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

If you have sold or transferred all your shares in Jujiang Construction Group Co., Ltd. (巨匠建設集團股份有限公司) (the “Company”), you should at once hand this circular and the accompanying form of proxy and reply slip to the purchaser(s) or transferee(s) or to the bank, stockbroker or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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巨匠建设

JUJIANG CONSTRUCTION GROUP

Jujiang Construction Group Co., Ltd.

巨匠建設集團股份有限公司

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

(Stock Code: 1459)

- (1) PROPOSED A SHARE OFFERING AND CONSEQUENTIAL AMENDMENTS
TO ARTICLES OF ASSOCIATION**
- (2) CHANGE OF DIRECTORS AND SUPERVISORS**
- (3) ESTABLISHMENT OF STRATEGIC COMMITTEE**
- (4) CONTINUING CONNECTED TRANSACTIONS
AND REVISION OF ANNUAL CAPS**
- (5) NOTICE OF EXTRAORDINARY GENERAL MEETING**
- (6) NOTICE OF DOMESTIC SHAREHOLDERS' CLASS MEETING
AND**
- (7) NOTICE OF H SHAREHOLDERS' CLASS MEETING**

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



**Lego Corporate
Finance Limited**
力高企業融資有限公司

A letter from the Board is set out on pages 5 to 25 of this circular. A letter from the Independent Board Committee containing its recommendation is set out on pages 26 to 27 of this circular. A letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 28 to 41 of this circular.

Notices dated 7 October 2016 convening the EGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting to be held at Conference Room (Asuka), TKP International Limited, 23/F, Euro Trade Centre, 21-23 Des Voeus Road Central, Central, Hong Kong on 24 November 2016 are set out on pages EGM-1 to EGM-5, DSCM-1 to DSCM-4 and HSCM-1 to HSCM-4 of this circular, respectively. Shareholders who intend to attend the EGM and/or the Class Meeting(s) (as the case maybe) should complete the reply slip and return it by hand or by post to the H share registrar of the Company (for holders of H shares of the Company) or to the head office in the PRC of the Company (for holders of domestic shares of the Company) on or before 20 November 2016 (as the case maybe).

Shareholders who are entitled to attend and vote at the EGM and/or the Class Meeting(s) may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a Shareholder. In order to be valid, the proxy form for the EGM and/or the Class Meeting(s) must be deposited by hand or post, for holders of H shares of the Company, to the H share registrar of the Company Tricor Investor Services Ltd. at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong and, for holders of domestic shares of the Company, to the headquarters in the PRC of the Company not less than 24 hours before the time for holding such meeting(s) (or any adjournment thereof) for taking the poll. If the proxy form is signed by a person under a power of attorney or other authority, a notarial copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude shareholders from attending and voting in person at the EGM and/or the Class Meeting(s) or any adjourned meetings should they so wish.

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DEFINITIONS

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

“2015 Master Agreement”	the construction contracting service master agreement dated 10 September 2015 entered into between the Company and Jujiang Holdings
“2016 Master Agreement”	the construction contracting service master agreement dated 25 August 2016 entered into between the Company and Jujiang Holdings
“Announcement”	the announcement of the Company dated 25 August 2016
“A Share(s)”	ordinary share(s) proposed to be issued by the Company pursuant to the A Share Offering and subscribed for in Renminbi
“A Share Offering”	the Company’s proposed initial public offering of not more than 59,262,223 A Shares, which are proposed to be listed on the Shanghai Stock Exchange
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Audit Committee”	audit committee of the Board
“Board”	the board of Director
“Company”	Jujiang Construction Group Co., Ltd. (巨匠建設集團股份有限公司), a joint stock company established in the PRC with limited liability, whose H Shares are listed and traded on the Hong Kong Stock Exchange (stock code: 1459)
“Class Meeting(s)”	the H Shareholders’ Class Meeting and/or the Domestic Shareholders’ Class Meeting (as the case may be)
“CSRC”	China Securities Regulatory Commission
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	the ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in Renminbi by PRC nationals and/or PRC corporate entities

DEFINITIONS

“Domestic Shareholder(s)”	holder(s) of Domestic Share(s)
“Domestic Shareholders’ Class Meeting”	the class meeting of the holders of Domestic Shares to be convened and held on 24 November 2016 immediately after the conclusion of the EGM to be held on the same date at the same place or any adjournment thereof
“Draft Articles of Association”	the draft Articles of Association which will, subject to Shareholders’ approval at the EGM and Class Meeting, be effective upon the listing of A Shares on the Shanghai Stock Exchange
“EGM”	the forthcoming extraordinary general meeting of the Company to be held at Conference Room (Asuka), TKP International Limited, 23/F, Euro Trade Centre, 21-23 Des Voeus Road Central, Central, Hong Kong at 2:30 p.m. on 24 November 2016 or any adjournment thereof
“Existing Annual Cap”	the existing annual cap for the transactions contemplated under the 2015 Master Agreement for a term ending on 31 December 2016
“Existing Project”	the construction projects under the 2015 Master Agreement as of 30 June 2015 as set out in the Prospectus
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign invested shares in the share capital of the Company, which are listed on the main board of the Stock Exchange with a nominal value of RMB1.00 each
“H Shareholders’ Class Meeting”	the class meeting of the holders of H Shares to be convened and held on 24 November 2016 immediately after the conclusion of the Domestic Shareholders’ Class Meeting to be held on the same date at the same place or any adjournment thereof
“H Share Offering”	the initial public offering of the Company’s H Shares globally and the listing of such H Shares on the Stock Exchange on 12 January 2016
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent board committee, comprising all of the independent non-executive Directors of the Company, namely Mr. Xu Guoqiang, Mr. Lin Tao and Mr. Wong Ka Wai, formed to advise the Independent Shareholders in respect of, amongst others, the 2016 Master Agreement and the Revised Annual Caps

DEFINITIONS

“Independent Financial Adviser” or “Lego Corporate Finance”	Lego Corporate Finance Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the 2016 Master Agreement and the Revised Annual Caps
“Independent Shareholders”	the Shareholders other than those who have material interest in the 2016 Master Agreement and the Revised Annual Caps and are required under the Listing Rules to abstain from voting on the relevant resolution(s) to be proposed at the EGM
“Independent Third Party(ies)”	means person(s) who, as far as the Directors are aware after having made all reasonable enquiries, are not connected persons of the Company
“Jujiang Equity Investment”	Zhejiang Jujiang Equity Investment Management Co., Ltd.* (浙江巨匠股權投資管理股份有限公司), a joint stock limited liability company incorporated in the PRC and a 36.75% shareholder in the Company as at the Latest Practicable Date.
“Jujiang Holdings”	Zhejiang Jujiang Holdings Group Co., Ltd.* (浙江巨匠控股集團有限公司), a limited liability company incorporated in the PRC and a 38.25% shareholder in the Company as at the Latest Practicable Date.
“Jujiang Holdings Group”	Jujiang Holdings, its subsidiaries and their associates (as defined under the Listing Rules) (other than our Group)
“Latest Practicable Date”	1 November 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing”	the listing of the H Shares on the main board of the Stock Exchange which commenced on 12 January 2016
“Listing Rules”	Rules governing the Listing of Securities on the Stock Exchange
“Meeting”	the meeting of the Board held on 25 August 2016
“Model Code”	Model Code for Securities Transactions by Directors of Listed Companies as set out in appendix 10 to the Listing Rules
Mr. Yu”	Mr. Yu Jingxuan (余景選)
“Mr. Zhu”	Mr. Zhu Jialian (朱家煉)

DEFINITIONS

“Nomination Committee”	the nomination committee of the Board
“PRC”	the People’s Republic of China, for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Prospectus”	prospectus of the Company dated 30 December 2015
“RMB”	Renminbi, the lawful currency of the PRC
“Remuneration and Appraisal Committee”	Remuneration and appraisal committee of the Board
“Revised Annual Caps”	the adjusted annual cap for the continuing connected transaction contemplated under the 2016 Master Agreement for the three years ending 31 December 2018
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the Domestic Share(s) and/or the H Share(s)
“Shanghai Listing Rules”	Means the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange* (《上海證券交易所股票上市規則》)
“Shareholders”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Committee”	the strategic committee of the Board
“Supervisor(s)”	supervisor(s) of the Company
“Supervisory Committee”	supervisory committee of the Company
“ZUFE”	Zhejiang University of Finance and Economics (浙江財經大學會計學院)
“%”	per cent.

In this circular, unless the context otherwise requires, the terms “associate(s)”, “connected person(s)”, “connected transaction(s)”, “controlling shareholder(s)”, “subsidiary(ies)” and “substantial shareholder(s)” shall have the meanings given to such terms in the Listing Rules.

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

LETTER FROM THE BOARD



巨匠建设

JUJIANG CONSTRUCTION GROUP

Jujiang Construction Group Co., Ltd.

巨匠建設集團股份有限公司

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

(Stock Code: 1459)

Executive Directors:

Mr. Lv Yaoneng (呂耀能) (*Chairman*)
Mr. Lv Dazhong (呂達忠)
Mr. Li Jinyan (李錦燕)
Mr. Lu Zhicheng (陸志城)
Mr. Shen Haiquan (沈海泉)
Mr. Zheng Gang (鄭剛)

Independent Non-executive Directors:

Mr. Xu Guoqiang (徐國強)
Mr. Lin Tao (林濤)
Mr. Wong Ka Wai (王加威)

Registered Office:

Gaoqiao Town
Jiaxing City
Zhejiang Province
PRC

Headquarters in the PRC

No. 669 Qingfeng South Road (South)
Tongxiang City
Zhejiang Province
PRC

Principal Place of Business in Hong Kong:

22/F, World-Wide House
19 Des Voeux Road Central
Hong Kong

7 November 2016

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED A SHARE OFFERING AND CONSEQUENTIAL AMENDMENTS TO ARTICLES OF ASSOCIATION**
- (2) CHANGE OF DIRECTORS AND SUPERVISORS**
- (3) ESTABLISHMENT OF STRATEGIC COMMITTEE**
- (4) CONTINUING CONNECTED TRANSACTIONS AND REVISION OF ANNUAL CAPS**
- (5) NOTICE OF EXTRAORDINARY GENERAL MEETING**
- (6) NOTICE OF DOMESTIC SHAREHOLDERS' CLASS MEETING AND**
- (7) NOTICE OF H SHAREHOLDERS' CLASS MEETING**

I. INTRODUCTION

Reference is made to the announcements published by the Company dated 3 June 2016 and 25 August 2016 which include certain resolutions to be proposed at the EGM and the Class Meetings (as the case may be) in relation to, among other things, (i) the A Share Offering; (ii) change in Directors and Supervisors; (iii) establishment of Strategic Committee; and (iv) the 2016 Master Agreement and Revised Annual Caps.

LETTER FROM THE BOARD

On 25 August 2016, the Board approved and resolved at the Meeting to submit to the EGM and Class Meetings for approval of certain matters: (1) the proposal of the A Share Offering; (2) feasibility analysis report on the use of proceeds from the A Share Offering; (3) undertakings to be Given for the purpose of the A Share Offering; (4) accumulated profit distribution plan before the A Share Offering; (5) dividend return plan within three years after the A Share Offering; (6) dilution of immediate return arising from the A Share Offering and remedial measures; (7) price stabilising plan for the A Shares within three years after the A Share Offering; (8) proposed amendments to the Articles of Association and adoption of the rules of procedures of the general meetings, the Board of Directors and the board of Supervisors of the Company and other corporate governance procedures in preparation for the A Share Offering; (9) proposed adoption of draft Articles of Association with effect upon the listing of the A Shares; (10) the grant of authorisation to the Board to implement the A Share Offering; (11) the report on the use of proceeds of the H Share Offering; (12) the report on internal control assessment; (13) the appointment of AJ Securities Company Limited* (愛建證券有限責任公司) as the sponsor and lead underwriter, (14) the appointment of AllBright Law Offices as the PRC Legal Advisor; (15) the appointment of Ernst & Young Hua Ming LLP. (Special General Partnership) as the Company's auditors; (16) appointment of Mr. Yu as independent non-executive Director; (17) appointment of Mr. Zhu as Shareholder Representative Supervisor; (18) establishment of Strategic Committee; (19) confirmation of connected transactions of the Company for the year of 2013, 2014, 2015 and for the six months ended 30 June 2016; and (20) the continuing connected transactions contemplated under the 2016 Master Agreement; and (21) the Revised Annual Caps.

The proposals of (1) and (11) above are to be approved by the Shareholders by way of special resolutions and the proposals of (12) to (21) above are to be approved by the Shareholders by way of ordinary resolutions at the EGM.

The proposals (1) to (11) are also to be approved by the Domestic Shareholders at the Domestic Shareholders' Class Meeting and by the H Shareholders at the H Shareholders' Class Meeting, respectively.

The purpose of this circular is to provide you with the information regarding, among other things, proposed resolutions (1) to (21) above to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the EGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting.

II. PROPOSED A SHARE OFFERING AND RELATED MATTERS

The proposed A Share Offering and other related resolutions below are conditional and subject to market conditions and obtaining Shareholders' approval as ordinary resolutions or special resolutions (as the case may be) at the EGM and the Class Meetings (as the case may be) and necessary approvals from the CSRC and other relevant regulatory authorities.

LETTER FROM THE BOARD

1. Proposed A Share Offering

Details of the proposed A Share Offering are as follows:

(a) *Class of Shares*

Domestic listed RMB ordinary Shares (A Shares)

(b) *Nominal value per Share*

RMB1.00

(c) *Proposed stock exchange for the listing*

Shanghai Stock Exchange

(d) *Offering size*

The total number of A Shares to be issued will be not more than 59,262,223 A Shares, representing approximately 11.11% of the total existing issued share capital of the Company at the Latest Practicable Date and before the issue, and approximately 10.00% of total enlarged issued share capital of the Company after the issue; and representing approximately 14.82% of the existing issued Domestic Shares of the Company at the Latest Practicable Date and before the issue, and approximately 12.90% of the enlarged issued Domestic Shares of the Company after the issue, assuming that there are no other changes to the issued share capital of the Company.

The existing Domestic Shares will become listed A Shares upon completion of the A Share Offering.

The actual offering size will be determined by the Board as authorised by the Shareholders at the EGM and Class Meetings based on the prevailing market conditions at the time of the offering.

(e) *Target subscriber*

The target subscribers of the A Share Offering are qualified participants in the price consultation process as well as individuals, legal persons and other investors within the PRC which have established A share accounts with the Shanghai Stock Exchange (except those prohibited by the PRC laws and regulations). It is expected that none of the subscribers of the A Shares is or will become a connected person of the Company. If any of the subscribers of the A Share Offering is or will become a connected person of the Company, the Company will comply with the relevant listing rules of the stock exchanges on which the Shares are listed.

LETTER FROM THE BOARD

(f) Method of offering

The offering will be conducted through a combination of placings offline to participants of the price consultation process, and online offering at a fixed price, or through any other methods of offering as authorized by the CSRC.

(g) Pricing methodology

Taking into account the interests of the existing Shareholders and the market conditions of the PRC stock markets at the time of the A Share Offering, the offering price will be determined by the Board and the leading underwriter with reference to the results of the price consultation process and the market condition or such other methods approved by the CSRC.

Further, the issue price is expected to be above the net asset value per share according to the then latest audited financial statements of the Company. As at 31 December 2015, the audited net asset value per share of the Company is RMB1.93. In addition, according to Article 127 of the Company Law of the People's Republic of China, the share may be issued at a price equal to or in excess of par value, but not below par value. As the par value of the new A Shares to be issued by the Company under the A Share Offering is RMB1.00, the issue price of the A Shares will not be lower than RMB1.00 per share. Save as the aforesaid provision, there is no minimum issue price for the issue of A Shares under the A Share Offering. For illustration purpose only, the issue price will be RMB5.231 assuming maximum offer size of 59,262,223 A Shares is issued and maximum proceeds of RMB310.02 million is raised.

(h) Form of underwriting

The offering will be underwritten by an underwriting syndicate led by the lead underwriter(s) on a standby commitment basis. It is proposed that subject to approval by the Shareholders at the EGM, AJ Securities Company Limited* shall be appointed as the lead underwriter. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, AJ Securities Company Limited* is an Independent Third Party.

(i) Time of issuance

The Company will select an appropriate time within the validity period of the resolutions to be passed at the EGM and the Class Meetings (where applicable) to implement the A Share Offering (i.e. 12 months from the date of passing of such resolutions at the EGM and the Class Meetings). The A Share Offering is subject to approval by the CSRC and other relevant regulatory authorities. The Board and the persons authorised by the Board will determine the actual time of issuance with reference to the domestic and international capital market conditions, as well as the status of review of the Company's application for the relevant approvals by the CSRC and other relevant regulatory authorities.

LETTER FROM THE BOARD

(j) Conversion into a joint stock company with limited liability with domestic and overseas listed shares

Since H Shares of the Company are listed on the main board of the Stock Exchange and the Company intends to apply for the listing of A Shares on the Shanghai Stock Exchange, an application will be made to convert the Company into a joint stock company with limited liability with domestic and overseas listed shares.

(k) Valid period of the resolutions for the proposal of the A Share Offering

The proposed A Share Offering shall be subject to approval by the Shareholders at the EGM and the Class Meetings. Upon such approval, the proposed A Share Offering and related resolutions will be valid for 12 months from the date of passing of each resolution at the EGM and the Class Meetings.

As the progress of the application for the A Share Offering is dependent on the approval process of the CSRC and other regulatory authorities and is likely to take more time under the current market conditions, the Directors consider a validity of 12 months for the resolutions relating to the A Share Offering flexible and practicable to the application of A Share Offering. In the event that the resolutions described herein expire prior to the A Share Offering, the Directors will seek the Shareholders' approval to extend the validity period of the resolutions relating to the A Share Offering.

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

2. Feasibility Analysis Report on the Use of Proceeds from the A Share Offering

In accordance with the relevant national industry policies and the development needs of the business operation of the Company, the proceeds to be raised from the A Share Offering, after deduction of relevant offering expenses, will be used in the following aspects: (i) approximately 16.8% will be applied to construction enterprise informatization and mechanization upgrade project; (ii) approximately 48.7% will be applied to construction industrialization of steel structure manufacturing base project; and (iii) approximately 34.5% will be applied to liquidity support. The total proceeds to be raised from the A Share Offering and applied to which, will not, in an aggregate, exceed RMB310.02 million.

In preparation for the application of the A Share Offering, the Company has prepared the feasibility analysis report on the use of proceeds from the A Share Offering, a summary of which is set out in Appendix I to this circular.

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

LETTER FROM THE BOARD

3. Undertakings to be Given for the Purpose of the A Share Offering

In order to protect the interests of the public investors and in accordance with the relevant laws and regulations of the PRC, the Company, its controlling shareholders and Directors, Supervisors and senior management of the Company propose to make, among other things, the following undertakings in the prospectus of the A Share Offering:

- (a) The Company and its controlling shareholders undertake that if the competent government or judicial authorities determine that the prospectus of the A Share Offering contains false content, misleading statements or material omissions, which is material for determining whether the Company satisfies the statutory qualification requirements for the proposed A Share Offering, the Company will repurchase all the new Shares issued under the A Share Offering in accordance with the laws. In addition, the controlling shareholder of the Company will repurchase the Shares publicly offered under the A Share Offering (if any). Details of the share repurchase plan are subject to the requirements of the relevant PRC laws and regulations.
- (b) The Company, the controlling shareholders, actual controllers, Directors, Supervisors and senior management of the Company undertake that if the prospectus of the A Share Offering contains false content, misleading statements or material omissions, which leads to losses to the investors when dealing in the A Shares, such loss will be compensated in accordance with the relevant laws and regulations of the PRC.

Should the relevant laws, regulations and regulatory documents (including the listing rules of the jurisdiction where the Shares of the Company are listed) have other requirements in respect of the performance of the Company, the controlling shareholders, actual controllers, Directors, Supervisors and senior management of the Company of the above undertakings, the Company, the controlling shareholders, actual controllers, Directors, Supervisors and senior management of the Company shall unconditionally comply with such other requirements.

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

4. Accumulated profit distribution plan before the A Share Offering

The accumulated undistributed profits of the Company before the A Share Offering should be shared among all the Shareholders (including holders of H Shares, Domestic Shares and A Shares) in proportion to their respective shareholdings after the completion of the A Share Offering.

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

5. Profit Distribution Policy and Dividend Return Plan Within Three Years After the A Share Offering

In order to sufficiently protect the legal rights of the shareholders, provide stable and continuous investment return for the shareholders of the Company, further specify the provisions in

LETTER FROM THE BOARD

respect of profit distribution principles under Draft Articles of Association, improve the transparency and operability of profit distribution decisions and facilitate the supervision of company operation and distribution by shareholders, we have formulated the profit distribution policy and dividend return plan within three years after the A Share Offering.

Please refer to Appendix II to this circular for the details of the policy and the plan.

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

6. Dilution of Immediate Return Arising from the A Share Offering and Remedial Measures

In order to enhance the protection of the interests of small and medium investors in capital market and in accordance with the relevant laws and regulations, the Company has conducted the analysis of the dilution of immediate return arising from the A Share Offering, and has adopted relevant remedial measures on recovery of return.

Please refer to Appendix III to this circular for details of the analysis and the relevant remedial measures.

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

7. Price Stabilising Plan for the A Shares Within Three Years After the A Share Offering

In order to effectively protect the interests of the Shareholders and enhance the investment confidence of the investors and in accordance with the relevant laws and regulations, the Company has formulated a price stabilising plan for the A Shares within three years after the A Share Offering.

Please refer to Appendix IV of this circular for the details of the plan.

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

8. Proposed Amendments to the Articles of Association and Adoption of the Rules of Procedures of the General Meetings, the Board of Directors and the Board of Supervisors of the Company and Other Corporate Governance Procedures in Preparation for the A Share Offering

In accordance with the Company Law and the Securities Law of the PRC, the Guidelines for Articles of Association of Listed Companies (上市公司章程指引), as well as related laws, regulations and regulatory documents, the Company proposes to make certain amendments to the Articles of Association and adopt the rules of procedures of the general meetings, the Board of Directors and the Supervisory Committee and other corporate governance procedures to further

LETTER FROM THE BOARD

optimise the corporate governance structure of the Company in preparation for the A Share Offering, which will be effective upon the approval by the Shareholders at the EGM and the Class Meetings.

Purpose and effect of the proposed amendments to the Articles of Association

The amendments to the Articles of Association are to reflect current circumstances of the Company and to further optimise the corporate governance structure of the Company in preparation for the A Share Offering in accordance with the Guidelines on Articles of Association of Listed Companies are revised by the CSRC in 2014 and the relevant laws and regulations of the PRC.

Please refer to Appendices V, VI, VII, VIII and IX to this circular for details of the proposed amendments to the Articles of Association and the details of the rules of procedures of the general meetings, the Board of Directors and the board of supervisors of the Company and other corporate governance procedures (i.e., (i) rules for disclosure of information, (ii) rules for connected transactions management, (iii) rules for external investment management, (iv) rules for management of provision of external guarantee, (v) working rules for independent Directors, (vi) rules for Cumulative Voting System, (vii) rules for management of use of proceeds, (viii) rules for investor relation management and (ix) rules for management of change in shareholding of Directors, Supervisors and senior management of the Company), respectively.

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

9. Proposed Adoption of Draft Articles of Association with Effect upon the Listing of the A Shares

In accordance with the Company Law and the Securities Law of the PRC, the Guidelines for Articles of Association of Listed Companies (上市公司章程指引), as well as related laws, regulations and regulatory documents, the Company proposes to adopt the Draft Articles of Association to reflect the share capital and shareholding structure of the Company upon the A Share Offering, which will be effective upon the listing of the A Shares on the Shanghai Stock Exchange.

Please refer to Appendix X to this circular for comparison of the Articles of Association against the Draft Articles of Association to be effective upon the listing of the A Shares (assuming the amendments set out in Appendix V to this circular will be approved at the EGM and the Class Meetings).

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

10. The Grant of Authorisation to the Board to Implement the A Share Offering

A resolution will be proposed at the EGM and Class Meetings that the Board will be authorized to deal with all matters in connection with the A Share Offering under the framework and principles approved by the Shareholders. If the resolution in relation to the grant of authorization to the Board to implement the A Share Offering is approved by the EGM and Class Meetings,

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the relevant resolution shall be valid for 12 months from the date on which the EGM and Class Meetings approve such resolution.

Please refer to Appendix XI of this circular for the details of the framework and principles of the proposed authorization to the Board to implement the A Share Offering.

11. The Report on the Use of Proceeds of The H Share Offering

The Company prepared the status report on use of proceeds of The H Share Offering according to the actual circumstance of the use of proceeds from the H Share Offering in accordance with the relevant laws and regulations of the PRC. The Company issued a total of 133,360,000 Shares in the H Share Offering, and the net proceeds raised after deducting the offering expenses were approximately RMB141.7 million. The Company confirms that the actual uses of proceeds were in line with the disclosure in the prospectus of the Company dated 30 December 2015.

Please refer to Appendix XII of this circular for the report on the use of proceeds of the H Share Offering.

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

12. The Report on Internal Control Assessment

In order to promote and provide guidance for the establishment of an effective internal control system, protect the interests of the public investors and in accordance with the relevant laws and regulations of the PRC, the Company prepared the report on internal control assessment.

Please refer to Appendix XIII of this circular for the report on internal control assessment.

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

13. The Proposed Appointment of AJ Securities Company Limited* as the Sponsor and Lead Underwriter

The Company proposed to appoint AJ Securities Company Limited* (愛建證券有限責任公司) as the sponsor and lead underwriter in relation to the A Share Offering.

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

14. The Proposed Appointment of AllBright Law Offices as the PRC Legal Advisor

The Company proposed to appoint AllBright Law Offices as the PRC Legal Advisor in relation to the A Share Offering.

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

15. The Proposed Appointment of Ernst & Young Hua Ming LLP. (Special General Partnership) as the Company's auditors

The Company proposed to appoint Ernst & Young Hua Ming LLP. (Special General Partnership) as the Company's auditors in relation to the A Share Offering.

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

16. Other Information for the A Share Offering

Reasons and Benefits of the A Share Offering

The Directors consider that the A Share Offering will (i) further optimize the corporate governance structure of the Company; (ii) develop domestic and international financing platforms; and (iii) improve the liquidity of Shares held by the Shareholders and by enhancing the liquidity of the Domestic Shares, the Company's growth potential is expected to be enhanced as well. For example, the Company can by implementation of share incentive schemes retain and attract more high caliber personnel, and carry out further acquisitions and mergers using A Shares as payment considerations.

Since the Company currently mainly focuses on its core business in the PRC, the A Share Offering will enhance the Company's corporate image and the brand name, especially in the construction industry in the PRC. Through a domestic issuance of A Shares and listing and the realization of the listing statuses in both the PRC and Hong Kong markets, the reputation and influence of the Company would be further enhanced. In addition, potential expanded coverage and continuous reports of the Company as a dual-listed company by the press, the investment community in the PRC and social media will further enhance the Company's brand image and strength as well as its reputation and influence. The A Share Offering is expected to further widen the Company's funding channels, increase the Company's working capital and achieve stronger recognition of the capital markets by attracting large institutional as well as medium and small investors in the PRC. The Directors also believe that the A Share Offering will be beneficial to the Company's business growth, financing flexibility and business development. It will also enable the Company to seize the opportunities in China's developing capital market and obtain more financial resources and improve the competitiveness of the Company, which would be beneficial to the long term development of the Company. In addition, the A Share Offering will provide the Company with financial resources for the specific needs as stipulated in the paragraph 2 above.

Furthermore, the PRC securities regulatory authorities are promoting reform on the share offering registration system to increase the marketisation and financing efficiency of the securities market.

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Having considered, among other things, the foregoing reasons for the A Share Offering, the Directors consider that the A Share Offering is in the interest of the Company and the Shareholders as a whole.

Fund Raising Activities in the Past Twelve Months

As of the Latest Practicable Date, the Company has not conducted any fund raising activities in relation to the issue of equity securities of the Company in the 12 months immediately preceding the Latest Practicable Date, except for the H Share Offering, details of which are set out in the Prospectus.

Public Float

As at the Latest Practicable Date, based on the publicly available information and to the best of the Directors' knowledge, approximately 25% of the total issued Shares are held by the public, and the Company has maintained a public float above the minimum requirements as prescribed in the Listing Rules. The Company undertakes that it will continue to comply with the public float requirement as prescribed in the Listing Rules during the application process and after completion of the A Share Offering.

Effects of the A Share Offering on the Shareholding Structure of the Company

For reference and illustration purposes only, assuming that (i) a total of 59,262,223 A Shares are to be issued under the A Share Offering, and (ii) there are no other changes to the issued share capital of the Company, the shareholding structure of the Company (a) as at the Latest Practicable Date and (b) immediately after completion of the A Share Offering are set out as follows:

	as at the Latest Practicable Date		immediately after completion of the A Share Offering	
	Number of Shares	%	Number of Shares	%
Non-public Shareholders				
– Domestic Shares	400,000,000	75.0	400,000,000	67.5
Jujiang Holdings	204,000,000	38.2	204,000,000	34.4
Jujiang Equity Investment	196,000,000	36.8	196,000,000	33.1
– H Shares	–	–	–	–
Public Shareholders				
– new A Shares to be issued	–	–	59,262,223	10.0
– H Shares	133,360,000	25.0	133,360,000	22.5
Total	533,360,000	100.0	592,622,223	100.0

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III. CHANGE OF DIRECTOR AND SUPERVISORS

Proposed appointment of independent non-executive Director

Relevant resolutions have been passed at the Meeting to propose the appointment of Mr. Yu as independent non-executive Director of the first session of the Board, the chairman of the Audit Committee and a member of the Nomination Committee.

In accordance with the Articles of Association, the proposed appointment of Mr. Yu as an independent non-executive Director is subject to the Shareholders' approval at the general meeting of the Company. Relevant proposals will be put forward at the EGM for Shareholders' consideration and approval by way of ordinary resolutions.

Mr. Yu, aged 44, obtained a master's degree in management majoring in accounting from Shanghai University of Finance and Economics in February 2001, and a doctor's degree in management majoring in agricultural economics management from Northwest A&F University in June 2011. Mr. Yu has been an associate professor at the School of Accounting in ZUFE since November 2004, and is currently the secretary and deputy officer to the financial management department of Party Branch Committee. He served as a teaching assistant from August 1993 to March 1999, and a lecturer from March 1999 to November 2004 in ZUFE.

The term of office of Mr. Yu will commence upon the approval of his appointment by the Shareholders at the EGM and shall expire at the end of the first session of the Board in 2017. The Company will enter into a letter of appointment with Mr. Yu. The annual remuneration of Mr. Yu will be RMB80,000, as determined by the Board with reference to his responsibilities, the Company's remuneration policy and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Yu confirms for himself that: (i) he has not held any other directorships in any public companies, the securities of which are listed on any securities market in Hong Kong and/or overseas in the past three years, nor held any other major appointment or professional qualification; (ii) he does not have any interests in the shares or securities of the Company within the meaning of Part XV of the SFO; and (iii) he does not have any other relationship with other current Directors, senior management or substantial shareholders or controlling shareholders of the Company.

There is no other matter concerning the appointment of Mr. Yu that needs to be brought to the attention of the Shareholders nor is there any information that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

Proposed Appointment of Shareholder Representative Supervisor

The Board also resolved at the Meeting to propose the appointment of Mr. Zhu as a Shareholder representative Supervisor of the first session of the Supervisory Committee.

In accordance with the Articles of Association, the proposed appointment of Mr. Zhu as a Shareholder representative Supervisor is subject to the Shareholders' approval at the general meeting of the Company. Relevant proposal will be put forward at the EGM for Shareholders' consideration and approval by way of an ordinary resolution.

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Mr. Zhu, aged 53, completed three years studies in Mathematics at Zhejiang Institute of Education* (浙江教育學院) in July 1989. Mr. Zhu has been the general manager of Zhejiang Yonghe Adhesive Products Co., Ltd* (浙江永和膠粘製品股份有限公司) since August 1998 and a director at Bank of Jiaying since May 2007. Before that, he served as a biology teacher in Tongxiang City Gaoqiao Secondary School* (桐鄉市高橋中學) from July 1983 to June 1988 and the factory director of school-run factory of Tongxiang City Gaoqiao Secondary School* (桐鄉市高橋中學校辦廠) from June 1988 to August 1998.

Mr. Zhu will enter into a service contract with the Company, and his term of office ends on the expiry of the term of the first session of the Supervisory Committee in 2017. The remuneration of Mr. Zhu will be RMB60,000 as determined by the Board with reference to his responsibilities, the Company's remuneration policy and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Zhu confirms for himself that: (i) he has not held any other directorships in any public companies, the securities of which are listed on any securities market in Hong Kong and/or overseas in the past three years, nor held any other major appointment or professional qualification; (ii) he does not have any interests in the shares or securities of the Company within the meaning of Part XV of the SFO; and (iii) he does not have any other relationship with other current Directors, senior management or substantial shareholders or controlling shareholders of the Company.

There is no other matter concerning the appointment of Mr. Zhu that needs to be brought to the attention of the Shareholders nor is there any information that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

IV. ESTABLISHMENT OF STRATEGIC COMMITTEE

The Board also resolved at the Meeting to propose the establishment of the Strategic Committee. In accordance with the Articles of Association and relevant laws and regulations in the PRC, the proposed establishment of the Strategic Committee is subject to the Shareholders' approval at the general meeting of the Company. Relevant proposal will be put forward at the EGM for Shareholders' consideration and approval by way of an ordinary resolution.

It was proposed that Mr. Lv Yaoneng, Mr. Lin Tao and Mr. Zheng Gang be appointed as members of the Strategic Committee and Mr. Lv Yaoneng be appointed as the chairman of the Strategic Committee.

V. CONFIRMATION OF CONNECTED TRANSACTIONS OF THE COMPANY FOR THE YEAR OF 2013, 2014, 2015 AND FOR THE SIX MONTHS ENDED 30 JUNE 2016

In accordance with the requirements of the proposed A Share Offering, an ordinary resolution will be proposed at the EGM by the Board to consider and approve the connected transactions of the Company (as defined under the Shanghai Listing Rules) for the year of 2013, 2014, 2015 and for the six months ended 30 June 2016. Save for the transactions between the Company and Jujiang Holdings Group which had been disclosed in the Prospectus and this circular and waiver from compliance with applicable requirements under Rule 14A.105 of the Listing Rules for which had been granted prior to the Listing, none of these transactions are subject to the reporting, announcement and/or independent shareholders' approval requirements under the Listing Rules.

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The proposal of confirmation of connected transactions of the Company for the year of 2013, 2014, 2015 and for the six months ended 30 June 2016 has been approved by the Board, and shall be submitted to the EGM for consideration and approval as ordinary resolutions. Relevant directors who had material interests in the relevant connected transaction(s) had abstained from voting on resolutions in relation to confirmation of the relevant connected transaction(s).

Please refer to Appendix XIV to this circular for the summary of the connected transactions of the Company for the year of 2013, 2014, 2015 and for the six months ended 30 June 2016.

VI. CONTINUING CONNECTED TRANSACTIONS AND REVISION OF THE ANNUAL CAPS

References are made to the Prospectus in relation to the continuing connected transactions under the 2015 Master Agreement with Jujiang Holdings. As the 2015 Master Agreement will be expired on 31 December 2016, and the Board expects that mainly because Jujiang Holdings has engaged the Group to provide construction contracting services for certain new projects, the Existing Annual Cap will no longer be sufficient, and therefore the Board has proposed to revise the Existing Annual Cap, and on 25 August 2016 (after trading hours), the Company and Jujiang Holdings entered into the 2016 Master Agreement for a term from 1 January 2016 to 31 December 2018.

2016 Master Agreement

Date

25 August 2016 (after trading hours)

Parties

The Group (as service provider) and Jujiang Holdings

Subject matter

The Company and Jujiang Holdings entered into the 2016 Master Agreement for a term from 1 January 2016 to 31 December 2018, subject to the Shareholders' approval. Save as amended by the 2016 Master Agreement, all other terms of the 2015 Master Agreement (as disclosed below) shall remain unchanged.

Services

Pursuant to the 2016 Master Agreement, Jujiang Holdings agreed to engage the Group to provide construction contracting services such as building construction, foundation work, curtain wall construction, building decoration and fire equipment installation to Jujiang Holdings Group.

Pricing policy

The Group and Jujiang Holdings agreed that the transactions to be contemplated under the 2016 Master Agreement shall be conducted on normal commercial terms, in particular:

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- (a) on terms no less favourable to the Group than terms available to or from (as appropriate) Independent Third Parties;
- (b) in the ordinary and usual course of business of the Group and conducted after arm's length negotiations; and
- (c) will not exceed the annual caps.

The construction contracting service fees payable by Jujiang Holdings to the Group under the 2016 Master Agreement will be determined after arm's length negotiation between Jujiang Holdings and the Group. In order to ensure that the service fees the Group received for our provision of construction contracting services are fair and reasonable and in line with market practices, we will keep ourselves abreast of the prevailing fee level in market and the market conditions. In general, the Company will compare the services fees of the construction projects which the Group would charge Jujiang Holdings Group with at least 3 comparable constructions projects within 2 years which the Group would charge Independent Third Parties, subject to the nature of those construction contracting services. Further, before we provide any construction contracting service, we will also refer to the historical fees received from third-party customers for providing similar construction contracting services.

The Group generally provides a price quote during the bidding process or engages in price negotiations with their customers. The price quote is determined primarily based on a number of factors, including the availability and costs of raw materials and equipment and machinery, subcontracting costs, project schedule, labor costs, geographical location, environmental condition of the project site, as well as the complexity and scale of the construction project. The Group may negotiate construction contracting contracts on a fixed-price or variable-price basis.

The Group has adopted a set of written policies in relation to the standard pricing strategy for the construction services which is applicable to all customers (including Jujiang Holdings Group). For the fixed-price contracts, the Group will first ascertain from its suppliers and sub-contractors the prime cost of materials and labour for providing similar construction services and for undertaking similar projects, and then add in a certain percentage markup, which will be determined by the Group on a case by case basis and with reference to historical transactions of a similar scale and nature and the indicative percentage markup which are made available to the public by the relevant government authorities through various official government websites and publications from time to time. For variable-price contracts, the Group's fees are determined by a unit price and the total volume of actual work performed. The unit price maybe fixed or may reference a government-published price. It can ensure that the price is fair and reasonable and comparable to the price charged by the Group in similar transactions involving Independent Third Parties. The Company is of the view that as it is generally the market practice that determination of percentage markup under fixed-price contracts and unit price under variable-price contracts are mostly based on the indicative figures set down by relevant government authorities, therefore following such indicative figures in determining the service fee would be in line with market practice and the prevailing market price.

Depending on the monetary amount involved, the proposed price will then be reviewed and approved by managers of the Company or the management to ensure that the proposed price is set in accordance with the Group's pricing strategy before submitting the bid to the potential customer for their consideration. Other payment terms are determined with reference to market practices.

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Further, the Group's the officer responsible for the internal audit function and understand that they perform review and conduct sample checking on the continuing connected transactions on monthly basis to ensure that the pricing of the continuing connected transactions under the 2015 Master Agreement and the 2016 Master Agreement adhere to the aforesaid pricing mechanism and approval procedures and is comparable to the prices charged by the Group in similar transactions involving Independent Third Parties, and the terms are no less favourable to the Group than those offered by the Group to other independent third parties in similar transactions.

Historical Figures

For the years ended 31 December 2012, 2013, 2014 and 2015, the aggregate service fees paid by Jujiang Holdings Group for the construction contracting services provided by the Group were approximately RMB274.6 million, RMB498.3 million, RMB367.7 million and RMB392.3 million, respectively. During the six months ended 30 June 2016, a total service fees of approximately RMB131.1 million respectively were received from Jujiang Holdings under the 2015 Master Agreement. As at 30 September 2016, a total service fees of approximately RMB168.83 million were received from Jujiang Holdings under the 2015 Master Agreement, which has not exceeded the Existing Annual Cap. The Directors confirm that, as at the Latest Practicable Date, the Existing Annual Cap has not been exceeded.

