantor, the Company, the Group and of the rights attaching to the Notes, the Guarantee of the Notes, the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking);
- (ii) The Preliminary Offering Circular, at the respective dates of their publication did not and the Final Offering Circular does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;
- (iii) The statements of fact contained in (A) the Final Offering Circular are and (B) the Preliminary Offering Circular at the date of its respective publication were in every material respect true and accurate and not misleading and there are no other facts in relation to the Issuer, the Guarantor, the Company, the Group, the Notes, the Guarantee of the Notes, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking, the omission of which would in the context of the issue, offering, sale, marketing and distribution of the Notes make any statement in the Final Offering Circular and/or the Preliminary Offering Circular misleading;
- (iv) All statistical, industry and market related data included in the Offering Circulars and Marketing and Roadshow Materials are derived from sources which are accurate and reliable;
- (v) The statements of intention, opinion, belief or expectation contained in (A) the Final Offering Circular are and (B) the Preliminary Offering Circular and (C) the Marketing and Roadshow Materials at the date of its publication were, honestly and reasonably made or held and have been reached after considering all relevant circumstances and based on reasonable assumptions;
- (vi) All reasonable enquiries have been and will be made by the Issuer, the Guarantor and the Company to ascertain such facts and to verify the accuracy of all such information and statements;

- (vii) The Marketing and Roadshow Materials are true and accurate in all material respects and not misleading in any material aspects and the information set out in the Marketing and Roadshow Materials related to Listed Subsidiaries does not contain any information which is not publicly available; and
- (viii) No other investor meetings have been conducted and no information and materials have been issued by the Issuer, the Guarantor, the Company and/or their agents (whether with or without the authority of the Issuer, the Guarantor or the Company) without the prior knowledge and written consent of the Joint Lead Managers.

## 12. **Financial Statements**

- (i) The audited consolidated financial statements of the Group as of and for the years ended 31 December 2013 and 2014 which are incorporated in the Offering Circulars, were prepared on the basis stated therein and in accordance with accounting principles generally accepted in, and pursuant to the relevant laws of the PRC ("**PRC GAAP**") consistently applied, except as disclosed therein, and give a true and fair view of the financial position of the Company and the Group as of the dates therein, and the results of operations and changes in financial position of the Company and the Group for the periods therein, in respect of which they have been prepared;
- (ii) the Company has reviewed the management accounts of the Group for the three months ended 31 March 2014 and 2015 (the "**Company's Management Accounts**") and such accounts present fairly and accurately in all material respects the financial position of the Company and the Group as at the respective dates indicated therein, and the results of operations and changes in financial position of the Group for the periods in respect of which they have been prepared. The Company's Management Accounts have been prepared and presented on a basis consistent with the accounting policies normally adopted by the Company and its Subsidiaries and applied in preparing the audited financial statements of the Group;
- (iii) the audited consolidated financial statements of the Guarantor Group as of and for the year ended 31 March 2014 and nine months ended 31 December 2014 (the "**Guarantor's Audited Financial Statements**"), the audited consolidated financial statements of the Target Group as of and for the year ended 31 December 2013 and the unaudited but reviewed consolidated financial statements of the Target Group as of and for the year ended 31 December 2014, which are incorporated in the Offering Circulars, were prepared on the basis stated therein and in accordance with the Hong Kong Financial Reporting Standards ("**HKFRS**") and give a true and fair view of the financial position of the Guarantor, the Guarantor Group, the Target Group and the Enlarged Group as of the dates therein, and the results of operations and changes in financial position of the the Guarantor, the Guarantor Group, the Target Group and the Enlarged Group for the periods therein, in respect of which they have been prepared;
- (iv) the Guarantor has reviewed the management accounts of the Guarantor and its Subsidiaries for the five months ended 31 May 2014 and 2015 (the



"**Guarantor's Management Accounts**") and such accounts present fairly and accurately in all material respects the financial position of the Guarantor and its Subsidiaries as at the respective dates indicated therein, and the results of operations and changes in financial position of the Guarantor and its Subsidiaries for the periods in respect of which they have been prepared. The Guarantor's Management Accounts have been prepared and presented on a basis consistent with the accounting policies normally adopted by the Guarantor and its Subsidiaries and applied in preparing the audited financial statements of the Guarantor and its Subsidiaries; and

- (v) the information set out in the capitalisation tables relating to the Guarantor contained in the Offering Circulars has been accurately extracted from the Guarantor's Audited Financial Statements and such information as contained in the Final Offering Circular and the Preliminary Offering Circular accurately reflects and reflected the share capital and indebtedness of the Guarantor Group and the Enlarged Group as of the date of the relevant Offering Circular and there has been no material change in the consolidated capitalisation and indebtedness of the Guarantor since 31 December 2014.

**13. No Material Adverse Change**

Since (in the case of the Issuer) the date of its incorporation and (in the case of the Guarantor and the Company) 31 December 2014, there has been no change (nor any development or event involving a prospective change of which the Issuer, the Guarantor or the Company, as the case may be, is, or might reasonably be expected to be, aware) which would, individually or in aggregate, have a Material Adverse Effect.

**14. Laws and Listing Rules**

Each of the Issuer, the Guarantor and the Company will comply with all applicable laws and all applicable requirements of the SEHK in connection with the issue, offering, sale, marketing and distribution of the Notes.