Revised Annual Caps

The Existing Annual Cap amounts of the construction contracting services fees to be payable to the Group for the construction contracting services under the 2015 Master Agreement for the two years ending 31 December 2016 are RMB511.7 million and RMB180.2 million respectively.

The difference of the historical construction contracting service fees paid by Jujiang Holdings Group and the annual cap for the year ended 31 December 2015 under the 2015 Master Agreement was mainly due to delay of progress of certain Existing Projects amounted to approximately RMB163.2 million, represented approximately 31.9% of the Existing Annual Caps for the year ended 31 December 2015, according to the discretion of Jujiang Holdings Group. Such decrease was mitigated by few projects which (i) the progress was quicker than expected; or (ii) were unexpected when estimating the cap for the year ended 31 December 2015 under the 2015 Master Agreement. As a result of such delay, contract sum of approximately RMB83.8 million pursuant to the Existing Projects under the cap for the year ending 31 December 2016 under the 2015 Master Agreement will be postponed accordingly. Such amount was mitigated by approximately RMB34.7 million because (i) two new projects which were unexpected when estimating the annual cap for the year ended 31 December 2016 under the 2015 Master Agreement; and (ii) two of the Existing Projects which the progress was quicker than expected.

The Company has decided to increase the annual cap for the transactions contemplated for the year ending 31 December 2016 to RMB321 million and estimates that the annual transaction amounts under the 2016 Master Agreement for the years ending 31 December 2017 and 2018 will not exceed the annual caps of RMB325 million and RMB318 million respectively.

Basis of the Revised Annual Caps

When determining the above Revised Annual Caps, the Board has considered: (i) the historical amount paid by the Jujiang Holdings Group to the Group for the four years ended 31

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December 2015 and for the period from 1 January 2016 to 30 June 2016; (ii) the contract sum and the anticipated receivable amount under the respective signed construction services agreement with Jujiang Holdings Group in respect of the construction projects under the 2015 Master Agreement; (iii) the anticipated progress and stage of completion of the construction projects; and (iv) our anticipated gross floor area and the average construction fee per square meter of construction projects requiring our provision of construction contracting services for the three years ending 31 December 2018.

The table below sets out the Group's construction projects with Jujiang Holdings Group which are expected to carry out for the years ending 31 December 2016, 2017 and 2018:

Project name [†]	Contract sum (RMB)	Anticipated stage of completion	2016		Years ending 31 December 2017		2018		Gross floor area	Average construction fee per m ² (RMB)
			Gross floor area	Average construction fee per m ² (RMB)	Anticipated stage of completion	Gross floor area	Average construction fee per m ² (RMB)	Anticipated stage of completion		
Jinse Mingmen (金色名門)	178,000,790	96%	2,427	2,200	99%	2,427	2,200	100%	809	2,200
1-8# of Jingfu Jiayuan (景福家園1-8#)	49,000,000	93%	1,080	1,361	97%	1,440	1,361	100%	1,080	1,361
Jujiang Sunshine Bay Model Flat (巨匠陽光海 灣樣板房)	33,410,000	30%	2,430	1,375	60%	7,289	1,375	90%	7,289	1,375
Sunshine Bay Model Flat Hotel Clubhouse (陽光 海灣樣板房酒店會所)	41,300,000	33%	2,175	1,424	71%	10,876	1,424	94%	6,525	1,424
Stages I and II of Jujiang Sunshine Bay* (巨匠陽 光海灣一期二期*)	280,000,000	5%	9,498	1,474	35%	56,987	1,474	80%	94,980	1,474
Rongcheng•New World (榮成•新天地工程)	25,000,000	100%	548	912	–	–	–	–	–	–
Rongcheng•New World (榮成•新天地工程)	81,506,400	100%	1,787	912	–	–	–	–	–	–
Stage II of Rongcheng Zhonghan Bianmao* (榮成中韓邊貿二期*)	230,000,000	5%	7,502	1,533	45%	60,013	1,533	90%	67,515	1,533
Stage II of Schonbrunn Palace and Musee d'Orsay Palace of Roma City* (羅馬都市美泉宮 及奧賽宮二期*)	197,714,410	70%	36,014	1,098	90%	36,014	1,098	95%	9,003	1,098
C5b and C6# Floors of Schonbrunn Palace of Roma City and the Corresponding Basement Garage (羅馬都市美泉宮C5b 樓、C6#樓小商業及 相應地下室車庫)	15,942,850	80%	4,666	1,025	100%	3,111	1,025	–	–	–
Triumph Palace and Elysee Palace of Roma City (羅馬都市凱旋宮、 愛麗舍宮)	83,000,000	100%	75,454	1,100	–	–	–	–	–	–
Roma City* (羅馬都市*)	210,000,000	5%	6,801	1,544	35%	40,803	1,544	55%	27,202	1,544
Jujiang Kechuang Park* (巨匠科創園*)	21,000,000	52%	7,908	1,391	100%	7,189	1,391	–	–	–

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* Representing the new projects which Jujiang Holdings did not award such projects to the Group when the Group estimated the Existing Annual Caps.

Translations of the Chinese name of the projects are for identification purpose only.

The aggregate amount of the product of the corresponding anticipated gross floor area and average construction fee per square meter for each of the years ending 31 December 2016, 2017 and 2018 amounts to approximately RMB321 million, RMB325 million and RMB318 respectively.

Conditions

The 2016 Master Agreement is conditional upon the resolution regarding the 2016 Master Agreement (including the annual caps) and the transactions contemplated thereunder being approved by the Independent Shareholders at the EGM.

Reasons for 2016 Master Agreement and the revision of the Existing Annual Cap

The increase in annual cap for the three years ending 31 December 2018 is mainly because Jujiang Holdings has engaged the Group to provide construction contracting services for 5 new projects and such new projects were not awarded to the Group when the Group estimated the Existing Annual Caps. Taking into account that the Group has already provided construction contracting services to Jujiang Holdings in the past and that provision of such services has offered stable and considerable profits to the Group historically, our Directors (excluding the independent non-executive Directors, whose opinion will be set out in the circular of the EGM) consider that it is in the interests of the Company and the Shareholders as a whole to continue our relationship with Jujiang Holdings and to provide construction contracting services to Jujiang Holdings by entering into the 2016 Master Agreement and revising the Existing Annual Cap.

Information on the Group

The Group was the largest construction company in Jiaxing, Zhejiang Province in terms of output value in 2014, holding a market share of 10.4%, according to Ipsos Limited. The Group was established in 1965 as one of the earliest construction companies in Jiaxing, a city currently with a population of more than 4.5 million and strong commercial and light industrial activities. With 50 years' experience in the construction industry, the Group has built a successful track record in the industry in which the Group operates.

Information on Jujiang Holdings

Jujiang Holdings mainly engages in the business of, amongst other things, property development and investment holding and it is also the shareholder of various subsidiaries (including the Company). As at the Latest Practicable Date, the Company is owned as to 38.25% by Jujiang Holdings and Jujiang Holdings is owned as to approximately 51.33% by Mr. Lv Yaoneng and approximately 48.67% by eight other individual shareholders.

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As Jujiang Holdings is one of the controlling shareholders and a connected person of the Company, the transactions contemplated under the 2016 Master Agreement between Jujiang Holdings and the Group will constitute continuing connected transactions for the Group under Chapter 14A of the Listing Rules.

As each of Mr. Lv Yaoneng, Mr. Lv Dazhong, Mr. Li Jinyan and Mr. Lu Zhicheng, being both Directors of the Company and shareholders of Jujiang Holdings, has material interests in the transactions contemplated under the 2016 Master Agreement, they have abstained from voting on the Board resolutions approving the 2016 Master Agreement and the transactions contemplated thereunder.

As at the Latest Practicable Date, Jujiang Holdings, being the controlling shareholder of the Company and one of the parties to the 2016 Master Agreement, has material interests in the 2016 Master Agreement and the transactions contemplated thereunder, including the Revised Annual Caps. Jujiang Holdings and its associates shall, therefore, abstain from voting on the resolution in relation to the entering into of the 2016 Master Agreement and the transactions contemplated thereunder, including the Revised Annual Caps at the EGM. Save as disclosed above, to the best knowledge, information and belief of the Directors and having made reasonable enquiries, no other Shareholder is involved in or interested in the 2016 Master Agreement and the transactions contemplated thereunder, including the Revised Annual Caps who is required to abstain from voting on the relevant resolutions to approve the same at the EGM.

Listing Rules Implication

The transactions contemplated under the 2016 Master Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the proposed annual caps in respect of the 2016 Master Agreement for each of the three years ending 31 December 2018 is more than HK\$10,000,000, and at least one of the applicable ratios calculated thereof is more than 5%, the transactions contemplated under the 2016 Master Agreement and the respective proposed annual caps are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the actual transaction amounts under the 2016 Master Agreement would be subject to the actual progress of the construction projects thereunder, and other factors which are beyond control of the management of the Group, it is possible that the Company may sign new construction contracts after the 2016 Master Agreement, the Revised Annual Caps and the transactions contemplated thereunder are approved by the Independent Shareholders at the EGM, in which case the Company shall ensure compliance with the announcement, circular and Independent Shareholders' approval requirements if required under the Listing Rules.

An Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders, in respect of the 2016 Master Agreement and the Revised Annual Caps.

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CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement to attend and vote at the EGM and the Class Meetings, the register of members of the Company will be closed from 24 October 2016 to 24 November 2016 (both days inclusive), during which period no transfer of Shares will be effected. In order to be qualified to attend and vote at the EGM and the Class Meetings, all transfers documents accompanied by the relevant Share certificates must be lodged with the H Share registrar of the Company, Tricor Investor Services Ltd. at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (in respect of H Shares), or to the head office in the PRC of the Company (in respect of Domestic Shares) no later than 4:30 p.m. on 21 October 2016.

NOTICES OF THE EGM AND CLASS MEETINGS

The EGM will be held at Conference Room (Asuka), TKP International Limited, 23/F, Euro Trade Centre, 21-23 Des Voeus Road Central, Central, Hong Kong at 2:30 p.m. on 24 November 2016. The Domestic Shareholders' Class Meeting will be held immediately after the conclusion of the EGM at the same place, and the H Shareholders' Class Meeting will be held immediately after the conclusion of the Domestic Shareholders' Class Meeting at the same place. Notices dated 7 October 2016 convening the EGM and the Class Meetings together with the relevant reply slips and forms of proxy have been despatched to the Shareholders in accordance with the Listing Rules.

REPLY SLIPS AND FORMS OF PROXY

If you are eligible and intend to attend the EGM and/or the Class Meeting(s), please complete and return the reply slip(s), in accordance with the instructions printed thereon as soon as possible and in any event no later than 20 days before the date appointed for holding such meeting(s) or any adjournment thereof.

Shareholders who are entitled to attend and vote at the EGM and/or the Class Meeting(s) may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a Shareholder. In order to be valid, the proxy form for the EGM and/or the Class Meeting(s) must be deposited by hand or post, for holders of H shares of the Company, to the H share registrar of the Company Tricor Investor Services Ltd. at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong and, for holders of domestic shares of the Company, to the headquarters in the PRC of the Company not less than 24 hours before the time for holding such meeting(s) (or any adjournment thereof) for taking the poll. If the proxy form is signed by a person under a power of attorney or other authority, a notarial copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude shareholders from attending and voting in person at the EGM and/or the Class Meeting(s) or any adjourned meetings should they so wish.

VOTING BY POLL AT THE EGM AND THE CLASS MEETINGS

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the EGM and/or the Class Meeting(s) will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.

RECOMMENDATIONS

The Directors consider that all the proposed resolutions set out in the notice of the EGM and/or the Class Meeting(s) are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM and/or the Class Meeting(s).

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully
For and on behalf of the Board
Jujiang Construction Group Co., Ltd.
Mr. Lv Yaoneng
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the full text of the letter from the Independent Board Committee to the Independent Shareholders which was prepared for the purpose of inclusion in this circular.



巨匠建设
JUJIANG CONSTRUCTION GROUP

Jujiang Construction Group Co., Ltd.

巨匠建設集團股份有限公司

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

(Stock Code: 1459)

7 November 2016

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS AND REVISION OF ANNUAL CAPS

We refer to the circular of the Company dated 7 November 2016 (the "Circular") of which this letter forms part. Terms defined in the Circular shall have the same meanings herein unless the context otherwise requires.

We have been appointed by the Board to form the Independent Board Committee to advise the Independent Shareholders as to whether, in our opinion, the 2016 Master Agreement, the Revised Annual Caps and the relevant transactions contemplated thereunder, are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Lego Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same respect.

We wish to draw your attention to the letter from the Board set out on pages 5 to 25 of the Circular which contain information in connection with the 2016 Master Agreement, the Revised Annual Caps and the relevant transactions contemplated thereunder, and the letter from the Independent Financial Adviser set out on pages 28 to 41 of the Circular which contains its advice and recommendation in the same respect.

Having considered the terms of the 2016 Master Agreement, the advice and recommendation of the Independent Financial Adviser and the relevant information contained in the letter from the Board, we are of the opinion that the 2016 Master Agreement, is entered into in the ordinary and usual course of business of the Group and on normal commercial terms, and the transactions contemplated under the 2016 Master Agreement and the Revised Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the 2016 Master Agreement, the Revised Annual Caps and the transactions contemplated thereunder.

Yours faithfully,
for and on behalf of
Independent Board Committee of
Jujiang Construction Group Co., Ltd.

Mr. Xu Guoqiang

Mr. Lin Tao
Independent non-executive Directors

Mr. Wong Ka Wai

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter of advice from Lego Corporate Finance Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, which have been prepared for the purpose of inclusion in this circular, setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the 2016 Master Agreement and the Revised Annual Caps.



7 November 2016

To the Independent Board Committee and the Independent Shareholders

Dear Sirs or Madams,

CONTINUING CONNECTED TRANSACTIONS AND REVISION OF ANNUAL CAPS

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the terms of the 2016 Master Agreement (including the Revised Annual Caps), details of which are set out in the “Letter from the Board” (the “**Letter**”) contained in the circular issued by the Company dated 7 November 2016 (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

Reference is made to the Prospectus in relation to the construction contracting services provided by the Group to Jujiang Holdings Group under the 2015 Master Agreement entered into between the Group and Jujiang Holdings. Given that the 2015 Master Agreement will expire on 31 December 2016, and the Board expects that the Existing Annual Cap will no longer be sufficient, and therefore the Board proposed to revise the Existing Annual Cap, and on 25 August 2016 (after trading hours), the Group and Jujiang Holdings entered into the 2016 Master Agreement to extend the terms of the 2015 Master Agreement.

As at the Latest Practicable Date, the Company is owned as to approximately 38.25% by Jujiang Holdings and Jujiang Holdings is owned as to approximately 51.33% by Mr. Lv Yaoneng and approximately 48.67% by eight other individual shareholders. As Jujiang Holdings is one of the controlling shareholders and a connected person of the Company, the transactions contemplated under the 2016 Master Agreement between Jujiang Holdings Group and the Group will constitute continuing connected transactions for the Group under Chapter 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Company intends to increase the annual cap for the transactions contemplated for the year ending 31 December 2016 under the 2016 Master Agreement. As the proposed annual caps in respect of the 2016 Master Agreement for each of the three years ending 31 December 2018 is more than HK\$10,000,000, and at least one of the applicable ratios calculated thereof is more than 5%, the transactions contemplated under the 2016 Master Agreement and the respective proposed annual caps are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Any Shareholder with a material interest in the transaction and its associates should abstain from voting at the relevant resolutions approving the 2016 Master Agreement and the transactions contemplated thereunder. As each of Mr. Lv Yaoneng, Mr. Lv Dazhong, Mr. Li Jinyan and Mr. Lu Zhicheng, being both Directors and shareholders of Jujiang Holdings, has material interests in the transactions contemplated under the 2016 Master Agreement, they have abstained from voting on the Board resolutions approving the 2016 Master Agreement and the transactions contemplated thereunder. Jujiang Holdings, being the controlling shareholder of the Company and one of the parties to the 2016 Master Agreement, has material interests in the 2016 Master Agreement and the transactions contemplated thereunder, including the Revised Annual Caps. Jujiang Holdings and its associates shall, therefore, abstain from voting on the resolution in relation to the entering into of the 2016 Master Agreement and the transactions contemplated thereunder, including the Revised Annual Caps at the EGM. Save as disclosed above, to the best knowledge, information and belief of the Directors and having made reasonable enquiries, no other Shareholder is involved in or interested in the 2016 Master Agreement and the transactions contemplated thereunder, including the Revised Annual Caps who is required to abstain from voting on the relevant resolutions to approve the same at the EGM.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Xu Guoqiang, Mr. Lin Tao and Mr. Wong Ka Wai, has been established to advise the Independent Shareholders as to whether the terms of the 2016 Master Agreement and the Revised Annual Caps are fair and reasonable so far as the Company and Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders as to whether to vote in favour of the resolutions to be proposed at the EGM to approve the 2016 Master Agreement and the Revised Annual Caps. As the independent financial adviser, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders in such regard.

As at the Latest Practicable Date, Lego Corporate Finance did not have any relationships or interests with the Company or any other parties that could reasonably be regarded as relevant to the independence of Lego Corporate Finance. In the last two years, there was no engagement between the Group and Lego Corporate Finance. Apart from normal professional fees paid or payable to us in connection with this appointment as the independent financial adviser, no arrangement exist whereby we had received or will receive any fees or benefits from the Company or any other party to the transactions. Accordingly, we are qualified to give independent advice in respect of the 2016 Master Agreement and the Revised Annual Caps and the transactions contemplated thereunder.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular and the Prospectus; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular and the Prospectus were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular and the Prospectus are true at the time they were made and continue to be true as at the date of the Circular and the Prospectus and all such statements of belief, opinions and intention of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and/or the management of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the EGM.

We consider that we have reviewed the relevant information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular and the Prospectus so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group or Jujiang Holdings, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company and Jujiang Holdings or any of their respective subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation, we have taken into consideration the following principal factors and reasons:

1. Information on the Group

The Company has been listed on the Stock Exchange on 12 January 2016 (the “**Listing**”). The principal businesses of the Group include (i) construction contracting business, being the core business of the Group, which involves the provision of construction contracting mainly as a general contractor for residential construction projects, commercial construction projects, industrial construction projects and public works construction projects; and (ii) other businesses, namely, design, survey and consultancy business and civil defense products manufacturing business. According to the Prospectus, the Group generated revenue mainly from construction projects located in Zhejiang Province, most of which were located in Jiaxing. As disclosed in the Prospectus, revenue generated from the projects in Jiaxing amounted to approximately RMB2,026.4 million, RMB2,582.2 million, RMB2,644.0 million and RMB1,177.2 million for the years ended 31 December 2012, 2013 and 2014, and the six months ended 30 June 2015, respectively, accounting

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

for approximately 62.0%, 63.4%, 61.6% and 55.0% of the total revenue of the Group for respective years/period, respectively.

The following table is a summary of the audited financial information of the Group for the financial years ended 31 December 2014 and 2015, as extracted from the annual report of the Company for the year ended 31 December 2015 (the “**2015 Annual Report**”) and the unaudited financial information of the Group for the six months ended 30 June 2015 and 2016, as extracted from the interim report of the Company for the six months ended 30 June 2016 (the “**2016 Interim Report**”).

	For the year ended 31 December		For the six months ended 30 June	
	2014	2015	2015	2016
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Audited)	(Audited)	(Audited)	(Unaudited)
Revenue				
– Construction contracting	4,258,514	4,400,931	2,131,996	1,989,598
– Others	30,853	23,715	7,780	9,480
Subtotal	4,289,367	4,424,646	2,139,776	1,999,078
Gross profit	229,726	233,156	110,093	118,180
Gross margin	5.4%	5.3%	5.1%	5.9%
Profit for the year/period	82,823	98,524	45,508	47,958

As illustrated in the table above, revenue of the Group amounted to approximately RMB4,424.6 million for the year ended 31 December 2015, representing an increase of approximately 3.2% as compared to that of approximately RMB4,289.4 million for the year ended 31 December 2014. According to the 2015 Annual Report, such increase was mainly a result of the increase in number of commercial construction projects, which was in line with the increased urbanisation in the PRC and the introduction of favorable policies by the government of the PRC to encourage investments in such construction projects. In addition, the profit for the year increased by approximately 19.0% from approximately RMB82.8 million for the year ended 31 December 2014 to approximately RMB98.5 million for the year ended 31 December 2015, mainly due to (i) the increase in revenue and gross profit; and (ii) the turnaround from other expenses in the year ended 31 December 2014 to other income in the year ended 31 December 2015, primarily as a result of a reversal of provision made for impairment for other receivables for the year ended 31 December 2015 as a provision for impairment for other receivables was made for the year ended 31 December 2014, which was offsetting by the increase in expenses incurred for the Listing.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

According to the 2016 Interim Report, revenue of the Group amounted to approximately RMB1,999.1 million for the six months ended 30 June 2016, representing a decrease of approximately 6.6% as compared to that of approximately RMB2,139.8 million for the six months ended 30 June 2015. The decrease was mainly due to the decrease in revenue from commercial construction projects as a result of completion of some major projects in 2015, partially offset by an increase in revenue from residential construction projects as a result of recovery of the residential real estate market for the six months ended 30 June 2016. Although the Group recorded a decrease in revenue, the Group managed to record higher gross profit by 7.3% from approximately RMB110.1 million for the six months ended 30 June 2015 to approximately RMB118.2 million for the six months ended 30 June 2016. According to the 2016 Interim Report, such increase was attributable to the increase in gross profit margin from 5.1% to 5.9% respectively, as a result of the improvement of gross profit margin of certain new projects as the Group obtained the premium class certificate for general building construction contracting work. The profit amounted to approximately RMB48.0 million for the six months ended 30 June 2016, representing an increase of approximately 5.4% as compared to that for the six months ended 30 June 2015 of approximately RMB45.5 million. Such increase was mainly due to (i) the increase in gross profit; and (ii) the increase in other income and gains primarily because (a) the Group received one-off government grants for the six months ended 30 June 2016 due to the Listing; and (b) the dividend income from an available-for-sale investment.

2. Background of the 2016 Master Agreement and reasons and benefits for the continuing connected transaction

As confirmed by the management of the Company, Jujiang Holdings is the shareholder of various subsidiaries (including the Company) and Jujiang Holdings Group mainly engages property development and investment holding with nearly 3,000 staff. The total revenue of Jujiang Holdings Group for the year ended 31 December 2015 amounted to approximately RMB4.7 billion and the total assets of Jujiang Holdings Group as at 31 December 2015 amounted to approximately RMB6.2 billion.

According to the Prospectus, Jujiang Holdings Group were grouped as one of the top five customers of the Group for the years ended 31 December 2012, 2013 and 2014, and as advised by the management of the Company, Jujiang Holdings Group continued to be one of the top five customers of the Group for the year ended 31 December 2015 and the six months ended 30 June 2016 and the revenue generated from transactions with Jujiang Holdings Group for the years ended 31 December 2012, 2013, 2014, 2015 and for the six months ended 30 June 2016 represented approximately 8.4%, 12.2%, 8.6%, 8.9% and 6.6% of the Group's total revenue for the respective years/period, respectively.

As represented by the Company, because Jujiang Holdings has engaged the Group to provide construction contracting services, which include building construction, foundation work, curtain wall construction, building decoration and fire equipment installation, for certain new projects and based on the long-term relationship between Jujiang Holdings Group and the Group, thereby leading to an increase in demand from Jujiang Holdings Group in respect of the construction contracting services from the Group, the Board expects the annual transactions amount under the 2015 Master Agreement for the year ending 31 December 2016 is expected to exceed the Existing Annual Caps

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

as disclosed in the Prospectus. As such, the Company intends to revise the Existing Annual Caps for the year ending 31 December 2016 under the 2015 Master Agreement in respect of the construction contracting services by the Group to Jujiang Holdings Group.

The Board believes that the construction contracting services provided to Jujiang Holdings Group is important to the business of the Group with reference to the past and continuing business relationship which most of the projects with Jujiang Holdings Group offered considerable gross profits to the Group historically and the Group foresees stable revenue will be generated from transactions with Jujiang Holdings Group under the 2016 Master Agreement. We have obtained and reviewed the revenue and cost analysis in relation to the profitability of the construction contracting services on projects provided to Jujiang Holdings Group by the Group for the three years ended 31 December 2015, of which almost all of such projects were profitable. In order to assess the accuracy of the revenue and cost analysis, we have also obtained the breakdown and calculation of revenue and cost of three projects for the three years ended 31 December 2015 and have checked the supporting documents including the certificates issued by the surveyors for percentage of completion of the projects and the detailed cost summary of the projects with satisfactory result. In light of the principal activities of the Group, we consider that the entering into of the 2016 Master Agreement and the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Group.

According to the National Bureau of Statistics of China, the total nominal output value of construction industry in the PRC (which represents the total amount of pecuniary investment by project owners in a construction project (excluding land price)) increased from approximately RMB9,603.1 billion for the year ended 31 December 2010 to approximately RMB18,075.8 billion for the year ended 31 December 2015, representing a compound annual growth rate (“CAGR”) of approximately 13.5%. In addition, the Group generated revenue mainly from construction projects located in Zhejiang Province, most of which were located in Jiaxing. According to the National Bureau of Statistics of China, the fixed asset investment of Zhejiang Province increased from approximately RMB843.8 billion for the year ended 31 December 2010 to approximately RMB2,666.5 billion for the year ended 31 December 2015, representing a CAGR of approximately 25.9% and the real estate investment of Zhejiang Province increased from approximately RMB302.5 billion for the year ended 31 December 2010 to approximately RMB711.2 billion for the year ended 31 December 2015, representing a CAGR of approximately 15.3%. In view of the historical growth, the Directors considered that the demand for the construction in the PRC, especially in Zhejiang Province, will continue to grow.

Moreover, the government of the PRC announced the Belt and Road Initiative* (一帶一路) in 2015 and the purpose of it is to integrate countries in Europe and Asia and develop closer regional ties through building infrastructure and broadening trade. As the government of the PRC and various financial institutions devote increased funding to this initiative, it is expected to see more infrastructure development projects being announced in the coming years and thus on one hand will boost up the urbanisation of lower tier cities in the PRC and on the other hand will accelerate the development of nearby commercial and residential construction projects. As mentioned in the 2015 Annual Report and the Prospectus, an increasing number of infrastructure projects in the PRC are

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

expected to be completed on a build-transfer or public-private partnership basis in the coming years. As such, the Group intends to develop business opportunities to undertake more projects on a build-transfer or public-private partnership basis in the future in order to capture the market opportunity.

In light of (i) the revenue contribution from Jujiang Holdings Group; and (ii) the expected increase in demand for construction contracting service as driven by the favourable policies and macro economy, we consider that the entering into of the 2016 Master Agreement is reasonable and in the interests of the Group and the Shareholders as a whole.

3. Major terms of the 2016 Master Agreement

The Group and Jujiang Holdings agreed that the transactions to be contemplated under the 2016 Master Agreement shall be conducted on normal commercial terms, in particular (a) on terms no less favourable to the Group than terms available to or from (as appropriate) Independent Third Parties; (b) in the ordinary and usual course of business of the Group and conducted after arm's length negotiations; and (c) will not exceed the annual caps.

Given the principal terms of the 2016 Master Agreement follows those of the 2015 Master Agreement and the pricing mechanism applied for transactions under the 2015 Master Agreement will be consistently applied to the transactions under the 2016 Master Agreement, in order to assess the fairness and reasonableness of the service prices and terms of the construction contracting services supplied by the Group to Jujiang Holdings Group under the 2016 Master Agreement, we have obtained and reviewed two sets of samples of construction service agreements entered into between the Group and Jujiang Holdings Group and two sets of samples of construction service agreements entered into between the Group and the Independent Third Parties for each of the three years ended 31 December 2015 and the six months ended 30 June 2016. Those projects contemplated under the construction service agreements entered into between the Group and the Independent Third Parties are comparable and/or justifiable to the projects contemplated under the construction service agreements entered into between the Group and Jujiang Holdings Group in terms of the geographical locations, types and natures of constructions projects (i.e. residential or commercial etc) and/or construction costs. Based on our review of those samples of construction service agreements, we noted that the terms and the prices of the construction contracting services supplied by the Group to Jujiang Holdings Group under the 2015 Master Agreement are no less favorable than those supplied to the Independent Third Parties.

We have discussed with the management of the Group and understand that the Group generally provide a price quote during the bidding process or engage in price negotiations with their customers. Their price quote is determined primarily based on a number of factors, including the availability and costs of raw materials and equipment and machinery, subcontracting costs, project schedule, labor costs, geographical location, environmental condition of the project site, as well as the complexity and scale of the construction project. The Group may negotiate construction contracting contracts on a fixed-price or variable-price basis.

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We have reviewed the pricing policy adopted by the Group for the construction services which is applicable to all customers (including Jujiang Holdings Group). For the fixed-price contracts, the Group will first ascertain from its suppliers and sub-contractors the prime cost of materials and labour for providing similar construction services and for undertaking similar projects, and then add in a certain percentage markup as stipulated in the pricing policy, which will be determined by the Group on a case by case basis and with reference to historical transactions of a similar scale and nature and the indicative percentage markup which are made available to the public by the relevant government authorities through various official government websites and publications from time to time. For variable-price contracts, the Group's fees are determined by a unit price and the total volume of actual work performed. The unit price maybe fixed or may reference a government-published price. It can ensure that the price is fair and reasonable and comparable to the price charged by the Group in similar transactions involving Independent Third Parties. Based on the two sets of samples of construction service agreements entered into between the Group and Jujiang Holdings Group and two sets of samples of construction service agreements entered into between the Group and the Independent Third Parties for each of the three years ended 31 December 2015 and the six months ended 30 June 2016 we have reviewed, the pricing of those transactions contemplated thereunder followed and were consistent with the said pricing policy.

We are also informed that Jujiang Holdings Group will also compare the quotation with those from other independent contractors in deciding whether to engage the Group to provide the construction services for a particular project.

The price quote of projects of the Group are handled and managed by a professional team which consisted of 17 personnel as at the Latest Practicable Date, who have three to over twenty years of experience in construction industry and pricing of construction projects, in accordance with the pricing policy adopted by the Group. As represented by the Company, each of the pricing personnel possesses the qualification of National Certification of Construction Cost Estimator (全國建設工程造價資格). For projects with proposed prices which exceed RMB0.2 million, the proposed prices will then be reviewed and approved by managers of the Company or the management to ensure that the proposed price is set in accordance with the Group's pricing strategy before submitting the bid to the potential customer for their consideration. Other payment terms are determined with reference to market practices.

We have discussed with the Group's officer responsible for the internal audit function and understand that they perform review and conduct sample checking on the continuing connected transactions on a monthly basis to ensure that the pricing of the continuing connected transactions under the 2015 Master Agreement and the 2016 Master Agreement adhere to the aforesaid pricing mechanism and approval procedures and is comparable to the prices charged by the Group in similar transactions involving Independent Third Parties, and the terms are no less favourable to the Group than those offered by the Group to other independent third parties in similar transactions.

Given that (i) the price of the construction services offered to Jujiang Holdings Group will be determined with reference to the prevailing market prices and the construction services under the 2016 Master Agreement will be in line with the market practice, as well as (where applicable) prevailing market prices of similar services which may be supplied to other Independent Third

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Parties by the Group; and (ii) the principal terms of the 2016 Master Agreement follows those of the 2015 Master Agreement and the pricing mechanism applied for transactions under the 2015 Master Agreement will be consistently applied to the transactions under the 2016 Master Agreement, we consider the pricing mechanism of the 2016 Master Agreement to be fair and reasonable so far as the Company and the Independent Shareholders are concerned.

Payment term

As confirmed by the management of the Group, normally Jujiang Holdings Group shall settle the consideration on a stage of completion basis, with a credit term of normally no more than one week, with the last 5% of the consideration will be paid after two years of the completion of the projects as maintenance fund.

As disclosed in the Prospectus and advised by the management of the Company, in general, the Group grant credit terms of one to three months to repeated customers, as such the credit terms under the 2016 Master Agreement are no less than favourable than those offered to the Independent Third Parties. Based on the two sets of samples construction service agreements entered into between the Group and Jujiang Holdings Group and the two sets of samples construction service agreements entered into between the Group and the Independent Third Parties for each of the three years ended 31 December 2015 and the six months ended 30 June 2016 reviewed, we are of the view that the credit terms under the construction service agreements entered into between the Group and Jujiang Holdings Group are no less than favourable than those offered to the Group than those offered by the Group to Independent Third Parties and are on normal commercial terms.

Other major terms

Pursuant to the 2016 Master Agreement, the Group and Jujiang Holdings Group may, at any time during the contract term, terminate the 2016 Master Agreement with immediate effect by mutual agreement. We have also reviewed other major terms of the 2016 Master Agreement and are not aware of any terms which are exceptional to normal market practice. Based on the above, we are of the opinion that the terms of the 2016 Master Agreement are on normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders are concerned.

4. Historical transaction amounts, the Existing Annual Caps and the Revised Annual Caps

The table below sets out (i) the historical construction contracting service fee with Jujiang Holdings Group; (ii) the Existing Annual Caps; and (iii) the Revised Annual Caps:

Historical figures					Existing Annual Caps		Revised Annual Caps		
for the year ended	for the year ended	for the year ended	for the year ended	for the six months ended	for the year ended	for the year ending	for the year ending	for the year ending	for the year ending
31 December 2012	31 December 2013	31 December 2014	31 December 2015	30 June 2016	31 December 2015	31 December 2016	31 December 2016	31 December 2017	31 December 2018
(RMB million)	(RMB million)	(RMB million)	(RMB million)	(RMB million)	(RMB million)	(RMB million)	(RMB million)	(RMB million)	(RMB million)
(Audited)	(Audited)	(Audited)	(Audited)	(Unaudited)					
274.6	498.3	367.7	392.3	131.1	511.7	180.2	321.0	325.0	318.0

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As set out in the Letter, the determination of the above Revised Annual Caps has been taken into account of: (i) the historical amount paid by the Jujiang Holdings Group to the Group for the four years ended 31 December 2015 and for the period from 1 January 2016 to 30 June 2016; (ii) the contract sum and the anticipated receivable amount under the respective signed construction services agreement with Jujiang Holdings Group in respect of the construction projects under the 2015 Master Agreement; (iii) the anticipated progress and stage of completion of the construction projects; and (iv) the anticipated gross floor area and the average construction fee per square meter of construction projects requiring our provision of construction contracting services by the Group for the three years ending 31 December 2018. The table below sets out the Group's construction projects with Jujiang Holdings Group which are expected to carry out for the years ending 31 December 2016, 2017 and 2018:

Project name#	Years ending 31 December								
	2016			2017			2018		
	Contract sum	Anticipated stage of completion	Gross floor area	Average construction fee per m ²	Anticipated stage of completion	Gross floor area	Average construction fee per m ²	Anticipated stage of completion	Gross floor area
	(RMB)		(m ²)	(RMB)		(m ²)	(RMB)		(m ²)
Jinse Mingmen (金色名門)	178,000,790	96%	2,427	2,200	99%	2,427	2,200	100%	809
1-8# of Jingfu Jiayuan (景福家園1-8#)	49,000,000	93%	1,080	1,361	97%	1,440	1,361	100%	1,080
Jujiang Sunshine Bay Model Flat (巨匠陽光海灣樣板房)	33,410,000	30%	2,430	1,375	60%	7,289	1,375	90%	7,289
Sunshine Bay Model Flat Hotel Clubhouse (陽光海灣樣板房酒店會所)	41,300,000	33%	2,175	1,424	71%	10,876	1,424	94%	6,525
Stages I and II of Jujiang Sunshine Bay* (巨匠陽光海灣一期二期*)	280,000,000	5%	9,498	1,474	35%	56,987	1,474	80%	94,980
Rongcheng • New World (榮成 • 新天地工程)	25,000,000	100%	548	912	-	-	-	-	-
Rongcheng • New World (榮成 • 新天地工程)	81,506,400	100%	1,787	912	-	-	-	-	-
Stage II of Rongcheng Zhonghan Bianmao* (榮成中韓邊貿二期*)	230,000,000	5%	7,502	1,533	45%	60,013	1,533	90%	67,515
Stage II of Schonbrunn Palace and Musee d'Orsay Palace of Roma City* (羅馬都市美泉宮及奧賽宮二期*)	197,714,410	70%	36,014	1,098	90%	36,014	1,098	95%	9,003
C5b and C6# Floors of Schonbrunn Palace of Roma City and the Corresponding Basement Garage (羅馬都市美泉宮C5b樓、C6#樓小 商業及相應地下室車庫)	15,942,850	80%	4,666	1,025	100%	3,111	1,025	-	-
Triumph Palace and Elysee Palace of Roma City (羅馬都市凱旋宮、愛麗舍宮)	83,000,000	100%	75,454	1,100	-	-	-	-	-
Roma City* (羅馬都市*)	210,000,000	5%	6,801	1,544	35%	40,803	1,544	55%	27,202
Jujiang Kechuang Park* (巨匠科創園*)	21,000,000	52%	7,908	1,391	100%	7,189	1,391	-	-

* Representing the new projects which Jujiang Holdings did not award such projects to the Group when the Group estimated the Existing Annual Caps.

Translations of the English name of the projects are for identification purpose only.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Directors confirm that the value of the construction contract is generally positively correlated to the gross floor area of the construction projects requiring provision of construction contracting services by the Group. The construction contracting services fee paid by Jujiang Holdings Group generally followed an upward trend from the year ended 31 December 2012 and the year ended 31 December 2015 and at peak for the year ended 31 December 2013 for approximately RMB498.3 million and the average construction contracting services fee paid by Jujiang Holdings Group to the Group for the four years ended 31 December 2015 amounted to approximately RMB383.2 million (the “**Average Amount**”). Having considered that the Average Amount is higher than the cap of each year of the three years ending 31 December 2018 under the 2016 Master Agreement, we consider that the Revised Annual Caps are not excessive.

The fluctuation of construction contracting services fee for the four years ended 31 December 2015 was generally consistent with the gross floor area of the construction projects requiring provision of construction contracting services by the Group as stipulated in the section headed “Connected Transactions” of the Prospectus (the “**Existing Projects**”).

It is noted that the historical construction contracting services fee paid by Jujiang Holdings Group to the Group in respect of the construction contracting services provided by the Group during the year ended 31 December 2015 represented approximately 76.7% of the cap for the year ended 31 December 2015 under the 2015 Master Agreement. As disclosed in the Prospectus, the difference between the historical figures and the Existing Annual Caps is mainly because of the difference of the gross floor area of the construction projects requiring the Group’s provision of construction contracting services which is determined by reference to the anticipated progress of the existing construction contracts signed by the Company with Jujiang Holdings. As confirmed by the management of the Company, the difference of the historical construction contracting service fee paid by Jujiang Holdings Group and the cap for the year ended 31 December 2015 under the 2015 Master Agreement was mainly due to delay of progress of certain Existing Projects amounted to approximately RMB163.2 million, represented approximately 31.9% of the Existing Annual Caps for the year ended 31 December 2015, according to the discretion of Jujiang Holdings Group. Such decrease was mitigated by few projects which (i) the progress was quicker than expected; or (ii) were unexpected when estimating the cap for the year ended 31 December 2015 under the 2015 Master Agreement. As a result of such delay, contract sum of approximately RMB83.8 million pursuant to the Existing Projects under the cap for the year ending 31 December 2016 under the 2015 Master Agreement will be postponed accordingly. Such amount was mitigated by approximately RMB34.7 million because (i) two new projects which were unexpected when estimating the cap for the year ended 31 December 2016 under the 2015 Master Agreement; and (ii) two of the Existing Projects which the progress was quicker than expected.