**15. Litigation**

There are no police, legal, arbitral, governmental or any regulatory investigations or pending claims, actions, suits or proceedings against or affecting the Issuer, the Guarantor, the Company or any other members of the Group or any of their respective directors, officers, employees or any of their respective properties which, if determined adversely to the Issuer, the Guarantor, the Company or such member of the Group, would, individually or in the aggregate, have a Material Adverse Effect, and to the best knowledge of the Issuer, the Guarantor and the Company (after due and careful inquiry), no such investigations, actions, suits or proceedings are threatened or contemplated.

**16. Stamp Duty and Withholding Taxes**

No stamp or other duty (including any stamp or issuance or transfer tax or duty, any service tax and any tax or duty on capital gains or income, whether chargeable on a withholding basis or otherwise) is assessable or payable in, and no withholding or deduction for any taxes, duties, assessments or governmental charges of whatever

nature is imposed or made for or on account of any income, registration, transfer, service or turnover taxes, customs or other duties or taxes of any kind, levied, collected, withheld or assessed by or within, the Issuer's jurisdiction of incorporation, the Guarantor's jurisdiction of incorporation, the Company's jurisdiction of incorporation, the jurisdiction of incorporation of any other member of the Group or Hong Kong in each case by any sub-division of or authority therein or thereof having power to tax in any of such jurisdictions stated in this paragraph 16 (*Stamp Duty and Withholding Taxes*), in connection with the authorisation, execution or delivery of the Issue Documents or with the authorisation, execution, issue, sale or delivery of the Notes, the giving of the Guarantee of the Notes and the performance of their respective obligations under the this Agreement, other Issue Documents or the Notes.

**17. Taxes/Assessments**

Each of the Issuer, the Guarantor, the Company and the other members of the Group has duly and timely filed all tax returns, reports or filing that are required to be filed in each of their respective jurisdiction of incorporation, or has duly requested extensions thereof, except where failure to do so would not, individually or in the aggregate, have a Material Adverse Effect and all such returns are correct and on a proper basis and are not the subject of any dispute with the relevant revenue or other appropriate authorities, and do not reveal any circumstances likely to give rise to any such dispute, except for any such dispute which would not, individually or in the aggregate, have a Material Adverse Effect; and each of the Issuer, the Guarantor, the Company and the other members of the Group has paid all taxes required to be paid by any of them in all applicable jurisdictions and the countries in which the Group operates and any related assessments, fines or penalties, except where such failure to file or make payment would not, individually or in the aggregate, have a Material Adverse Effect. Adequate provisions, charges, accruals and reserves have been provided for in the financial statements referred to in paragraph 12 (*Financial Statements*) in respect of all taxes for all periods as to which the tax liability of the Issuer, the Guarantor, the Company or any other member of the Group has not been finally determined or remains open to examination by any applicable taxing authority. No liability for tax which has not been provided for in the financial statements of the Issuer, the Guarantor, the Company or any member of the Group has arisen or has been asserted by the tax authorities against the Issuer, the Guarantor, the Company or any member of the Group, which would, individually or in the aggregate, have a Material Adverse Effect.

**18. No Breach**

Each of the Issuer, the Guarantor, the Company and the other members of the Group is currently in compliance with all covenants in its outstanding indebtedness and is not in breach or potential breach of any provision of such indebtedness, nor will be in breach or potential breach of any provision of such indebtedness following issuance of the Notes, except for such non-compliance, breach or potential breach which would not, individually or in the aggregate, have a Material Adverse Effect.

**19. Special Event**

No event has occurred or circumstance arisen which, had the Notes already been issued, might (whether or not with the giving of notice and/or the passage of time

and/or the fulfilment of any other requirement) constitute (i) an "Event of Default" under the Terms and Conditions or (ii) a "Change of Control" (as defined in the Terms and Conditions) resulting in the entitlement of the Noteholders to exercise the put option under the Notes.

20. **Critical Accounting Policies**

- (i) The financial statements of the Group contained in the Offering Circulars accurately describe (to the extent in accordance with PRC GAAP):
  - A. accounting judgments and estimates which the Company believes to be the most important in the portrayal of the financial condition and results of operations of the Group and which require management's most difficult, subjective or complex judgments in accordance with PRC GAAP (the "**Critical Accounting Policies of the Group**");
  - B. material judgments and uncertainties affecting the application of the Critical Accounting Policies of the Group; and
  - C. the likelihood that materially different amounts would be reported under different conditions or using different assumptions, and the board of directors and audit committee of the Company have reviewed and agreed with the selection, application and disclosure of such Critical Accounting Policies of the Group and have consulted with their independent auditors with regards to such disclosure.
- (ii) The financial statements of the Guarantor and its Subsidiaries contained in the Offering Circulars accurately describe (to the extent in accordance with the HKFRS):
  - A. accounting judgments and estimates which the Guarantor believes to be the most important in the portrayal of the financial condition and results of operations of the Guarantor and its Subsidiaries and which require management's most difficult, subjective or complex judgments in accordance with the HKFRS (the "**Critical Accounting Policies of the Guarantor**");
  - B. material judgments and uncertainties affecting the application of the Critical Accounting Policies of the Guarantor; and
  - C. the likelihood that materially different amounts would be reported under different conditions or using different assumptions, and the board of directors and audit committee of the Guarantor have reviewed and agreed with the selection, application and disclosure of such Critical Accounting Policies of the Guarantor.

21. **Internal Controls**

Each of the Issuer, the Guarantor, the Company and the other members of the Group maintains systems of internal accounting controls sufficient to provide assurance that (i) transactions are executed in accordance with the Issuer's, the Guarantor's the Company's or each other member of the Group's, as the case may be, management's

general or specific authorisations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with applicable accounting principles generally accepted in, and pursuant to applicable laws and regulations and to maintain asset accountability; (iii) access to assets is permitted only in accordance with the Issuer's, the Guarantor's, the Company's or any other member of the Group's, as the case may be, management's general or specific authorisation; (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences; and (v) each of the Issuer, the Guarantor, the Company and the other members of the Group has made and kept books, records and accounts which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of such entity and provide a sufficient basis for the preparation of the Company's and each other member of the Group's respective financial statements in accordance with the applicable accounting principles generally accepted in, and pursuant to the relevant laws of the PRC, the British Virgin Islands, the Cayman Islands, Hong Kong or the jurisdiction of incorporation of each member of the Group, respectively, consistently applied; and the Guarantor's, the Company's and the Group's current management information and accounting control system has been in operation for at least 12 months during which the Issuer, the Guarantor, the Company or any other member of the Group has not experienced any material difficulties with regard to (i) through (v) above.

## 22. **Material Subsidiaries**

The only Subsidiaries of the Company which (i) contribute to more than 5 per cent. of the Group's gross assets, revenue or gross profits as calculated on the basis of the audited consolidated financial statements of the Group as of and for the year ended 31 December 2014 are:

1. Beijing Capital Land Ltd.
2. Beijing Capital Co., Ltd.
3. Beijing MTR Corporation Limited
4. Beijing-Tianjin Expressway
5. Beijing Capital Investment & Guarantee Co., Ltd.
6. Capital Securities Co., Ltd.
7. Beijing Jingzhong Industrial Development Corporation; and
8. Beijing Capital Trade Co., Ltd.

## 23. **Contingent Liabilities**

There are no outstanding guarantees or contingent payment obligations of the Issuer, the Guarantor, the Company or any other member of the Group in respect of indebtedness of third parties that are reasonably likely to have a material adverse effect on the liquidity of the Issuer, the Guarantor, the Company or any other member of the Group or the requirements of the Issuer, the Guarantor, the Company or any other member of the Group for capital resources, except as disclosed in the financial statements referred to in paragraph 12 (*Financial Statements*) and each of the Issuer, the Guarantor, the Company and the other members of the Group is in compliance with all of its obligations under any outstanding guarantees or contingent payment obligations as described in such financial statements, except for such non-compliance which would not, individually or in the aggregate, have a Material Adverse Effect.

24. **Off-balance Sheet Financing**

None of the Issuer, the Guarantor, the Company nor any other member of the Group has any material relationships with unconsolidated entities that are contractually limited to narrow activities that facilitate the transfer of or access to assets by the Issuer, the Guarantor, the Company or any other member of the Group, such as structured finance entities and special purpose entities, that are reasonably likely to have a material effect on the liquidity of the Issuer, the Guarantor, the Company or any other member of the Group or the availability thereof or the requirements of the Issuer, the Guarantor, the Company or any other member of the Group for capital resources.

25. **Related Party Transactions**

Save as disclosed in the Offering Circulars and in the financial statements referred to in paragraph 12 (*Financial Statements*), no material indebtedness (actual or contingent), material contract or arrangement is outstanding between the Issuer, the Guarantor, the Company or any other member of the Group and any director or executive officer of the Issuer, the Guarantor, the Company or any other member of the Group. There are no related party transactions required to be identified or disclosed under, or which are in breach of, any law or regulation applicable to any member of the Group (including, without limitation, the listing rules of the SEHK and the Shanghai Stock Exchange) that are not disclosed in the Offering Circulars or in the financial statements referred to in paragraph 12 (*Financial Statements*).

26. **Title**

(i) Each of the Issuer, the Guarantor, the Company and the other members of the Group has good and marketable title to all real property, personal property and other assets owned by it or any rights or interests thereto, in each case as are necessary to conduct the business now operated by it ("**Assets**"); (ii) where any such Assets are held under lease, each lease is a legal, valid, subsisting and enforceable lease and no default of any of the Issuer, the Guarantor, the Company or any other member of the Group has occurred and is continuing under any such lease, except for such default which would not, individually or in the aggregate, have a Material Adverse Effect, (iii) each of the Issuer, the Guarantor, the Company and each other member of the Group has received all approvals in order to have good and marketable title to its Assets, including without limitation approvals relating to the evaluation, acquisition and perfection of such title, except for any failure to obtain such approval which would not, individually or in the aggregate, have a Material Adverse Effect; and (iv) there are no charges, liens, encumbrances or other security interests or third party rights or interests, conditions, planning consents, orders, regulations, defects or other restrictions affecting any of such leases mentioned above or such Assets which (in the case of Assets) would, individually or in the aggregate, have a Material Adverse Effect.