Based on the estimation of the Company, the anticipated receivable amount under the Existing Projects accounted for approximately 59.4%, 23.2% and 10.2% of the Revised Annual Caps for the year ending 31 December 2016, 2017 and 2018 respectively.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As disclosed in the Letter, Jujiang Holdings has engaged the Group to provide construction contracting services for certain new projects. According to the management of the Group, such new projects comprised of 5 projects (the “**New Projects**”) which Jujiang Holdings did not award such projects to the Group when the Group estimated the Existing Annual Caps and thus the anticipated receivable amount under the New Projects accounted for approximately 40.6%, 76.8% and 89.8% of the Revised Annual Caps for the years ending 31 December 2016, 2017 and 2018. The Directors confirmed that all of the Existing Projects and the New Projects are supported by the signed construction services agreement with the Jujiang Holdings Group.

As advised by the management of the Company, all of the 5 New Projects, would commence construction work in the six months ending 31 December 2016 and three of the New Projects are expected to be completed after three years from the commencement.

We have reviewed the calculation of and discussed with the management of the basis of the estimation of the Revised Annual Caps. The Revised Annual Caps were determined based on (a) the contract sum and the anticipated receivable amount under the respective signed construction services agreement with the Jujiang Holdings Group in respect of the construction projects under the 2015 Master Agreement; (b) the anticipated gross floor area and the average construction fee per square meter which was calculated by the contract sum divided by respective total gross floor area of the construction projects in square meters; and (c) the anticipated progress and stage of completion of each projects under the 2016 Master Agreement for the three years ending 31 December 2018. The Directors confirmed that the estimated progress and stage of completion are based on the discussion with and the information provided by the management of Jujiang Holdings Group with reference to their past experience for similar project and the current construction plan. We have checked the contract sum and construction area of certain samples of the signed construction services agreement of the Existing Projects and the New Projects with such information contained in the calculation prepared by the management of the Company with satisfactory result.

Due to the fortuity and volatility of construction projects and for prudence sake, the Directors consider that it is fair and reasonable to determine the Revised Annual Caps based on the Existing Projects and the New Projects only and not take into account of any potential new projects (other than the Existing Projects and the New Projects) which were not identified by the parties to the 2016 Master Agreement and we concur with such view because the potential new projects are undetermined and unforeseeable when the Company and Jujiang Holdings determined the Revised Annual Caps. In the event that the Revised Annual Caps might not be sufficient to cover the transactions between the Group and Jujiang Holdings Group under the 2016 Master Agreement, the parties to the 2016 Master Agreement will consider to revise the Revised Annual Caps accordingly and will comply with the relevant requirements under the Listing Rules, among others, seeking for independent shareholders’ approval if applicable.

Having considered that (i) the historical transaction amount with Jujiang Holdings Group; (ii) the Revised Annual Caps were estimated based on the contract sum and the average construction fee per square meter with reference to the respective signed construction services agreements with the Jujiang Holdings Group; and (iii) given the Revised Annual Caps have not taken into account of any potential new projects (other than the Existing Projects and the New Projects) which may be awarded by Jujiang Holdings Group to the Group from time to time during the three years ending 31 December 2018 (if any), we consider that the Revised Annual Caps are reasonable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As the Revised Annual Caps relate to future events and are based upon assumptions that may or may not remain valid for the three years ending 31 December 2018 and the actual transaction amounts would be subject to the actual progress of the Existing Projects and the New Projects, and other factors which are beyond control of the management of the Group, we express no opinion as to how closely the actual transaction amounts to be generated under the transactions corresponding with the Revised Annuals Caps.

5. Annual review of the continuing connected transactions

Pursuant to Rules 14A.55 and 14A.56 of the Listing Rules, the transactions contemplated under the 2016 Master Agreement are subject to the following requirements:

- (i) the independent non-executive Directors must review the continuing connected transactions every year and confirm in the annual reports that the continuing connected transactions have been entered into:
 - in the ordinary and usual course of business of the Group;
 - on normal commercial terms or better; and
 - according to the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;
- (ii) the Company must engage its auditors to report on the continuing connected transactions for each financial year of the Company and that the Company's auditors must provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that the continuing connected transactions:
 - have not been approved by the Board;
 - were not, in all material respects, in accordance with the pricing policy of the Group if the transactions involve the provision of goods or services by the Group;
 - were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and
 - have exceeded the annual caps.

In view of the continuing connected transactions under the 2016 Master Agreement will be subject to annual review of the independent non-executive Directors and the auditors of the Company, we are of the view that appropriate measures will be in place to govern the conduct of the continuing connected transactions under the 2016 Master Agreement and safeguard the interests of the Independent Shareholders.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATIONS

Having considered the principal factors and reasons as discussed above, we are of the opinion that the continuing connected transactions contemplated under the 2016 Master Agreement are conducted in the ordinary and usual course of business of the Group, the terms of the 2016 Master Agreement are on normal commercial terms and the Revised Annual Caps are fair and reasonable so far as the Company and the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to approve the 2016 Master Agreement and the Revised Annual Caps at the EGM.

Yours faithfully,
for and on behalf of
Lego Corporate Finance Limited
Gary Mui
Chief Executive Officer

Mr. Gary Mui is a licensed person registered with the Securities and Futures Commission and a responsible officer of Lego Corporate Finance Limited to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong). He has over 18 years of experience in the finance and investment banking industry.

APPENDIX I SUMMARY OF FEASIBILITY ANALYSIS REPORT ON THE USE OF PROCEEDS FROM THE A SHARE OFFERING

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

I. USAGE OF PROCEEDS RAISED BY A SHARES OFFERING

1. Construction Enterprise Informatization and Mechanization Upgrade Project
2. Construction Industrialization of Steel Structure Manufacturing Base Project
3. Liquidity Support

II. BACKGROUND AND NECESSITY OF PROJECTS IN WHICH FUNDS RAISED ARE INVESTED

1. The A Share Offering is required to enhance the informatization of enterprise management and construction projects.

With the background of the strengthening of domestic market economy and the integration of global economy, the construction industry, as a traditional field of industry, is faced with severe challenges. As such, Chinese construction enterprises must improve its core competitive edges constantly to survive the fierce environment. Being a large-scale traditional construction enterprise, our company will, through establishing a platform of advanced informatization hardware equipment and an efficiently and connected software management platform, with the combination of internal and external networks and the support of VPN equipment, integrate the applied information technology and hardware equipment to reduce redundancy, with layers and be internet-connected; we will also build unified software management platform to promote sharing of software interface data on business process line, to realize platform management of collaborative office software, and to ensure efficient and technological management. Meanwhile, our company will enhance informatization management of construction projects through comprehensive application of BIM technology, to improve construction management level. Construction projects will be able to lower production cost and improve management efficiency.

2. The A Share Offering is necessary for the company to enhance its leading role in the market and improve its profitability.

Currently, construction technology and equipment are developing rapidly, with level of application of technology being an overall indication of level of market leading, participation of market competition and profitability. Low energy consumption, high efficiency and advancement of construction machinery determine technological capability of the construction enterprise. Our company will be oriented to develop according to the trend of the construction industry, aiming to improve level of application of technology and enhancing company's performance.

APPENDIX I SUMMARY OF FEASIBILITY ANALYSIS REPORT ON THE USE OF PROCEEDS FROM THE A SHARE OFFERING

3. The A Share Offering is required to conform to market transformation and to progress steel structure industrialization.

Construction industrialization has become a key point of national support in recent years. Our company will continue to be technology-based and center itself on manufacturing business, make endeavor in exploring a sustainable development road for the construction industry, utilize modern industrial technology to improve construction quality, and promote transformation and improvement of construction industry. Industrialization of steel structure construction is one of the strategic targets that our company aims to transform to, it will become a new growth point of profit and improve core competitiveness of our company.

III. BASIC INFORMATION ABOUT PROJECTS IN WHICH FUNDS TO BE RAISED FROM THE A SHARE OFFERING ARE TO BE INVESTED

1. Total amount of funds to be raised from the A Share Offering will not exceed RMB310,020,000 (Construction Enterprise Informatization and Mechanization Upgrade Project RMB51,950,000, Construction Industrialization of Steel Structure Manufacturing Base Project RMB151,071,300, and Liquidity Support RMB 107,000,000). According to the priority of these projects, funds raised from this IPO will be invested, after deduction of issuing cost, into following three projects: Construction Enterprise Informatization and Mechanization Upgrade Project, Construction Industrialization of Steel Structure Manufacturing Base Project and Liquidity Support (collectively, the “Projects”).

2. Subject of project implementation will be Jujiang Construction Group Co., Ltd.

3. Implementation details of each of the Projects are as follow:

- (1) Construction Enterprise Informatization and Mechanization Upgrade Project:

Build advanced hardware equipment for Informatization and software management platform to promote sharing of software interface data on business process line, realize platform management of collaborative office software; purchase construction machinery with advanced technology. Investment made to this project will mainly be used in the company’s informatization management and building platform for BIM application in construction projects, and purchasing construction machinery with advanced technology. Duration to implement this project will be 2 years (2017.1-2018.12).

- (2) Construction Industrialization of Steel Structure Manufacturing Base Project:

We will carry out construction of standardized factory, introduce advanced equipment with high level of informatization and mechanization, and improve technological and management level of the production line of steel structure parts. Investment made to this project will mainly be used in land acquisition, factory facility, production equipment, staff recruitment and start-up of projects. Duration to implement this project will be 2 years (2018.6-2020.6).

APPENDIX II PROFIT DISTRIBUTION POLICY AND DIVIDEND RETURN PLAN WITHIN THREE YEARS AFTER THE A SHARE OFFERING

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

In order to further strengthen and improve the scientific, sustainable and stable dividend decision-making and supervision mechanism of Jujiang Construction Group Co., Ltd. (hereinafter referred to as “the Company”), actively return benefits to investors and guide the investors to establish long-term and reasonable investment concepts, and according to the requirements of relevant documents like Notice Regarding Further Implementation of Cash Dividends Distribution by Listed Companies and the Listed Companies Regulatory Guidance No. 3- Cash Dividends Distribution of Listed Companies issued by China Securities Regulatory Commission and Articles of Association, the Board (the “Board”) hereby formulates the following profit distribution policy and dividend return plan within 3 years after A share offering:

I. PROFIT DISTRIBUTION POLICY

(I) Profit Distribution Principles

1. Reasonable returns for the investors shall be fully considered in profit distribution policy of the Company, and profit distribution policy shall be kept continuously and stably.
2. Profit distribution policy of the Company shall mainly take into account the long-term interests of the Company, the interests of all the shareholders as a whole and the sustainable development of the Company. Profit distribution shall not exceed the accumulated distributable profit nor damage the Company’s ability to operate on an ongoing basis.
3. The opinions of independent directors and public investors shall be sufficiently considered in the decision-making and discussion process of the Board, board of supervisors and general meetings of the Company.

(II) Profit Distribution Methods

Profit distribution of the Company can be by way of cash, Shares, combination of cash and Shares or other methods allowed by relevant laws and regulations. When the conditions of cash dividend distribution are met, the Company shall give priority to cash dividend distribution for profit distribution. When the Company realizes profit in the current year and accumulated undistributed profit is positive, in principle the Company shall conduct cash dividend distribution once a year. According to the profit and fund demand status of the Company, the Board of directors may propose to make interim cash dividend distribution.

(III) Conditions to be satisfied for cash dividend distribution:

1. Distributable profit achieved by the Company in such year (i.e. post-tax profit after offsetting losses and withdrawing public reserve funds) is positive in value, cash flow is abundant and the conduction of cash dividend distribution shall not influence its subsequent continuous operation;
2. Auditing firm issues a standard audit reports without qualified opinions for the Company's financial statements of the current year;
3. The Company has no major investment plan or significant cash expenditure (except fund-raising projects) in future 12 months. Major investment plan or major cash expenditure refers to one of the following circumstances: (1) the Company's accumulated cash expenditure of planned transactions like external investments, acquisition of assets or equipment purchase in future 12 months reaches or exceeds 50% of its latest phase of audited net assets and exceeds RMB 50 million; (2) the Company's accumulated cash expenditure of planned transactions like external investments, acquisition of assets or equipment purchase in future 12 months reaches or exceeds 30% of its latest phase of audited net assets.

(IV) Proportion and Time Interval of Cash dividend distribution

Subject to profit distribution principles and satisfaction of pre-conditions for cash dividend distribution, the profit that the Company distributes in cash every year shall not be less than 20% of distributable profit that it realizes in the current year. According to the profit and fund demand status of the Company, the Board may propose to make interim cash dividend distribution.

General meeting authorizes the Board to distinguish the following circumstances based on comprehensive consideration of characteristics of the Company's industry, development stage, own operation mode, profit level, cash flow and whether there is any major capital expenditure, and come up with a different cash dividend distribution policies in accordance with the procedures specified in the Articles of Association:

1. If the Company's development is in mature stage and there is no major capital expenditure, for profit distribution, cash dividend distribution shall take up at least 80% in the profit distribution.
2. If the Company's development is in mature stage and there is major capital expenditure, for profit distribution, cash dividend distribution shall take up at least 40% in the profit distribution.
3. If the Company's development is in growing stage and there is major capital expenditure, for profit distribution, cash dividend distribution shall take up at least 20% in the profit distribution.

If it's hard to determine the Company's development stage but there is major capital expenditure, handle it in accordance with last article.

(V) Conditions for Share Dividend Distribution

According to the status of accumulated distributable profit, reserved funds and cash flow, with the precondition of guaranteeing sufficient cash dividend distribution and reasonable equity scale, the Company may conduct profit distribution by issuing share dividend; and the specific distribution ratio shall be submitted to general meeting for deliberation and decision after deliberation by the Board.

(VI) If any shareholder utilizes the Company's funds against any regulations, the Company shall deduct corresponding amount from the cash dividend distribution that shall be distributed to such shareholder for paying back such utilized funds.

(VII) Decision-making Procedures and Mechanism of Profit Distribution

1. The Company's profit distribution proposal shall be formulated and approved by its Board, and be approved by over 2/3 of its independent directors, the deliberation of the board of supervisors and then be submitted to its general meeting for approval.
2. The procedures and requirements that the Board of directors shall carry out in the deliberation of profit distribution: considering specific operation data, profit scale, cash flow status, development plan and funds demand in next stage of the Company, combining the opinions of shareholders (especially minority shareholders) and independent directors, and with the precondition of profit distribution policy defined in the Articles of Association, the Board of directors shall carefully research and deliberate the time, conditions, lowest percentage, adjustment conditions as well as decision-making procedures and requirements, put forward annual or interim profit distribution plan, submit to general meeting for deliberation, and implement it after it's passed. Profit distribution plan shall not be submitted to general meeting for deliberation before it's voted through by over 50% directors of the board.

Independent directors shall give independent opinions on the reasonableness of profit distribution plan and give clear opinions on specific proposal of cash dividend distribution. Independent directors may collect the opinions of minority shareholders, come up with dividend distribution proposal and directly submit it to the board of directors for deliberation.

3. The procedures and requirements for general meeting when carrying out the deliberation of profit distribution: when general meeting conduct deliberation on specific proposal of cash dividend distribution, it shall initiatively communicate with shareholders, especially minority shareholders, through various ways, sufficiently collect the opinions and requests of minority shareholders, and promptly reply the

questions that minority shareholders raised. General meeting shall vote on the profit distribution plan submitted by the board of directors in accordance with laws and regulations. After general meeting makes a decision on profit distribution plan, the board of directors shall finish dividend (or share) distribution within 2 months after the general meeting.

4. The board of supervisors shall conduct deliberation on the profit distribution plan formulated or revised by the board of directors and approve it by over 2/3 of supervisors. If the Company makes a profit in the year but doesn't put forward cash dividend distribution scheme, the board of supervisors shall present special explanation and opinions upon relevant policies and plan implementation status. The board of supervisors shall supervise the implementation of profit distribution scheme and dividend return plan.
5. The Company shall practically guarantee public shareholders' right of participating general meeting. The board of directors, independent directors and the shareholders that meet certain conditions may collect shareholders' voting rights in general meeting.

(VIII) Adjustment Mechanism of the Profit Distribution Policy

1. If Company confirms that it is necessary to adjust profit distribution policy pursuant to production and operation situation, investment plan and long-term development demand or because outside operation environment changes, the adjustment shall be oriented to protect shareholders' equity, and adjusted profit distribution policy shall not violate relevant laws, regulations or normative documents.
2. The board of directors shall put forward the proposal of adjusting profit distribution policy after sufficient research and demonstration; independent directors and the board of supervisors shall present opinions on it; the Board shall submit it to general meeting for approval after it passes the deliberation of the Board. According to actual situation, the Company shall arrange online voting through the trading system of stock exchange and Internet voting system to make it convenient for public shareholders to participate in general meetings. When general meeting conduct deliberation on the proposal of adjusting profit distribution policy, the proposal shall be passed by over 2/3 of the voting rights held by the shareholders that are present in such general meeting.

(IX) Principle of Utilization of the Undistributed Profits of the Company

Company shall mainly use undistributed profits in major investments such as external investments, acquisition of assets and equipment purchase, and circulating fund for daily operation needs like expanding production and operation scales, optimizing enterprise assets structure and financial structure, promoting efficient and sustainable development and carrying out development planning targets of the Company, and finally realize the maximization of shareholders' benefit.

APPENDIX II PROFIT DISTRIBUTION POLICY AND DIVIDEND RETURN PLAN WITHIN THREE YEARS AFTER THE A SHARE OFFERING

(X) Information Disclosure on Profit Distribution

Listed companies shall disclose their formulation and implementation of cash dividend distribution policies in details in their annual reports, and give special explanations upon the following issues:

- (I) Whether they accord with the provisions in the Articles of Association or the requirements of the resolutions in general meeting;
- (II) Whether bonus standard and ratio are clear and definite;
- (III) Whether relevant decision-making procedures and mechanism are complete;
- (IV) Whether independent directors implement their duties and present deserved functions;
- (V) Whether minority shareholders have sufficient opportunities to present their opinions and appeals and their legal equities are sufficiently protected.

If cash dividend distribution policies are adjusted or changed, it shall be necessary to declare in details whether the conditions and procedures of such adjustment or change are in accordance with relevant regulations and transparent.

II: PRINCIPLES OF THE DIVIDEND RETURN PLAN FORMULATED BY THE COMPANY

The formulation of this plan shall be in accordance with the Articles of Association and relevant profit distribution regulations, involve comprehensive consideration of various factors like the Company's development strategies, recent operation plan, industrial environment, social cost of capital and external financing environment, and establish continuous, stable and scientific return plan and mechanism to investors so as to guarantee the consistency and stability of profit distribution policy.

III. DIVIDEND RETURN PLAN WITHIN THREE YEARS AFTER A SHARE OFFERING

1. Distribution Method

Profit distribution of the Company can be by way of cash, shares, combination of cash and shares or other methods allowed by relevant laws and regulations. With the precondition of meeting relevant laws and regulations, and guaranteeing the Company's cash flow may meet regular operation and long-term development, the Company shall actively carry out the distribution in cash.

APPENDIX II PROFIT DISTRIBUTION POLICY AND DIVIDEND RETURN PLAN WITHIN THREE YEARS AFTER THE A SHARE OFFERING

2. Minimum dividend distribution proportion

Subject to relevant conditions dividend distribution and guaranteeing the continuity and stability of profit distribution policy at the same time, annual dividend profit in cash shall not be less than 20% of distributable profit that's realized in that year. If the Company's net profit keeps continuous and stable growth within 3 years after A share is issued, the Company may increase cash dividend distribution percentage or conduct stock dividend distribution to enhance the return to stockholders.

3. Distribution Period

According to its profit status and funds demand situation of the Company, the Board may suggest the Company to carry out annual distribution or interim distribution.

IV. VALIDITY MECHANISM OF THE PROFIT DISTRIBUTION POLICY AND DIVIDEND RETURN PLAN WITHIN THREE YEARS AFTER THE A SHARE OFFERING

The Board shall be responsible to explain the profit distribution policy and dividend return plan in three years after A share offering, which shall come into force after the deliberation of general meeting and from the date of initial public offering (IPO) of A shares and such shares getting listed. Issues that are not mentioned herein, shall be handled according to relevant laws, regulations, normative documents and Articles of Association.

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After the Company's A Share Offering, Share Capital of the Company and net assets both increased dramatically. Yet construction and release of productivity of the projects that the raised funds from the A Share Offering is invested in require certain period of time and high profit is relatively difficult to achieve in construction period. Consequently, in short term, there is a risk of decrease in earnings per share and profit margin on net asset ("ROE"), and immediate return to investors will have to be diluted as a result. To strengthen safeguard legal interests of medium and small investors, the remedial measures for such dilation of immediate return as follows are hereby developed:

I. MEASURES TO BE TAKEN BY THE COMPANY

(1) Strengthen management of funds raised and improve efficiency

The Company has carried out thorough deliberation on feasibility of projects which the A Shares Offering proceeds are to be invested in ("Projects") A Share Offering. Such Projects are in line with national industry policies, industry development trend and development strategy of the Company and with bright prospect and profits are expected. After the A Share Offering proceeds raised is available, the Company will, according to requirements by Articles of Association of the Company and relevant laws and regulations, strengthen management of Projects raised, use it in a disciplined manner and guarantee a full and efficient use of the Projects in its originally destined usage. Meanwhile, the Company will undertake to do best in organization and implementation work and to speed up construction of the projects for materialization of profits as soon as possible, and contribute to company businesses in the long run.

(2) Improve company profit distribution policy to ensure return of profit to shareholders

The Company prepared *Articles of Association (draft) and Dividend Return Plan* according to China Securities Regulatory Commission ("CSRC") *Notice Regarding Further Implementation of Cash Dividends Distribution by Listed Companies, the Listed Companies Regulatory Guidance No. 3- Cash Dividends Distribution of Listed Companies* and *Guidance for Articles of Association of Listed Companies* (revised in 2014), which will be effective after the Company's A Shares are listed. In the future, the Company will carry out profit distribution policy by strictly following the above systems with an aim of safeguarding interest of the Company and shareholders. The Company highly value reasonable and stable return to investors and will extensively listen to independent directors, investors especially medium and small shareholders for their opinion when developing distribution plan, and the Company will perfect and optimize return mechanism taking development phase of the Company, operation situation, market environment and supervisory policy etc. into consideration, in order to ensure a reasonable expectation of profit by investors and guarantee their interests.

(3) Strengthen management of the Company to improve operational efficiency and profiting capabilities

The Company will continuously improve its management capability and creativity by organizing training on its middle and senior management and core employees internally and externally, to equip itself for the need to continuously expand assets and business scale of the Company and industrial development tide under new economy. The Company will further establish and perfect its management system, optimize its organization structure, strengthen its internal control and carry out a fine management to improve efficiency, reduce operational cost and eventually improve profitability of the Company.

Above measures will be beneficial to enhancing core competitiveness and sustainable profitability of the Company and therefore thicken its future profits to fill the return to shareholders; nevertheless, due to objective existence of internal and external risks facing the Company, above measures cannot be construed as a guarantee of future profits of the Company.

II. RELATED PARTIES UNDERTAKINGS

(1) The Company's undertakings

The Company will strictly implement remedial measures for the diluted immediate return; if fails to do so, the Company shall give detailed explanation at the general meeting of shareholders and apologize to shareholders and public investors; additionally, it shall present an undertaking to fill the immediate return or a substitute to investors to try its best to protect investors' interests, and after examination and approval by the general meeting of shareholders, the aforesaid undertakings shall be materialized accordingly.

(2) Directors and senior management's undertakings

Directors and senior management shall faithfully and diligently perform their duties to safeguard legal interests of all shareholders, and push forward implementation of remedial measures in accordance with relevant regulation by CSRC as follow:

- (i) I hereby guarantee that I will not tunnel benefit to other parties or individual for free or under unfair condition, nor will I do harm to interests of the Company in any other ways.
- (ii) I hereby guarantee that constrain my consumption activities related to my job post.
- (iii) I hereby guarantee that I will not engage myself in investment or consumption activities irrelevant to my job post by means of Company's assets.
- (iv) I hereby guarantee that remuneration system developed by the Board or remuneration committee will be proportionate to how well the remedial measures to be executed.

- (v) I hereby guarantee that the condition to exercise the power on equity incentive will be proportionate to how well the remedial measures to be executed, if any.

As one of the parties responsible for the measures to fill immediate return, if I fail above undertakings or refuse to carry out above undertakings, I will not challenge punishment against me made in accordance with relevant regulations and rules formulated by CRSC, security exchange and other security supervisory bodies.

(3) Undertakings by controlling shareholder and actual controller

According to relevant provisions by CSRC, controlling shareholder and actual controller hereby make following undertakings to advance a down-to-earth implementation of remedial measures:

1. I hereby guarantee that I will not tunnel benefit to other bodies or individual for free or under unfair condition, nor will I do harm Company's interest in any other ways.
2. Company/I will not interfere operation and management activities of the Company, nor will company/I harm Company's interests.

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According to *Opinion on Further Promoting the IPO System Reform* issued by the China Securities Regulatory Commission and relevant requirements from other laws and regulations, the Company developed measures to stabilize its share price shall it fall below net asset per share within 3 years after the A Share Offering to protect interest of investors; and the Company, taking actual situation of the Company into consideration, develops emergency plan to stabilize its share price as follow:

I. CONDITION FOR INITIATION AND TERMINATION OF THE SHARE PRICE STABILIZATION PLAN

1. Condition for initiation of the share price stabilization plan

If, not for force majeure, within the three years after the A Share Offering of the Company, the closing price of the Company's A Shares is below the latest audited net asset per share of the Company (the closing price shall be adjusted in the event of profits distribution, capitalization of capital reserve, additional issuance or rights issue) for 20 consecutive trading days (the value of the net asset per share shall be adjusted accordingly if the value of the net assets or the total number of shares changes due to profits distribution, capitalization of capital reserve, additional issuance or rights issue after the latest audit base date), and controlling shareholders, directors and senior management shall initiate relevant share price stabilisation measures.

2. Condition for termination of share price stabilization plan

Shall the closing price of the Company's A Shares, before or during the implementation period of specific share price stabilization plan, be higher than latest audited net asset per share, for consecutive 20 trading days, then the measures to stabilize its share price shall be terminated.

After completion or termination of implementation of specific share price stabilization plan, if conditions to initiate the share price stabilization plan are met, then share price stabilization plan shall be initiated once again.

II. SPECIFIC MEASURES TO STABILIZE SHARE PRICE

When necessary, the Company will take measures to stabilize its share price following the sequence:

1. Repurchase of shares by the Company

- (1) Company shall repurchase its shares to stabilize its share price in accordance with provisions of relevant laws, regulations and regulatory documents, and shall not cause the equity distribution of the Company to not meet the condition for listing.

- (2) The Board of the Company shall make resolution about repurchasing its shares, with more than one half of directors voting for , and non-independent directors undertake to vote for such resolution. General meeting of shareholders shall deliberate resolution about repurchase of the Company's shares, with more than two thirds of shareholders present at the meeting voting for the relevant resolution, and controlling shareholders undertake to vote for such resolution at general meeting of shareholders.
- (3) Company's repurchase of its shares to stabilize its share price shall be in accordance with provisions of relevant laws and regulations, and additionally, it shall comply with the following requirements:
 - ① The Company shall use its own capital to buy back its shares at a price which, in principle shall not be higher than last audited net asset per share;
 - ② Total amount of capital to be used to buy back its shares shall in aggregate not exceed that of the funds raised through A Share Offering;
 - ③ Capital that the Company use to buy back its shares for a single time in principle, shall not be lower than 5% of net profit attributable to shareholders of its parent Company audited in last accounting year;
 - ④ Percentage of shares that the Company repurchased in 12 consecutive months shall not exceed 2% of total share capital as at the last financial year end. If item ③ above is in conflict with this clause, this clause shall prevail.

2. Controlling shareholder to increase their shareholdings

- (1) Controlling shareholder of the Company refers to Zhejiang Jujiang Holding Group Co., Ltd.
- (2) After Company repurchased its shares, if the closing price of the Company falls below the last audited net asset per share, for 20 consecutive trading days, then controlling shareholder shall start to increase their shareholdings.
- (3) When controlling shareholder increase their shareholdings, the following conditions shall be met:
 - ① Amount of capital that controlling shareholder uses to increase their shareholdings in a single time, shall not be lower than 20% of their cash dividend that they accumulatively obtained from the Company after listing of the A Share, nor be higher than total amount of their cash dividend that they accumulatively obtained from the Company after listing of the A Share;

- ② Total number of shares that controlling shareholder increases in their shareholdings in a single time or in 12 consecutive months, shall not exceed 2% of total share capital of the Company at the end of previous year; if this rule contradicts with ①, this rule shall prevail.
- ③ Price of Shares that controlling shareholder acquire to increase their shareholdings shall in principle, not exceed the last audited net asset per Share.

3. Directors (other than independent directors) and senior management to increase their shareholdings

- (1) After controlling shareholder increases their shareholdings, if the closing price of the Company falls below the last audited net asset per share, for 20 consecutive trading days, then directors (other than independent directors) and senior management shall start to increase their shareholdings.
- (2) Directors and senior management who are obliged to increase their shareholdings guarantee that, amount of capital they use to increase their shareholdings in a single time, shall not be lower than 20% of total amount of their after-tax remuneration they claimed from the Company last year, meanwhile, it shall not in aggregation, exceed 50% of total amount of their after-tax remuneration they earned from the Company last year. Price of shares that directors and senior management acquire to increase their shareholdings shall in principle, not exceed the last audited net asset per share.
- (3) After completion of directors and senior management increased their shareholdings, if the closing price of the Company falls below the last audited net asset per share, for 20 consecutive trading days once again, then the measures of the Company's repurchase of its shares, controlling shareholder to increase their shareholdings, and directors and senior management to increase their shareholdings shall be carried out in sequence in accordance with this plan.
- (4) Newly recruited directors and senior management who receive remuneration from the Company, shall undertake to comply with this plan.

III. STARTING PROCEDURE OF MEASURES TO STABILIZE SHARE PRICE

1. Company's repurchase of its shares

- (1) The Board shall pass resolution on Company to repurchase its shares within 15 trading days after condition for Company to initiate repurchase of its shares is triggered off;
- (2) The Board shall, within 2 business days after passing the resolution on Company's repurchase of its shares, make announcement of the resolution and the plan of Company's repurchase of its shares, and issue notice of convening for general meeting of shareholders;

- (3) Company shall start the repurchase of its shares the next day of the passing of the relevant resolution at the relevant general meeting of shareholders, and complete within 30 days after performing relevant legal proceedings;
- (4) After completion of the plan of Company's share repurchase, the Company shall make announcement of report on change in shareholdings within 2 business days, and cancel the shares repurchased within 10 days in accordance with law, and handle industrial and commercial alteration registration.

2. Controlling shareholder, directors and senior management to increase their shareholdings

- (1) The Board shall make announcement of the increase in shareholdings within 2 business days after condition for controlling shareholder, directors and senior management to stabilize share price is triggered.
- (2) Controlling shareholder, directors and senior management shall start increasing their shareholdings the next day of such announcement, and complete its implementation within 30 days after performing relevant legal proceedings.

A special resolution will be proposed at the EGM and Class Meeting(s) to approve the amendments of the Articles of Association.

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

After incorporating the proposed amendments to the Articles of Association as set out in this Appendix V, the numbering of and cross-referencing referred to in the articles will be re-numbered and updated accordingly.

Details of the amendments are set out as follows:

1. **Article 1** which originally read as:

“Article 1

Jujiang Construction Group Co., Ltd. (hereinafter referred to as the “Company”) is a joint stock company with limited liability in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”) and other laws and administrative regulations in China. The Articles of Association are formulated in accordance with the Company Law, the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Special Regulations of the State Council on the Overseas Offering and Listing of shares by Joint Stock Limited Companies (hereinafter referred to as the “Special Regulations”), the Mandatory Provisions for Articles of Association of Companies Listed Overseas (hereinafter referred to as the “Mandatory Provisions”), the Circular Regarding Opinions on the Supplements and Amendments of Articles of Association of Companies to be Listed in Hong Kong (hereinafter referred to as the “Opinion Circular”), Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Listing Rules”), and other laws and administrative regulations.

Zhejiang Jiaxing Jujiang Construct Group Co., Ltd. was established on 17 July 1996 and its name was changed to Jujiang Construction Co., Ltd. on 12 November 2008. On 29 December 2014, it was converted to a jointed stock company, with its original shareholders as the promoters of the joint stock company, namely, Zhejiang Jujiang Holding Co., Ltd. and Zhejiang Jujiang Equity Investment Management Co., Ltd.

On 30 October 2015, the company obtained the CSRC’s approval in relation to Jujiang Construction Group Co., Ltd. issuing overseas listed foreign capital stocks and the Company is listed on the Stock Exchange on 12 January 2016, the company registration is relocated to the Zhejiang Provincial Administration of Industry and Commerce.”

be amended as follows:

“Article 1

Jujiang Construction Group Co., Ltd. (hereinafter referred to as the “Company”) is a joint stock company with limited liability in accordance with the Company Law of the People’s

Republic of China (hereinafter referred to as the “Company Law”) and other laws and administrative regulations in China. The Articles of Association are formulated in accordance with the Company Law, the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Special Regulations of the State Council on the Overseas Offering and Listing of shares by Joint Stock Limited Companies (hereinafter referred to as the “Special Regulations”), the Mandatory Provisions for Articles of Association of Companies Listed Overseas (hereinafter referred to as the “Mandatory Provisions”), the Circular Regarding Opinions on the Supplements and Amendments of Articles of Association of Companies to be Listed in Hong Kong (hereinafter referred to as the “Opinion Circular”), Guidelines for the Articles of Association of Listed Companies (Amended in 2014) (hereinafter referred to as the “Articles Guideline”), Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Listing Rules”), and other laws and administrative regulations.

2. New Article 2, 3 and 6 which reads as follows:

Article 2

Zhejiang Jiaxing Jujiang Construct Group Co., Ltd. was established on 17 July 1996 and its name was changed to Jujiang Construction Co., Ltd. on 12 November 2008. On 29 December 2014, it is incorporated by promotion, registered at Zhejiang Provincial Administration of Industry and Commerce and obtained the business licence. The unified social credit code on the existing business licence is 91330400146841507E, with its original shareholders as the promoters of the joint stock company, namely, Zhejiang Jujiang Holding Co., Ltd. and Zhejiang Jujiang Equity Investment Management Co., Ltd.

Article 3

Upon approval of the China Securities Regulatory Commission on 30 October 2015, the Company issued to the public 133,360,000 overseas listed foreign shares for the first time. The Company was listed on the Stock Exchange of Hong Kong Limited (hereafter referred as “Hong Kong Stock Exchange”) on 12 January 2016, the company registration is relocated to the Zhejiang Provincial Administration of Industry and Commerce.

Article 6

The registered capital of the Company is RMB533,360,000.”

be added.

3. **Article 7** which originally read as:

“Article 7

After being approved by a special resolution at the Company’s general meeting, these Articles of Association shall come into effect after the date of listing for trading of the Overseas Listed Foreign Shares (H Shares) issued by the Company to the public on the Stock Exchange

of Hong Kong Limited (hereafter referred as “Hong Kong Stock Exchange”) upon the approval by the examination and approval department. The original Articles of Association and its amendments will lapse automatically since the effective date of the Articles of Association.”

be amended as follows:

“Article 10

Amendments to the Articles of Association will come into effect after being approved by the Company’s general meeting through its special resolution and the relevant competent departments of the state in accordance with relevant laws and regulations (if necessary).”

4. **Article 9** which originally read as:

“Article 9

The Articles of Association shall be binding on the Company, its shareholders, Directors, Supervisors, Manager and other members of senior management. All persons mentioned above shall have the rights to refer to the Articles of Association for claims regarding affairs related to the Company. In accordance with the Articles of Association, Shareholders may institute legal proceedings against the Company; the Company may institute legal proceedings against its shareholders; shareholders may institute legal proceedings against other shareholders, Directors, Supervisors, Manager and other members of senior management as per the Articles of Association.

The legal proceedings referred to in the preceding paragraph shall include legal proceedings instituted in courts or the application to arbitration institutions for arbitration.”

be amended as follows:

“Article 12

The Articles of Association shall be binding on the Company, its shareholders, Directors, Supervisors, Manager and other members of senior management. All persons mentioned above shall have the rights to refer to the Articles of Association for claims regarding affairs related to the Company. In accordance with the Articles of Association, Shareholders may institute legal proceedings against the Company; the Company may institute legal proceedings against its shareholders, Directors, Supervisors and members of senior management; shareholders may institute legal proceedings against other shareholders, Directors, Supervisors, Manager and other members of senior management as per the Articles of Association.

The legal proceedings referred to in the preceding paragraph shall include legal proceedings instituted in courts or the application to arbitration institutions for arbitration.

Other members of senior management referred to in this paragraph and the preceding paragraph shall include deputy general manager, chief financial officer, board secretary and chief engineer.”

5. **Article 11** which originally read as:

“Article 11

All the capital of the Company shall be divided into shares of equal value and shareholders’ liability shall be limited to their shares in the Company. The Company shall be liable for its debt with all of its assets.”

be amended as follows:

“Article 14

All the assets of the Company shall be divided into shares of equal value and shareholders’ liability shall be limited to their shares in the Company. The Company shall be liable for its debt with all of its assets.”

6. **Article 14** which originally read as:

“Article 14

Scope of business: Contracting house building and design engineering; Generally contracting architectural engineering construction; Construction industry designing business; Other sorts of general contract or specialized contract; sales in decorating materials for construction except dangerous chemicals. (Selling approved projects according to law, undertaking business activities after getting approval by relevant authorities)”

be amended as follows:

“Article 17

As registered in accordance the law, scope of business of the Company is as follows: Contracting house building and design engineering; Generally contracting architectural engineering construction; Construction industry designing business; Other sorts of general contract or specialized contract; sales in decorating materials for construction except dangerous chemicals. (Selling approved projects according to law, undertaking business activities after getting approval by relevant authorities).”

7. **Article 15** which originally read as:

“Article 15

The Company may change its scope of business and amend the Articles of Association in accordance with law upon registration of change with the Administration for Industry and Commerce of Jiaxing City, Zhejiang province and with the approvals of shareholders at the Shareholders Meeting and the relevant competent authorities.”

be amended as follows:

“Article 18

The Company may change its scope of business and amend the Articles of Association in accordance with law upon registration of change with Zhejiang Provincial Administration of Industry and Commerce and with the approvals of shareholders at the Shareholders Meeting and the relevant competent authorities.”

8. **Article 16** which originally read as:

“Article 16

The Company shall have ordinary shares at all times. The Company may create other classes of shares according to its needs upon approval by the vetting department authorized by the State Council.”

be amended as follows:

“Article 19

The stock of the Company shall take the form of shares. The Company shall have ordinary shares at all times. The Company may create other classes of shares according to its needs upon approval by the vetting department authorized by the State Council.”

9. **Article 21** which originally read as:

“Article 21

Following approval of the State Council authorities in charge of securities, the total amount of ordinary shares that the Company may issue is 400,000,000. The number of shares issued to the sponsors at the time of establishment is 400,000,000 representing 100 % of the total number of ordinary shares that may be issued by the Company. The number of shares subscribed by each of the promoters are set out as follows:

- (1) 204,000,000 shares, representing 51% of the total number of ordinary shares, were subscribed by Zhejiang Jujiang Holding Co., Ltd.

- (2) 196,000,000 shares, representing 49% of the total number of ordinary shares, were subscribed by Zhejiang Jujiang Equity Investment Management Co., Ltd.”

be amended as follows:

“Article 24

Following approval of the State Council authorities in charge of securities, the total amount of ordinary shares that the Company may issue is 400,000,000. The number of shares issued to the promoters at the time of establishment is 400,000,000 representing 100 % of the total number of ordinary shares that may be issued by the Company.

All the issued shares at the time of incorporation of the Company were subscribed by the promoters. 2 promoters subscribed for the shares of the Company by converting net assets of the Company as at 31 December 2013 into shares. The names, the number of shares subscribed for, method of the capital contribution and shareholding of each promoters are as follows:

<u>No.</u>	<u>Name of the shareholder</u>	<u>Method of capital contribution</u>	<u>Number of shares subscribed for</u>	<u>Shareholding (%)</u>
<u>1</u>	<u>Zhejiang Jujiang Holding Co., Ltd. (浙江巨匠控股集團有限公司)</u>	<u>Shares converted from net assets</u>	<u>204,000,000</u>	<u>51%</u>
<u>2</u>	<u>Zhejiang Jujiang Equity Investment Management Co., Ltd. (浙江巨匠股權投資管理股份有限公司)</u>	<u>Shares converted from net assets</u>	<u>196,000,000</u>	<u>49%</u>
<u>Total</u>			<u>400,000,000</u>	<u>100%</u>

10. **Article 22** which originally read as:

“Article 22

After its establishment, with the review of the China Securities Regulatory Commission on 30 October, 2015 and approval of the Hong Kong Stock Exchange, the Company shall issue 133,360,000 ordinary shares, including not 133,360,000 foreign investment shares listed outside the People’s Republic of China, accounting for 25% of the total number of ordinary shares that may be issued by the Company.

After issuing the foreign investment shares listed outside the People's Republic of China mentioned above. The composition of the Company's share capital shall be: 533,360,000 ordinary shares, of which Zhejiang Jujiang Holding Co., Ltd. shall hold 204,000,000 shares, Zhejiang Jujiang Equity Investment Management Co., Ltd. shall hold 196,000,000 shares, holders of foreign investment shares listed outside the People's Republic of China shall hold 133,360,000 shares."

be amended as follows:

"Article 25

After its establishment, with the review of the China Securities Regulatory Commission on 30 October, 2015 and approval of the Hong Kong Stock Exchange, the Company shall issue 133,360,000 ordinary shares, all being foreign investment shares listed outside the People's Republic of China, accounting for 25% of the total number of ordinary shares that may be issued by the Company.

After issuing the foreign investment shares listed outside the People's Republic of China mentioned above. The composition of the Company's share capital shall be: 533,360,000 ordinary shares, of which Zhejiang Jujiang Holding Co., Ltd. shall hold 204,000,000 shares, Zhejiang Jujiang Equity Investment Management Co., Ltd. shall hold 196,000,000 shares, holders of foreign investment shares listed outside the People's Republic of China shall hold 133,360,000 shares.

11. **Article 23** which originally read as:

"Article 23

Subject to the approval of the plans of the Company to issue overseas listed foreign shares and domestic shares by the China Securities Regulatory Commission and by shareholders at a Shareholders' Meeting, the Board of Directors of the Company may arrange for a separate issuance of such shares. The Company may implement the plan of issuing overseas listed foreign shares and domestic shares separately within 15 months since it is approved by the China Securities Regulatory Commission.

With the approval of China Securities Regulatory Commission, holders of non-listed shares of the Company may have their shares listed and dealt in overseas. The listing and dealing in of such shares on overseas stock exchanges shall comply with the regulatory procedures, rules and requirements of overseas stock exchanges. No class shareholder meeting is required to be held to approve the listing and dealing in of such shares on overseas stock exchanges"

be amended as follows:

“Article 26

Subject to the approval of the plans of the Company to issue overseas listed foreign shares or domestic shares by the China Securities Regulatory Commission and by shareholders at a Shareholders’ Meeting, the Board of Directors of the Company may arrange for a separate issuance of such shares. The Company may implement the plan of issuing overseas listed foreign shares and domestic shares separately within 12 months since it is approved by the China Securities Regulatory Commission.”

12. **Article 24** which originally read as:

“Article 24

The Company shall complete issuing overseas listed foreign shares and domestically listed domestic shares within the number fixed in the plan at one time; if this cannot be achieved due to exceptional circumstances, the Company may issue the same in several attempts upon the approval by the China Securities Regulatory Commission.”

be amended as follows:

“Article 27

The Company shall complete issuing overseas listed foreign shares and domestic shares within the number fixed in the plan at one time; if this cannot be achieved due to exceptional circumstances, the Company may issue the same in several attempts upon the approval by the China Securities Regulatory Commission.”

13. **Article 25** be deleted in its entirety.

14. **Article 26** which originally read as:

“Article 26

The Company may increase its capital according to its business operation and development needs. The Company may increase its capital through the following:

- (1) issue of shares to the public;
- (2) private placement of shares to the public;
- (3) issue of bonus shares or placement of new shares to existing shareholders;
- (4) increase share capital by conversion of reserves;
- (5) other ways permitted in accordance with laws and administrative regulations and approved by the China Securities Regulatory Commission.

The Company's increase of capital by way of issuing new shares shall be in accordance with the laws and administrative regulations of China and with the approval according to the procedures as required by the Articles of Association."

be amended as follows:

"Article 28

The Company may increase its capital according to its business operation and development needs in accordance with the relevant laws, regulations and regulatory documents and the listing rules of the jurisdiction where the Shares of the Company are listed. The Company may increase its capital through the following:

- (1) issue of shares to the public;
- (2) private placement of shares;
- (3) issue of bonus shares or placement of new shares to existing shareholders;
- (4) increase share capital by conversion of reserves;
- (5) other ways permitted in accordance with laws and administrative regulations and approved by the China Securities Regulatory Commission.

The Company's increase of capital by way of issuing new shares shall be in accordance with the laws and administrative regulations of China and with the approval according to the procedures as required by the Articles of Association."

15. **Articles 27, 28, and 29** be deleted in their entirety.

16. **Article 30** which originally read as:

"Article 30

The Company may reduce its registered capital according to the Articles of Association"

be amended as follows:

"Article 29

The Company may reduce its registered capital according to the Articles of Association in accordance with the Company Law, other relevant regulations and the procedures set forth in the Articles of Association."

17. **Article 31** which originally read as:

“Article 31

The Company shall prepare a balance sheet and a list of assets when reducing its registered capital.

The Company shall notify its creditors within 10 days and shall publish public notices in a newspaper at least three times within 30 days as of the date of the Company’s resolution for reduction of register capital. A creditor shall have the right to require the Company to pay off debts or provide an appropriate guarantee to pay off debts within 30 days as of the date of receipt of the notice from the Company or within 90 days as of the first date of the public announcement if not receiving the notice.

The registered capital of the Company shall not be lower than the legally required minimum amount after the reduction of capital.”

be amended as follows:

“Article 30

The Company shall prepare a balance sheet and a list of assets when reducing its registered capital.

The Company shall notify its creditors within 10 days and shall publish public notices in a newspaper within 30 days as of the date of the Company’s resolution for reduction of register capital. A creditor shall have the right to require the Company to pay off debts or provide an appropriate guarantee to pay off debts within 30 days as of the date of receipt of the notice from the Company or within 45 days as of the date of the public announcement if not receiving the notice.

The registered capital of the Company shall not be lower than the legally required minimum amount after the reduction of capital.”

18. **Article 32** which originally read as:

“Article 32

The Company may repurchase its shares upon the approval by relevant competent authorities of China and according to the procedures set forth in the Articles of Association under the circumstances below:

- (1) cancellation of shares for the purpose of reducing its capital;
- (2) merging with other companies that hold shares in the Company;

- (3) awarding shares to the employees of the Company;
- (4) shareholders objecting to resolutions of the general meeting of shareholders concerning merger or division of the Company, requiring the Company to buy their shares; and
- (5) Other circumstances specified by laws and administrative regulations.

Saving for the foregoing circumstances, the Company shall not engage in the selling and buying of the Company's shares.

Repurchase of the Company's shares for reasons set out in Clauses (1) to (3) of this Article shall be subject to resolution at a general meeting of shareholders. After the Company has repurchased its shares in accordance with Clause (1) of this Article, such shares shall be cancelled within 10 days after repurchase, or shall be transferred or cancelled within 6 months in the circumstances set out in Clauses (2) and (4). Shares repurchased by the Company in accordance with Clause (3) of this Article shall not exceed 5% of the total shares issued by the Company; the repurchase cost shall be covered by the after-tax profit of the Company; and the shares repurchased shall be transferred to employees within one year."

be amended as follows:

"Article 31

The Company may repurchase its shares in accordance with the laws, administrative regulations, regulatory documents and the Articles of Association and upon the approval by relevant competent authorities of China under the circumstances below:

- (1) cancellation of shares for the purpose of reducing its capital;
- (2) merging with other companies that hold shares in the Company;
- (3) awarding shares to the employees of the Company;
- (4) shareholders objecting to resolutions of the general meeting of shareholders concerning merger or division of the Company, requiring the Company to buy their shares; and
- (5) Other circumstances specified by laws and administrative regulations.

Saving for the foregoing circumstances, the Company shall not engage in the selling and buying of the Company's shares.

Repurchase of the Company's shares for reasons set out in Clauses (1) to (3) of this Article shall be subject to resolution at a general meeting of shareholders. After the Company has repurchased its shares in accordance with Clause (1) of this Article, such shares shall be cancelled within 10 days after repurchase, or shall be transferred or cancelled within 6 months in the circumstances set out in Clauses (2) and (4). Shares repurchased by the Company in

accordance with Clause (3) of this Article shall not exceed 5% of the total shares issued by the Company; the repurchase cost shall be covered by the after-tax profit of the Company; and the shares repurchased shall be transferred to employees within one year.”

19. **Article 33** which originally read as:

“Article 33

As approved by relevant authorities, the Company may repurchase its shares by the following means:

- (1) by making a general offer to all of its shareholders for the repurchase of shares on a pro rata basis;
- (2) by open dealing on a stock exchange;
- (3) by an off-market agreement outside of the stock exchange.”

be amended as follows:

“Article 32

As approved by relevant authorities, the Company may repurchase its shares by the following means:

- (1) by making a general offer to all of its shareholders for the repurchase of shares on a pro rata basis;
- (2) by open dealing on a stock exchange;
- (3) by an off-market agreement outside of the stock exchange;
- (4) other ways as permitted by relevant securities regulatory authorities.”

20. **Article 35** which originally read as:

“Article 35

After the Company repurchases shares in accordance with law, it shall cancel or transfer such shares in accordance with laws and administrative regulations, and shall apply to the Administration for Industry and Commerce of Jiaxing City, Zhejiang Province for change in registered capital or shareholding and make announcement accordingly. The aggregate par value of the cancelled shares shall be deducted from the Company’s registered capital.”

be amended as follows:

“Article 34

After the Company repurchases shares in accordance with law, it shall cancel or transfer such shares in accordance with laws and administrative regulations, and shall apply to the Administration for Industry and Commerce of Zhejiang Province for change in registered capital or shareholding and make announcement accordingly. The aggregate par value of the cancelled shares shall be deducted from the Company’s registered capital.”

21. **Article 37** which originally read as:

“Article 37

The Company or its subsidiaries shall not offer any financial assistance to anyone who is acquiring or is proposing to acquire shares of the Company by any means at any time. The said purchaser of shares shall include a person who directly or indirectly assumes any obligations incurred for the acquisition of such shares.

The Company and its subsidiaries shall not, by any means at any time, provide any financial assistance to the said purchaser as referred to above for the purpose of limiting or discharging the obligations assumed by that person.

This Article shall not be applicable to the circumstances described in Article 39 of this Association.”

be amended as follows:

“Article 36

The Company or its subsidiaries (including the entities under the Company) shall not offer any financial assistance to anyone who is acquiring or is proposing to acquire shares of the Company by way of a gift or by granting an advance, guarantee, compensation, loan or otherwise at any time. The said purchaser of shares shall include a person who directly or indirectly assumes any obligations incurred for the acquisition of such shares.

The Company and its subsidiaries shall not, by any means at any time, provide any financial assistance to the said purchaser as referred to above for the purpose of limiting or discharging the obligations assumed by that person.

This Article shall not be applicable to the circumstances described in Article 38 of this Association.”

22. New **Articles 39, 40, 41, 42 and 43** which read as follows:

“Article 39

Except otherwise provided by laws and administrative regulations, the shares of the Company may be freely transferred and shall not be subject to any lien.

Article 40

The Company does not permit using the shares of the Company as the subject of a pledge.

Article 41

The shares of the Company held by the promoters shall not be transferred within one year from the date of establishment of the Company. The shares issued before the public offering of shares of the Company shall not be transferred within one year from the date when the shares of the Company are listed on the stock exchange.

The directors, supervisors and senior management of the Company shall declare to the Company the shares held by them in the Company and corresponding changes. The shares transferred by anyone of the above personnel each year during his/her term of office shall not exceed 25% of the total shares of the same class held by him/her in the Company. The shares held in the Company shall not be transferred within 1 year since the date of listing of shares of the Company. Within six months after the departure of the above-mentioned personnel, the shares held by them in the Company shall not be transferred.

Article 42

If any director, supervisor, senior management of the Company, or the shareholder holding over five percent of the shares of the Company sells, within six months upon purchase, the shares he/she holds of the Company or repurchases the shares within six months after selling the same, then the earnings so obtained by him/her shall belong to the Company and be recovered by the board of directors of the Company. However, a securities company that has a shareholding of more than five percent due to the underwriting of the remaining shares shall not be subject to the restriction of six months when selling the said shares.

If the Company’s board of directors fails to comply with the provisions of the preceding paragraph, the shareholders shall have the right to require the board of directors to comply within 30 days. If the Company’s board of directors still fails to comply within the said time limit, the shareholders shall have the right to, for the Company’s benefits, bring a lawsuit in the people’s court in their own name.

If the Company’s board of directors fails to comply with the provisions of the first paragraph, the directors responsible therefore shall bear joint and several liability.

Article 43

The H shares with all capital paid up may be freely transferred pursuant to the Articles of Association; however, the board of directors may refuse to recognize any transfer document without any reasoning, except that the following conditions are satisfied:

- (1) The transfer documents and other documents relating to any share ownership or which may affect share ownership shall be registered, with fees paid for the registration to the Company according to the charging criteria provided in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited;
- (2) The transfer documents only relate to H shares;
- (3) The stamp duty payable on the transfer documents has been paid;
- (4) The relevant stocks and the evidence requested reasonably by the board of directors as proof of the transferor's right to transfer the shares shall be provided;
- (5) If the shares are to be transferred to joint holders, the number of joint holders shall not exceed four;
- (6) The relevant shares are not subject to any lien of any company;
- (7) No share may be transferred to any person who is a minor or mentally ill or otherwise legally incapacitated."

be added.

23. **Article 40** which originally read as:

"Article 40

The share certificates of the Company shall be in registered forms.

In addition to the matters required by the Company Law, the share certificates of the Company shall also contain other matters required by the stock exchange(s) on which the shares are listed.

During the period when the H shares are listed on the Hong Kong Stock Exchange, the Company must ensure that all of the documents relating to the title to the shares listed on the Hong Kong Stock Exchange (including H shares) include the statements as follows. The Company shall instruct and procure the share registrars not to register the subscription, purchase or transfer of share in the name of any individual holder unless and until he submits

such properly executed forms to the share registrars which shall include the statements as follows:

- (1) agreements among the purchaser of the share, the Company and each shareholder, and between the Company and each shareholder, have been reached to comply with and in accordance with the Company Law, the Special Provisions and other laws, administrative regulations and the Articles of Association.
- (2) the purchaser of the shares and the Company, each of the shareholders, Directors, Supervisors, Manager and other members of senior management of the Company, as well as the Company when acting on behalf of the Company and each director, supervisor, Manager and other members of senior management, agree with each shareholder that all of the disputes and claims arising from the Articles of Association, or any rights and obligations stipulated in the Company Law and other Chinese laws and administrative regulations relating to the Company, shall be referred to arbitration in accordance with the Articles of Association. Any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and to publish its award which is final.
- (3) the purchaser of the shares, the Company and each shareholder agree that the shares of the Company may be freely transferable by the holder.
- (4) the purchaser of the shares authorizes the Company to reach an agreement on behalf of him with each of the directors, Manager and other members of senior management to authorize such directors, Manager and other members of senior management to comply with and perform their duties to the shareholders in accordance with the Articles of Association.”

be amended as follows:

“Article 44

The share certificates of the Company shall be in registered forms. The share certificates are evidence of the shares held by shareholders issued by the Company. The Company shall issue share certificates in book entry form or physical form or in other forms as prescribed by the State Council’s securities authorities in accordance with the requirements of the relevant governments and authorities of the territories on whose stock exchanges the Company’s shares are issued and listed.

In addition to the matters required by the Company Law, the share certificates of the Company shall also contain other matters required by the stock exchange(s) on which the shares are listed.

During the period when the H shares are listed on the Hong Kong Stock Exchange, the Company must ensure that all of the documents relating to the title to the shares listed on the Hong Kong Stock Exchange (including H shares) include the statements as follows.

The Company shall instruct and procure the share registrars not to register the subscription, purchase or transfer of share in the name of any individual holder unless and until he submits such properly executed forms to the share registrars which shall include the statements as follows:

- (1) agreements among the purchaser of the share, the Company and each shareholder, and between the Company and each shareholder, have been reached to comply with and in accordance with the Company Law, the Special Provisions and other laws, administrative regulations and the Articles of Association.
- (2) the purchaser of the shares and the Company, each of the shareholders, Directors, Supervisors, Manager and other members of senior management of the Company, as well as the Company when acting on behalf of the Company and each director, supervisor, Manager and other members of senior management, agree with each shareholder that all of the disputes and claims arising from the Articles of Association, or any rights and obligations stipulated in the Company Law and other Chinese laws and administrative regulations relating to the Company, shall be referred to arbitration in accordance with the Articles of Association. Any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and to publish its award which is final.
- (3) the purchaser of the shares, the Company and each shareholder agree that the shares of the Company may be freely transferable by the holder.
- (4) the purchaser of the shares authorizes the Company to reach an agreement on behalf of him with each of the directors, Manager and other members of senior management to authorize such directors, Manager and other members of senior management to comply with and perform their duties to the shareholders in accordance with the Articles of Association.”

24. **Article 41** which originally read as:

“Article 41

Share certificates of the Company shall be signed by the Chairman of the Board of Directors. In the event that the stock exchange(s) on which the Company’s shares are listed require the signatures of other members of senior management of the Company on the share certificates, the share certificates shall also be signed by such members of senior management. The share certificates shall be effective upon being affixed or printed with the seal of the Company or other securities seals specified. The share certificates shall only be sealed with the Company’s seal under the authorization of the Board. The signatures of the Chairman of the Board or other members of senior management may be printed.”

be amended as follows:

“Article 45

Share certificates of the Company shall be signed by the Chairman of the Board of Directors. In the event that the stock exchange(s) on which the Company’s shares are listed require the signatures of other members of senior management of the Company on the share certificates, the share certificates shall also be signed by such members of senior management. The share certificates shall be effective upon being affixed or printed with the seal of the Company or other securities seals specified. The share certificates shall only be sealed with the Company’s seal under the authorization of the Board. The signatures of the Chairman of the Board or other members of senior management may be printed.

The issuance and trading of uncertificated shares are subject to the requirements otherwise prescribed by the securities regulatory bodies located at the places where the shares of the Company are listed.”

25. **Articles 46, 47, 48, and 49** be deleted in their entirety.
26. **Article 54** which originally read as:

“Article 54

Applications for a replacement share certificate by shareholders of domestic shares and non-listed foreign shares shall be addressed pursuant to Article 143 of the Company Law.”

be amended as follows:

“Article 54

Applications for a replacement share certificate by shareholders of domestic shares shall be addressed pursuant to Article 143 of the Company Law.”

27. **Article 60** which originally read as:

“Article 60

The Company’s shareholders of ordinary shares shall enjoy the following rights:

- (1) the right to receive dividends and other distributions proportional to the number of shares held;
- (2) the right to attend Shareholders’ Meeting either in person or by proxy and exercise the voting right;
- (3) the right to supervise, advise or inquire the operating activities of the Company;

- (4) the right to transfer, bestow, or pledge the shares held according to laws and regulations and the Articles of Association;
- (5) the right to be provided with relevant information in accordance with provisions of the Articles of Association, including:
 - 1. to obtain a copy of the Articles of Association, subject to payment of the cost;
 - 2. to inspect and to make duplicate copies, subject to payment at a reasonable charge, of the followings:
 - (i) all parts of the register of shareholders;
 - (ii) personal profiles of the Company's Directors, Supervisors, Manager and other members of senior management including:
 - (a) their present and former names and aliases;
 - (b) their principal addresses (residence);
 - (c) their nationalities;
 - (d) their full-time and all other part-time occupations and duties;
 - (e) their identification documents and the numbers thereof.
 - (iii) report(s) on the Company's share capital;
 - (iv) the latest audited financial report, the report of the Board of Directors, the report of auditors, and the report of the Board of Supervisors of the Company;
 - (v) special resolutions of the Company;
 - (vi) report(s) showing the aggregate par value, number, maximum and minimum price paid with respect to each class of shares repurchased by the Company since the end of the last financial year, and the aggregate amount incurred by the Company for this purpose;
 - (vii) a copy of the annual inspection report that has been filed with the administration of industry and commerce or other competent authorities in China; and
 - (viii) minutes of Shareholders Meeting, and resolutions of the board of directors and supervisory board;

The Company shall make available the documents mentioned in Clauses (i) to (viii) other than Clause (ii) above and other applicable documents at its Hong Kong office for inspection, free of charge, by the public and shareholders in accordance with requirements of the Rules Governing the Listing of Securities on Hong Kong Stock Exchange (the documents mentioned in Clause (viii) shall be available for inspection by shareholders only).

If any shareholder needs to access the relevant information as set out in the preceding article, the said shareholder shall provide the Company with written documents evidencing the type and number of shares held by the said shareholder, and the Company shall provide such information as required by the said shareholder upon authentication of the shareholder.

- (6) the right to receive distribution of the remaining assets proportional to the number of shares held when the Company dissolves or liquidates;
- (7) other rights conferred by the laws and regulations and the Articles of Association of the Company.

The Company shall not otherwise stay or infringe any rights attached to any shares on the sole basis that the holders of such shares with direct or indirect interests in such shares have failed to disclose the said interests to the Company.”

be amended as follows:

“Article 60

The Company’s shareholders of ordinary shares shall enjoy the following rights:

- (1) the right to receive dividends and other distributions proportional to the number of shares held;
- (2) the right to lawfully request, convene, preside over, and attend Shareholders’ Meeting either in person or by proxy and exercise the voting right;
- (3) the right to supervise, advise or inquire the operating activities of the Company;
- (4) the right to transfer, bestow, or pledge the shares held according to laws and regulations and the Articles of Association;
- (5) the right to be provided with relevant information in accordance with provisions of the Articles of Association, including:
 - 1. to obtain a copy of the Articles of Association, subject to payment of the cost;
 - 2. to inspect and to make duplicate copies, subject to payment at a reasonable charge, of the followings:

- (i) all parts of the register of shareholders;
- (ii) personal profiles of the Company's Directors, Supervisors, Manager and other members of senior management including:
 - (f) their present and former names and aliases;
 - (g) their principal addresses (residence);
 - (h) their nationalities;
 - (i) their full-time and all other part-time occupations and duties;
 - (j) their identification documents and the numbers thereof.
- (iii) report(s) on the Company's share capital;
- (iv) the latest audited financial report, the report of the Board of Directors, the report of auditors, and the report of the Board of Supervisors of the Company;
- (v) special resolutions of the Company;
- (vi) report(s) showing the aggregate par value, number, maximum and minimum price paid with respect to each class of shares repurchased by the Company since the end of the last financial year, and the aggregate amount incurred by the Company for this purpose;
- (vii) a copy of the annual inspection report that has been filed with the administration of industry and commerce or other competent authorities in China; and
- (viii) minutes of Shareholders Meeting, and resolutions of the board of directors and supervisory board;

The Company shall make available the documents mentioned in Clauses (i) to (viii) other than Clause (ii) above and other applicable documents at its Hong Kong office for inspection, free of charge, by the public and shareholders in accordance with requirements of the Rules Governing the Listing of Securities on Hong Kong Stock Exchange (the documents mentioned in Clause (viii) shall be available for inspection by shareholders only).

If any shareholder needs to access the relevant information as set out in the preceding article, the said shareholder shall provide the Company with written documents evidencing the type and number of shares held by the said shareholder, and the Company shall provide such information as required by the said shareholder upon authentication of the shareholder.

- (6) the right to receive distribution of the remaining assets proportional to the number of shares held when the Company dissolves or liquidates;
- (7) the right to require the Company to buy their shares in the event of objection to resolutions of the general meeting concerning merger or division of the Company; and
- (8) other rights conferred by the laws and regulations and the Articles of Association of the Company.

The Company shall not otherwise stay or infringe any rights attached to any shares on the sole basis that the holders of such shares with direct or indirect interests in such shares have failed to disclose the said interests to the Company.

When a shareholder requests to inspect the relevant information mentioned in the preceding paragraph or requests any materials, such shareholder shall provide the Company with written documents evidencing the class and number of shares held, and the Company shall provide such relevant information or such materials upon request after verifying his shareholder identity.”

28. New **Articles 61 and 62** which read as follows:

“Article 61

If the resolutions of the Shareholders’ Meeting and the board of directors violate any laws or administrative regulations, the shareholders shall have the right to request the people’s court to invalidate the resolutions.

If the procedures for convening or the way of voting for meetings of Shareholders’ Meeting and board of directors violate the provisions of laws, administrative regulations or the Articles of Association, or any resolution violates the Articles of Association, shareholders shall have the right to, within 60 days from the date when the resolution is reached, request the people’s court to revoke the said resolution.

Where a shareholder files an action in accordance with the provisions of the preceding paragraph, the Company may plea to the people’s court to request the shareholder provide corresponding guarantee.

Article 62

Where a director or a senior management of the Company is in violation of laws, administrative regulations or the Articles of Association when assuming his or her duties, which causes losses to the Company, the shareholders who individually or jointly hold more than 1% of the shares of the Company for more than 180 consecutive days shall be entitled to request the board of supervisors in writing to bring a lawsuit to the people’s court. Where the board of supervisors is in violation of laws, administrative regulations or the Articles of Association when assuming its duties, which causes losses to the Company, shareholders may

request the board of directors in writing to bring a lawsuit to the people's court. If the board of supervisors or the board of directors, after receiving the written request of the shareholders as mentioned in the preceding paragraph, refuses to initiate litigation or fails to institute legal proceedings within 30 days from the date of receipt of the request, or if the case is urgent and the failure to bring an action promptly will cause irreparable damage to the interests of the Company, shareholders mentioned in the preceding paragraph shall have the right to bring a lawsuit directly to the people's court in their own name for the interests of the Company.

Where any person infringes upon the lawful rights and interests of the Company and causes losses to the Company, shareholders as prescribed in the first paragraph of this Article may bring a lawsuit to the people's court in accordance with the provisions of the preceding two paragraphs.

If any director or senior management of the Company violates laws, administrative regulations or the Articles of Association and harms the interests of shareholders, shareholders may bring a lawsuit to the people's court."

be added.

29. **Article 61** which originally read as:

"Article 61

The shareholders of ordinary shares shall assume the following obligations:

- (1) to observe the Articles of Association;
- (2) to effect payment for the subscription of shares according to the number of shares subscribed and the method of contribution;
- (3) to assume other obligations as the laws and regulations and the Articles of Association require. Shareholders are not liable to further contribution to the share capital other than such terms as agreed upon by the subscriber of the relevant shares on subscription."

be amended as follows:

"Article 63

The shareholders of ordinary shares shall assume the following obligations:

- (1) to comply with laws, administrative regulations and the Articles of Association;
- (2) to effect payment for the subscription of shares according to the number of shares subscribed and the method of contribution;

- (3) not to withdraw shares unless in the circumstances stipulated by laws and regulations;
- (4) Not to abuse shareholder's right to damage the interests of the Company or other shareholders; not to abuse the independent status of legal person or shareholder's limited liability to damage the interests of the creditors of the Company.

Shareholders of the Company who abuse their shareholder's rights and thereby causing loss on the Company or other shareholders shall be liable for loss compensation according to the law.

Where shareholders of the Company abuse the Company's position as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company;

- (5) to assume other obligations as the laws and regulations and the Articles of Association require. Shareholders are not liable to further contribution to the share capital other than such terms as agreed upon by the subscriber of the relevant shares on subscription."

30. New **Articles 64 and 65** which read as follows:

"Article 64

Where a shareholder who holds more than 5% of the voting shares of the Company pledges the shares he/she holds, he/she shall make a written report to the Company on the date of occurrence of the fact.

Article 65

The controlling shareholder and the actual controller of the Company shall not use their connected relationship to harm the interests of the Company. In case of violation of the provisions, causing losses to the Company, the controlling shareholder or the actual controller shall be liable for the losses caused.

The controlling shareholder and the actual controller of the Company shall assume fiduciary duty to the Company and the shareholders of the Company. The controlling shareholder shall exercise the rights of the investor in strict accordance with the law, and not use profit distribution, asset reorganization, foreign investment, fund occupation and loan guarantee to damage the lawful rights and interests of the Company and other shareholders; in addition, the controlling shareholder shall not use its controlling status to damage the interests of the Company and other shareholders."

be added.

31. **Article 65** which originally read as:

“Article 65

Shareholders’ Meeting shall possess the following functions and powers:

- (1) to decide on the Company’s operational policies and its investment plans;
- (2) to elect and replace Directors and to decide on the matters relating to the remuneration of Directors;
- (3) to elect and replace shareholders’ representative Supervisors, and decide on matters relating the remuneration of the relevant Supervisors;
- (4) to examine and approve reports of the Board of Directors;
- (5) to examine and approve reports of the Board of Supervisors;
- (6) to examine and approve the Company’s proposed annual preliminary and final financial budgets;
- (7) to examine and approve the Company’s profit distribution and loss recovery plans;
- (8) to decide on the increase or reduction of the Company’s registered capital;
- (9) to decide on such matters as merger, division, dissolution, liquidation or change in the form of the Company;
- (10) to decide on the issuance of debentures by the Company;
- (11) to decide on the engagement, dismissal or non-reappointment of the Company’s accounting firm;
- (12) to amend the Articles of Association;
- (13) to consider any motions raised by shareholders who hold 3% or more of the voting shares of the Company;
- (14) to decide on any other matters as the laws and regulations and the Article of Association of the Company specify.”

be amended as follows:

“Article 69

Shareholders’ Meeting shall possess the following functions and powers:

- (1) to decide on the Company’s operational policies and its investment plans;
- (2) to elect and replace Directors and to decide on the matters relating to the remuneration of Directors;
- (3) to elect and replace shareholders’ representative Supervisors, and decide on matters relating the remuneration of the relevant Supervisors;
- (4) to examine and approve reports of the Board of Directors;
- (5) to examine and approve reports of the Board of Supervisors;
- (6) to examine and approve the Company’s proposed annual preliminary and final financial budgets;
- (7) to examine and approve the Company’s profit distribution and loss recovery plans;
- (8) to decide on the increase or reduction of the Company’s registered capital;
- (9) to decide on such matters as merger, division, dissolution, liquidation or change in the form of the Company;
- (10) to decide on the issuance of debentures by the Company;
- (11) to decide on the engagement, dismissal or non-reappointment of the Company’s accounting firm;
- (12) to amend the Articles of Association;
- (13) to examine and approve the external guarantees specified in Article 70;
- (14) to consider the Company’s purchase or disposal of major assets within one year with the aggregate transaction amount exceeding 30% of the latest audited total assets of the Company;
- (15) to examine and approve matters relating to the changes in the use of proceeds;
- (16) to consider equity incentive scheme;

- (17) to consider any motions raised by shareholders who hold 3% or more of the voting shares of the Company;
- (18) to decide on any other matters as the laws and regulations and the Article of Association of the Company specify.”

32. A new **Article 70** which reads as follows:

Article 70

The following acts of external guarantee shall be submitted to the General Meeting for consideration after being examined and approved by the board of directors:

- (1) any guarantee provided after the Company and its subsidiaries’ aggregate external guarantees reach or exceed 50% of the latest audited net assets;
- (2) the total amount of external guarantees provided by the Company to the extent that it meets or exceeds 30% of the audited total assets of the latest period of the Company;
- (3) any guarantee with amount exceeding 30% of the audited total assets of the latest period of the Company, if calculated accumulatively for 12 consecutive months;
- (4) any guarantee with amount exceeding 50% of the audited net assets of the latest period of the Company, if calculated accumulatively for 12 consecutive months, and with absolute amount exceeding RMB50 million;
- (5) any guarantee provided for an object with asset-liability ratio exceeding 70%;
- (6) any individual guarantee with amount exceeding 10% of the audited net assets of the latest period of the Company;
- (7) guarantees provided to the shareholders, the actual controller and their related parties;
- (8) other guarantee matters which must be submitted to the Shareholders’ Meeting for approval, as required by laws and administrative regulations, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Articles of Association.

The guarantee matters within the scope of authority of the board of directors shall also be approved by more than two thirds of the directors present at the meeting of the board of directors, besides be approved by the majority of the directors; the guarantee mentioned in item (3) shall be adopted by shareholders representing more than two thirds of the voting rights.”

be added.

33. **Article 66** be deleted in its entirety.

34. **Article 67** which originally read as:

“Article 67

The Shareholders’ Meeting shall include annual general meetings and extraordinary general meetings. Annual general meetings shall be called by the Board of Directors and held once every year, and within 6 months of the end of the preceding financial year.

The Board shall convene an extraordinary general meeting within 2 months under any of the following circumstances:

- (1) when the number of directors is less than that required by the Company Law or is less than two thirds of the numbers required by the Articles of Association;
- (2) when the Company fails to recover the loss amounting to over one third of the share capital;
- (3) when shareholder(s) holding 10% or more of the Company’s issued and outstanding shares carrying voting rights request(s) in writing the convening of an extraordinary general meeting;
- (4) when deemed necessary by the Board of Directors or the Board of Supervisors motions to call an extraordinary general meeting.”

be amended as follows:

“Article 71

The Shareholders’ Meeting shall include annual general meetings and extraordinary general meetings. Annual general meetings shall be called by the Board of Directors and held once every year, and within 6 months of the end of the preceding financial year.

The Board shall convene an extraordinary general meeting within 2 months under any of the following circumstances:

- (1) when the number of directors is less than that required by the Company Law or is less than two thirds of the numbers required by the Articles of Association;
 - (2) when the Company fails to recover the loss amounting to over one third of the share capital;
 - (3) when shareholder(s) holding 10% or more of the Company's issued and outstanding shares carrying voting rights request(s) in writing the convening of an extraordinary general meeting;
 - (4) when deemed necessary by the Board of Directors or the Board of Supervisors motions to call an extraordinary general meeting;
 - (5) Other circumstances stipulated by laws, administrative regulations, departmental rules or these Articles of Association."
35. **Articles 68 and 69** be deleted in their entirety.
36. New **Articles 72 to 80** which read as follows:

"Article 72

Place for convening the Shareholders' Meeting of the Company: the Company's domicile or other specific place as specified in the notice of the Shareholders' Meeting.

Shareholders' Meeting will be held in the form of on-site meetings at a meeting place. In order to ensure the legality and validity of the Shareholders' Meeting, pursuant to the requirements of the securities regulatory authorities of the jurisdiction where the shares of the Company are listed the Company will provide shareholders with convenience for participation in Shareholders' Meeting through various means and ways, such as Internet voting platform and other modern information technology means. Where a shareholder participates in a Shareholders' Meeting through the above-mentioned means, he/she shall be deemed having attended the meeting.

Article 73

Independent directors have the right to propose to the board of directors to convene an extraordinary general meeting. The board of directors shall, in accordance with the provisions of the laws, administrative regulations and the Articles of Association, give written feedback within 10 days upon receipt of the proposal.

If the board of directors agrees to convene an extraordinary general meeting, it shall, within 5 days after the resolution of the board of directors is reached, issue a notice on convening an extraordinary general meeting; if the board of directors disagrees with the convening of an extraordinary general meeting, the reasons shall be stated and publicized.

Article 74

The board of supervisors shall have the right to propose to the board of directors the convening of an extraordinary general meeting and shall file a written request to the board of directors. The board of directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, give written feedback within 10 days after receipt of the proposal.

If the board of directors agrees to convene an extraordinary general meeting, it shall, within 5 days after the resolution of the board of directors is reached, issue a notice on convening an extraordinary general meeting. The changes to original proposal contained in the notice shall be consented by the board of supervisors.

If the board of directors does not agree to convene an extraordinary general meeting or fails to provide feedback within 10 days after receipt of the proposal, the board of supervisors may convene and preside over the meeting as if the board of directors could not perform or failed to assume the duty of convening the extraordinary general meeting.

Article 75

For convening an extraordinary general meeting or a class meeting, shareholders shall go through the following procedures:

Shareholders holding more than 10% of the shares of the Company individually or collectively shall have the right to request the board of directors to convene an extraordinary general meeting and submit the request to the board of directors in writing. The board of directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide written feedback within 10 days after receipt of the request.

If the board of directors agrees to convene an extraordinary general meeting, it shall, within 5 days after the resolution of the board of directors is reached, issue a notice on convening an extraordinary general meeting. The changes to original request contained in the notice shall be consented by relevant shareholders.

If the board of directors does not agree to convene an extraordinary general meeting or fails to provide feedback within 10 days after receipt of the request, the shareholders holding more than 10% of the shares individually or collectively shall have the right to propose to the board of supervisors to convene an extraordinary general meeting and submit the request in writing to the board of supervisors.

If the board of supervisors agrees to convene an extraordinary general meeting, it shall, within 5 days after receipt of the request, issue a notice on convening an extraordinary general meeting. The changes to original proposal contained in the notice shall be consented by relevant shareholders.

If the board of supervisors fails to give a notice on convening a Shareholders' Meeting within the prescribed time limit, it shall be deemed not to convene and preside over the said meeting, while the shareholders holding more than 10% of the shares of the Company for more than 90 consecutive days may convene and preside over the said meeting.

Article 76

If the board of supervisors or shareholders decide to convene a Shareholders' Meeting, the board of directors shall be notified in writing. At the same time, the convening of the said meeting shall be filed with the local office of CSRC and the stock exchange at the place where the Company is located.

Before the resolution on convening the Shareholders' Meeting is announced, the convening shareholders shall hold no less than 10% of the shares of the Company. The convening shareholders shall, upon the issuance of the notice of the said meeting and the announcement of resolution of the meeting, submit relevant supporting documents to the local office of CSRC and the stock exchange at the place where the Company is located.

Article 77

The board of directors and the secretary of the board of directors shall be cooperative with regard to the Shareholders' Meeting convened by the board of supervisors or shareholders themselves. The board of directors shall provide the register of shareholders at the date of shareholding registration.

For the Shareholders' Meeting convened by the board of supervisors or shareholders themselves, the expenses necessary for the meetings shall be borne by the Company.

Article 78

The contents of the proposals shall be within the terms of reference of the Shareholders' Meeting, with specific issues and specific resolutions, and comply with relevant laws, administrative regulations and the Articles of Association.

Article 79

If the Company holds a Shareholders' Meeting, the board of directors, the board of supervisors and the shareholders who hold more than 3% shares of the Company individually or jointly, shall have the right to make proposals to the Company.

Shareholders holding 3% or more of the shares of the Company individually or jointly may submit interim proposals and submit them to the convenor in written form 10 days before the convening of the Shareholders' Meeting. The convenor shall, within 2 days after receipt of the proposal, issue a supplementary notice about the said meeting, to publicize the contents of provisional proposals.

In addition to the circumstances stipulated in the preceding paragraph, the convenor shall not revise the proposals listed in the notice of a Shareholders' Meeting or add new proposals after issuing the notice of the meeting.

The Shareholders' Meeting shall not vote or make a resolution if the proposal is not specified in the notice of a Shareholders' Meeting or not in line with the provisions of Article 78 of the Articles of Association.

Article 80

If the Company holds a Shareholders' Meeting, it shall issue a written notice 45 days prior to the convening of the meeting, to notify all registered shareholders the matters to be considered, the date and the place for convening of the meeting. The shareholders intending to attend the meeting shall send written reply regarding attendance of the meeting to the Company 20 days before the convening of the meeting."

be added.