27. **Business Licences**

Each of the Issuer, the Guarantor, the Company and the other members of the Group (i) possesses or has obtained all licences, permits, concessions, certificates, consents, orders, approvals and other authorisations from, and has made all declarations and

filings (together, the "**Authorisations and Filings**") with, all national, state, local and other governmental authorities, agencies or bodies (including foreign regulatory agencies), all exchanges and all courts and other tribunals, domestic or foreign and which have jurisdiction over the Issuer, the Guarantor, the Company or the other members of the Group (as the case may be), necessary to own or lease, as the case may be, and to operate its properties and to carry on its business as conducted as of the date hereof and all such Authorisations and Filings are valid and in full force and effect, except for any failure to possess or obtain such Authorisations and Filings or such Authorisations and Filings which are invalid or not in full force or effect, which would not, individually or in the aggregate, have a Material Adverse Effect and (ii) is in compliance with the terms and conditions of all such Authorisations and Filings, except for such non-compliance which would not, individually or in the aggregate, have a Material Adverse Effect and has not received and does not expect to receive any notice of proceedings relating to the revocation or modification of any such licence, permit, concession, certificate, consent, order, approval or other authorisation which, if determined adversely to the Issuer, the Guarantor, the Company or any other member of the Group would, individually or in the aggregate, have a Material Adverse Effect.

28. **Insurance Policies**

Each of the Issuer, the Guarantor, the Company and the other members of the Group (i) has in place all policies of insurance necessary for the conduct of its business as currently operated and for the value of its properties and assets and for compliance with all requirements of law, (ii) such policies are in full force and effect, and (iii) all premiums with respect thereto have been paid, and no notice of cancellation or termination has been received with respect to any such policy, and the Issuer, the Guarantor, the Company and each other member of the Group have complied with the terms and conditions of such policies, except for in the case of sub-paragraph (ii) and (iii) such non-compliance which would not, individually or in the aggregate, have a Material Adverse Effect.

29. **Intellectual Property**

Each of the Issuer, the Guarantor, the Company and the other members of the Group owns or possesses, or can acquire on reasonable terms, adequate patents, patent rights, licences, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, trade names or other intellectual property (collectively, "**Intellectual Property**") necessary or used in any material respect to carry on the business now operated by it, and none of the Issuer, the Guarantor, the Company nor any other member of the Group has received any notice or is otherwise aware of any infringement of or conflict in any jurisdiction with asserted rights of others with respect to any Intellectual Property or is using in violation of any applicable law or contractual or fiduciary obligation binding upon any of the foregoing or any of its directors or executive officers or any of its employees or agents with respect to Intellectual Property or is aware of any facts or circumstances which would render any Intellectual Property invalid or inadequate to protect the interest of the Issuer, the Guarantor, the Company or the Group, except for any conflict, infringement or violation regarding the Intellectual Property that would not, individually or in the aggregate, have a Material Adverse Effect.

30. **Environmental Compliance**

Each of the Issuer, the Guarantor, the Company and the other members of the Group (i) is in compliance with all applicable Environmental Laws; (ii) has received and is in compliance with all permits, licences or other approvals required of them under applicable Environmental Laws to conduct its respective businesses; and (iii) has not received notice of any actual or potential liability under any applicable Environmental Law, except for such non-compliance with Environmental Laws, failure to receive the required permit, licence or other approval or such liability under any applicable Environmental Law which would not, individually or in the aggregate, have a Material Adverse Effect. For the purpose of this paragraph 30 (*Environmental Compliance*), "**Environmental Laws**" means any and all supra-national, national, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licences, agreements or other governmental restrictions relating to the protection of the environment (including, without limitation, human, animal and plant life, ambient air, surface water, ground water, or land), the protection of property and proprietary rights or for the compensation of harm to the environment whether by clean-up, remediation, containment or other treatment or the payment of monies to any competent authority.

In the ordinary course of its respective businesses, each of the Issuer, the Guarantor, the Company and other member of the Group periodically reviews the effect of Environmental Laws on its business, operations and properties, in the course of which it identifies and evaluates associated costs and liabilities (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws, or any permit, licence or approval, any related constraints on operating activities and any potential liabilities to third parties) and; on the basis of such review, the Issuer, the Guarantor and the Company have reasonably concluded that such associated costs and liabilities would not, individually or in the aggregate, have a Material Adverse Effect.

31. **Labour and Labour Disputes**

No labour dispute with the employees of the Issuer, the Guarantor, the Company and the Group exists or, to the best knowledge of the Issuer, the Guarantor and the Company (after due and careful enquiry), is imminent, which would, individually or in the aggregate, have a Material Adverse Effect. None of the Issuer, the Guarantor or the Company is aware of any existing or imminent labour disturbance by the employees of, contractors, manufacturers or service providers which provide services to the Issuer, the Guarantor, the Company or the Group, which would, individually or in the aggregate, have a Material Adverse Effect.

32. **Independent Auditors**

- (i) Ruihua Certified Public Accountants who have audited the consolidated financial statements of the Group for the years ended 31 December 2013 and 2014 and delivered audit reports thereon, are independent reporting accountant with respect to the Issuer, the Guarantor, the Company and the Group as described in the audit reports and have consented to the inclusion of the audit reports in the Offering Circulars.

- (ii) Ernst & Young Certified Public Accounts who have audited the Guarantor's Audited Financial Statements and the audited consolidated financial statements of the Target Group as of and for the year ended 31 December 2013 and reviewed the unaudited but reviewed consolidated financial statements of the Target Group as of and for the year ended 31 December 2014 and delivered audit reports and review reports thereon, are independent reporting accountant with respect to the Issuer, the Guarantor, the Company and the Group as described in the audit reports or (as the case may be), the review reports and have consented to the inclusion of the audit reports or (as the case may be) the review reports in the Offering Circulars.