37. **Article 71** which originally read as:

"Article 71

The notice of the Shareholders' Meeting shall:

- (1) be in writing;
- (2) specify time, date and place of the meeting;
- (3) describe matters for consideration at the meeting;
- (4) provide such necessary information and explanations for shareholders to make an informed judgment on the matters to be considered. Without limitation to the generality of the foregoing, where a proposal is made with respect to the merger of the Company with another company, the repurchase of shares, the restructuring of share capital, or the restructuring of the Company in any other manner, the terms of the proposed transaction must be provided in detail along with copies of the proposed agreement, if any, and the reason(s) and effect of such proposal must be properly explained;

- (5) contain a disclosure of the nature and extent, if any, of the material interests of any Director, Supervisor, the General Manager, or other members of senior management in the proposed transaction and the effect of the transaction in their capacity as shareholders to the extent that it is different from the effect on the interests of shareholders of the same class;
- (6) contain the full text of any special resolution proposed to be passed at the meeting;
- (7) state clearly that a shareholder is entitled to attend and vote at the meeting, and to appoint one or more proxies to attend and vote on his behalf, and that a proxy need not be a shareholder;
- (8) specify the time and place for delivering proxy forms for the relevant meeting;
- (9) stating the names and contact telephone numbers of the standing contact persons in connection with the meeting.

That a copy of either the directors report, accompanied by the balance sheet (including every document required by law to be annexed thereto) and profit and loss account or income and expenditure account, or the summary financial report shall, at least 21 days before the date of the general meeting, be delivered or sent by post to the registered address of every member.”

be amended as follows:

“Article 82

The notice of the Shareholders’ Meeting shall:

- (1) be in writing;
- (2) specify time, date and place of the meeting;
- (3) describe matters for consideration at the meeting;
- (4) provide such necessary information and explanations for shareholders to make an informed judgment on the matters to be considered. Without limitation to the generality of the foregoing, where a proposal is made with respect to the merger of the Company with another company, the repurchase of shares, the restructuring of share capital, or the restructuring of the Company in any other manner, the terms of the proposed transaction must be provided in detail along with copies of the proposed agreement, if any, and the reason(s) and effect of such proposal must be properly explained;
- (5) contain a disclosure of the nature and extent, if any, of the material interests of any Director, Supervisor, the General Manager, or other members of senior management in the proposed transaction and the effect of the transaction in their capacity as shareholders to the extent that it is different from the effect on the interests of shareholders of the same class;

- (6) contain the full text of any special resolution proposed to be passed at the meeting;
 - (7) state clearly that a shareholder is entitled to attend and vote at the meeting, and to appoint one or more proxies to attend and vote on his behalf, and that a proxy need not be a shareholder;
 - (8) specify the time and place for delivering proxy forms for the relevant meeting;
 - (9) specify the record date for determining the shareholders who are entitled to attend the general meeting;
 - (10) stating the names and contact telephone numbers of the standing contact persons in connection with the meeting.”
38. New **Article 83** which reads as follows:

“Article 83

If the election of directors and supervisors is to be discussed at a Shareholders’ Meeting, the notice of the meeting shall fully disclose the details of candidate directors and supervisors, at least including the following:

- (1) educational background, work experience, part-time work experience and so on;
- (2) whether there is any connected relationship with the Company or the controlling shareholder or the actual controller of the Company;
- (3) the number of shares held of the Company;
- (4) whether punished by CSRC and other relevant departments or disciplined by the stock exchange.

In addition to the adoption of cumulative voting system to elect directors and supervisors, each director or supervisor candidate shall be proposed in an individual proposal.”

be added.

39. **Article 72** which originally read as:

“Article 72

Notice of general meeting of shareholders shall be served on each shareholder (whether or not entitled to vote at the meeting), by personal delivery or prepaid mail to their addresses as shown in the register of shareholders. For the holders of domestic shares, notices of the general meeting may also be issued by way of public announcements.

The public announcement as referred to in the preceding paragraph shall be published in 1 or more national newspapers designated by the China Securities Regulatory Commission within 45 days to 50 days prior to the date of the meeting. Upon publication of such announcements, the holders of domestic shares shall be deemed to have received the notice for the Shareholders’ Meeting.”

be amended as follows:

“Article 84

Notice of general meeting of shareholders shall be served on each shareholder (whether or not entitled to vote at the meeting), by way of announcement or personal delivery or prepaid mail to their addresses as shown in the register of shareholders. For the holders of domestic shares, notices of the general meeting may also be issued by way of public announcements.

The public announcement as referred to in the preceding paragraph shall be published in 1 or more national newspapers designated by the China Securities Regulatory Commission and the regulatory authority where the Shares of the Company are listed or within 45 days to 50 days prior to the date of the meeting, the website of the Company and the website of the relevant stock exchange. Upon publication of such announcements, the holders of domestic shares shall be deemed to have received the notice for the Shareholders’ Meeting.

The notification, materials or written announcement of the shareholders’ assembly meeting should be delivered to the shareholders of overseas-listed foreign shares 45 days prior to the said meeting, such notification or announcement should be delivered to every shareholders of overseas-listed foreign shares by person or by mail in accordance with the addresses of every shareholders. The notification for shareholders of H Shares should be sent at Hong Kong. In accordance with relevant laws, regulations and listing rules, such notification, materials or written announcement of the shareholders’ assembly meeting should be announced at the website of the Company or websites designated by the stock exchange where shares of the Company are listed.”

40. **Article 77** which originally read as:

“Article 77

Any form issued to a shareholder by the Board of Directors for the appointment of a proxy by the shareholder for attendance and voting at a meeting shall enable the shareholder to instruct the proxy to vote for or against each resolution with respect to businesses transacted at the meeting. Such forms shall contain a statement which states that, in the absence of instructions by the shareholder, the proxy may vote in the proxy’s own discretion.”

be amended as follows:

“Article 95

Any form issued to a shareholder by the Board of Directors for the appointment of a proxy by the shareholder for attendance and voting at a meeting shall enable the shareholder to instruct the proxy to vote for or against each resolution with respect to businesses transacted at the meeting. Such forms shall contain a statement which states that, in the absence of instructions by the shareholder, whether or not the proxy may vote in the proxy’s own discretion.”

41. **New Articles 86 to 88, 90, 91, 97 to 107** which read as follows:

“Article 86

After the issuance of the notice of a Shareholders’ Meeting, the said meeting shall not be postponed or canceled without any justification. The proposal specified in the notice shall not be canceled. In case of delay or cancellation, the convener shall publicize and explain the reason at least 2 business days before the scheduled date of convening.

Article 87

The board of directors and other convenors of the Company shall take necessary measures to ensure the normal order of the meetings of Shareholders’ Meeting. Any person who interferes with the Shareholders’ Meeting, stirs up troubles and violates the legitimate rights and interests of shareholders will be stopped with relevant measures and promptly reported to relevant departments.

Article 88

All shareholders registered on the register date or their proxies are entitled to attend the Shareholders’ Meeting, and vote in accordance with relevant laws, regulations and the Articles of Association. Shareholders may attend the Shareholders’ Meeting in person or entrust proxies to attend and vote on behalf of them.

Article 90

If any individual shareholder attends the meeting in person, he/she shall present his/her ID card or other valid documents or certificates or stock account card that can indicate his or her identity; and the entrusted proxy attending the meeting shall present his/her valid identity certificate and the power of attorney from the shareholder concerned.

Article 91

A legal person shareholder shall be represented at the meeting by the legal representative or the proxy entrusted by the legal representative. If the legal representative attends the meeting, he/she shall show his/her ID card and other effective certificates that can prove he/she has the qualification as the legal representative. If the entrusted proxy attends the meeting, he/she shall present his/her ID card and the written power of attorney issued according to law by the legal representative of the legal person shareholder.

Article 97

The register of attendees shall be made by the Company. The register shall include the names of the attendees (or the names of entities), the identity card number, the domicile, the amount of the shares held or representing voting rights, and the name of the entrusting person (or the name of the entity).

Article 98

The convenor and the lawyers employed by the Company shall jointly verify the legality of shareholders' qualification in accordance with the register of shareholders, and register the name of shareholders and the shares held by them representing voting rights. Registration of the meeting shall be terminated prior to the announcement by the Chairman of the meeting of the number of shareholders and proxies present at the meeting and the total number of shares held representing voting rights.

Article 99

At the time of a Shareholders' Meeting, all directors, supervisors and secretary of the board of directors of the Company shall attend the meeting, and managers and other senior management shall attend the meeting without voting rights.

Article 100

The Shareholders' Meeting shall be presided over by the chairman of the board of directors. In the event that the chairman of the board of directors can not perform his duties or does not perform his duties, a director elected by more than half of the directors shall preside over the meeting.

The Shareholders' Meeting convened by the board of supervisors shall be presided over by the chairman of the board of supervisors. When the chairman of the board of supervisors can not perform his duties or does not perform his duties, a supervisor elected by more than half of the supervisors shall preside over the meeting.

The Shareholders' Meeting convened by shareholders shall be presided over by a representative elected by the convenor.

When a Shareholders' Meeting is held, if the chairman of the meeting violates the rules of the meeting, rendering it impossible to continue the meeting, the Shareholders' Meeting may, based on the consent of more than half of the shareholders present at the meeting with voting rights, elect one person to act as the chairman to continue the meeting.

If, for any reason, shareholders are unable to elect a chairman, the shareholder present at the meeting with the most voting shares (including the proxy of the shareholder) shall act as the chairman.

Article 101

The Company shall formulate the rules of procedure of Shareholders' Meeting and specify in detail the procedure for convening and voting for the meetings, including notification, registration, proposal review, voting, counting, declaration of voting results, resolution formation, meeting minutes and signatures and announcements thereof, as well as the principles of authorization to the board of directors by Shareholders' Meeting, and the content of authorization. The rules of procedure of the meetings of Shareholders' Meeting shall be attached as an annex to the Articles of Association, drawn up by the board of directors and approved by Shareholders' Meeting.

Article 102

At the annual general meeting of Shareholders, the board of directors and the board of supervisors shall make report on past year work to the Shareholders' Meeting. Each independent director shall also make his report.

Article 103

Directors, supervisors and senior management shall make explanations to shareholders' questions and suggestions put forward at the Shareholders' Meeting.

Article 104

The chairman of the meeting shall declare the number of shareholders and proxies present at the meeting and the total number of shares held representing voting rights before the voting. The number of shareholders and proxies present at the meeting and the total number of shares held representing voting rights shall be subject to the registration at the meeting.

Article 105

The Shareholders' Meeting shall have minutes and the secretary of the board of directors shall be responsible for making the minutes. The minutes of the meeting include the following content:

- (1) the time, place and agenda of the meeting and the convener's name;
- (2) the name of the chairman of the meeting and the names of the directors, supervisors, managers and other senior management personnel present at or attending the meeting;
- (3) the number of shareholders and proxies present at the meeting, the total number of shares held representing voting rights and their proportion to the total number of shares of the Company;
- (4) the examination and approval of each proposal, the main points of their speeches and the voting results;
- (5) the opinions or suggestions of shareholders, as well as the corresponding reply or explanation;
- (6) the names of the lawyer, the counter and the counting overseer;
- (7) other contents which the Articles of Association require shall be included into the minutes of the meeting.

Article 106

The convener shall ensure that the minutes of the meeting are true, accurate and complete. The directors, supervisors, secretary of the board of directors, the convener or his representative, and the chairman of the meeting present at the meeting shall sign the minutes of the meeting. The minutes of the meeting shall be kept together with the attendance record of the shareholders attending the meeting, the power of attorney and the valid data of voting, for a period of 10 years.

Article 107

The convener shall ensure that Shareholders' Meeting are held continuously until final resolutions are reached. If, due to special reasons such as force majeure, a meeting of Shareholders' Meeting is suspended or can not reach a resolution, necessary measures shall be taken to resume the meeting as soon as possible or the meeting shall be directly terminated, with announcement made promptly."

be added.

42. **Article 79** be deleted in its entirety.

43. **Article 81** which originally read as:

“Article 81

A shareholder (including proxy), when voting at a Shareholders’ Meeting, shall exercise voting rights in accordance with the number of his shares carrying the voting rights and each share shall have one vote.

If any shareholder should waive his/her voting right on a particular matter, or is restricted to vote only for or against the matter, in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, such shareholder should waive his/her voting right or abstain from voting in accordance with the provisions therein; any vote casted by or on behalf of any shareholder in violation of such provisions or restriction shall not be counted into the poll result.”

be amended as follows:

“Article 109

A shareholder (including proxy), when voting at a Shareholders’ Meeting, shall exercise voting rights in accordance with the number of his shares carrying the voting rights and each share shall have one vote.

When material issues affecting the interests of minority shareholders are considered at a general meeting, the votes of minority shareholders shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

Shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting.

The Board, independent directors and shareholders who meet the relevant requirements may collect voting rights from other shareholders. Information including the specific voting intention shall be fully provided to the shareholders from whom voting rights are being collected. Consideration or defacto consideration for soliciting shareholders’ voting rights is prohibited. The Company shall not impose any minimum shareholding limitation for soliciting voting rights.

If any shareholder should waive his/her voting right on a particular matter, or is restricted to vote only for or against the matter, in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, such shareholder should waive his/her voting right or abstain from voting in accordance with the provisions therein; any vote casted by or on behalf of any shareholder in violation of such provisions or restriction shall not be counted into the poll result.”

44. New **Articles 110 to 115, and 118 to 121** which read as follows:

45. “Article 110

When the Shareholders’ Meeting is considering issues related to related party transactions, related shareholders shall not participate in the voting, and the number of shares representing voting rights held by them shall not be counted into the total number of valid votes; the announcements on resolutions made by Shareholders’ Meeting shall fully disclose the voting by non-related shareholders.

When Shareholders’ Meeting is considering matters related to related party transactions, related shareholders shall comply with the following procedures:

- (1) if any matter considered at the meeting is related to any shareholder, such shareholder shall disclose his connected relationship to the Company’s board of directors prior to the convening of the meeting;
- (2) when Shareholders’ Meeting is considering connected transaction matters, the chairman of the meeting shall announce the shareholders with connected relationships, and explain the related shareholders’ relationships with connected transactions;
- (3) the chairman of the meeting declares the related shareholders shall evade, and unrelated shareholders shall consider and vote on connected transactions;
- (4) resolutions on connected transactions shall be adopted by unrelated shareholders present at the meeting, representing more than half of the shares with voting rights;
- (5) If related shareholders fail to disclose connected relationship or evade related matters in accordance with the above procedures, the resolutions concerning the related matters shall be null and void.

Article 111

The Company shall provide shareholders with convenience for participation in meetings of Shareholders’ Meeting through various ways and means, as well as Internet voting platform and other modern information technology means, in the premise of ensuring the legality and effectiveness of the meetings.

Article 112

Unless the Company is in a special situation such as a crisis, the Company will not enter into a contract with the person other than a director, manager or other senior management to entrust the management of the whole or important business of the Company to such person, without the approval of the Shareholders’ Meeting through special resolution.

Article 113

The list of candidates for directors and supervisors shall be submitted to the Shareholders' Meeting for voting.

Cumulative voting shall be implemented in accordance with the provisions of the Articles of Association or the resolutions of the Shareholders' Meeting, for the voting for election of directors and supervisors at meetings of Shareholders' Meeting.

The term "cumulative voting" as mentioned in the preceding paragraph means that, when the Shareholders' Meeting is electing directors or supervisors, each share represents the voting rights equivalent to the number of the directors or supervisors to be elected. The voting rights owned by shareholders can be used in a concentrated manner. The board of directors shall announce to shareholders the resumes and basic information of candidate directors and supervisor.

The ways and procedures for the nomination of directors and supervisors are as follows:

- (1) The ways and procedures for nomination of directors: 1. The board of directors, the board of supervisors, and the shareholders individually or collectively holding more than 3% of the shares with voting rights issued by the Company may put forward the list of candidates for non-independent directors, according to the number of proposed candidates and within the number of candidates prescribed in the Articles of Association. The board of directors, the board of supervisors, and the shareholders individually or collectively holding more than 1% of the shares issued by the Company may put forward the list of candidates for independent directors. The list of candidates for directors shall be submitted to the Company's board of directors for qualification verification. 2. The Company's board of directors shall determine the candidates for directors, and submit corresponding proposal to the Shareholders' Meeting for election.
- (2) The ways and procedures for the nomination of supervisors: 1. The board of directors, the board of supervisors, and the shareholders individually or collectively holding more than 3% of the shares with voting rights issued by the Company may put forward the list of candidates for shareholder representative supervisors, according to the number of proposed candidates and within the number of candidates prescribed in the Articles of Association, and submit it to the board of supervisors for consideration. 2. The board of supervisors shall determine the candidates for supervisors, and submit corresponding proposal to the Shareholders' Meeting for election. 3. The employee supervisors shall be elected by employee representative meeting of the Company.

Article 114

In addition to cumulative voting, the Shareholders' Meeting will vote on all the proposals one by one. The different proposals on the same matter will be voted in chronological order of submission of these proposals.

Except in the case that a Shareholders' Meeting is suspended or resolutions can not be reached at the meeting for reasons such as force majeure, no proposal will be suspended or left unvoted at the meeting.

Article 115

When any proposal is being considered at Shareholders' Meeting, no modifications will be made to such proposal; otherwise, relevant modifications shall constitute a new proposal and not be voted at such meeting.

Article 118

The Shareholders' Meeting adopts vote by open ballot.

Article 119

Before proposals are voted at Shareholder's Meeting, two shareholder representatives shall be elected to count and oversee the voting. If relevant shareholders have a stake in the matters for consideration, such shareholders and their proxies shall not participate in the counting and overseeing of votes.

When the Shareholders' Meeting is voting on proposals, the lawyers, the shareholder representatives and the supervisor representatives shall be jointly responsible for counting and overseeing the votes, and announce the results of voting on the spot. The voting results of the resolutions shall be recorded in the minutes of the meeting.

The shareholders of a listed company or their proxies who vote on the Internet or in other ways have the right to check their voting results through corresponding voting system.

Article 120

A Shareholders' Meeting shall be closed at the site no earlier than on the Internet or other means. The Chairman of the meeting shall announce the voting results of each proposal and announce whether a proposal is adopted on the basis of the voting results.

Prior to the official announcement of the voting results, the parties involved in the Shareholders' Meeting, the counter, the overseer, the major shareholders and other relevant parties are obliged to keep voting results confidential.

Article 121

Shareholders attending the Shareholders' Meeting shall give one of the following opinions on the proposal submitted for voting: for, against or abstain, except for the declaration by securities registration and clearing institution as the nominal holder of Shanghai and Hong Kong Stock-Connect shares, based on the actual holders' intentions.

The un-filled, wrongly-filled, illegible and un-voted votes shall be deemed as the voters' waiver of voting rights, and the voting by the shares held by them shall be counted as "abstain".

be added.

46. **Article 83** which originally read as:

"Article 83

A poll demanded on the election of chairman of the meeting or a question of adjournment of the meeting shall be taken forthwith. A poll demanded on any other matters shall be taken at the time decided by the chairman of the meeting, and the meeting may proceed to consider and vote on other matters. The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded."

be amended as follows:

"Article 117

A poll demanded on the election of chairman of the meeting or a question of adjournment of the meeting shall be taken forthwith. A poll demanded on any other matters shall be taken at the time decided by the chairman of the meeting, and the meeting may proceed to consider and vote on other matters. The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded. The same vote may only be cast once at the location of a general meeting, or by online voting or other means. In the event of multiple casting of the same vote, only the outcome of the first casting of such vote shall be counted."

47. **Article 86** which originally read as:

"Article 86

The following matters shall be resolved by ordinary resolutions at the Shareholders' Meeting:

- (1) reports of the Board of Directors and the Board of Supervisors;
- (2) any plans for the distribution of profits and for recovering losses formulated by the Board of Directors;
- (3) removal of the members of the Board of Directors and Supervisors on behalf of shareholders, and decision on their remuneration and methods of payment;
- (4) preliminary and final annual budgets, balance sheets, profit accounts, and other financial statements of the Company;

- (5) other matters other than those required by laws, administrative regulations, or by the Articles of Association to be approved by a special resolution.”

be amended as follows:

“Article 124

The following matters shall be resolved by ordinary resolutions at the Shareholders’ Meeting:

- (1) reports of the Board of Directors and the Board of Supervisors;
- (2) any plans for the distribution of profits and for recovering losses formulated by the Board of Directors;
- (3) appointment and removal of the members of the Board of Directors and Supervisors on behalf of shareholders, and decision on their remuneration and methods of payment;
- (4) preliminary and final annual budgets, balance sheets, profit accounts, and other financial statements of the Company;
- (5) The Company’s annual report;
- (6) other matters other than those required by laws, administrative regulations, or by the Articles of Association to be approved by a special resolution.”

48. **Article 87** which originally read as:

“Article 87

The following matters shall be resolved by special resolutions at the Shareholders’ Meeting:

- (1) the increase or reduction in share capital and the issue of shares of any class, warrants and other similar securities;
- (2) the issue of debentures of the Company;
- (3) the division, merger, dissolution, liquidation or change in the form of the Company;
- (4) the amendments to the Articles of Association;
- (5) other matters that ordinary resolutions have been made at the Shareholders’ Meeting indicating that resolutions regarding such matters will substantially impact the Company and such matters need to be passed by special resolutions.”

be amended as follows:

“Article 125

The following matters shall be resolved by special resolutions at the Shareholders’ Meeting:

- (1) the increase or reduction in share capital and the issue of shares of any class, warrants and other similar securities;
- (2) the issue of debentures of the Company;
- (3) the division, merger, dissolution, liquidation or change in the form of the Company;
- (4) the amendments to the Articles of Association;
- (5) Any purchase or disposal of substantial assets made or guarantee provided by the Company within one year, the amount of which exceeds 30% of the total assets as presented in the latest audited consolidated financial statements of the Company;
- (6) Share Option Incentive Scheme;
- (7) other matters as required by the laws, administrative regulations or the Articles of Association of the Company and matters which ordinary resolutions have been made at the Shareholders’ Meeting indicating that resolutions regarding such matters will substantially impact the Company and such matters need to be passed by special resolutions.”

49. **Articles 79, 88 and 89** be deleted in their entirety.

50. **Article 90** which originally read as:

“Article 90

The chairman of the meeting shall be responsible for determining whether a resolution has been passed, and such decision shall be final and conclusive and shall be announced at the meeting and recorded in the minutes thereof.”

be amended as follows:

“Article 126

The chairman of the meeting shall be responsible for determining whether a resolution has been passed, and such decision shall be final and conclusive and shall be announced at the meeting and recorded in the minutes thereof.

Resolutions of the general meeting shall be announced according to the requirements of the securities regulatory authorities of the jurisdictions where the shares of the Company are listed. The announcement shall specify the number of attending shareholders and their proxies, the total number of voting shares they represent and the proportion of these shares to the total number of the voting shares of the Company, the voting method, the voting results for every motion and the details of each of the resolutions passed.”

51. New **Articles 127 to 131** which read as follows:

“Article 127

If the chairman of the meeting has any doubt about the result of the voting, he may organize counting the votes; if the chairman of the meeting fails to count the votes, the shareholders or proxies present at the meeting who have any doubt about the results announced by the chairman shall have the right to request counting the votes immediately after the voting results are announced, and then the chairman of the meeting shall immediately organize counting the votes.

Article 128

If the Shareholders’ Meeting organizes counting the votes, the counting results shall be recorded in the minutes of the meeting. The Shareholders’ Meeting shall form minutes for the resolutions of the matters considered, which shall be signed by the attending directors. The minutes of the meeting shall be kept at the Company’s domicile, together with the signature register of the attending shareholders and the power of attorney to proxies.

Article 129

If any proposal is not adopted or the resolutions of the previous meeting of Shareholders’ Meeting are modified at this meeting, a special notice shall be given in the announcement on the resolutions of this meeting.

Article 130

If relevant proposal on the election of directors and supervisors is adopted at a Shareholders’ Meeting, the new directors and supervisors shall take office from the date when relevant resolutions are adopted at the meeting.

Article 131

If the proposal of cash dividend, stock dividend or share capital increase from capital reserve is adopted at Shareholders’ Meeting, the Company shall implement the specific plan within two months after the conclusion of the meeting.”

be added.

52. **Articles 91 and 92** be deleted in their entirety.

53. **Article 95** which originally read as:

“Article 95

Rights conferred on any class of shareholders in the capacity of shareholders may not be varied or abrogated unless approved by a special resolution of shareholders at a general meeting, and by the class shareholders so affected at a separate meeting conducted according to Articles 97 to 101. That the quorum for a separate class meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the holders of at least one-third of the issued shares of the class.”

be amended as follows:

“Article 134

Rights conferred on any class of shareholders in the capacity of shareholders may not be varied or abrogated unless approved by a special resolution of shareholders at a general meeting, and by the class shareholders so affected at a separate meeting conducted according to Articles 136 to 140. That the quorum for a separate class meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the holders of at least one-third of the issued shares of the class.”

54. **Article 97** which originally read as:

“Article 97

The class shareholders so affected, whether or not otherwise entitled to vote at a general meeting of shareholders, shall nevertheless be entitled to vote at any class meetings with respect to matters set forth in Clauses (2) to (8), (11) to (12) of Article 96, but interested shareholder(s) shall not be entitled to vote in class meetings.

An “interested shareholder” as used in this Article, shall mean:

- (1) in the case of a repurchase of shares by offers to all shareholders of the Company or by open dealing on a stock exchange pursuant to Article 33 of the Articles of Association, a “controlling shareholder” as defined in Article 63;
- (2) in the case of a repurchase of shares by an off-market agreement pursuant to Articles 33 of the Articles of Association, a holder of the shares to which the proposed agreement relates;
- (3) in the case of a restructuring of the Company, an “interested shareholder” would mean a shareholder who assumes less liability than any shareholders of the same class or who has an interest in the proposed restructuring different from the interests of shareholders of the same class.”

be amended as follows:

“Article 136

The class shareholders so affected, whether or not otherwise entitled to vote at a general meeting of shareholders, shall nevertheless be entitled to vote at any class meetings with respect to matters set forth in Clauses (2) to (8), (11) to (12) of Article 135, but interested shareholder(s) shall not be entitled to vote in class meetings.

An “interested shareholder” as used in this Article, shall mean:

- (1) in the case of a repurchase of shares by offers to all shareholders of the Company or by open dealing on a stock exchange pursuant to Article 32 of the Articles of Association, a “controlling shareholder” as defined in Article 67;
- (2) in the case of a repurchase of shares by an off-market agreement pursuant to Articles 33 of the Articles of Association, a holder of the shares to which the proposed agreement relates;
- (3) in the case of a restructuring of the Company, an “interested shareholder” would mean a shareholder who assumes less liability than any shareholders of the same class or who has an interest in the proposed restructuring different from the interests of shareholders of the same class.”

55. **Article 98** which originally read as:

“Article 98

A resolution in a class meeting shall be passed by votes representing two thirds or more of the voting rights of shareholders of that class in the relevant meeting who are entitled to vote at the class meetings according to Article 97.”

be amended as follows:

“Article 137

A resolution in a class meeting shall be passed by votes representing two thirds or more of the voting rights of shareholders of that class in the relevant meeting who are entitled to vote at the class meetings according to Article 136.”

56. **Article 101** which originally read as:

“Article 101

Apart from the holders of other classes of shares, holders of domestic shares and holders of non-listed foreign shares shall be deemed to be of the same class; holders of domestic shares and holders of overseas listed foreign shares shall be deemed to be of different classes; and holders of non-listed foreign shares and holders of overseas listed foreign shares shall be deemed to be of different classes.

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

- (1) where, upon approval by a special resolution passed at a Shareholders' Meeting (subject to the unconditional authorization or the terms and conditions stipulated in the resolution), the Company authorizes, allocates or issues domestic shares and overseas listed foreign shares either separately or concurrently once every twelve months, and the number of each of the domestic shares and overseas listed foreign shares to be issued does not exceed 20% of the number of the respective outstanding shares;
- (2) where such shares are part of a plan of the Company to issue domestic shares or overseas listed foreign shares at its establishment, which has been completed within 15 months of the approval by the Securities Commission of the State Council or other competent regulatory bodies under the State Council.
- (3) Upon the approval of the China Securities Regulatory Commission, a holder of domestic shares of the Company may transfer his or her shares to overseas investors who may list and trade such shares overseas.”

be amended as follows:

“Article 140

Apart from the holders of other classes of shares, holders of domestic shares and holders of overseas listed foreign shares shall be deemed to be of different classes.

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

- (1) where, upon approval by a special resolution passed at a Shareholders' Meeting (subject to the unconditional authorization or the terms and conditions stipulated in the resolution), the Company authorizes, allocates or issues domestic shares and overseas listed foreign shares either separately or concurrently once every twelve months, and the number of each of the domestic shares and overseas listed foreign shares to be issued does not exceed 20% of the number of the respective outstanding shares;

- (2) where such shares are part of a plan of the Company to issue domestic shares or overseas listed foreign shares at its establishment, which has been completed within 15 months of the approval by the Securities Commission of the State Council or other competent regulatory bodies under the State Council.
- (3) Upon the approval of the China Securities Regulatory Commission, a holder of domestic shares of the Company may transfer his or her shares to overseas investors who may list and trade such shares overseas.”

57. New **Article 141** which reads as follows:

“Article 141

The directors of the Company are natural persons. The directors of the Company are elected or replaced by the Shareholders’ Meeting. The directors of the Company include executive directors and non-executive directors. Non-executive directors include independent directors. The term “executive director” means any person who holds any other position other than a director in the Company. A non-executive director is a person who does not hold any other position other than a director in the Company; an independent director means a person who meets the qualifications required for an independent director under relevant laws and regulations.”

be added.

58. **Article 103** which originally read as:

“Article 103

Directors shall be elected at the Shareholders’ Meeting, with a term of office of three years. Directors may be eligible for re-election upon expiration of the term.

A written notice of the intention of nomination of a Director candidate and of his willingness to be elected shall be sent to the Company seven days prior to the date of the Shareholders’ Meeting.

Without violating the relevant laws, regulations and regulatory rules in connection with listing of the Company, the term of appointment of the newly elected director to fill a casual vacancy in the Board or any director appointed so as to increase the number of directors will be effective from the date of appointment to the next annual general meeting of the Company and such director will then be eligible for re-election.

That the minimum length of the period, during which notice to the issuer of the intention to propose a person for election as a director and during which notice to the issuer by such person of his willingness to be elected may be given, will be at least 7 days. (the period for

lodgment of the notices will commence no earlier than the day, the issuer dispatching the notice of the meeting to be convened for such election and end no later than 7 days prior to the date of such meeting.)

The Chairman and the Vice Chairman shall be elected and removed with approval of more than half of all the directors. The Chairman and the Vice Chairman shall hold office for a period of three years and are eligible for re-election.

Subject to relevant laws and administrative regulations, shareholders may remove any Director whose term of office has not expired by ordinary resolution at a Shareholders' Meeting, without prejudice to any claims as may be brought in accordance with any agreement.

A Director needs not to hold any shares of the Company.

The Board of Directors shall consist of at least three independent non-executive Directors, representing at least one thirds of its total number. At least one of the independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise. Moreover, at least one of the independent non-executive Directors must be ordinarily resident in Hong Kong.”

be amended as follows:

“Article 143

Directors shall be elected at the Shareholders' Meeting, with a term of office of three years. Directors may be eligible for re-election upon expiration of the term. Directors shall not be dismissed by shareholders at general meeting prior to the end of his term of office without proper reason.

The term of office of directors shall commence from the date of appointment up to the expiry of the current term of office of the Board. In the event that the terms of directors fall upon expiry whereas new members of the Board are not re-elected in time, the existing directors shall continue to perform their duties in accordance with the law, administrative regulations, departmental rules and these Articles of Association until the newly elected directors assume their office.

Directors may concurrently serve as general manager or other senior management member, provided that the aggregate number of the directors who concurrently serve as general manager or other senior management members and the directors who are representatives of employees shall not exceed one half of all the directors of the Company.

A written notice of the intention of nomination of a Director candidate and of his willingness to be elected shall be sent to the Company seven days prior to the date of the Shareholders' Meeting.

Without violating the relevant laws, regulations and regulatory rules in connection with listing of the Company, the term of appointment of the newly elected director to fill a casual vacancy in the Board or any director appointed so as to increase the number of directors will be effective from the date of appointment to the next annual general meeting of the Company and such director will then be eligible for re-election.

That the minimum length of the period, during which notice to the issuer of the intention to propose a person for election as a director and during which notice to the issuer by such person of his willingness to be elected may be given, will be at least 7 days. (the period for lodgment of the notices will commence no earlier than the day, the issuer dispatching the notice of the meeting to be convened for such election and end no later than 7 days prior to the date of such meeting.)

The Chairman and the Vice Chairman shall be elected and removed with approval of more than half of all the directors. The Chairman and the Vice Chairman shall hold office for a period of three years and are eligible for re-election.

Subject to relevant laws and administrative regulations, shareholders may remove any Director whose term of office has not expired by ordinary resolution at a Shareholders' Meeting, without prejudice to any claims as may be brought in accordance with any agreement.

A Director needs not to hold any shares of the Company.

The Board of Directors shall consist of at least three independent non-executive Directors, representing at least one thirds of its total number. At least one of the independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise. Moreover, at least one of the independent non-executive Directors must be ordinarily resident in Hong Kong.”

59. New **Articles 144 to 150** which read as follows:

“Article 144

Directors shall abide by laws, administrative regulations and the Articles of Association, and assume the following duties of loyalty to the Company:

- (1) not to take advantage of his office to accept bribes or other illegal incomes, or to encroach on the property of the Company;
- (2) not to misappropriate any money of the Company;
- (3) not to store the Company's assets or funds in any account opened in own name or the name of another person;

- (4) not to lend the Company's money to other persons or provide guarantee for other persons with the Company's property, in violation of the provisions of the Articles of Association or without the consent of the Shareholders' Meeting or the board of directors;
- (5) not to enter into contracts or transactions with the Company, in violation of the provisions of the Articles of Association or without the consent of the Shareholders' Meeting;
- (6) not to take advantage of his office to seek the business opportunities for himself or others, which belong to the Company, or operate the business similar to that operated by the Company, for himself or others, without the consent of the Shareholders' Meeting;
- (7) not to encroach on the commissions arising from the transactions carried out with the Company;
- (8) not to disclose the Company's secrets without authorization;
- (9) not to use his connected relationship to damage the interests of the Company;
- (10) other duties of loyalty as provided for by laws, administrative regulations, departmental rules and regulations, as well as the Articles of Association.

The proceeds acquired by directors because of violation of this provision shall be owned by the Company; any loss resulted from the violation shall be compensated for by the directors concerned.

Article 145

Directors shall abide by laws, administrative regulations and the Articles of Association, and assume the following diligence obligations to the Company:

- (1) to exercise the rights conferred by the Company in a prudent, conscientious and diligent manner so as to ensure that the commercial activities of the Company comply with the requirements of state laws, administrative regulations and national economic policies, and that the commercial activities do not exceed the business scope stipulated in the business license;
- (2) to fairly treat all shareholders;
- (3) to keep abreast of the business operation and management of the Company;
- (4) to sign written confirmation for the Company's periodic reports, to ensure the information disclosed by the Company is true, accurate and complete;

- (5) to truthfully provide relevant information and data to the board of supervisors, and not to hinder the board of supervisors or supervisors from exercising their functions and powers;
- (6) to assume other diligence obligations prescribed by laws, administrative regulations, departmental rules and regulations and the Articles of Association.

Article 146

If any director fails to attend the meetings of the board of directors in person twice consecutively, nor entrust another director to attend the meetings, he shall be deemed incapable to assume his duties, and the board of directors shall recommend the Shareholders' Meeting to replace such director.

Article 147

A director may resign before the expiration of his term of office. The resignation of a director shall be submitted to the board of directors in writing. The board of directors shall disclose relevant situation within 2 days.

If the number of directors is less than the statutory minimum number due to the resignation of any director, the former director shall perform director's duties in accordance with laws, administrative regulations, departmental rules and the Articles of Association, before the newly elected director takes office.

In addition to the circumstances set out in the preceding paragraph, the resignation of a director shall take effect when the resignation report is submitted to the board of directors.

Article 148

No director may act on behalf of the Company or the board of directors in his/her own name, if not prescribed in the Articles of Association or if without the lawful authorization of the board of directors. When a director acts in his/her own name, the director shall declare his position and identity in advance in the event that a third party reasonably believes that the director is acting on behalf of the Company or the board of directors.

Article 149

If a director causes any loss to the Company due to his/her violation of laws, administrative regulations, departmental rules or the Articles of Association when he/she is performing his/her duties, the director shall be liable for the compensation.

Article 150

Independent directors shall comply with relevant provisions of laws, administrative regulations and departmental rules and regulations.”

be added.

60. **Article 104** which originally read as:

“Article 104

The Board of Directors shall be accountable to the shareholders at general meetings, and shall exercise the following functions and powers:

- (1) to be responsible for the convening of and reporting to the Shareholders Meeting;
- (2) to implement the resolutions passed by the Shareholders’ Meeting;
- (3) to determine the Company’s business plans and investment proposals;
- (4) to formulate the Company’s preliminary and final annual financial budgets;
- (5) to formulate the Company’s profit distribution proposal and loss recovery proposal;
- (6) to make plans for the Company’s increasing or decreasing its registered capital and issuing bonds;
- (7) to formulate plans for the Company’s merger, division, or dissolution;
- (8) to decide on the Company’s internal management structure;
- (9) to appoint or remove the Company’s General Manager and to engage or remove the Company’s deputy general manager and other members of senior management including the chief financial officer, and to decide on their remuneration and payment method;
- (10) to formulate the Company’s basic management system;
- (11) to formulate proposals for any amendment to the Company’s Articles of Association;
- (12) to exercise any other functions and powers conferred upon by the Articles of Association or the Shareholders’ Meeting of the Company.

Resolutions regarding Clause (6), Clause (7) and Clause (11) above shall be passed by over two thirds of the total number of the Directors, and resolutions in relation to the rest of the circumstances above shall be passed by over half of the total number of the Directors.”

be amended as follows:

“Article 151

The Board of Directors shall be accountable to the shareholders at general meetings, and shall exercise the following functions and powers:

- (1) to be responsible for the convening of and reporting to the Shareholders Meeting;
- (2) to implement the resolutions passed by the Shareholders’ Meeting;
- (3) to determine the Company’s business plans and investment proposals;
- (4) to formulate the Company’s preliminary and final annual financial budgets;
- (5) to formulate the Company’s profit distribution proposal and loss recovery proposal;
- (6) to make plans for the Company’s increasing or decreasing its registered capital and issuing bonds or other plans in relation to securities and listing of shares;
- (7) to formulate plans for major acquisitions, purchase of shares of the Company or the Company’s merger, division, dissolution or alteration of corporate form of the Company;
- (8) to determine matters including external investments, acquisition and disposal of assets, pledge of assets, external guarantees, entrusted asset management and connected transactions of the Company within the scope of the authority granted by general meeting;
- (9) to decide on the Company’s internal management structure;
- (10) to appoint or remove the Company’s General Manager and secretary to the Board and to engage or remove the Company’s deputy general manager and other members of senior management including the chief financial officer, and to decide on their remuneration and payment method and rewards and penalties;
- (11) to formulate the Company’s basic management system;
- (12) to formulate proposals for any amendment to the Company’s Articles of Association;
- (13) to manage information disclosure of the Company;
- (14) to propose the appointment or removal of the Company’s auditors to the shareholders’ general meeting;
- (15) to receive the work report and inspect the work of the manager of the Company;

- (16) to exercise any other functions and powers conferred upon by laws, administrative regulations, departmental rules or the Articles of Association.

Matters which are outside the scope of authority of the Board as authorized by the shareholders' meeting shall be submitted to shareholders' meeting for consideration.

Resolutions regarding Clause (6), Clause (7) and Clause (12) above shall be passed by over two thirds of the total number of the Directors, and resolutions in relation to the rest of the circumstances above shall be passed by over half of the total number of the Directors unless otherwise required by the laws, administrative regulations, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles of Association and the internal rules of the Company."