**33. Information**

All information supplied or disclosed in writing including, without limitation, the answers and documents provided at due diligence meetings (and any new or additional information serving to update or amend such information supplied or disclosed by the Issuer, the Guarantor or the Company to the Joint Lead Managers or the legal and other professional advisers to the Joint Lead Managers) is in every material particular true and accurate and not misleading and all forecasts, opinions and estimates relating to the Issuer, the Guarantor, the Company and each member of the Group so supplied or disclosed have been made after due, careful and proper consideration, are based on reasonable assumptions and represent reasonable and fair expectations honestly held based on facts known to such persons (or any of them); there has been no development or occurrence relating to the financial or business condition or prospects of the Issuer, the Guarantor, the Company or any other member of the Group (including, without limitation, with respect to any corporate event, acquisition, disposal or related matter) which is not in the public domain and which would reasonably be expected to be material to potential purchasers of the Notes.

**34. Immunity**

The Company is a separate legal and independent entity organised under the Company Law of the People's Republic of China; it is a state owned enterprise supervised by the State owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality undertaking commercial activities independent from the PRC government with ownership of its assets and the capacity independently to assume civil liabilities. The entry into by the Issuer of the Notes and the Issue Documents to which it is a party, the entry into by the Guarantor and Company of the Issue Documents constitutes, and the exercise by any of them of their respective rights and performance of their respective obligations under (in the case of the Issuer) the Notes and (in the case of Issuer, the Guarantor and the Company) the Issue Documents (as the case may be) will constitute, private and commercial acts performed for private and commercial purposes. None of the Issuer, the Guarantor, the Company nor any other member of the Group or any of their respective assets or properties has any immunity in respect of their obligations under the Issue Documents, the Notes or from the jurisdiction of any court or from any legal process (whether through service of notice, attachment prior to judgment or attachment in aid of execution or otherwise) under the laws of the PRC, the Cayman Islands, the British Virgin Islands or Hong Kong.

**35. No Violation**



None of the Issuer, the Guarantor, the Company nor any other member of the Group is (i) in violation of its respective articles of association or by-laws or similar organisational documents; (ii) in violation of any licence, authorisation, law, rule, regulation, judgment, arbitral award, order or decree of any government, governmental body, regulatory authority, court or tribunal, domestic or foreign, having jurisdiction over the Issuer, the Guarantor, the Company or any other member of the Group or any of their respective properties; or (iii) in breach of or in default (nor has any event occurred which, with the giving of notice and/or lapse of time and/or fulfilment of any other requirement would result in a default by the Issuer, the Guarantor, the Company or any member of the Group) in the performance of any obligation, agreement, covenant or condition contained in any indenture, trust deed, loan agreement, mortgage, lease, document, contract or other agreement or instrument to which the Issuer, the Guarantor, the Company or any other member of the Group is a party or by which any of the Issuer, the Guarantor, the Company or any other member of the Group or their respective properties or assets or revenues are bound to which any of the property or assets of the Issuer, the Guarantor, the Company or any member of the Group is subject, except for, in the case of (ii) and (iii), such violation, breach or default which would not, individually or in the aggregate, have a Material Adverse Effect.

36. **Dividends**

No Subsidiary of the Issuer, the Guarantor or the Company is currently prohibited, directly or indirectly, from paying any dividends to the Issuer, the Guarantor or the Company, from making any other distribution on such Subsidiary's share capital, from repaying to the Issuer, the Guarantor or the Company any loans or advances to such Subsidiary from the Issuer, the Guarantor or the Company or from transferring any such Subsidiary's property or assets to the Issuer, the Guarantor or the Company or any of their respective subsidiaries, except for such prohibition which would not, individually or in the aggregate, have a Material Adverse Effect.

37. **Stabilisation**

None of the Issuer, the Guarantor, the Company, the other members of the Group nor any of their affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act ("**Regulation D**")), nor any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to cause or to result in, or that has constituted or which might reasonably be expected to cause or result in, the stabilisation in violation of applicable laws or manipulation of the price of any security to facilitate the sale or resale of the Notes.

38. **Announcements**

With respect to all the announcements issued by the Issuer, the Guarantor and the Company: (i) all statements contained therein were in every material particular true and accurate and not misleading; (ii) all opinions and intentions expressed in them were honestly held, were reached after considering all relevant circumstances and were based on reasonable assumptions; and (iii) there were no other facts omitted so as to make any such statement or expression in any of the announcements misleading in any material respect or which would or might have been material in the context in which the announcements were made.

39. **Anti-corruption, Anti-money Laundering and U.S. Office of Foreign Assets Control**

39.1 Neither the Issuer, the Guarantor, the Company nor any other member of the Group nor any director, officer, or (to the best knowledge of the Issuer, the Guarantor and the Company (after due and careful inquiry)) employee, agent, affiliate or other person acting on behalf of the Issuer, the Guarantor, the Company or any other member of the Group, is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of:

- (i) the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "**FCPA**"), or any other applicable anti-bribery or anti-corruption law or regulation similar to the FCPA (including but not limited to, the UK Bribery Act of 2010) in any other jurisdiction, including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorisation of the payment of any money, or other property, gift, promise to give, or authorisation of the giving of anything of value to any "foreign official" (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA; or
- (ii) any applicable anti-bribery or anti-corruption law or regulation of any such other jurisdiction, and the Issuer, the Guarantor, the Company and every other member of the Group and their respective affiliates have conducted their businesses in compliance with the FCPA and all applicable anti-bribery or anti-corruption laws and regulations of any such other jurisdiction and have instituted and maintained policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance and the prevention of violation of, such laws, rules and regulations;

39.2 The operations of the Issuer, the Guarantor, the Company and the Group are and have been conducted at all times in compliance with all applicable financial recordkeeping and reporting requirements, including those of the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), and the applicable anti-money laundering laws, regulations, rules and guidelines in each jurisdiction where the Issuer, the Guarantor, the Company and any other member of the Group conducts business and any related or similar rules, regulations or guidelines, issued, administered or enforced by any applicable governmental agency (collectively, the "**Anti-Money Laundering Laws**"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Issuer, the Guarantor, the Company or any other member of the Group with respect to the Anti-Money Laundering Laws is pending or (to the best knowledge of the Issuer, the Guarantor and the Company (after due and careful inquiry)) threatened.

39.3 The Issuer, the Guarantor and the Company jointly and severally represent that none of the Issuer, the Guarantor, the Company nor any other member of the Group or any director, officer, or (to the best knowledge of the Issuer, the Guarantor and the Company (after due and careful inquiry)) employee, agent, affiliate or other person acting on behalf of the Issuer, the Guarantor, the Company or any other member of

the Group, is an individual or entity that is, or is owned or controlled by an individual or entity that is:

- (i) the subject of any sanctions administered or enforced by the U.S. Government (including, without limitation, the U.S. Department of Treasury's Office of Foreign Assets Control ("**OFAC**"), the U.S. Department of State pursuant to the Iran Sanctions Act, as amended, the United Nations Security Council ("**UNSC**"), the Council of the European Union ("**EU**") or Her Majesty's Treasury ("**HMT**") or other relevant sanctions authority or is an individual or entity listed on any list of specially-designated and/or restricted individuals, entities and/or organisations published by any of OFAC, HMT, the EU, the U.S. or other relevant sanctions authority (collectively, "**Sanctions**");
- (ii) domiciled, located, organised or resident in a country or territory that is the subject of Sanctions; or
- (iii) is or has been in violation of or subject to an investigation, claim, action or suit relating to any Sanctions.

39.4 Neither the Issuer, the Guarantor, the Company any other member of the Group nor any director, officer, or (to the best knowledge of the Issuer, the Guarantor and the Company (after due and careful inquiry)) employee, agent, affiliate or other person acting on behalf of the Issuer, the Guarantor, the Company or any other member of the Group had engaged in, or is now engaged in, any projects, dealings or transactions with any government, individual or entity, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions.

39.5 None of the Issuer, the Guarantor, the Company any other member of the Group nor any director, officer, or (to the best knowledge of the Issuer, the Guarantor and the Company (after due and careful inquiry)) employee, agent, affiliate or other person acting on behalf of the Issuer, the Guarantor, the Company or any other members of the Group has received notice of or is aware of any police, legal, arbitral, governmental or any regulatory investigations or pending claims, actions, suits or proceedings in relation to Sanctions against or affecting the Issuer, the Guarantor, the Company or any other members of the Group or any of their respective directors, officers or any of their respective properties and (to the best knowledge of the Issuer, the Guarantor and the Company (after due and careful inquiry)) no such investigations, claims, actions, suits or proceedings are threatened or contemplated.

39.6 None of the Issuer, the Guarantor, the Company nor any other member of the Group will, directly or indirectly, use the proceeds of the offering of the Notes, or lend, contribute or otherwise make available all or any part of such proceeds to, or for the benefit of, any subsidiary, joint venture partner, country, territory or other individual or entity:

- (i) to fund or facilitate any activities or business of or with any individual or entity or in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions; or
- (ii) in any other manner or for any other purpose that will result in a violation of Sanctions, anti-bribery laws referred to in paragraph 39.1 of this Schedule 1

*(Representations and Warranties)* or Anti-Money Laundering Laws (as defined in paragraph 39.2 of this Schedule 1 *(Representations and Warranties)*) by any individual or entity, including any individual or entity participating in the offering, whether as underwriter, advisor, investor or otherwise.

40. **Foreign Issuer and U.S. Market Interest**

Each of the Issuer, the Guarantor and the Company is a "foreign issuer" (as such term is defined in Regulation S) which reasonably believes that there is no "substantial U.S. market interest" (as such term is defined in Regulation S) in their respective debt securities.

41. **Directed Selling Efforts**

None of the Issuer, the Guarantor, the Company nor their respective affiliates nor any persons acting on its or their behalf (which for the avoidance of doubt shall not include the Joint Lead Managers) have engaged or will engage in any directed selling efforts (as defined in Regulation S under the Securities Act) with respect to the Notes.

## **SCHEDULE 2 SELLING RESTRICTIONS**

### **1. General**

Each Joint Lead Manager undertakes to the Issuer, the Guarantor and the Company that it will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes each of the Offering Circulars or any related offering material, in all cases at its own expense.

### **2. United States**

The Notes and the Guarantee of the Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Joint Lead Manager represents, warrants and undertakes to the Issuer, the Guarantor and the Company that it has not offered or sold, and will not offer or sell, any bonds constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act and, accordingly, that neither it nor any of its affiliates (including any person acting on behalf of the Joint Lead Manager or any of its affiliates) has engaged or will engage in any directed selling efforts with respect to the Notes.