61. **Article 105** which originally read as:

"Article 105

The Company must establish an audit committee, a remuneration committee and a nomination committee.

The audit committee must comprise a minimum of three members, at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required under rule 3.10(2) of Listing Rules. The majority of the audit committee members must be independent non-executive directors of the listed issuer. The audit committee must be chaired by an independent non-executive director.

The remuneration committee is chaired by an independent non-executive director and comprising a majority of independent non-executive directors.

The nomination committee is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors."

be amended as follows:

"Article 152

The Company must establish an audit committee, a remuneration and appraisal committee, a strategic committee and a nomination committee.

The audit committee must comprise a minimum of three members, at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required under rule 3.10(2) of Listing Rules. The majority of the audit committee members must be independent non-executive directors of the listed issuer. The audit committee must be chaired by an independent non-executive director.

Members of the strategic committee shall be comprised of only the directors of the Company. It is chaired by the chairman of the board.

The remuneration committee is chaired by an independent non-executive director and comprising a majority of independent non-executive directors.

The nomination committee is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors.”

62. New **Articles 154 to 156, 160 and 161** which read as follows:

“Article 154

The board of directors of the Company shall give explanations to the Shareholders’ Meeting on the non-standard audit opinion issued by the certified public accountant on the financial report of the Company.

Article 155

The board of directors shall develop its rules of procedure, to ensure the board of directors implements the resolutions of Shareholders’ Meeting, improve work efficiency and ensure scientific decision-making.

The rules of procedure of the board of directors shall be annexed to the Articles of Association, drawn up by the board of directors and approved by the Shareholders’ Meeting.

Article 156

The board of directors shall determine the authority of foreign entrusted financial management and connected transactions, and establish strict examination and decision-making procedures. For major investment projects, the board of directors shall organize relevant experts and professionals to conduct appraisal and report to Shareholders’ Meeting for approval.

The board of directors considers and approves the following transactions (except for the cash assets donation, simple reduction of the Company’s debts):

- (1) The total amount of assets involved in the transaction (if carrying amount and appraisal value both exist, whichever is higher shall prevail) accounts for more than 10% of the total audited total assets of the latest period of the Company;
- (2) The transaction amount (including the liabilities and expenses incurred) accounts for more than 10% of the audited net assets of the latest period of the Company, and the absolute amount exceeds RMB10 million;
- (3) Profits arising from transactions account for more than 10% of the audited net profit of the Company for the most recent accounting year, and the absolute amount exceeds RMB1 million;

- (4) The relevant operating income of the transaction subject matter (such as equity) in the most recent accounting year accounts for more than 10% of the audited operating income of the Company in the most recent accounting year, and the absolute amount exceeds RMB10 million;
- (5) The relevant net profit of the transaction subject matter (such as equity) in the most recent accounting year accounts for more than 10% of the audited net profit of the Company in the most recent accounting year, and the absolute amount exceeds RMB1 million;
- (6) External guarantee: except for the external guarantee that is required by Article 70 of the Articles of Association, the other external guarantees shall be made by the board of directors. And the following rules shall be abided by:
 - 1. The external guarantee within the scope of authority of the board of directors shall be approved by more than two thirds of the directors present at the meeting of the board of directors, in addition to be adopted by more than half of all directors; if there are independent directors, the foregoing external guarantee shall be approved by more than two thirds of all independent directors.
 - 2. If the board of directors reaches any resolution on external guarantee beyond the above authority, which leads to losses to the Company, the Company may recover the losses from all the directors who are in favor of the resolution.
- (7) Connected transactions: If the connected transaction that the Company intends to carry out with natural persons amounts to RMB300,000 or more but less than RMB3 million or less than 5% of the absolute value of the latest audited net assets of the Company, and the transaction that the Company intends to carry out with related legal person amounts to RMB3 million or more and accounts for more than 0.5% of the absolute value of the latest audited net assets of the Company but less than RMB30 million or less than 5% of the absolute value of the latest audited net assets of the Company, such transactions shall be submitted to the board of directors for approval.

If the data involved in the above-mentioned indicators is negative, the absolute value shall be adopted for calculation.

Article 160

Shareholders representing 1/10 or more voting rights, 1/3 or more directors or the board of supervisors may propose convening an interim meeting of the board of directors. The chairman of the board of directors shall convene and preside over a meeting of the board of directors within 10 days after receiving the proposal.

Article 161

The time for notification on convening an interim meeting of the board of directors: 5 days before the meeting.”

be added.

63. **Article 107** which originally read as:

“Article 107

The Chairman of the Board shall exercise the following powers and functions:

- (1) to preside over Shareholders’ Meeting and to convene and preside over meetings of the Board of Directors;
- (2) to inspect the implementation of resolutions passed by the Directors at the meetings of the Board of Directors;
- (3) to sign the certificates of any securities issued by the Company;
- (4) to exercise other powers and functions conferred upon by the Board.

If the Chairman of the Board fails to exercise the powers and functions, the Vice Chairman shall exercise the same on behalf of the Chairman of the Board.”

be amended as follows:

“Article 157

The Chairman of the Board shall exercise the following powers and functions:

- (1) to preside over Shareholders’ Meeting and to convene and preside over meetings of the Board of Directors;
- (2) to supervise and inspect the implementation of resolutions passed by the Directors at the meetings of the Board of Directors;
- (3) to sign the certificates of any securities issued by the Company;
- (4) to exercise other powers and functions conferred upon by the Board.

Article 158

The Board can elect vice chairman. The Company's vice chairman shall assist the chairman in work. If the Chairman of the Board fails to exercise the powers and functions, the Vice Chairman shall exercise the same on behalf of the Chairman of the Board; where the vice chairman is unable to or does not perform his duties, a director jointly elected by more than half of the members of the Board shall perform the duties."

64. **Article 108** which originally read as:

"Article 108

The Board of Directors shall meet regularly and at least 2 Board meetings shall be held each year. The Board meetings shall be convened by the Chairman and notice of 14 days shall be given of a regular Board meeting to give all Directors an opportunity to attend. For any other Board meetings to be convened to discuss any emergency matters, such meetings shall be convened by 3 or more Directors or the Chairman or manager of the Company and a reasonable notice in accordance with the article 109 of this Chapter shall be given. A regular Board meeting does not include the practice of obtaining the consent of the Board of Directors through the circulation of written resolutions."

be amended as follows:

"Article 159

The Board of Directors shall meet regularly and at least 2 Board meetings shall be held each year. The Board meetings shall be convened by the Chairman and notice of 14 days shall be given of a regular Board meeting to give all Directors an opportunity to attend. For any other Board meetings to be convened to discuss any emergency matters, such meetings shall be convened by 3 or more Directors or the Chairman or manager of the Company and a reasonable notice in accordance with the Articles of Association shall be given. A regular Board meeting does not include the practice of obtaining the consent of the Board of Directors through the circulation of written resolutions."

65. **Article 109** which originally read as:

"Article 109

Written notices of Board meetings or extraordinary Board meetings shall be given by personal delivery, facsimile, express mail or registered airmail. The time limit for notification of extraordinary Board meetings shall be 10 days."

be amended as follows:

“Article 162

Written notices of Board meetings or extraordinary Board meetings shall be given by personal delivery, facsimile, express mail, registered airmail, post or phone.

Article 163

The notice of the board meeting shall contain the following:

- 1) the date and place for convening the meeting;
- 2) the duration for the meeting;
- 3) agenda of the meeting; and
- 4) the date of such notice.”

(19) New **Articles 167 and 168** which read as follows:

“Article 167

Any director with connected relationship with the matters considered at the meetings of the board of directors shall not vote for corresponding proposal, nor vote for such proposal as a proxy of another director. A meeting of the board of directors may be convened as long as it is attended by more than half of the directors without connected relationship. The resolutions reached at a meeting of the board of directors shall be adopted by more than half of the directors without connected relationship. If the number of directors present at a meeting of the board of directors without connected relationship is less than 3, the relevant proposal shall be submitted to the Shareholders’ Meeting for consideration.

Article 168

The resolution of the board of directors shall be voted in such ways as: vote by hands or written vote. Meetings of the board of directors may be held through communication, with resolutions reached by fax or other written forms and signed by attending directors, in the premise that directors fully express their opinions.”

be added.

66. **Article 113** which originally read as:

“Article 113

Directors shall attend Board meetings in person. Where a Director is unable to attend a Board meeting for any reason, he may by a written power of attorney appoint another Director to attend the meeting on his behalf. The power of attorney shall specify the extent of authorization.

A Director appointed as the representative of another Director to attend the meeting shall exercise the rights of a Director within the scope of authority conferred by the appointing Director. Where a Director is unable to attend a Board meeting and has not appointed a proxy to attend the meeting on his behalf, he shall be deemed to have waived his right to vote at the meeting.

Where a Director any of his associates is interested in a matter to be decided by the Board of Directors, he shall abstain from voting on such matter at the Boarding meeting. In deciding whether there is quorum for the Board meeting, such Directors shall not be counted.

Subject to the approval of the Stock Exchange of Hong Kong Limited, a director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his close associates has a material interest nor shall he be counted in the quorum present at the meeting.”

be amended as follows:

“Article 169

Directors shall attend Board meetings in person. Where a Director is unable to attend a Board meeting for any reason, he may by a written power of attorney appoint another Director to attend the meeting on his behalf. The power of attorney shall set out the name of the proxy, the subject and scope of authorization and validity of the time limit of the proxy, which shall be signed or officially sealed by the authorizing party.

A Director appointed as the representative of another Director to attend the meeting shall exercise the rights of a Director within the scope of authority conferred by the appointing Director. Where a Director is unable to attend a Board meeting and has not appointed a proxy to attend the meeting on his behalf, he shall be deemed to have waived his right to vote at the meeting.

Subject to the approval of the Stock Exchange of Hong Kong Limited, a director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his close associates has a material interest nor shall he be counted in the quorum present at the meeting.”

67. **Article 114** which originally read as:

“Article 114

In respect of the matters examined on a extraordinary Board meeting, if the Board has delivered in written form the proposal to be voted to all Directors, and the number of the Directors who give their signatures and consent has constituted the quorum required for making a decision pursuant to Article 104, this proposal shall be taken as a written resolution of the Board, without the need to hold the Board meeting. Such written resolution shall be deemed to have the same legal effect as a resolution passed at a Board meeting held in accordance with the procedures set out in the relevant provisions of the Articles of Association.”

be amended as follows:

“Article 170

In respect of the matters examined on a extraordinary Board meeting, if the Board has delivered in written form the proposal to be voted to all Directors, and the number of the Directors who give their signatures and consent has constituted the quorum required for making a decision pursuant to Article 108 this proposal shall be taken as a written resolution of the Board, without the need to hold the Board meeting. Such written resolution shall be deemed to have the same legal effect as a resolution passed at a Board meeting held in accordance with the procedures set out in the relevant provisions of the Articles of Association.”

68. **Article 115** which originally read as:

“Article 115

The Board of Directors shall maintain minutes of resolutions passed at meetings of the Board of Directors. The minutes shall be signed by all the Directors present at the meeting and the person who recorded the minutes. The Directors shall assume liability for any resolutions of the Board of Directors. In the event that a resolution of the Board of Directors violates laws, administrative regulations or the Articles of Association resulting in the Company suffering serious loss, the directors who voted in favor of such a resolution shall compensate the Company for such loss. Notwithstanding the foregoing provision, in the event that it can be proven that a Director has expressly objected to such resolution in voting, and that such objection was recorded in the minutes of the meeting, such Director shall be duly released from such liability.”

be amended as follows:

“Article 171

The Board of Directors shall maintain minutes of resolutions passed at meetings of the Board of Directors. The minutes shall be signed by all the Directors present at the meeting and the person who recorded the minutes. The Directors shall assume liability for any resolutions of the Board of Directors. In the event that a resolution of the Board of Directors violates laws, administrative regulations or the Articles of Association resulting in the Company suffering serious loss, the directors who voted in favor of such a resolution shall compensate the Company for such loss. Notwithstanding the foregoing provision, in the event that it can be proven that a Director has expressly objected to such resolution in voting, and that such objection was recorded in the minutes of the meeting, such Director shall be duly released from such liability.

Minutes of board of directors’ meeting shall be kept as a company file for not less than 10 years.”

69. A new **Article 172** which reads as follows:

“Article 172

Minutes of a board of directors’ meeting includes the following contents:

1. Date and place of the meeting as well as the name of the convener;
2. Names of directors attending the meeting and names of directors (representatives) appointed by other directors to attend;
3. Agenda of the meeting;
4. Main points of directors’ speeches;
5. Methods and results of voting on each resolution (the voting results should clearly contain the number of votes consenting, objecting and abstaining).”

be added.

70. **Articles 119 and 120** be deleted in their entirety.

71. **Article 121** which originally read as:

“Article 121

The Company shall have one Manager, who shall be appointed or removed by the Board of Directors.”

be amended as follows:

“Article 176

The Company shall have one Manager, who shall be appointed or removed by the Board of Directors.

The Company has several deputy general managers, who shall be appointed or dismissed by the Board.

Senior management of the Company includes the general manager, deputy general manager, chief financial officer, Board secretary and chief engineer.

Requirements set out in Article 144 hereof with respect to the directors’ duty of good faithfulness and the requirements set out in Article 145 (iv) to (vi) hereof with respect to the directors’ obligations of integrity and diligence shall also be applicable to the Chairman and other senior management officers.”

72. A new **Article 177** which reads as follows:

“Article 177

A person holding other duties other than directorship in any entity of the Company’s controlling shareholders and de facto controllers shall not hold the office of a senior management officers of the Company.

The term of office of the general manager shall be three years, subject to re-appointment upon expiry of his term.”

be added.

73. **Article 122** which originally read as:

“Article 122

The Manager shall be held accountable to the Board of Directors and exercise the following functions and powers:

- (1) to operate and manage the Company as well as implement resolutions of the Board;
- (2) to implementing the Company’s annual operation and investment plan;
- (3) to make plans for the structuring of the Company’s internal management departments;
- (4) to formulate the Company’s basic management system;
- (5) to formulate regulations for the Company;
- (6) to propose to appoint or remove Vice General Managers and other members of senior management (including the chief financial officer);
- (7) to appoint or remove management staff except those that shall be appointed or removed by the Board;
- (8) to exercise other functions and powers conferred upon by the Articles of Association and the Board.”

be amended as follows:

“Article 178

The Manager shall be held accountable to the Board of Directors and exercise the following functions and powers:

- (1) to be in charge of the production, operation and management of the Company as well as implement resolutions of the Board and report his work to the board of directors;
- (2) to implementing the Company’s annual operation and investment plan;
- (3) to make plans for the structuring of the Company’s internal management departments;
- (4) to formulate the Company’s basic management system;
- (5) to formulate regulations for the Company;

- (6) to propose to appoint or remove Vice General Managers and other members of senior management (including the chief financial officer);
- (7) to appoint or remove management staff except those that shall be appointed or removed by the Board;
- (8) to exercise other functions and powers conferred upon by the Articles of Association and the Board.”

74. New **Articles 179 and 182 to 185** which read as follows:

“Article 179

The general manager shall formulate the working rules of the general manager and implement them after they are approval by the board of directors.

The general manager’s working rules include the following content:

- (1) the conditions and procedures for convening and the participants of the meeting of general manager;
- (2) the specific duties and responsibilities of the general manager and other senior management personnel;
- (3) the use of funds and assets of the Company, the authority to sign significant contracts, and the system of reporting to the board of directors and the board of supervisors;
- (4) other matters deemed necessary by the board of directors.

Article 182

The general manager may resign before the expiration of his term of office. The specific procedures and methods for resignation of the general manager shall be defined in the labor contract concluded between the general manager and the Company.

Article 183

Deputy general manager shall be nominated by the general manager and decided by the board of directors; deputy general manager shall assist the general manager to carry out various work of the Company, accept the leadership by the general manager and be responsible to the general manager;

Article 184

If a senior management is in violation of laws, administrative regulations, departmental rules or the Articles of Association when he performs his duties to the Company, leading to losses to the Company, such senior management shall make compensation for the losses.

Article 185

Supervisors shall abide by laws, administrative regulations and the Articles of Association, assume faithful and diligent obligations to the Company and not use their powers to accept bribes or other illegal income, nor encroach on the Company's property."

be added.

75. **Article 126** which originally read as:

"Article 126

The Board of Supervisors shall consists of three Supervisors, one of whom shall be appointed as the Chairman of Board of Supervisors.

The appointment and removal of the Chairman of Board of Supervisors shall be by votes of over two thirds of the Supervisors."

be amended as follows:

"Article 187

The Board of Supervisors shall consists four Supervisors, one of whom shall be appointed as the Chairman of Board of Supervisors. The term of office of supervisors shall be 3 years, and supervisors may be re-elected and re-appointed."

76. **New Articles 188 to 190** which reads as follows:

"Article 188

If any supervisor is not elected in time after the expiration of his term of office, or if the resignation of the supervisor during his term of office causes the members of the board of supervisors less than the quorum, the former supervisor shall perform his duties in accordance with laws, administrative regulations and the Articles of Association before the new supervisor takes office.

The appointment and removal of the Chairman of Board of Supervisors shall be by votes of over two thirds of the Supervisors.

Article 189

Supervisors shall ensure that the information disclosed by the Company is true, accurate and complete.

Article 190

Supervisors shall not use their connected relationship to damage the interests of the Company, otherwise, shall bear the liability for compensation, if losses are caused to the Company thereof.

If a supervisor causes any loss to the Company because of violating laws, administrative regulations, departmental rules or the Articles of Association when he performs his duties to the Company, he shall bear the liability for compensation.”

be added.

77. **Article 127** which originally read as:

“Article 127

The Board of Supervisors shall consist of two shareholder representatives, which shall be elected by the Shareholder Meeting and two employee representatives of the Company which shall be democratically elected by employees of the Company.

The chairman of the Board of Supervisors shall be elected or removed by more than half of all the Supervisors. The chairman of the Board of Supervisors convenes and conducts meetings of the Board of Supervisors. If the chairman of the Board of Supervisors cannot or does not carry out his duties, more than half of the Supervisors will nominate a Supervisor to convene and conduct the meeting of the Board of Supervisors.”

be amended as follows:

“Article 191

The Board of Supervisors shall consist of two shareholder representatives, which shall be elected by the Shareholder Meeting and two employee representatives of the Company which shall be democratically elected by employees of the Company.

The chairman of the Board of Supervisors convenes and conducts meetings of the Board of Supervisors. If the chairman of the Board of Supervisors cannot or does not carry out his duties, the vice chairman shall convene and preside over the meeting of the Board of Supervisors. When the vice chairman is unable to perform his duties or fails to discharge his duties, more than half of the Supervisors will nominate a Supervisor to convene and conduct the meeting of the Board of Supervisors.”

78. **Article 130** which originally read as:

“Article 130

The Board of Supervisors shall be held accountable to the Shareholders’ Meeting and exercise the following functions and powers in accordance with the laws:

- (1) to review the Company’s financial affairs;
- (2) to supervise the work of the Directors, General Manager and other members of senior management who have violated laws, administrative regulations, the Articles of Association or the resolutions of the Shareholders’ Meeting;
- (3) to demand redress from Directors, General Manager or any other members of senior management should their acts be deemed against the Company’s interests;
- (4) to review such financial information as the financial statements, business reports and any plans for distribution of profits to be submitted by the Board of Directors to the Shareholders’ Meeting, and to retain, on the Company’s behalf any certified public accountants or chartered auditors to assist in the review of such information should any doubt arises with respect thereof;
- (5) to propose the convening of extraordinary general meetings;
- (6) to coordinate with Directors on behalf of the Company or initiate legal proceedings against the Directors;
- (7) to perform and exercise other functions and powers designated by shareholders at Shareholders’ Meetings.

A supervisor can attend the board meetings as a non-voting attendee.”

be amended as follows:

“Article 194

The Board of Supervisors shall be held accountable to the Shareholders’ Meeting and exercise the following functions and powers in accordance with the laws:

- (1) to examine and present written examination opinion on regular report of the Company prepared by the Board;
- (2) to review the Company’s financial affairs;

- (3) to supervise the work of the Directors, General Manager and other members of senior management who have violated laws, administrative regulations, the Articles of Association or the resolutions of the Shareholders' Meeting and to propose dismissal of directors and senior management members who violate any laws, administrative regulations, the Articles of Association or resolutions of shareholders' general meetings;
- (4) to demand redress from Directors, General Manager or any other members of senior management should their acts be deemed against the Company's interests;
- (5) to review such financial information as the financial statements, business reports and any plans for distribution of profits to be submitted by the Board of Directors to the Shareholders' Meeting, and to retain, on the Company's behalf any certified public accountants or chartered auditors to assist in the review of such information should any doubt arises with respect thereof;
- (6) to propose the convening of extraordinary general meetings and to convene and preside over the general meeting when the Board fails to perform such duties under the Company Law;
- (7) to coordinate with Directors on behalf of the Company or initiate legal proceedings against the Directors;
- (8) to put forward proposals to the shareholders' general meeting;
- (9) to commence actions against directors and senior management members in accordance with Article 151 of the Company Law;
- (10) to perform and exercise other functions and powers designated by shareholders at Shareholders' Meetings.

A supervisor can attend the board meetings as a non-voting attendee.”

79. New **Articles 198 and 199** which read as follows:

“Article 198

The board of supervisors shall make the minutes of the decisions on the matters discussed, and the supervisors present at the meeting shall sign the meeting minutes. Supervisors have the right to require an illustrative record of their statements in the meeting minutes. The minutes of the meetings of the board of supervisors shall be kept as the Company’s archives for 10 years.

Article 199

The notice of a meeting of the board of supervisors includes the following contents:

- (1) the date, place and duration of the meeting;
- (2) the subject matter and the topic for discussion;
- (3) the date on which the notice is given.”

be added.

80. **Article 134** which originally read as:

“Article 134

A person may not serve as Director, Supervisor, Manager and one of the any other members of senior management of the Company if:

- (1) he does not possess civil capacity or possess limited civil capacity;
- (2) he has been convicted for corruption, bribery, infringement of property or misappropriation of property or other offences which disrupted the social or economic order, in which less than a period of 5 years has lapsed since the sentence was served, or he has been deprived of his political rights and less than a period of 5 year has lapsed since the sentence was served;
- (3) he is a former Director, factory manager or manager of a company or an enterprise which has been dissolved or liquidated due to poor operation and management and is personally liable for the dissolution or liquidation of such company or enterprise, where a period of less than 3 years has lapsed since the date of completion of the dissolution or liquidation of such Company or enterprise;

- (4) he is a former legal representative of a company or an enterprise the business license of which was revoked as a result of violation of laws and is personally liable for such revocation, where a period of less than 3 years has lapsed since the date of revocation of said business license;
- (5) he has a relatively substantial amount of debts which have become overdue;
- (6) he is currently under investigation by judicial authorities for violation of criminal law;
- (7) he is not permitted to act in the capacity of leader of an enterprise according to laws and administrative regulations;
- (8) he is not a natural person;
- (9) he has been determined by competent authorities for violation of applicable securities regulations and such conviction involves a finding that he has acted fraudulently or dishonestly, where a period of less than 5 years has lapsed from the date of such determination.”

be amended as follows:

“Article 200

A person may not serve as Director, Supervisor, Manager and one of the any other members of senior management of the Company if:

- (1) he does not possess civil capacity or possess limited civil capacity;
- (2) he has been convicted for corruption, bribery, infringement of property or misappropriation of property or other offences which disrupted the social or economic order, in which less than a period of 5 years has lapsed since the sentence was served, or he has been deprived of his political rights and less than a period of 5 year has lapsed since the sentence was served;
- (3) he is a former Director, factory manager or manager of a company or an enterprise which has been dissolved or liquidated due to poor operation and management and is personally liable for the dissolution or liquidation of such company or enterprise, where a period of less than 3 years has lapsed since the date of completion of the dissolution or liquidation of such Company or enterprise;
- (4) he is a former legal representative of a company or an enterprise the business license of which was revoked as a result of violation of laws and is personally liable for such revocation, where a period of less than 3 years has lapsed since the date of revocation of said business license;

- (5) he has a relatively substantial amount of debts which have become overdue;
- (6) he is currently under investigation by judicial authorities for violation of criminal law;
- (7) he is not permitted to act in the capacity of leader of an enterprise according to laws and administrative regulations;
- (8) he is not a natural person;
- (9) he has been determined by competent authorities for violation of applicable securities regulations and such conviction involves a finding that he has acted fraudulently or dishonestly, where a period of less than 5 years has lapsed from the date of such determination.
- (10) the person who has been forbidden by the securities supervision and regulatory authority of the State Council from access to the securities market and the enforcement period has not expired;
- (11) other circumstances as stipulated by laws, administrative regulations or rules.

Election, appointment or engagement of Directors, Supervisors and senior management personnel in violation of these Articles of Association shall be void. In the event that any circumstance above occurs during the term of office of a Director, Supervisor or senior management personnel, the Director, Supervisor or senior management personnel shall be dismissed from his position by the Company.”

81. **Article 147** which originally read as:

“Article 147

A guarantee for a loan which has been provided by the Company in violation of paragraph 1 of Article 145 shall not be enforceable against the Company, except with respect to the following circumstances:

- (1) the loan was provided to a connected party of any of the Directors, Supervisors, Manager and other members of senior management of the Company or of the Company’s holding company and the provider of the loan of such funds has no knowledge of the relevant circumstances at the time of making the loan;
- (2) the collateral provided by the Company has already been lawfully disposed of by the lender to a bona fide purchaser.”

be amended as follows:

“Article 213

A guarantee for a loan which has been provided by the Company in violation of paragraph 1 of Article 211 shall not be enforceable against the Company, except with respect to the following circumstances:

- (1) the loan was provided to a connected party of any of the Directors, Supervisors, Manager and other members of senior management of the Company or of the Company’s holding company and the provider of the loan of such funds has no knowledge of the relevant circumstances at the time of making the loan;
- (2) the collateral provided by the Company has already been lawfully disposed of by the lender to a bona fide purchaser.”

82. **Article 150** which originally reads as:

“Article 150

The Company shall enter into a written contract with each Director, Supervisor and member of senior management containing at least the following:

- (1) an undertaking made by such Director, Supervisor and member of senior management to the Company that he will comply with the Company Law, the Special Provisions, the Articles of Association and the Codes on Takeovers and Mergers and Share Repurchases published by the Securities and Futures Commission of Hong Kong as amended from time to time, and an agreement that the Company shall enjoy the remedies provided in the Articles of Association and that neither the contract or his office is capable of assignment;
- (2) an undertaking made by such Director, Supervisor and member of senior management to the Company that he will comply with and perform his obligations to shareholders under the Articles of Association; and
- (3) an arbitration clause provided in Article 196 of these Articles of Association.”

be amended as follows:

“Article 216

The Company shall enter into a written contract with each Director, Supervisor and member of senior management containing at least the following:

- (1) an undertaking made by such Director, Supervisor and member of senior management to the Company that he will comply with the Company Law, the Special Provisions, the Articles of Association and the Codes on Takeovers and Mergers and Share Repurchases published by the Securities and Futures Commission of Hong Kong as amended from time to time, and an agreement that the Company shall enjoy the remedies provided in the Articles of Association and that neither the contract or his office is capable of assignment;
- (2) an undertaking made by such Director, Supervisor and member of senior management to the Company that he will comply with and perform his obligations to shareholders under the Articles of Association; and
- (3) an arbitration clause provided in Article 279 of these Articles of Association.”

83. **Article 152** which originally reads as:

“Article 152

Any contracts between the Company and its Directors or Supervisors with respect to their remuneration shall provide that the Directors and Supervisors shall, subject to the prior approval of Shareholders’ Meeting, be entitled to receive compensation or other payment with respect to his loss of office or retirement in the event that the Company is to be acquired by others. For the purposes of this paragraph, the acquisition of the Company shall include any of the following:

- (1) a general offer made by any person to all the shareholders;
- (2) an offer made by any person in anticipation of becoming a “controlling shareholder”. The meaning of a “controlling shareholder” is defined as the same in Article 63 hereof.

In the event that the relevant Director or Supervisor does not comply with this Article, any sum so received by him shall belong to those persons who have sold their shares as a result of such offer. The expenses incurred in distributing such sum prorate a among such persons shall be borne by the relevant Director or Supervisor and shall not be deducted from such sum.”

be amended as follows:

“Article 218

Any contracts between the Company and its Directors or Supervisors with respect to their remuneration shall provide that the Directors and Supervisors shall, subject to the prior approval of Shareholders’ Meeting, be entitled to receive compensation or other payment with respect to his loss of office or retirement in the event that the Company is to be acquired by others. For the purposes of this paragraph, the acquisition of the Company shall include any of the following:

- (1) a general offer made by any person to all the shareholders;
- (2) an offer made by any person in anticipation of becoming a “controlling shareholder”.
The meaning of a “controlling shareholder” is defined as the same in Article 67 hereof.

In the event that the relevant Director or Supervisor does not comply with this Article, any sum so received by him shall belong to those persons who have sold their shares as a result of such offer. The expenses incurred in distributing such sum prorate among such persons shall be borne by the relevant Director or Supervisor and shall not be deducted from such sum.”

84. **Article 154** which originally reads as:

“Article 154

A financial report shall be prepared at the end of each financial year and shall be examined and verified according to laws.”

be amended as follows:

“Article 220

A financial report shall be prepared at the end of each financial year and shall be examined and verified according to laws.

The Company’s financial report shall include the following financial and accounting statements as well as breakdown schedules:

- (1) balance sheet;
- (2) profit and loss statement;
- (3) cashflow statement;

(4) description of the financial situation;

(5) statement of profit distribution.”

85. **Article 155** which originally reads as:

“Article 155

The Board of Directors of the Company shall present to the shareholders, at each annual general meeting, such financial reports as required by applicable laws, administrative regulations, directives promulgated by competent local government, central governmental authorities. An issuer shall make up its annual accounts to a date falling not more than 6 months before the date of its annual general meeting.”

be amended as follows:

“Article 221

The Board of Directors of the Company shall present to the shareholders, at each annual general meeting, such financial reports as required by applicable laws, administrative regulations, directives promulgated by competent local government, central governmental authorities.”

86. **Article 156** which originally reads as:

“Article 156

The Company’s financial reports shall be made available for shareholders’ inspection at the Company 20 days prior to the date of annual general meeting of shareholders. Each shareholder of the Company is entitled to obtain a copy of the financial reports referred to in this Chapter.”

be amended as follows:

“Article 222

The Company’s financial reports shall be made available for shareholders’ inspection at the Company 20 days prior to the date of annual general meeting of shareholders. Each shareholder of the Company is entitled to obtain a copy of the financial reports referred to in this Chapter.

The Company shall, at least 21 days before the date of the annual general meeting of shareholders, submit (i) the aforesaid report or the board of directors’ report together with the balance sheet (including each document required to be attached to the balance sheet) and the income statement or income and expenditure account or (ii) the summary financial report in the form of postage prepaid mail to each overseas listed foreign shareholder whose address is subject to the registered address in the shareholder register.

87. **Articles 157 and 158** be deleted in their entirety.

88. A New **Article 225** which reads as follows:

“Article 225

Within 4 months from the end of each fiscal year, the Company shall submit annual financial accounting report to China Securities Regulatory Commission and the Stock Exchange, and within 2 months from the end of the first 6 months of each fiscal year, submit semi-annual financial accounting report to the local office of China Securities Regulatory Commission and the stock exchange, as well as within 1 month from the end of the first 3 months and the end of the first 9 months of each fiscal year, submit quarterly financial accounting report to the local office of China Securities Regulatory Commission and the stock exchange.

The aforesaid financial reports shall be prepared in accordance with relevant laws, administrative regulations and departmental rules and regulations.

The Company shall publish financial reports twice in each fiscal year, i.e. publishing interim financial report within 60 days after the end of the first six months of the fiscal year, and publishing annual financial report within 120 days after the end of the accounting year.

For the disclosure of financial report by the Company, if it is otherwise required by laws, regulations or the securities regulatory body at the place where the Company locates, such requirements shall be complied with.”

be added.

89. **Article 161** be deleted in its entirety.

90. **Article 163** which originally reads as:

“Article 163

The Company’s after-tax profit shall be allocated in the following order:

- (1) the making up of any loss;
- (2) allocation to the statutory reserve fund;
- (3) setting aside of any reserves in accordance with the resolution passed at the Shareholders’ Meeting;
- (4) payment of ordinary share dividends. No profit shall be distributed as dividends or in any, other form as bonus before making up losses and setting aside of the Company’s statutory reserve fund.

Any amount paid up in advance of calls on any shares may carry interest but shall not entitle the holder of such shares to participate in respect thereof in a dividend subsequently declared.

The power to cease sending dividend warrants by post will not be exercised until such dividend warrants have been so left uncashed on two consecutive occasions. However, such power may also be exercised after the first occasion on which such a dividend warrant is returned undelivered.

Subject to the laws and regulations of China and the rules of Hong Kong Stock Exchange, the Company may exercise its power to forfeit unclaimed dividends, but only upon the expiry of the period for which the dividends can be claimed. With regard to the exercise of power to issue warrants in bearer form, no new warrants shall be issued to replace one that has been lost, unless the Company is satisfied beyond reasonable doubt that the original has been destroyed. With regard to the right to dispose of the shares held by untraceable shareholders, such right may not be exercised except in the following circumstances: (1) during a period of 12 years dividends in respect of the shares in question have been distributed at least three times and no dividend has been claimed; and (2) upon expiry of the 12-year period, the Company has given notice of its intention to dispose of the shares by way of an announcement published in the newspapers and informs The Stock Exchange of Hong Kong Limited of its intention.”

be amended as follows:

“Article 227

When the Company distributes after-tax profit for the year, 10% of the profit shall be drawn and included in the statutory reserve fund. If the accumulative amount of the Company’s statutory reserve fund reaches 50% or more of the registered capital of the Company, it may no longer be drawn.

If the Company’s statutory reserve fund is not sufficient to cover the losses of previous years, the profit of the current year shall be used to make up for the losses, before drawing of statutory reserve fund in accordance with the provisions of the preceding paragraph.

After the Company draws statutory reserve fund from the after-tax profit, it may, based on the resolution of the Shareholders’ Meeting, draw discretionary reserve fund from the after-tax profit.

The after-tax profit after the Company makes up for losses and draws reserve fund shall be distributed according to the proportion of the shares held by shareholders, except otherwise stipulated in the Articles of Association.

If the Shareholders’ Meeting violates the provisions of the preceding paragraph and distributes profits to shareholders before the Company makes up for losses and draws statutory reserve fund, shareholders must return the profit distributed in violation of the provisions to the Company.

The Company's shares held by the Company shall not participate in the distribution of profits."

Any amount paid up in advance of calls on any shares may carry interest but shall not entitle the holder of such shares to participate in respect thereof in a dividend subsequently declared.

The power to cease sending dividend warrants by post will not be exercised until such dividend warrants have been so left uncashed on two consecutive occasions. However, such power may also be exercised after the first occasion on which such a dividend warrant is returned undelivered.

Subject to the laws and regulations of China and the rules of Hong Kong Stock Exchange, the Company may exercise its power to forfeit unclaimed dividends, but only upon the expiry of the period for which the dividends can be claimed. With regard to the exercise of power to issue warrants in bearer form, no new warrants shall be issued to replace one that has been lost, unless the Company is satisfied beyond reasonable doubt that the original has been destroyed. With regard to the right to dispose of the shares held by untraceable shareholders, such right may not be exercised except in the following circumstances: (1) during a period of 12 years dividends in respect of the shares in question have been distributed at least three times and no dividend has been claimed; and (2) upon expiry of the 12-year period, the Company has given notice of its intention to dispose of the shares by way of an announcement published in the newspapers and informs The Stock Exchange of Hong Kong Limited of its intention.

91. **Article 165** which originally reads as:

"Article 165

Reserves of the Company may be applied towards the following objectives:

- (1) making up of losses, except that capital reserves may not be used.
- (2) conversion into capital. In the case of conversion of statutory reserves into capital through capitalization, the balance of such balance shall not be reduced to below 25% of the registered capital of the Company prior to the conversion.
- (3) expansion of the Company's production and operation."

be amended as follows:

"Article 229

The Company's reserve fund shall be used to make up for the Company's losses, expand the Company's production or operation or increase corporate capital. However, the capital reserve fund shall not be used to make up for the Company's losses.

When the statutory reserve fund is transferred into capital, the retained reserve fund shall not be less than 25% of the registered capital of the Company before the transfer."

92. New **Articles 230, 231** which reads as follows:

“Article 230

After the Shareholders’ Meeting reaches a resolution on profit distribution, the board of directors shall complete the distribution of dividends (or shares) within 2 months after the convening of the Shareholders’ Meeting.

Article 231

The Company’s profit distribution policy is:

- (1) The Company’s profit distribution shall pay attention to investors’ reasonable return on investment, and be carried out in cash, stock or other ways permitted by laws and regulations.
- (2) In accordance with the provisions of Article 227, the Company shall allocate the remaining after-tax profits after drawing 10% statutory reserve fund and drawing any discretionary fund according to the needs of the Company’s development. The profit distribution of the Company shall not exceed the range of accumulative distributable profit.”

be added.

93. **Articles 168 and 169** be deleted in their entirety.

94. **Article 170** which originally reads as:

“Article 170

The Company shall appoint a receiving agent for the shareholders of the overseas listed foreign shares.

Such receiving agent shall receive dividends of the overseas-listed foreign shares on behalf of such relevant shareholders, as well as all other amounts payable to such shareholders. The receiving agent appointed by the Company shall meet relevant requirements of the laws of the places or the relevant regulations of the stock exchange in which the Company’s shares are listed. The receiving agent appointed for shareholders of H shares listed in Hong Kong Stock Exchange shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.”

be amended as follows:

“Article 232

The Company shall appoint a receiving agent for the shareholders of the overseas listed foreign shares.

Such receiving agent shall receive dividends of the overseas-listed foreign shares on behalf of such relevant shareholders, as well as all other amounts payable to such shareholders. The receiving agent appointed by the Company shall meet relevant requirements of the laws of the places or the relevant regulations of the stock exchange in which the Company’s shares are listed. The receiving agent appointed for shareholders of H shares listed in Hong Kong Stock Exchange shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

If the Company is authorized to confiscate the unclaimed profit that is available for distribution, such power shall not be exercised before the expiration of the relevant applicable period of validity.”

95. New **Articles 233, 234, 236 and 237** which reads as follows:

“Article 233

The Company implements internal audit system and is equipped with auditors to supervise the internal auditing on the Company’s financial revenue and expenditure and economic activities.

Article 234

The internal audit system of the Company and the accusations of the auditors shall be implemented after the approval of the board of directors, and the person in charge of the audit shall be responsible to the board of directors and report the work to the board of directors.

Article 236

The appointment of an accounting firm by the Company must be decided by Shareholders’ Meeting, and the board of directors shall not appoint any accounting firm before a decision is made by Shareholders’ Meeting.

Article 237

The Company promises providing true and complete accounting vouchers, accounting books, financial accounting reports and other accounting data to the employed accounting firms and shall not refuse to provide them, conceal anything or make a lie therein.”

be added.

96. **Article 171** which originally reads as:

“Article 171

The Company shall retain an independent accounting firm that fulfills the requirements provided by the relevant regulations of China to audit the Company’s annual financial report and review the Company’s other financial reports. For the purposes of the Articles of Association, the accounting firm retained by the Company at any time shall be the Company’s auditor.

The retaining of the first accounting firm of the Company may occur at the inauguration meeting prior to the first annual general meeting of shareholders. The term of such accounting firm shall terminate upon the conclusion of the first annual general meeting of shareholders.

Should the inauguration meeting not exercise the powers under the preceding paragraph, the Board of Directors shall exercise those powers.”

be amended as follows:

“Article 235

The Company shall retain an independent accounting firm that fulfills the requirements to obtain “the qualification to undertake securities related business” provided by the relevant regulations of China to audit the Company’s annual financial report and review the Company’s other financial reports, conducting verification of net asset value and providing other relevant consulting services. For the purposes of the Articles of Association, the accounting firm retained by the Company at any time shall be the Company’s auditor. The term of engagement can be renewed upon expiry.

The retaining of the first accounting firm of the Company may occur at the inauguration meeting prior to the first annual general meeting of shareholders. The term of such accounting firm shall terminate upon the conclusion of the first annual general meeting of shareholders.

Should the inauguration meeting not exercise the powers under the preceding paragraph, the Board of Directors shall exercise those powers.”

97. **Article 176** which originally reads as:

“Article 176

The remuneration of an accounting firm or the manner in which such firm is to be compensated shall be decided by the Shareholders’ Meeting. The remuneration of an accounting firm retained by the Board of Directors shall be decided by the Board of Directors.”

be amended as follows:

“Article 242

The remuneration of an accounting firm or the manner in which such firm is to be compensated shall be decided by the Shareholders’ Meeting.”

98. **Article 178** which originally reads as:

“Article 178

In the event that a resolution at Shareholders’ Meeting is passed to retain an accounting firm other than the incumbent accounting firm to fill any casual vacancy in the office of the accountant, or to reappoint an accounting firm which was retained by the Board of Directors to fill any casual vacancy, or to remove an accounting firm prior to the expiration of its term, the following provisions shall apply:

- (1) The retaining or removal motion shall be sent (before a notice of Shareholders’ Meeting is given) to the accounting firm that is proposed to be retained or to leave or the accounting firm which has left in the relevant financial year (including any accounting firm leaving due to removal, resignation and retirement).
- (2) In the event that the accounting firm that is proposed to leave makes written representations and requests that the Company give notice to shareholders of such representations, the Company shall (unless the representations have been received too late) take the following measures: (i) in any aforementioned notice for making a resolution, the Company shall state the representations made by such accounting firm which is to leave; (ii) to attach a copy of the representations to the notice and deliver it to every shareholder entitled to receive the notice in the manner as provided in the Articles of Association.
- (3) In the event that the Company fails to send the accounting firm’s representations in the manner set out in Clause (2) above, such accounting firm may (in addition to its right to be heard) make further appeal.
- (4) A leaving accounting firm has the right to attend the following meetings:
 - (i) Shareholders’ Meeting at which its term would otherwise have expired;
 - (ii) Shareholders’ Meeting at which the said accounting firm is proposed to fill the vacancy caused by its removal;
 - (iii) Shareholders’ Meeting which is convened as a result of the resignation of the said accounting firm.

The leaving accounting firm is entitled to receive all notices of, and other communications relating to any meeting referred to in Clause (4), and to speak at any such meeting which it attends on any matters with respect to its capacity as the former accounting firm of the Company.”

be amended as follows:

“Article 244

In the event that a resolution at Shareholders’ Meeting is passed to retain an accounting firm other than the incumbent accounting firm to fill any casual vacancy in the office of the accountant, or to reappoint an accounting firm which was retained by the Board of Directors to fill any casual vacancy, or to remove an accounting firm prior to the expiration of its term, the following provisions shall apply:

- (1) The retaining or removal motion shall be sent (before a notice of Shareholders’ Meeting is given) to the accounting firm that is proposed to be retained or to leave or the accounting firm which has left in the relevant financial year (including any accounting firm leaving due to removal, resignation and retirement).
- (2) In the event that the accounting firm that is proposed to leave makes written representations and requests that the Company give notice to shareholders of such representations, the Company shall (unless the representations have been received too late) take the following measures: (i) in any aforementioned notice for making a resolution, the Company shall state the representations made by such accounting firm which is to leave; (ii) to attach a copy of the representations to the notice and deliver it to every shareholder entitled to receive the notice in the manner as provided in the Articles of Association.
- (3) In the event that the Company fails to send the accounting firm’s representations in the manner set out in Clause (2) above, such accounting firm may (in addition to its right to be heard) make further appeal.

The leaving accounting firm has the right to receive all notices of, and other communications relating to, any such meeting, and to speak at any such meeting which it attends on any part of the business of the meeting which concerns it as the former accounting firm of the Company.

99. **Article 179** which originally reads as:

“Article 179

Notice shall be given to the accounting firm no less than 30 days in advance should the Company decide to remove such accounting firm or not to reappoint it. Such accounting firm shall be entitled to make representations at the Shareholders’ Meeting. Where the accounting

firm resigns from its position, it shall clarify to the shareholders at the Shareholders' Meeting on any irregularities on the part of the Company."

be amended as follows:

"Article 245

Notice shall be given to the accounting firm no less than 14 days in advance should the Company decide to remove such accounting firm or not to reappoint it. Such accounting firm shall be entitled to make representations at the Shareholders' Meeting. Where the accounting firm resigns from its position, it shall clarify to the shareholders at the Shareholders' Meeting on any irregularities on the part of the Company."

100. New **Articles 248 to 251 and 253** which read as follows:

"Article 248

For the special documents referred to in Article 247, the shareholders of overseas listed foreign shares may send an explicit written request to the Company, requesting the Company to provide printed or electronic version of corresponding notice, data or written statement. If the shareholders of overseas listed foreign shares request the Company to provide printed version of corresponding notice, data or written statement, they shall also expressly request the Company to provide printed English version, or printed Chinese version or the both. The Company shall, on the basis of such written request, serve the corresponding document to the registered address by hand or prepaid postal mail.

The shareholders of overseas listed foreign shares may also give the Company a written notice in advance within a reasonable time, and revise the manner and language version for receipt of the aforesaid information according to appropriate procedures. At the same time, the Company may also issue a written notice requesting the shareholders of overseas listed foreign shares to confirm the receipt of the Company's notices, data or written statements in printed or electronic form. If the Company has not received the above-mentioned written notice from the shareholders of the overseas listed foreign shares during the time specified by relevant laws, administrative regulations and the relevant provisions of the securities regulatory authority at the place where the Company's stock is listed, the overseas foreign shareholders shall be deemed to send or provide its notices, data or written statements to the Company in accordance with the Articles of Association, relevant laws, administrative regulations and the relevant provisions of the securities regulatory authority at the place where the Company's stock is listed in the way (including but not limited to electronically published on the construction site website) specified in advance by the Company.

Article 249

The merger of the Company may take merger by absorption or merger by new establishes.

Merger by absorption means a company absorbs other companies, and the absorbed company is dissolved. Merger by new establishes means two or more companies are merged to set up a new company, and the merged companies are dissolved.

Article 250

In the case of a merger, the parties to the merger shall sign a merger agreement and prepare a balance sheet and a property list. The Company shall notify creditors within 10 days from the date when the merger resolution is reached and shall publicize it in a newspaper within 30 days. Within 30 days from the date of receipt of the notice, or within 45 days from the date of failure to receive the notice, creditors may request the Company to pay off the debts or provide corresponding guarantee.

Article 251

When a company is merged, the creditor's rights and debts of the parties to the merger shall be inherited by the merging company or newly established company after the merger.

Article 253

The Company needs to prepare a balance sheet and a property list when it is necessary to reduce its registered capital.

The Company shall notify creditors within 10 days from the date of reaching the resolution to reduce the registered capital, and shall publicize it in a newspaper within 30 days. Within 30 days from the date of receipt of the notice, or within 45 days from the date of failure to receive the notice, creditors shall have the right to request the Company to pay off the debts or provide corresponding guarantee.

The registered capital of the Company after the capital reduction shall not fall below the statutory minimum amount.”

be added.

101. **Article 182** be deleted in its entirety.

102. **Article 183** which originally reads as:

“Article 183

Where there is a division of the Company, its assets shall be divided accordingly.

In the event of a division, the parties to the division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days and publish an announcement in newspapers within 30 days after the date of the Company’s division resolution. The creditors shall have the right, within 30 days of receipt of the notice or within 45 days of the date of the first public announcement if the notice has not been received, to require the Company to pay its debts or provide guarantee to the amount of its debts. The Company shall not conduct division without paying off its debts or guaranteeing to the amount of its debts.

The debts of the Company incurred prior to the division shall be assumed by the companies formed following the division as agreed.”

be amended as follows:

“Article 252

Where there is a division of the Company, its assets shall be divided accordingly.

In the event of a division, the parties to the division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days and publish an announcement in newspapers within 30 days after the date of the Company’s division resolution.

The joint and several liabilities for the debts of the Company incurred prior to the division shall be assumed by the companies formed following the division as agreed, unless otherwise specified by a written agreement on debt repayment reached by the Company with the creditors before the separation.”

103. **Article 184** which originally reads as:

“Article 184

Changes in registration particulars of the Company caused by merger or division must be registered with the Administration for Industry and Commerce of Jiaxing City Zhejiang Province in accordance with law. Cancellation of the Company shall be registered in accordance with the law when the Company is dissolved. Incorporation of the Company shall be registered when a new company is incorporated in accordance with law.”

be amended as follows:

“Article 254

Changes in registration particulars of the Company caused by merger or division must be registered with the Zhejiang Provincial Administration of Industry and Commerce in accordance with law. Cancellation of the Company shall be registered in accordance with the law when the Company is dissolved. Incorporation of the Company shall be registered when a new company is incorporated in accordance with law.

The Company shall register the change of its registered capital with the relevant company registry.”

104. **Article 185** which originally reads as:

“Article 185

The Company shall be dissolved and liquidated according to laws upon any of the following circumstances:

- (1) A resolution for dissolution is passed by the Shareholders’ Meeting;
- (2) A merger or division of the Company for which a dissolution becomes necessary;
- (3) The Company is announced bankrupt according to the laws due to overdue debts;
- (4) The Company is ordered to be close down for violation of laws and administrative regulations in accordance with the laws;
- (5) the business license of the Company has expired.”

be amended as follows:

“Article 255

The Company shall be dissolved and liquidated according to laws upon any of the following circumstances:

- (1) A resolution for dissolution is passed by the Shareholders’ Meeting;
- (2) A merger or division of the Company for which a dissolution becomes necessary;
- (3) the term of operation of the Company set out in the Articles of Association is expired or one of the events which are grounds for dissolution as set out in the Articles of Association has been occurred;

- (4) business license is terminated in accordance with the laws, or the business is ordered to close or terminated;
- (5) the Shareholders holding more than 10% of the voting rights of the Company request the court to dissolve the Company, when the Company faces serious difficulties in business and operations that its further existence would seriously harm the interests of the Shareholders, which has become unavoidable after all other solutions have been exhausted;
- (6) the Company is declared bankrupt according to law due to its failure to repay debts as they become due.”

105. **Articles 186, 187 and 189** be deleted in their entirety.

106. New **Articles 256 and 257** which read as follows:

“Article 256

If the Company is in any of the circumstances as mentioned in item (3) of Article 255 of the Articles of Association, it may survive through amending the Articles of Association.

The amendments to the Articles of Association in accordance with the provisions of the preceding paragraph shall be adopted by shareholders present at the meeting of Shareholders’ Meeting, who represent more than 2/3 of the voting rights.

Article 257

If the Company is to be dissolved in accordance with the provisions of Article 255 (1), (3), (4) and (5), it shall establish a liquidation group within 15 days from the date when dissolution cause appears, and began to liquidate. The liquidation group shall be composed of directors or the persons as determined at a Shareholders’ Meeting. If a liquidation group is not set up within specified time limit for liquidation, creditors may apply to the people’s court to appoint relevant personnel to form a liquidation group for liquidation.”

be added.

107. **Article 188** which originally reads as:

“Article 188

The liquidation committee shall, within 10 days of its establishment, notify the creditors, and, within 60 days of its establishment, publish at least three times announcements on newspapers.”

be amended as follows:

“Article 258

The liquidation committee shall, within 10 days of its establishment, notify the creditors, and, within 60 days of its establishment, publish announcements on newspapers. The liquidation committee shall register the debts receivable by the creditors.

Creditors shall, within 30 days of receipt of the notice, or for creditors who have not personally received such notice, shall within 45 days of the date of the announcement, contact the liquidation committee to claim their rights.

In the period of declaring claims, the liquidation committee may not pay any debts to creditors.”

108. **Article 190** which originally reads as:

“Article 190

During liquidation, the liquidation committee shall exercise the following functions and powers:

- (1) to organize the Company’s assets and prepare a balance sheet and an inventory of assets respectively;
- (2) to notify or to publish an announcement to the creditors;
- (3) to dispose of any continuing businesses of the Company in connection with the liquidation;
- (4) to pay outstanding taxes;
- (5) to settle claims and debts;
- (6) to organize the remaining assets subsequent to the settlement of the Company’s debts;
- (7) to represent the Company in any civil proceedings.”

be amended as follows:

“Article 259

During liquidation, the liquidation committee shall exercise the following functions and powers:

- (1) to organize the Company’s assets and prepare a balance sheet and an inventory of assets respectively;
- (2) to notify or to publish an announcement to the creditors;
- (3) to dispose of any continuing businesses of the Company in connection with the liquidation;
- (4) to pay outstanding taxes and tax payment incurred in the process of liquidation;
- (5) to settle claims and debts;
- (6) to organize the remaining assets subsequent to the settlement of the Company’s debts; to represent the Company in any civil proceedings.”

109. **Article 191** which originally reads as:

“Article 191

Following the organization of the Company’s assets and the preparation of a balance sheet and an inventory of assets by the liquidation committee, the liquidation committee shall formulate a liquidation proposal and present it to the Shareholders’ Meeting or the relevant competent authorities.

The Company’s assets shall be distributed in accordance with the order stipulated by laws and regulations. If there is no applicable law, such distribution shall be carried out in accordance with a fair and reasonable procedure determined by the liquidation committee.

Any surplus assets of the Company remaining after its debts have been repaid in accordance with the provisions of the preceding paragraph shall be distributed to its shareholders according to the class of shares and the proportion of shares held. During the liquidation period, the Company shall not commence any new business activities.”

be amended as follows:

“Article 260

Following the organization of the Company’s assets and the preparation of a balance sheet and an inventory of assets by the liquidation committee, the liquidation committee shall formulate a liquidation proposal and present it to the Shareholders’ Meeting or the relevant competent authorities.

Upon the respective payment of liquidation costs, wages for employees, social insurance and statutory compensations, outstanding taxes and loans, and pay off debts, surplus assets of the Company shall be distributed to Shareholders in accordance with their proportion of Shares held.

During the liquidation period, the company continues to exist, but shall not carry out any business activities irrelevant to the liquidation. The company property, prior to the settlement of debts in accordance with the preceding Article, will not be allocated to Shareholders.”

110. **Article 193** which originally reads as:

“Article 193

Following the completion of liquidation, the liquidation committee shall prepare a liquidation report, a statement of income and expenses and financial accounts for the liquidation, which shall be verified by a China registered accountant and submitted to the Shareholders’ Meeting or the relevant competent authorities for confirmation.

The liquidation committee shall, within 30 days of such confirmation, submit the aforementioned documents to the Administration for Industry and Commerce of Jiaxing City, Zhejiang Province for an application for a cancellation of registration of the Company, and publish an announcement in respect of the termination of the Company.

be amended as follows:

“Article 262

Following the completion of liquidation, the liquidation committee shall prepare a liquidation report, a statement of income and expenses and financial accounts for the liquidation, which shall be verified by a China registered accountant and submitted to the Shareholders’ Meeting or the relevant competent authorities for confirmation.

The liquidation committee shall, within 30 days of such confirmation, submit the aforementioned documents to the Zhejiang Provincial Administration of Industry and Commerce for an application for a cancellation of registration of the Company, and publish an announcement in respect of the termination of the Company.

111. New **Articles 263 to 265, 268 to 278** which read as follows:

“Article 263

The members of the liquidation group shall be loyal to their duties and perform their liquidation obligations in accordance with the law. The members of the liquidation group shall not use their power to accept bribes or other illegal income and shall not encroach upon the property of the Company.

If the members of the liquidation group cause losses to the Company or creditors due to intentional or gross negligence, they shall bear the liability for compensation.

Article 264

If the Company is declared bankrupt according to law, the bankruptcy liquidation shall be carried out in accordance with the law on enterprise bankruptcy.

Article 265

In any of the following circumstances, the Company shall amend the Articles of Association:

- (1) after Company Law or relevant laws and administrative regulations have been amended, the matters stipulated in the Articles of Association are in conflict with the provisions of the revised laws and administrative regulations;
- (2) the circumstances of the Company have changed, which are inconsistent with the matters recorded in the Articles of Association;
- (3) The Shareholders’ Meeting decided to amend the Articles of Association.

Article 268

The board of directors shall revise the Articles of Association in accordance with the resolutions of the Shareholders’ Meeting to amend the Articles of Association and the examination and approval opinions of the relevant competent authorities.

Article 269

If the amendments to the Articles of Association are within the scope of information that must be disclosed as required by laws and regulations, they shall be made public according to the provisions.

Article 270

The Company's notice shall be given in the following form:

- (1) by hand;
- (2) by mail;
- (3) through public announcement;
- (4) other forms prescribed in the Articles of Association.

Article 271

Any notice sent by the Company through announcement shall be deemed received by all relevant personnel, once announced.

Article 272

Except the context otherwise requires, "announcement" referred to in the Articles of Association, in respect of the announcements issued to the shareholders of domestic shares or the announcements issued in the territory of China in accordance with relevant provisions and the Articles of Association, refer to publishing announcements in relevant newspapers and periodicals in China, and relevant newspapers shall be prescribed by the laws and administrative regulations of the People's Republic of China or designated by the securities regulatory authority under the State Council; in respect of the announcements issued to the shareholders of foreign shares or the announcements that shall be issued in Hong Kong in accordance with relevant provisions and the Articles of Association, the announcements shall be published in designated newspapers and periodicals in Hong Kong in accordance with the requirements of the Listing Rules.

Article 273

The notice, data or written statement issued by the Company to the shareholders of the overseas listed foreign shares may be served in the manner prescribed in Article 248 of the Articles of Association.

Article 274

Notice of the meeting of the Shareholders' Meeting shall be served to the shareholders of overseas listed foreign shares in accordance with the provisions of Article 248 of the Articles of Association and to the shareholders of domestic shares by announcement, hand, post, facsimile or e-mail.

Article 275

Notice of the meeting of the board of directors shall be served by hand, post, facsimile or e-mail.

Article 276

Notice of the meeting of the board of supervisors shall be served by hand, post, facsimile or e-mail.

Article 277

If a notice of the Company is sent by hand, it shall be signed (or sealed) by the person served on the service receipt, and the date of service of the delivered document shall be the date of service. If a notice of the Company is sent by post, the second business day from the date when it is sent to the postal office shall be the date of service; if a notice is made by way of public announcement, the date on which the notice is published shall be the date of service if a notice of the Company is sent by facsimile, the date when the announcement is published for the first time shall be the date of service; if a notice of the Company is sent by facsimile, the first business day after the date when it is sent shall be the date of service; if a notice of the Company is sent by e-mail, the first business day after the date when it is sent shall be the date of service.

Article 278

If, due to an accidental omission, the notice of a meeting is not served to the person who is entitled to get the notice or such person has not received the notice, the meeting and the resolutions reached at the meeting shall not be invalidated thereof.”

be added.

REASONS FOR THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Subject to the approval by the Shareholders in the EGM and Class Meeting(s), the above amendments to the Articles of Association are to reflect current circumstances of the Company and to further optimise the corporate governance structure of the Company in preparation for the A Share Offering in accordance with the Guidelines on Articles of Association of Listed Companies (上市公司章程指引) as revised by the CSRC in 2014 and the relevant laws and regulations of the PRC.

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

CHAPTER ONE GENERAL PROVISIONS

Article 1 In order to regulate the Company's behaviors and ensure that the general meetings exercise the functions and powers thereof according to laws, these rules of procedures (the "Rules") are formulated in accordance with the *Company Law of the People's Republic of China* (hereafter refers to as "Company Law"), *Rules for General Meeting in Listed Companies*, the *Guidelines for Articles of Association of Listed Companies (revised in 2014)*, *Listing Rules of Shanghai Stock Exchange*, *Articles of Association for Juiang Construction Group Co., Ltd.* (hereafter refers to as "Articles of Association") and other applicable laws and regulations.

Article 2 The Company shall hold general meeting based on laws, administrative laws and regulations, Articles of Association of the Company and the procedures strictly, so as to ensure the shareholders could exercise their rights in accordance with the laws.

The board of the Company (the "Board") shall perform their duties, and attend the general meeting on time. All members of the board shall perform their duties diligently with responsibility in order to make sure the general meeting can be held in due manner and all members of the general meeting exercise their functions and powers in accordance with the laws.

Article 3 The general meeting is the highest authority of the Company. The general meeting shall exercise its powers in accordance with the Company Law and the Articles of Association of the Company.

Article 4 The general meetings divided into annual general meeting and extraordinary general meeting. The annual general meetings shall be convened once a year and shall be held within six months after the end of the preceding accounting year. Extraordinary general meetings are convened irregularly. The Company shall convene and extraordinary general meeting within two months upon the occurrence of the circumstances as described in Article 101 of the *Company Law*.

If the Company is unable to hold the general meeting within above period, reports shall be sent to the dispatched office of China Securities Regulatory Commission ("CSRC") at the locality of the Company and the stock exchange on which the Company's shares are listed (hereafter refers to "Securities Exchange"). Reasons shall be stated and notice must be published.

Article 5 The Company shall hold the general meeting after the initial public offering of RMB ordinary shares (A share) to the public and the listing on the Shanghai Securities Exchange. The Company shall appoint a lawyer to give legal opinions on the following matters which shall be published thereafter:

- 1) Whether the procedures for convening and holding the general meeting conform to laws, administrative rules, the Rules, and the Articles of Association;
- 2) Whether the eligibility of attendees and the convenor is lawful and valid;
- 3) Whether the voting procedures and the voting results are lawful and valid;
- 4) Legal opinions on other matters on the request of the Company;

CHAPTER TWO CONVENE THE GENERAL MEETING

Article 6 The Board shall hold general meeting on time within the period stipulates in Article 4.

Article 7 Independent directors have the right to propose to the board to convene an extraordinary general meeting. The Board shall, in accordance with the laws, administrative rules and the Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within ten days after receiving such proposal.

In the event that the Board agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within five days after the passing of the relevant resolution of the Board. In the event that the Board does not agree to convene an extraordinary general meeting, reasons for such disagreement shall be given by way of announcement.

Article 8 The board of supervisors is entitled to propose in writing to the Board to convene an extraordinary general meeting. The Board shall, in accordance with the laws, administrative rules and the Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within ten days after receiving such proposal.

In the event that the Board agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within five days after the passing of the relevant resolution of the Board. Any change to the original proposal made in the notice requires prior approval of the board of supervisors.

In the event that the Board does not agree to convene an extraordinary general meeting, a written reply shall be furnished within ten days after receiving the proposal. Otherwise, the Board shall be deemed as incapable of performing or failing to perform the duty of convening a general meeting, in which case the board of supervisors may convene and preside over such meeting and by itself.

Article 9 Shareholders either individually or collectively holding more than 10% of the shares of the Company have the right to require the Board to convene an extraordinary general meeting, and such request shall be made in writing. The Board shall, in accordance with the laws, administrative rules and Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of an extraordinary general meeting within ten days after receiving the aforesaid written request.

In the event that the Board agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within five days after the passing of the relevant resolution of the Board. Any change to the original proposal made in the notice requires prior approval of the shareholders concerned.

In the event that the Board does not agree to convene an extraordinary general meeting, or does not furnish any reply within ten days after receiving such request, shareholders individually or collectively holding more than 10% of the shares of the Company shall be entitled to propose to the board of supervisors to convene the extraordinary general meeting, provided that such proposal shall be made in writing.

In the event that the board of supervisors agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within five days after receiving the proposal. Any change to the original proposal made in the notice shall require prior approval of the relevant shareholders.

Failure of the board of supervisors to issue the notice of general meeting within the stipulated period shall be deemed as the failure of the board of supervisors to convene and preside over a general meeting, and shareholders individually or collectively holding more than 10% of the shares of the Company for 90 or more consecutive days shall be entitled to convene and preside over the general meeting on a unilateral basis.

Article 10 Where the board of supervisors or shareholders decide(s) to convene the general meeting by itself or themselves, it or they shall send out a written notice to the Board.

The shareholding of the convening shareholders shall not be less than 10% prior to the announcement of the resolutions of the general meeting.

The board of the supervisors or the convening shareholders shall submit relevant documents to the dispatched office of CSRC at the locality of the Company and the stock exchange upon the issuance of the notice of the general meeting and the announcement of the resolutions of the general meeting;

Article 11 The Board and secretary of the Board shall provide cooperation with respect to matters relating to the general meeting convened by the board of supervisors or shareholders on its/their own. The Board shall provide the register of shareholders as of the date of record date.

Article 12 Expenses arising from the convening of a general meeting by the board of supervisors or shareholders shall be borne by the Company.

CHAPTER THREE PROPOSAL AND NOTICE OF GENERAL MEETING

Article 13 Content of proposals at the shareholders' general meeting shall be matters falling within the functions and powers of general meeting. It shall have definite topics to discuss and specific matters to resolve and comply with the laws, administrative regulations and the requirements in the Articles of Association.

Article 14 When the Company convenes a general meeting, the Board, board of supervisors or the shareholders either individually or collectively holding 3% or more of the Company's shares may put forward proposals to the Company.

Shareholders either individually or collectively holding 3% or more of the Company's shares may submit their provisional resolutions to the convenor 10 days before the date fixed for convening of the meeting. The convenor shall issue a supplementary notice of the general meeting 2 days after the resolutions have been received to notify the shareholders of the content of the provisional resolutions.

Other than the circumstances referred to in the preceding paragraph, after the convenor has issued the notice on the general meeting, no changes shall be made to the resolutions listed in the notice of the meeting nor new resolutions shall be added.

The general meeting shall not vote on or resolve resolutions not listed in the notice of the general meeting or resolutions which do not meet the requirements in Article 13 of the Rules.

Article 15 A forty-five (45) days' written notice for convening the general meeting shall be given to notify shareholders whose names appear in the register of shareholders of the matters proposed to be considered and the date and place of the meeting. Shareholders who intend to attend the meeting shall serve a written reply to the Company twenty (20) days prior to the date of the meeting.

The calculation of relevant time frame is exclusive of the date on which such meeting is held.

Article 16 The Company shall, based on the written replies received 20 days before the date of the general meeting, calculate the number of voting shares represented by the shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting reaches one half or more of the Company's total voting shares, the Company may hold the meeting; if not, the Company shall within 5 days notify the shareholders by public notice of the matters to be transacted at, the place and date for, the meeting and the Company may convene such meeting after making such announcement.

An extraordinary general meeting shall not transact matters not stated in the notice of meeting.

Article 17 A notice of a general meeting shall meet the following criteria:

- (1) be in writing;
- (2) specify the place, the form and the time of the meeting;
- (3) set out the matters to be considered at the meeting;
- (4) provide such information and explanation as are necessary for the shareholders to exercise an informed judgment on the proposals. Without limiting the generality of the foregoing, where a proposal is made to amalgamate the Company with another, to repurchase shares, to reorganize the share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such transaction must be properly explained;
- (5) contain a disclosure of the nature and extent, if any, of the material interests of any director, supervisor, general manager or other senior management members in the proposed transaction; and contain an explanation as to the effect of the proposed transaction on any director, supervisor, general manager or other senior management members in their capacity as shareholders in so far as it is different from the effect on the interests of other shareholders of the same class;
- (6) set out the full text of any special resolution proposed to be passed at the meeting;

- (7) contain a noticeable writing statement that a shareholder eligible for attending and voting is entitled to appoint one or more proxies to attend and vote on his behalf and that a proxy need not be a shareholder of the Company;
- 8) specify the time and place for lodging proxy forms for the relevant meeting;
- 9) the record date of shareholdings of the shareholders who are entitled to attend the general meeting, where the record date of the shareholdings and the date of the meeting shall not differ by more than 7 working days. No change can be made once the record date of the shareholdings is fixed.
- (10) contain the name and telephone number of the contact person for meeting affairs.

Article 18 The notice of the general meeting and the supplementary notice of the general meeting shall fully and completely disclose the specific content of the proposal and all the information and explanations necessary for the shareholders to make reasonable judgment on the matters to be discussed. In the event that the matters to be discussed need an advice from the independent shareholders, their advice and reasons shall be disclosed when the notice of the general meetings or supplementary notice are dispatched.

Article 19 Where the election of directors and supervisors is proposed to be discussed at the general meeting, the notice of the meeting shall fully disclose the detailed information of the candidates for directors and supervisors, which should at least include the following:

- (1) educational background, working experience, and any part-time job;
- (2) whether there is any connected relationship between them and the Company or its controlling shareholder(s) or de facto controller;
- (3) disclosure of their shareholdings in the Company;
- (4) whether or not they have been subject to any punishment by CSRC or other related authorities or stock exchanges;
- (5) each of the candidates for directors or supervisors shall be proposed in a separate resolution.

In addition to the adoption of the accumulative voting system to elect directors and supervisors, each of the candidates for directors or supervisors shall be proposed in a separate resolution.

Article 20 Notice of a shareholders' general meeting shall be served on the shareholders (whether or not entitled to vote at the meeting), by personal delivery or prepaid mail to the address of the shareholders as shown in the register of shareholders. For the holders of domestic invested Shares, notice of the meetings may also be issued by way of public announcement.

The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by CSRC within the interval between forty-five (45) days and fifty (50) days before the date of the meeting.

Notice, documents or written declarations to shareholders of overseas listed foreign share shall be served on the shareholders by personal delivery or mail to the address of the shareholders according to address on the register of shares of the overseas listed foreign share 45 days before the convening of the meeting. Notice to shareholders of H share shall be sent in Hong Kong by mail. Notice shall, according to the applicable laws, administrative regulations and the relevant listing rules, also be released on the Company's website or website designated by the stock exchange.

Article 21 After dispatching the notice of general meeting, the general meeting shall not be postponed or cancelled without proper reasons. The resolutions stated in the notice of general meeting shall not be cancelled. In the event that the general meeting was postponed or cancelled, the convenor shall make announcement at least 2 business days prior to the date on which the meeting is originally scheduled and expatiate on the reasons.

CHAPTER FOUR REGISTRATION FOR THE MEETING

Article 22 All shareholders or their proxies whose names appear in the register of the Company at the record day are entitled to attend the general meeting, and exercise their voting rights in accordance of relevant laws, regulations, and Articles of Association of the Company. The shareholders may attend the general meeting in person or appoint a proxy to attend and vote on their behalf.

Article 23 The instrument appointing a proxy shall be in writing under the hand of the principal or his attorney duly authorized in writing, or in the case the principal is a legal person, either under its official seal or under the hand of its director or its attorney duly authorized.

Article 24 The power of attorney appointing a proxy to attend the general meeting on his/her behalf as produced by the shareholder shall state the following:

- (1) name of the proxy;
- (2) whether empowered with right to vote or not;
- (3) instructions to vote in favour of, against or abstain from, as the case may be, each proposal set out in the agenda of the general meeting;
- (4) the date of issuance of the power of attorney and the valid period;
- (5) signature (or seal) of the principal.

In the case that the principal is a legal person shareholder, the power of attorney shall bear the official seal of that legal person.

Article 25 Any form issued to a shareholder by the Board of the Company for use by him for appointing a proxy to attend and vote at a meeting of the Company shall be such as to enable the shareholder to instruct at his/her own discretion the proxy to vote in favour of or against each resolution proposed at the meeting. Such proxy form shall specify, in the absence of specific instructions from the shareholder, whether the proxy may vote as his own discretion.

Article 26 The proxy form shall be deposited at the address of the Company or another place specified in the notice of the meeting not less than 24 hours prior to the time appointed for the holding of the meeting or 24 hours prior to the time appointed for voting. Where the proxy form is signed by a person authorised by the principal, the power of attorney or other authorization instruments shall be notarised. The notarised power of attorney and other authorisation instruments, together with the proxy form, shall be lodged at the address of the Company or such other place as specified in the notice of the meeting.

In the case that the principal is a legal person, the proxy shall be authorized by the legal representative, the Board or other authority body of that legal person to attend the Company's general meeting.

Article 27 The meeting attendance register shall be prepared by the Company. The register of attendance shall include names of individuals or entities present at the meeting, identification card numbers, addresses, number of shares held or represented with voting rights, the principals' (individuals or entities) names, etc.

Article 28 The chairman of the meeting and the persons (including but not limited to lawyers, external auditors or staff members of the share registrars) retained by the Company shall verify the legal eligibility of the shareholders based on the register of shareholders provided by the securities registration and clearing authority and shall register the name of the shareholders and the numbers of shares with voting rights in their possession. Registration for the meeting shall be ended before the chairman of the meeting declares the number of shareholders and proxies present at the meeting as well as the total number of shares with voting rights in their possession.

Article 29 The Board, independent directors and qualifying shareholders are entitled to solicit voting rights from other shareholders to attend and vote at the general meeting. In the case of the solicitation of voting rights, information such as specific voting intentions shall be fully disclosed to the solicited persons, and it shall be prohibited to solicit the voting rights of shareholders in return for a direct or indirect consideration. The Company shall not set minimum shareholding ratio to be eligible for the solicitation of voting rights.

CHAPTER V HOLDING OF SHAREHOLDERS' GENERAL MEETINGS

Article 30 The Company shall convene the general meeting in the place specified in the Articles of Association.

Article 31 A meeting place shall be set for the general meeting to be convened in the form of an on-site meeting, and in accordance with the laws, administrative regulations, and the provisions of the China Securities Regulatory Commission or the Articles of Association. The Company may provide

convenience for shareholders by ways of internet or other ways which are safe, economical and convenient. Shareholders who attend the meeting in the aforesaid manners shall be deemed as present.

Article 32 If the general meeting of the Company adopts the way of online transmission or other ways, the time and procedures for voting via internet or by other approaches shall be clearly stated in the notice of the general meeting.

The beginning time for voting at the general meeting via internet or other ways shall not be earlier than 3:00 p.m. on the day prior to the date when the on-site general meeting is convened, and shall not be later than 9:30 a.m. on the day when the on-site general meeting is convened. Its closing time shall not be earlier than 3:00 p.m. on the date when the on-site general meeting is concluded.

Article 33 The Board and other conveners shall take such necessary measures to ensure the normal order of the general meeting. For any disturbance to the normal order of the meeting and acts infringing on the lawful interests of the shareholders, measures will be taken to prevent them, and timely report the matter to the relevant authority for investigation.

Article 34 When the Company convenes a general meeting, all the directors, supervisors and the secretary of the Board shall attend the meeting, while managers and other senior management personnel shall attend as non-voting attendees.

Article 35 The general meeting shall be convened by the Board, and presided over by the chairman of the Board; when the chairman is unable to perform duties or fails to perform duties, the general meeting shall be presided over by the vice chairman; when the vice chairman is unable to perform duties or fails to perform duties, the meeting shall be presided over by a director elected by more than half members of the Board.

The general meeting held by the board of supervisors on its own shall be presided over by the chairman of the board of supervisors. When the chairman is unable to perform duties or fails to perform duties, a supervisor elected by more than half of the supervisors shall preside over the meeting.

The general meeting convened by shareholders on their own shall be presided over by a representative nominated by the conveners. If no chairman of the meeting has been elected, a shareholder may be elected from the shareholders present at the meeting to act as the chairman.

The Company shall formulate the rules of procedure for general meeting. If the general meeting cannot proceed due to the moderator's violation of the rules of procedure at the meeting, a person may be elected at the general meeting by more than half of the shareholders with voting rights present at the meeting to act as the moderator to continue with the meeting.

If shareholders are unable to elect a chairman for any reason, the shareholder (or its proxy) present at the meeting who holds the largest number of shares carrying the right to vote thereat shall act as the chairman of the meeting.

Article 36 The chairman of the meeting shall declare the beginning of the meeting as scheduled. Issues and proposals set out in the agenda shall be resolved item-by-item. Reasonable time shall be given for the discussion of each issue and proposal at the general meeting.

Article 37 At the annual general meeting, the Board and the board of supervisors shall report to the general meeting on their work over the previous year, and each independent director shall also submit his/her work report.

Article 38 The directors, supervisors and the senior management personnel shall respond to and explain the enquiries raised by shareholders at the general meeting.

Article 39 Chairman of the meeting shall announce the number of shareholders and proxies present at the venue of the meeting and the total shares held by them with voting rights. The number of shareholders and proxies present at the venue of meeting and the shares held by them with voting rights as shown on the registration of the meeting shall prevail.

CHAPTER VI SPECIAL PROCEDURES FOR VOTING BY A CLASS OF SHAREHOLDER

Article 40 Shareholders who hold different classes of shares are referred to as class shareholders.

Class shareholders shall enjoy rights and assume obligations in accordance with the laws, administrative regulations and the Articles of Association. If the issuer's share capital includes non-voting shares, the word of "non-voting" shall be added to the name of that class of shares.

If share capital includes shares with different voting rights, the word of "restricted voting" or "limited voting" shall be added to the name of each class of shares (except the shares with the most preferential voting rights).

Article 41 Rights conferred on any class of shareholders in the capacity of shareholders ("Class Rights") may not be varied or abrogated unless approved by a special resolution of shareholders in general meeting and by holders of shares of that class at a separate meeting conducted in accordance with Articles 42 to 47. The required quorum of such meeting of class shareholders (excluding adjourned meetings) shall be at least one third of the holders of the issued shares of that class.

Article 42 The following circumstances shall be deemed to be a variation or abrogation of the rights of holders of certain class shares:

- (1) Increase or decrease of the number of shares of such class, or increase or decrease of the number of shares of a class having voting or equity rights, distribution rights, and other privileges equal or superior to the shares of such class;
- (2) Change of all or part of a class of shares into another class, or change of all or part of another class of shares into that class of shares, or to grant such conversion right;

- (3) Reduction or removal of rights to accrued dividends or cumulative dividends attached to shares of such class;
- (4) Reduction or removal a dividend preference or a liquidation preference attached to shares of such class;
- (5) Increase, removal or reduction of conversion privileges, options, voting rights, transfer or pre-emptive rights or rights to acquire securities of the Company attached to shares of such class;
- (6) Removal or reduction of rights to receive amounts payable by the Company in particular currencies attached to of such class;
- (7) Creation of a new class of shares having voting or equity rights, distribution rights, or other privileges equal or superior to the shares of such class;
- (8) Imposition of restrictions or additional restrictions on the transfer of ownership of the shares of such class;
- (9) Issue of rights to subscribe for, or convert into, shares of such class or another class;
- (10) Increase in rights or privileges of shares of another classes;
- (11) Restructuring of the Company which will result in shareholders of different classes bearing a disproportionate burden of such proposed restructuring;
- (12) Variation or abrogation of the provisions of this chapter.

Article 43 Shareholders of the affected class, whether or not otherwise entitled to vote at shareholders' general meetings, shall nevertheless be entitled to vote at class meetings in respect of matters concerning sub paragraphs (2) to (8), (11) to (12) of Article 42, but interested shareholder(s) shall not be entitled to vote at class meetings.

The meaning of "interested shareholder(s)" as mentioned in the preceding paragraph is:

- (1) In the case of a repurchase of shares by pro rata offers to all shareholders or public dealing on a stock exchange under the Articles of Association, a controlling shareholder within the meaning of Article 67 of the Articles of Association;
- (2) In the case of a repurchase of share by an off-market agreement under Article 34 of the Articles of Association, a shareholder to whom the proposed agreement relates ;
- (3) In the case of a restructuring of the Company, a shareholder within a class who bears less than a proportionate burden imposed on that class under the proposed restructuring or who has an interest in the proposed restructuring different from the interest of shareholders of that class .

Article 44 Resolutions of a class meeting shall be passed by votes representing two-thirds or more of the voting rights of the shareholders of that class attending the class meeting who have the right to vote at the meeting according to Article 43 of the Articles of Association.