Terms used in the paragraph above have the meanings given to them by Regulation S under the Securities Act.

### **3. United Kingdom**

Each Joint Lead Manager represents, warrants and undertakes that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer, the Guarantor or the Company; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

### **4. Hong Kong**

Each Joint Lead Manager represents, warrants and undertakes that

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong ("SFO") and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the

Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under that Ordinance.

## 5. **The People's Republic of China**

Each Joint Lead Manager represents, warrants and undertakes that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the People's Republic of China.

## 6. **Singapore**

Each Joint Lead Manager acknowledges that each of the Offering Circulars has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act (Chapter 289 of Singapore) (the "SFA"). Accordingly, each Joint Lead Manager represents, warrants and undertakes that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Offering Circulars or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

## 7. **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended (the "FIEA"). Accordingly, each Joint Lead Manager represents and agrees that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer to sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant

to an exemption from the registration requirements of, and otherwise in compliance with, FIEA and other relevant laws and regulations of Japan.

8. **The British Virgin Islands**

Each Joint Lead Manager represents, warrants and agrees that it has not made and will not make any invitation to the public in the British Virgin Islands or a natural person who is a British Virgin Islands resident or citizen to offer or sell the Notes and the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the British Virgin Islands, except as otherwise permitted by British Virgin Islands law.

9. **The Cayman Islands**

No invitation whether directly or indirectly may be made to the public in the Cayman Islands to subscribe for the Notes unless the Guarantor is listed on the Cayman Islands Stock Exchange.

10. **Italian Republic**

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, and no copies of the Offering Circular and any other document relating to the Notes may be distributed in the Republic of Italy except:

- (i) to "**qualified investors**", as referred to in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended ("**Decree No. 58**"), and defined in article 34-ter, paragraph 1, letter (b) of CONSOB Regulation no. 11971 of 14 May 1999, as amended ("**Regulation No. 11971**");
- (ii) that Notes may be offered, sold or delivered or copies of any prospectus relating to such Notes may be distributed in an offer to the public in the period commencing on the date of publication of such prospectus, *provided that* such prospectus has been approved in another Relevant Member State and notified to CONSOB, all in accordance with the Prospectus Directive and the 2010 PD Amending Directive, as implemented in Italy under Decree No. 58 and Regulation No. 11971, and ending on the date which is 12 months after the date of approval of such prospectus; and
- (iii) in any other circumstances where an express exemption from compliance with the solicitation restrictions applies, as provided under Decree No. 58 or Regulation No. 11971.

**SCHEDULE 3  
SUBSCRIPTION AMOUNT**

	<b>Principal Amount</b>
ABCI Capital Limited	CNY260,000,000
Bank of China (Hong Kong) Limited	CNY260,000,000
China Construction Bank Corporation, Singapore Branch	CNY260,000,000
DBS Bank Ltd.	CNY260,000,000
The Hongkong and Shanghai Banking Corporation Limited	CNY260,000,000
<b>Total</b>	<b>CNY1,300,000,000</b>



**SCHEDULE 4**  
**FORM OF CLOSING CERTIFICATE**

**ABCI Capital Limited**

10/F, Agricultural Bank Of China Tower  
50 Connaught Road  
Central  
Hong Kong

**Bank of China (Hong Kong) Limited**

7/F Bank of China Tower  
1 Garden Road  
Central  
Hong Kong

**China Construction Bank Corporation, Singapore Branch**

9 Raffles Place,  
#33-01 Republic Plaza,  
Singapore 048619

**DBS Bank Ltd.**

10/F The Center  
99 Queen's Road Central  
Hong Kong

**The Hongkong and Shanghai Banking Corporation Limited**

Level 17, HSBC Main Building  
1 Queen's Road Central  
Hong Kong

30 July 2015

Dear Sirs

**Rosy Capital Global Limited (美京環球有限公司)**  
**Issue of CNY1,300,000,000 5.25 per cent. Notes due 2018 (the "Notes")**  
**Guaranteed by Beijing Capital Juda Limited (首創鉅大有限公司)**

We, [Rosy Capital Global Limited (美京環球有限公司), the Issuer] / [Beijing Capital Juda Limited (首創鉅大有限公司), the Guarantor] / [Beijing Capital Group Co., Ltd. (北京首都創業集團有限公司), the Company], refer to the subscription agreement dated 23 July 2015 (the "**Subscription Agreement**") in respect of the Notes. Expressions which are given defined meanings in the Subscription Agreement have the same meanings herein.

As required by Clause 9.4.1(b) (*Conditions Precedent - Closing certificates*) of the Subscription Agreement, we hereby certify that:

- (a) there has, since the date of the Subscription Agreement up to and including today's date, been no adverse change, or any development reasonably likely to involve an

adverse change in the condition (financial or otherwise), prospects, results of operations, profitability, business, properties or general affairs of the Issuer, the Guarantor, the Company or the Group or which could adversely affect the ability of the Issuer, the Guarantor or the Company to perform their respective obligations under the Issue Documents or the Notes or which are otherwise material in the context of the issue, offering, sale, marketing or distribution of the Notes;

- (b) the representations and warranties in Schedule 1 (*Representations and Warranties*) of the Subscription Agreement are true and correct as though they had been made and given today with references to the facts and circumstances now subsisting; and
- (c) the Issuer, the Guarantor and the Company have performed all of their respective obligations under the Subscription Agreement to be performed on or before the Closing Date.

Yours faithfully,

**[ROSY CAPITAL GLOBAL LIMITED (美京環球有限公司)] / [BEIJING CAPITAL JUDA LIMITED (首創鉅大有限公司)] / [BEIJING CAPITAL GROUP CO., LTD. (北京首都創業集團有限公司)]**

By: .....

Name:

Title:

**SCHEDULE 5**  
**FORM OF CFO CERTIFICATE**

**ABCI Capital Limited**

10/F, Agricultural Bank Of China Tower  
50 Connaught Road  
Central  
Hong Kong

**Bank of China (Hong Kong) Limited**

7/F Bank of China Tower  
1 Garden Road  
Central  
Hong Kong

**China Construction Bank Corporation, Singapore Branch**

9 Raffles Place,  
#33-01 Republic Plaza,  
Singapore 048619

**DBS Bank Ltd.**

10/F The Center  
99 Queen's Road Central  
Hong Kong

**The Hongkong and Shanghai Banking Corporation Limited**

Level 17, HSBC Main Building  
1 Queen's Road Central  
Hong Kong

[23 July / 30 July] 2015

Dear Sirs

**Rosy Capital Global Limited (美京環球有限公司)**  
**Issue of CNY1,300,000,000 5.25 per cent. Notes due 2018 (the "Notes")**  
**Guaranteed by Beijing Capital Juda Limited (首創鉅大有限公司)**

I, [•], Chief Financial Officer of [Beijing Capital Juda Limited (首創鉅大有限公司), the Guarantor] / [Beijing Capital Group Co., Ltd. (北京首都創業集團有限公司), the Company], refer to the subscription agreement dated 23 July 2015 (the "**Subscription Agreement**") in respect of the Notes. Expressions which are given defined meanings in the Subscription Agreement have the same meanings herein.

As required by Clause 9.4.1(d) (*Conditions Precedent - CFO certificates*) of the Subscription Agreement, I, [•], in my capacity as Chief Financial Officer of the [Guarantor / Company], hereby certify as follows:

I am responsible for, among other things, financial and accounting matters of the [Guarantor / Company]. I oversee the financial and accounting matters of each of the [Guarantor / Company] and the [Guarantor's / Company's] consolidated subsidiaries (collectively, the

"Group"), and am familiar with the accounting, operations, record systems and internal controls of the Group.

I hereby confirm that I have read the specified amounts in the attached extracts of the Final Offering Circular set out in the Appendix hereto (the "**Specified Amounts**") and have checked and recomputed where necessary the Specified Amounts against the accounting and other records of the Group and such Specified Amounts are true and accurate.

I hereby confirm that, since 31 December 2014, there has been no material adverse change in the financial performance and financial condition of the Group[, in particular, as at [23 July / 30 July], there has been no material adverse change in:

- (i) cash and cash equivalents
- (ii) net current assets
- (iii) total assets
- (iv) total current assets
- (v) total liabilities
- (vi) Interest-bearing bank borrowings as current liabilities; and
- (vii) issued capital,

each of which as compared with the corresponding amounts as at 31 December 2014 in the audited consolidated financial statements for the nine months ended 31 December 2014.]<sup>1</sup>

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<sup>1</sup> To be included in the Guarantor's CFO certificate

Yours faithfully

By: .....

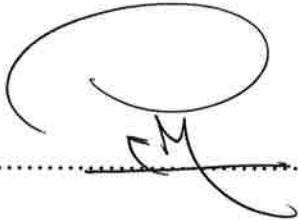
Name: [•]

Title: Chief Financial Officer

**SIGNATURES**

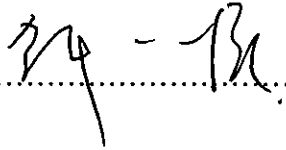
*The Issuer*

**ROSY CAPITAL GLOBAL LIMITED (美京環球有限公司)**

By:  .....

*The Guarantor*

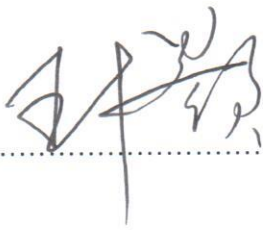
**BEIJING CAPITAL JUDA LIMITED (首創鉅大有限公司)**

By: .....  .....



*The Company*

**BEIJING CAPITAL GROUP CO., LTD.** (北京首都创业集团有限公司)

By:  .....

*The Joint Lead Managers*

**BANK OF CHINA (HONG KONG) LIMITED**

By:  .....

Leung Wai Kei, Gary  
Deputy General Manager, Global Markets

**DBS BANK LTD.**



By: .....

**LAM, Cecilia Wai Heng  
Senior Vice President  
Fixed Income Origination**

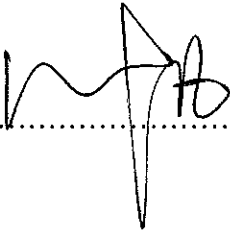
**THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED**

By: .....  Tracy Kung  
Director, Transaction Management  
Capital Financing

By: .....  Gina Tang  
Managing Director  
Head of Debt Capital Markets, Greater China  
Capital Financing

**ABCI CAPITAL LIMITED**

By:

.....  


**CHINA CONSTRUCTION BANK CORPORATION, SINGAPORE BRANCH**

Handwritten signature in Chinese characters: 何志平

By: .....