Article 45 A 45 days' written notice convening a class meeting shall be given, to notify shareholders whose names appear in the register of shareholders of such class shares of the matters proposed to be considered and the date and place of the meeting. The shareholders who intend to attend the meeting shall serve the written reply to the Company 20 days prior to the date of the meeting.

If the number of voting shares represented by the shareholders who intend to attend the meeting reaches one half or more of the Company's total voting class shares at the meeting, the Company may convene the class meeting; if not, the Company shall within 5 days notify the shareholders by public notice of the matters to be transacted at, the place and date for, the meeting. The Company may convene such a meeting after such announcement.

Article 46 A notice of a class meeting shall be served exclusively on shareholders entitled to vote at such meeting.

Any class meeting shall be conducted as nearly as possible as any general meeting. Provisions in the Articles of Associations which relate to any general meeting shall apply to any class meeting.

Article 47 Apart from holders of other classes of shares, holders of domestic shares and overseas listed foreign shares shall be regarded as holders of different classes of shares.

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

- (1) any proposed recognition, issuance or distribution of domestic invested shares and overseas listed foreign invested shares by the Company in every 12 months, whether separately or together, if such proposed issuance of domestic invested shares and overseas listed foreign invested shares are approved by the shareholders in a general meeting by way of special resolution, and the domestic invested shares and overseas listed foreign invested shares proposed to be issued by the Company of not exceeding 20% of the shares in issue of such class;
- (2) Where the Company's plan to issue domestic shares and overseas-listed shares at the time of its establishment is carried out within 15 months from the date of approval by China Securities Regulatory Commission or other qualified securities regulatory authority under the governance of the State Council.
- (3) Where shares held by holders of domestic shares are transferred to overseas investors under the approval by the securities regulatory authority of the State Council, and are dealt with on overseas stock exchanges.

CHAPTER VII VOTING AND RESOLUTION OF GENERAL MEETING

Article 48 For connected transactions to be considered at a general meeting, connected shareholders shall abstain from voting on such connected transactions, and the number of shares they represent carrying voting rights shall not be counted into the total number of shares with valid voting rights;

When the general meeting considers matters concerning the interests of the medium and small investors, the votes for medium and small investors shall be counted independently, and the results thereof shall be disclosed to the public forthwith.

The shares held by the Company itself carry no voting rights, and shall not be counted as the total number of shares with voting rights held by shareholders attending the meeting.

Article 49 When the general meeting votes to elect directors and/or supervisors, it shall take accumulative voting mechanism, according to the Articles of Association or resolution of the general meeting.

The accumulative voting mechanism mentioned above means, when the general meeting elects directors or supervisors, every share has the voting power equal to the number of directors or supervisors to be elected. The voting powers owned by the shareholders can be used collectively.

Article 50 Apart from the accumulative voting mechanism, all the proposals shall be voted at the general meeting item by item. In case of different proposals for the same matter, the proposals shall be voted chronologically with resolutions adopted accordingly. Unless a general meeting is suspended or no resolution can be reached due to force majeure or other special reasons, no proposal shall be set aside or receive no voting at the general meeting

Article 51 When considering a proposal at the general meeting, no change shall be made thereto. Otherwise, the relevant change shall be treated as a new proposal which shall not be voted at the said general meeting.

Article 52 The same voting power can only be exercised by only one of the following means: on-site, via internet and other voting method. In the event that the same voting right has been exercised twice, the result of the first voting shall prevail.

Article 53 Shareholders attending the general meeting shall submit their voting in one of the following ways: “for”, “against” or “abstain”.

Ballot papers that are left in blank, unduly completed or illegible or that have not been cast, are deemed as void votes which means the voter has waived his rights, and the voting results corresponding to the shares in their possession shall be treated as “Abstain from voting”.

Article 54 Before a resolution is voted on at a general meeting, two representatives of the shareholders shall be appointed to act as vote counters and scrutineers. Any shareholder who is interested in the matter under consideration and proxies of such shareholder shall not participate in the vote counting or scrutinizing.

For resolutions voted on at the general meeting, lawyers, shareholder representatives and supervisor representatives shall count and scrutinize the votes jointly, and the voting results shall be announced forthwith. Voting results of the meeting shall be recorded in the minutes of meeting.

Shareholders or their proxies that vote via internet or by other means shall have the right to examine their voting results through the corresponding voting system

Article 55 The conclusion of on-site general meeting shall not be earlier than the general meeting via internet or by other means. The presider of the meeting shall announce the voting results of each proposal, and announce whether the proposal is passed or not according to the voting results.

Prior to announcement of the voting results, the Company, vote counter, scrutineer, substantial shareholder and other relevant parties involved in the general meeting are obliged to keep confidentiality for the voting results.

Article 56 Resolutions of general meetings shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution shall be passed by not less than half of the voting rights held or represented by the shareholders (including their proxies) present at the meeting.

A special resolution shall be passed by votes representing more than two-thirds of the voting rights held or represented by the shareholders (including their proxies) present at the meeting.

Article 57 The following matters shall be resolved by way of ordinary resolution at a general meeting:

- (1) Work reports of the Board and board of supervisors;
- (2) Profit distribution plan and deficit coverage plan drawn up by the Board;
- (3) Removal of the members of the Board and board of supervisors, and their remuneration and manner of payment;
- (4) Annual preliminary and final budgets, balance sheets, profit and loss accounts and other financial statements of the Company;
- (5) The Company's annual report;
- (6) Matters other than those required by the laws, administrative laws and regulations, or Articles of Association to be adopted by special resolution

Article 58 The following matters shall be resolved by way of special resolutions at a general meeting:

- (1) Increases or reduction of the registered share capital, issuance of shares of any class, subscription warrants and other similar securities of the Company;
- (2) Issuance of corporate bonds;
- (3) Demerger, merger, dissolution and liquidation of the Company, and the change of the corporate form;
- (4) Amendments to the Articles of Association of the Company;
- (5) Any purchase or disposal of substantial assets made by the Company or any guarantee provided by the Company within one year, the amount of which exceeds 30% of the total assets as presented in the latest audited consolidated financial statements of the Company;
- (6) Share incentive scheme;
- (7) Any other matters as required by the laws, administrative laws and regulations or the Articles of Association, and matters which, if resolved by way of an ordinary resolution at general meeting, will have a material impact on the Company and need to be adopted by way of special resolutions.

Article 59 Without a prior approval by way of special resolution is obtained in a general meeting, the Company shall not enter into any contract with any person other than the directors, managers and other senior management members whereby the management and administration of the whole or any substantial part of the business of the Company is to be handed over to such person, save for special circumstances such as the Company is in a crisis.

Article 60 The resolutions of the general meeting shall be announced timely and clearly list the number of shareholders and proxies attending the meeting, the total number of shares carrying voting rights and the percentage of the total voting shares of the Company, means of voting, the voting result for every proposal and the details of every resolution passed.

In the event that overseas listed foreign invested shares are issued, the Company shall count separately the attendance of the shareholders of domestic shares and overseas shares and the voting results, and publish announcement accordingly.

Article 61 If a resolution is not passed, or if a resolution of the previous general meeting is changed at the then general meeting, special notes in connection therewith should be made in the announcement of the resolution of the general meeting.

Article 62 Minutes of a general meeting shall be recorded by the secretary to the Board and include the followings:

- (1) Time, place, agenda of meeting and name of the convener of the meeting;
- (2) Names of the chairman of the meeting, Directors, supervisors, the secretary to the Board, CEO and other senior management who attend the meeting or are present as non-voting attendee;
- (3) Number of shareholders and proxies present at the meeting, total number of the shares carrying voting rights held or represented by them, and the percentage of shares carrying voting rights held or represented by them to the total number of shares of the Company;
- (4) Process of consideration for each resolution, the gist of speaking and voting results;
- (5) Shareholders' questions or recommendations and the corresponding reply or explanation;
- (6) Name(s) of the lawyer(s), the vote counter and the scrutineer;
- (7) Other contents to be recorded in minutes of meeting as stipulated in the Articles of Association.

Directors, secretary to the board, the convener or his representative and the chairman of the meeting shall ensure the truthfulness, accuracy and completeness of the minutes of the meeting and sign on the minutes of the meeting. The minutes of the meeting should be maintained together with the register for attendance of shareholders present in person, the proxy forms of their proxies and valid information on voting via internet and by other means for a period of not less than 10 years

Article 63 The convener of the meeting should ensure that the meeting proceeds without interruption until resolutions have been reached. Where the meeting is interrupted or terminated due to special reasons such as force majeure, necessary measures should be taken to resume the meeting as soon as practicable, or to end the meeting directly.

Article 64 The Board is responsible for the execution of the resolutions passed at the general meeting and asking for the chairman of the Board to arrange relevant staff to implement the resolutions based on the contents of resolutions. For resolutions to be implemented by the board of supervisors, they shall be organized and implemented by the board of supervisors directly.

The implementation of resolutions passed at the general meeting shall be reported to the Board by the chairman of the Board, and reported at the next general meeting by the Board. For matters to be implemented by the board of supervisors shall be reported to the general meeting directly by the board of supervisors. The board of supervisors may first report the matters to the Board where necessary.

Article 65 Where a resolution in relation to election of directors or supervisors is passed at a general meeting, the appointment of the director and/or supervisor shall be made according to the Articles of Association.

Article 66 Where a general meeting approves proposals regarding cash distribution, bonus issue or transfer of surplus reserve into share capital, the specific proposals shall be implemented within 2 months after the end of the general meeting.

Article 67 The resolutions passed at the general meeting are invalid should they are in violation of any laws, or administrative regulations.

Should the procedures for convening a general meeting, or the way of voting, be in violation of any laws, administrative regulations or the Articles of Association, or a resolution be in violation of the Articles of Association, the shareholders may, within 60 days from the date when the resolution is made, request the People's Court to revoke it.

CHAPTER VIII SUPPLEMENTARY PROVISIONS

Article 68 The terms “above”, “within” mentioned in the rules all include the original number; “over”, “lower” and “more than” do not include the original number.

Article 69 The Rules shall be submitted by the Board to general meeting for approval. Matters not covered by the Rules shall be executed in accordance with the relevant applicable laws, regulations, regulatory documents, regulatory rules and listing rules at the place of listing of the Shares of the Company including the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Listing Rules of Shanghai Stock Exchange (“Listing Place Regulations”) and Articles of Association of the Company. In case of any conflict between the Rules and the relevant applicable laws, regulations, regulatory documents, regulatory rules, Listing Place Regulations and Articles of Association of the Company, the latter shall prevail.

Article 70 The Board is responsible for interpretation of the Rules.

Article 71 The Rules shall take effect and be implemented as from the date the general meeting of the Company examined and approved the Rules.

APPENDIX VII RULES OF PROCEDURES OF THE BOARD OF DIRECTORS

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

ARTICLE 1 PURPOSE

In order to further regulate meeting and the decision-making procedures of the board of directors (the “Board”) of the Company, procure the directors of the Company (the “Directors”) and the Board to effectively perform their duties, and enhance the Board in terms of standardized operations and efficiency in decision-making, the Company has formulated the Rules in accordance with the Company Law of the People’s Republic of China, the Guidelines for the Governance of Listed Companies, Proposed Model Rules of Procedure for Board of Listed Companies on Shanghai Stock Exchange and the Articles of Association of the Company (the “Articles of Association”) and other applicable laws and regulations.

ARTICLE 2 OFFICE OF THE BOARD

The Office of the Board is established by the Board and is responsible for dealing with daily affairs of the Board.

The Secretary to the Board or Securities Representative concurrently acts as the head of Office of the Board to maintain the seals of the Board and the Office of the Board.

The Secretary to the Board shall ensure that procedures and all general rules of the Board are complied with.

ARTICLE 3 REGULAR MEETINGS

The meetings of the Board shall be in the form of either regular meetings or extraordinary meetings.

At least one regular meeting of the Board shall be held in every half of the financial year of the Company.

ARTICLE 4 PROPOSALS FOR REGULAR MEETINGS

Before giving the notice on holding the regular board meetings, the Office of the Board shall thoroughly seek all Directors’ opinions to preliminarily formulate the meeting proposals which will be handed to the chairman of the Board for determination.

The chairman of the Board shall, if necessary, seek opinions from the managers and other senior management of the Company before determining the proposals.

ARTICLE 5 EXTRAORDINARY MEETINGS

The Board shall convene an extraordinary meeting in any of the following circumstances:

- (1) when proposed by the shareholders representing more than one-tenth of the voting rights;
- (2) when proposed jointly by more than one-third of the Directors;
- (3) when proposed by the board of supervisors;
- (4) when the chairman of the Board considers it necessary;
- (5) when proposed by more than half of the independent directors of the Company;
- (6) when proposed by the manager;
- (7) when required by the securities regulatory authority;
- (8) other circumstances as stipulated in the Articles of Association.

ARTICLE 6 PROPOSAL PROCEDURES OF EXTRAORDINARY MEETINGS

Where an extraordinary meeting of the Board is proposed in accordance with the provisions set out in the preceding paragraph, a written proposal signed under the hand (or seal) of the proposer shall be submitted through the Office of the Board or directly to the chairman of the Board. The following shall be indicated in the written proposal:

- (1) the name of the proposer;
- (2) the reasons for the proposal or objective facts/causes on which the proposal is based;
- (3) the time or timeframe, venue and form of the proposed meeting;
- (4) the proposals in clear and specific terms;
- (5) the contact information of the proposer and the date of proposal, etc.

The proposals shall be concerning matters that fall within the scope of the authorities of the Board as prescribed in the Articles of Association, and be submitted together with the relevant materials.

After receiving the aforesaid written proposals and the relevant materials, the Office of the Board shall forward such to the chairman of the Board on the same day.

If the chairman of the Board considers the contents of the proposals not clear or not specific, or considers the relevant materials insufficient, they may request the proposer to revise or supplement the relevant contents.

APPENDIX VII RULES OF PROCEDURES OF THE BOARD OF DIRECTORS

The meeting of the Board shall be convened and presided over by the chairman of the Board within 10 days upon receipt of the proposals or the request of the securities regulatory authority.

ARTICLE 7 THE CONVENING AND CHAIRING OF THE MEETING

The Board meeting shall be convened and presided over by the chairman of the Board; if the chairman of the Board is unable to or fails to perform his/her duties and responsibilities, the vice chairman of the Board shall convene and preside over the meeting. Where vice chairman of the Board is not appointed, or, if appointed, the vice chairman of the Board is unable to or fails to perform his/her duties and responsibilities, one of the Directors shall be elected by more than half of the Directors to convene and preside over the meeting.

ARTICLE 8 NOTICES ON THE MEETING

To hold regular meetings and extraordinary meetings of the Board, the Board shall deliver written notice of the meeting to all the Directors, supervisors, managers, and the secretary to the Board by hand, fax, email or other means as prescribed by the Articles of Association within 14 days and 5 days respectively in advance respectively. If not delivered by person, the delivery shall be confirmed by calls and relevant records shall be made.

Where the circumstance is urgent and requires an extraordinary meeting of the Board to be held as soon as practical, appropriate notice on the meeting may be circulated at any time by phone or other verbal means, but the convener shall make explanations at the meeting.

ARTICLE 9 CONTENTS OF THE NOTICE ON THE MEETING

A written notice on the meeting shall at least include:

- (1) the time and venue of the meeting;
- (2) the form in which the meeting is convened;
- (3) the matters (proposals) to be resolved;
- (4) the convener and the chairman of the meeting, the proposer of the extraordinary meeting as well as his/her written proposals;
- (5) meeting materials necessary for the Directors' voting;
- (6) the requirement on that a Director shall attend the meeting in person or shall appoint other Directors to attend the meeting on his/her behalf;
- (7) the contact person and contact method.

A verbal notice on meeting shall at least include the contents set out in paragraphs (1) and (2) above, as well as explanations for the convening of an extraordinary meeting of the Board under urgent circumstances.

APPENDIX VII RULES OF PROCEDURES OF THE BOARD OF DIRECTORS

ARTICLE 10 ALTERATION OF THE NOTICE ON THE MEETING

After a written notice on the regular meeting of the Board is issued, if the time or venue or such other details of the meeting needs to be changed or the proposals for the meeting need to be supplemented, revised or cancelled, a written notice on changes specifying the circumstances, the relevant details of the new proposals, and other relevant materials shall be distributed three days before the original date of the meeting. If the meeting is less than three days away, the meeting shall be correspondingly postponed or held as originally scheduled with the unanimous approval of the Directors attending the meeting.

After a notice on an extraordinary meeting of the Board is issued, if the time or venue or such other details of the meeting needs to be changed or the proposals for the meeting need to be added, changed or cancelled, prior approval of all the attending Directors shall be obtained and corresponding records shall be made.

ARTICLE 11 HOLDING OF THE MEETINGS

The meeting of the Board shall be held only when over half of the Directors attend the meeting. If the quorum of the meeting cannot be met as a result of Directors' refusal to attend or absence without reasons, the chairman of the Board and the secretary to the Board shall timely report such circumstances to the regulatory authority.

Supervisors may attend the meeting as non-voting delegates; managers, or the secretary to the Board who is not a Director shall attend the meeting as non-voting delegates. If considered necessary, the chairman of the meeting may notify other relevant persons to attend the meeting as non-voting delegates.

ARTICLE 12 PERSONAL ATTENDANCE AND ATTENDANCE BY PROXY AT THE MEETING

In principle, Directors shall attend the meeting of the Board in person. If they are not able to attend the meeting due to certain reasons, they shall read the meeting materials in advance, form clear opinions and appoint other Directors in writing to attend the meeting on their behalf. A letter of authorization shall indicate:

- (1) the names of the appointing party and his/her proxy;
- (2) brief opinions on every proposal made by the appointing party;
- (3) the scope of authorization of the appointing party and his/her instructions on voting intention in respect of the proposals;
- (4) the signature of the appointing party and the date, etc.

The Director who authorizes other Director to sign the written opinions for confirmation of the regular report shall make a special authorization in the letter of authorization.

APPENDIX VII RULES OF PROCEDURES OF THE BOARD OF DIRECTORS

The Director so appointed shall submit a letter of authorization to the chairman of the meeting, stating the details of such appointment on the shareholders' attendance list of the meeting.

ARTICLE 13 RESTRICTIONS ON ATTENDANCE BY PROXY

The following principles shall be observed by Directors appointing proxies to attend the meeting of the Board and the proxies so appointed:

- (1) when a connected transaction is being reviewed, a Director who is not a related party shall not appoint a Director who is a related party to attend the meeting, and a Director who is a related party shall not accept the appointment of any Director who is not a related party;
- (2) an independent Director shall not appoint any non-independent Director to attend the meeting, and a non-independent Director shall not accept the appointment of any independent Director;
- (3) a Director shall not appoint any other Director to attend the meeting to act on his/her behalf with full discretion without having explained his/her opinions and voting intentions on the proposals, and the relevant Directors shall not accept any appointment with full discretion or with unclear scope of authorization;
- (4) a Director shall not accept the appointment from more than two Directors, nor shall a Director appoint any Director that has accepted the appointment from other two Directors to attend the meeting on his/her behalf.

ARTICLE 14 FORM IN WHICH A MEETING IS HELD

In principle, the meeting of the Board shall be held on-site. When necessary, the meeting may also be held as voting via video, telephone, fax, or email, etc. upon consent of the convener (chairman of the meeting) and the proposer so long as the Directors are able to fully express their opinions. The meeting of the Board can also be held on-site in combination with other means.

In the case of meetings other than meetings held on-site, the number of attending Directors shall be calculated by including the Directors who are on the spot as shown by video, the Directors who have expressed opinions in the telephone conference, valid votes actually received within the prescribed deadline via fax, email, or the written confirmation letters submitted by the Directors proving that they have attended the meeting.

ARTICLE 15 CONSIDERATION PROCEDURES OF THE MEETINGS

The chairman of the meeting shall request all the Directors attending the meeting of the Board to express clear opinions in respect of each proposal.

With respect to the proposals that shall be approved in advance by the independent Directors according to relevant provisions, the chairman of the meeting shall, before considering relevant proposals, designate one independent Director to read out the written approval opinions reached by the independent Directors.

APPENDIX VII RULES OF PROCEDURES OF THE BOARD OF DIRECTORS

The chairman of the meeting shall restrain in a timely manner any Director who obstructs the normal conduct of the meeting or interrupts the speech of other Directors.

Unless it is unanimously agreed by all attending Directors, the meeting of the Board shall not vote on any proposal not included in the notice on the meeting. Where a Director accepts the appointment of any other Director to attend the meeting of the Board on his/her behalf, he shall not vote on the proposal not included in the notice on the meeting on behalf of any other Director.

ARTICLE 16 EXPRESSING OPINIONS

The Directors shall carefully read relevant meeting materials, and independently and prudently express their opinions in a fully informed manner.

A Director may inquire, prior to the meeting, the convener, managers, and other senior management, accounting firm and law firm and other relevant persons and institutions to obtain necessary information for decision-making, and may also propose to the chairman of the meeting during the course of the meeting to request the aforesaid persons and representatives of the institutions to attend the meeting to give relevant explanations.

ARTICLE 17 VOTE AT THE MEETING

After each proposal has been fully discussed on, the chairman of the meeting shall at an appropriate time require the attending Directors to vote on the proposal.

Voting for the meeting shall be executed by way of show of hands, written vote or any other means on the basis of one vote per person.

Resolutions of the Board meeting may be made by means of fax or circulation signed by Directors present at the meeting on the basis that each Director is ensured to fully express his/her opinions.

The voting intention of the Directors shall be divided into the following categories: affirmative, negative or abstaining from voting. The attending Directors shall choose any one of the aforesaid voting intentions. If any Director does not choose any intentions or simultaneously chooses two or more intentions, the chairman of the meeting shall require such Director to vote afresh. If such Director refuses to do so, he/she shall be deemed as abstaining from voting. If any Director leaves the meeting venue halfway without returning and thus does not make a choice, he/she shall be deemed as abstaining from voting.

ARTICLE 18 CALCULATION OF VOTING RESULTS

After the voting by the Directors present at the meeting, relevant personnel of the Office of the Board shall timely collect the Directors' votes, and pass them to the secretary to the Board for calculation under the supervision of one supervisor or independent director.

APPENDIX VII RULES OF PROCEDURES OF THE BOARD OF DIRECTORS

If the meeting is convened on-site, the chairman of the meeting shall announce the voting results forthwith. In other cases, the chairman of the meeting shall require the secretary to the Board to notify the Directors of the voting results before the next business day after the end of the specified voting time.

If the Directors vote after announcement of the voting results by the presider of the meeting or after the end of the specified voting time, their votes shall be disregarded.

ARTICLE 19 FORMATION OF RESOLUTIONS

Except for matters provided in Article 20 herein, a resolution on a proposal considered and passed at the Board meeting shall be voted for by more than half of all the Directors. Where any provision in any laws, administrative regulations or the Articles of Association prescribes a higher proportion of affirmative votes cast by Directors for the adoption of resolutions by the Board, such provision shall prevail.

Where the Board makes a resolution for guarantee matters within the scope of its powers according to the provisions in the Articles of Association, there shall be more than two-thirds of the Directors attending the meeting who cast affirmative votes, with more than half of all the Directors also casting affirmative votes.

In case there is any conflict between different resolutions in terms of contents or meaning, the resolution formed at a later time shall prevail.

ARTICLE 20 ABSTAINING FROM VOTING

A Director shall abstain from voting on the relevant proposals in any of the following circumstances:

- (1) where such abstaining is prescribed in the related laws, regulations, departmental rules and regulatory documents;
- (2) where the Director is of the view that he/she should abstain;
- (3) any other circumstances under which the Director shall abstain as a result of his/her being related to the enterprise involved in the proposal as prescribed in the Articles of Association;

Under the circumstances where any Director abstains from voting, the relevant meeting of the Board can be held if more than half of the non-related Directors attend the meeting, and the resolution thus formed shall be passed by more than half of the non-related Directors. Where there are less than three non-related attending Directors, the relevant matters shall instead be submitted to the general meeting of the shareholders for consideration.

ARTICLE 21 NON-EXCEEDING THE SCOPE OF AUTHORITY

The Board shall transact business in strict compliance with its scope of authority as mandated by the general meeting and as laid down in the Articles of Association, and shall not adopt any resolution beyond its authority.

APPENDIX VII RULES OF PROCEDURES OF THE BOARD OF DIRECTORS

ARTICLE 22 SPECIAL PROVISIONS ON DISTRIBUTION OF PROFITS

Where the meeting of the Board needs to make a resolution regarding the distribution of profits, it may first notify the certified public accountant of the preliminary distribution plan to be submitted to the Board, and require the certified public accountant to issue a draft of audit report based thereon (all financial data other than those relating to the distribution of profits shall have been ascertained). After making a resolution on the distribution of profits, the Company shall require the certified public accountant to issue a formal audit report, on the basis of which the Board shall make resolutions on other relevant matters.

In the event that the relevant laws, regulation, regulatory documents or regulatory rules and listing rules at the place of listing of the shares of the Company do not require the Company to obtain a formal audit report from a certified public accountant, the Board is not required to follow the preceding paragraph when deciding on the distribution of profits.

ARTICLE 23 ABORTED PROPOSALS

Where a proposal is not or fails to be passed at a meeting of the Board, any proposal with the same contents shall not be considered again before the period of one month has lapsed in the absence of any significant changes in the relevant conditions and factors.

ARTICLE 24 SUSPENSION OF VOTING

The chairman of the meeting shall require the subject matter to be postponed for voting at the meeting if more than half of the Directors present at the meeting or more than two independent directors consider the proposal to be indefinite and unspecific, or where an informed judgement cannot be made due to other reasons including inadequate meeting materials.

The Directors who suggest suspending the voting shall put forward specific requirements necessary for the resubmission of a proposal.

ARTICLE 25 AUDIO RECORDS OF MEETING

Where necessary, audio records may be made for the whole process of a meeting of the Board held on-site, via video or telephone and by other means.

ARTICLE 26 MINUTES OF MEETING

The secretary to the Board shall arrange the staff members of the Company to prepare the minutes of meeting for the meeting of the Board. The minutes of meeting shall include:

- (1) the number of session, time, venue of the meeting and the form in which the meeting is convened;
- (2) the delivery of the notice on the meeting;

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- (3) the convener and the chairman of the meeting;
- (4) whether the Directors attended the meeting in person or by proxy;
- (5) proposals considered at the meeting, the gist of every Director's speaking and main opinions in respect of relevant matters and the Directors' voting intents for the proposals;
- (6) the voting method and results of each proposal (the number of affirmative, negative and abstaining votes shall be specifically indicated);
- (7) such other matters which the attending Directors consider necessary to record.

ARTICLE 27 MEETING SUMMARY AND RESOLUTION RECORDS

In addition to the minutes of meeting, the secretary to the Board may also arrange staff members of the Company to make summarized record of the meeting when necessary, and to make separate records of the resolutions formed at the meeting based on the voting results.

ARTICLE 28 SIGNATURE OF THE DIRECTORS

The attending Directors shall sign their names on the minutes of meeting and record of resolution for confirmation on behalf of themselves or the Directors who appointed them to attend the meeting. If any Director holds dissenting opinions to the minutes of meeting or record of resolution, he/she may make a written note when signing his/her name. Where necessary, the Director may report the same to the regulatory authority or make a public declaration.

If any Director refuses to give confirmation by signature in accordance with the preceding paragraph, nor does he/she express dissenting opinions with written explanation, report his/her dissenting opinions to the regulatory authority or deliver a public declaration, such Director shall be deemed to be in total agreement with the contents of the minutes of meeting and records of resolutions.

ARTICLE 29 EXECUTION OF RESOLUTIONS

The chairman of the Board shall procure the related personnel to implement the resolutions formed by the Board, examine the implementation of resolutions, and report at future meetings of the Board the implementation of the resolutions adopted.

ARTICLE 30 MAINTENANCE OF MEETING ARCHIVES

The Board meeting archives including meeting notices, meeting materials, attendance book, letter of authorization for appointment of Director's proxy, audio record of the meeting, and votes, meeting minutes, meeting summary, resolution records and resolution announcement signed by the Directors present at the meeting shall be kept by the secretary to the Board.

The meeting archives of the meeting of the Board shall be kept for not less than 10 years.

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ARTICLE 31 SUPPLEMENTARY PROVISIONS

In these rules of procedure, reference to “over” shall be inclusive, and “more than” shall not be inclusive.

Matters not covered by the Rules shall be executed in accordance with the relevant applicable laws, regulations, regulatory documents, regulatory rules and listing rules at the place of listing of the shares of the Company including the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Listing Rules of Shanghai Stock Exchange (“Listing Place Regulations”) and the Articles of Association. In case of any conflict between these rules of procedure and the relevant applicable laws, regulations, regulatory documents, regulatory rules, the Listing Place Regulations and the Articles of Association, the latter shall prevail.

These rules of procedure are made by the Board and shall take effect after being submitted to and approved by the general meeting of the shareholders. The same applies for future revision of these rules of procedure.

These rules of procedure shall be subject to the interpretation by the Board.

APPENDIX VIII RULES OF PROCEDURES OF THE BOARD OF SUPERVISORS

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

CHAPTER I: GENERAL PROVISIONS

Article 1: In order to further improve the corporate governance structure of Jujiang Construction Group Co., Ltd. (hereinafter referred to as “the Company”) and ensure that the board of Supervisors can exercise the supervision power independently according to laws, this Rules of Procedure (the “Rules”) are hereby formulated in accordance with *Company Law of the People’s Republic of China* (hereinafter referred to as “Company Law”), *Securities Law of the People’s Republic of China* (hereinafter referred to as “Securities Law”), *Special Provision on Limited Liability Company’s Issuing Shares and Listing Overseas* promulgated by the State Council of China, *Prerequisite Provisions to the Articles of Association of Companies Seeking IPO Outside the PRC*, *Letter of Opinions on Supplement and Amendment to the Articles of Association of Companies Seeking IPO in Hong Kong*, *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited*, *the Guidelines for the Governance of Listed Companies*, *Proposed Model Rules of Procedure for board of Supervisors of Listed Companies on Shanghai Stock Exchange* and other applicable laws and regulations, departmental rules, regulatory documents and the articles of association of the Company (hereinafter referred to as the “Articles of Association”), taking into account the actual situation of the Company.

Article 2: The board of Supervisors shall exercise the right of supervision according to law and safeguard the right and interest of shareholders, the interest of the Company and the lawful right and interest of the employees from infringement.

Article 3: The Supervisors of the Company (hereinafter referred to as the “Supervisors”) shall perform their duties of supervision faithfully in compliance with laws, administrative regulations and the Articles of Association.

The Supervisors’ lawful exercise of their right to supervise should be protected by law and should not be interfered by any entity or individual.

Article 4: The Office of the board of Supervisors is established by the board of Supervisors to attend to the daily affairs of the board of Supervisors. The chairman of the board of Supervisors shall act as the head of the Office of the board of Supervisors and maintain the seal (if any) of the board of Supervisors. The chairman of the board of Supervisors may require the securities representative or other personnel of the Company to assist him/her in handling daily affairs of board of Supervisors.

CHAPTER II: NATURE AND POWERS OF THE BOARD OF SUPERVISORS

Article 5: The board of Supervisors, as the supervisory body established by this Company according to law, shall be held accountable to and responsible to report work to the general meeting of the shareholders.

APPENDIX VIII RULES OF PROCEDURES OF THE BOARD OF SUPERVISORS

Article 6: The board of Supervisors shall exercise the following functions and powers:

- (1) To review the Company's periodic reports made by the board of directors and give their opinions in writing;
- (2) To scrutinize the financial affairs of the Company;
- (3) To supervise the directors and senior management's performance of duties in the Company and propose the removal of any directors or senior management who have violated any laws, administrative regulations, the Articles of Association or any resolution adopted by the General Meeting;
- (4) To require any director or senior management to correct his/her act (if any) impairing the interest of the Company;
- (5) To check the financial report, operational report, profit distribution plan and other financial information to be submitted by the board of directors to the General Meeting, and, if found any doubt, to engage, in the Company's name, a certified public accountant or independent auditor to recheck;
- (6) To propose to convene an extraordinary general meeting of the shareholders, and to convene and preside over the general meetings when the Directors failed to so convene and preside over the general meetings as set forth in the Company Law;
- (7) To put forth proposals to the General Meeting;
- (8) To negotiate with any Directors for and on behalf of the Company or to bring proceedings against any Directors or senior management according to Article 152 of the Company Law;
- (9) To conduct investigation into any abnormal operating status, if any, of the Company; where necessary, to engage any professional institutions such as accounting firm and a law firm to assist in such investigation, at the expense of the Company;
- (10) Other powers as conferred by laws, administrative regulations, departmental rules, any rules laid down by the securities regulatory administration having jurisdiction over the listing of shares of the Company, the Articles of Association or powers as conferred by the General Meeting.

Article 7: In the event that any director or officer committed any unlawful act and severe misconduct, with the consent of over two-thirds of all Supervisors, the board of Supervisors shall have the right to make proposal to the general meeting for the removal of any Directors, or to the Directors for dismissal of any senior management.

APPENDIX VIII RULES OF PROCEDURES OF THE BOARD OF SUPERVISORS

Article 8: Where the board of Supervisors considers any resolution adopted by the board of directors is contrary to laws, administrative regulations and the Articles of Association or to the detrimental of the employee's interest, the board of Supervisors may resolve to propose to the board of directors to reconsider such resolution. Where the board of directors refuses to adopt such proposal or considers no change shall be made to the original resolution after reconsideration, the board of Supervisors shall notify the shareholders until proposal to convene and Extraordinary Meeting to resolve the matter is made.

Neither the Supervisors nor the board of Supervisors shall assume responsibility for any resolution adopted by the board of Directors. Nevertheless, in the event the board of Supervisors fails to propose to the board of directors for reconsideration and to notify the shareholders as specified in the preceding paragraph, it shall be deemed to be a dereliction of duty of the board of Supervisors and the board of Supervisors shall be held liable in accordance with law.

In the event that the board of Supervisors finds any director or executive officer to have committed an act against laws, administrative regulations, departmental rules, any rules laid down by the securities regulatory administration having jurisdiction over listing of shares of the Company, and the Articles of Association, the board of Supervisors can report to the board of directors and/or the General Meeting, and/or directly to the securities regulatory administration having jurisdiction over listing of shares of the Company, governmental departments or other authorities.

Article 9: In the event that board of directors fails to convene an Extraordinary Meeting within the prescribed time as required, the board of Supervisors may adopt a resolution to request the board of directors to convene an Extraordinary Meeting in any of the following circumstances:

- (1) When the number of directors of the Company was less than the quorum stipulated in the *Company Law* (i.e. a quorum of 5) or two-thirds of the quorum stipulated in the Articles of Association;
- (2) When the Company's uncovered loss has amounted to one-third of the total paid share capital;
- (3) When requested by shareholders holding, individually or collectively, more than 10% shares in this Company;
- (4) When proposed by the board of Supervisors;
- (5) Other circumstances specified by laws, administrative regulations, departmental rules or the Articles of Association. The board of Supervisors should convene and chair the General Meeting in a timely manner in the event that the board of directors could not perform or failed to perform the duty to convene and chair the General Meeting.

Article 10: The Company shall provide the necessary working conditions and the necessary funding for business activity for Supervisors to perform their duties. Such funding shall be disbursed in accordance with the relevant financial regulations. The business units of the Company shall assist the Supervisors to perform their duties, and shall not act in a resisting, prevaricating or thwarting manner.

Article 11: The expenses incurred by the board of Supervisors for exercising their powers shall be borne by the Company.

CHAPTER III: ELECTION OF BOARD OF SUPERVISORS

Article 12: The board of Supervisors is comprised of four Supervisors, including:

- (1) Two representatives of the employees (representing one-third of the total number of Supervisors);
- (2) Two external Supervisors.

Article 13: The Supervisors representing the shareholders on the board of Supervisors shall be elected and removed by the General Meeting of shareholders. In case of voting on election of Supervisors on the General Meeting, the cumulative voting mechanism should be adopted in accordance with the Articles of Association or by the resolution adopted by the General Meeting. In the event that more than two Supervisors are to be elected at the General Meeting, the cumulative voting mechanism should be adopted.

The “Cumulative Voting Mechanism” mentioned in the preceding paragraph refers to circumstances where the General Meeting is electing more than two Supervisors, each share shall have the voting power identical to the number of Supervisors to be elected and voting power of the shareholders can be exercised collectively. The Supervisors as the representatives of employees of the company shall be elected and removed by the employees of this Company through the employees’ congress or employees’ meeting or in any democratic form.

Article 14: The board of Supervisors shall have a chairman whose appointment and dismissal should be resolved by more than two-thirds of all the Supervisors.

The chairman of the board of Supervisors shall convene and chair the meeting of the board of Supervisors. In the event that the chairman of the board of Supervisors could not or failed to perform his/her duties, a Supervisor shall be elected by more than half of the Supervisors to convene and chair the meeting of the board of Supervisors.

Article 15: The tenure of a Supervisors is three years. Supervisors may be re-elected or re-appointed for another consecutive term. The General Meeting of the shareholders or the employees’ congress shall not remove any supervisor from his/her office without cause until and unless his/her term of office expires. The Company, the board of directors or managers shall not dismiss any employee without cause when he/she is acting as a supervisor of the Company.

Article 16: The supervisor may resign before the expiry of his/her term of office. In the event that no new supervisor has been re-elected upon expiry of a supervisor’s term of office or upon the resignation of a supervisor, where the number of Supervisors falls below the quorum, the former supervisor should fulfill his/her duties in accordance with laws, administrative regulations, department rules and the Articles of Association unless and until the succeeding supervisor has assumed office.

CHAPTER IV: THE SUPERVISORS' QUALIFICATION, RIGHTS AND OBLIGATIONS

Article 17: A supervisor shall in general have the following qualifications:

- (1) Being capable of protecting the legitimate rights and interests of the Company and all of the shareholders;
- (2) Adhering to the principle and being fair and honest;
- (3) Having the experience suitable to act as Supervisors.

Article 18: A person shall not serve as the supervisor of the Company under any of the following circumstances:

- (1) Having no or limited civil capacity;
- (2) Having been imposed of a penalty due to corruption, bribery, encroachment of property, misappropriation of property or destruction of the socialist market economic order, where the penalty has been imposed for not longer than 5 years, or having been deprived of political right due to a crime, where the penalty has been imposed for not longer than 5 years;
- (3) Having been served as a director, president or manager of a bankrupt or liquidated company or enterprise, or being personally liable for such company or enterprise's bankruptcy, where date of such bankruptcy liquidation has not exceeded a period of 3 years;
- (4) Having been served as the legal representative of a company or enterprise which has its business license being revoked or has been ordered to be closed, or being personally liable for such revocation or closure, where the date of being revoked of business license has not exceeded a period of 3 years;
- (5) Personal debt in relatively large amount remains outstanding;
- (6) Having been imposed of a penalty for non-admission to securities market by China Securities Regulatory Commission, where the non-admission remains unexpired;
- (7) Being registered and investigated by judicial authorities for offending criminal law, with the lawsuit unsettled;
- (8) Being incompetent to act as a corporate leader as stipulated by laws or administrative regulations;
- (9) Being a non-natural person;

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(10) Having been convicted by a competent authority of violating provisions of securities laws and regulations, which involved fraud or dishonest act, where the date of ruling has not exceeded a period of 5 years;

(11) Other cases as specified by laws, administrative regulations or departmental rules.

Article 19: No directors, manager and senior managerial staff of the Company shall concurrently hold the office of a supervisor.

Article 20: The election or appointment of any supervisor in violation of Article 18 and Article 19 hereof shall be invalidated.

A supervisor shall be removed from office in the event any circumstance specified in Article 18 and Article 19 hereof occurred during his/her term of office.

Article 21: The Supervisors are entitled to attend the meetings of the board of directors as a non-voting delegate who has the right to make inquiries or proposal. The Supervisors shall have the right to inspect the Company's business and financial condition, to review the financial books and documents, to request the directors or the managers to report any affairs concerned. The Supervisors shall have the right to inspect and review various financial statements drawn up by the Company for each fiscal year (including business report, property inventory, balance sheet, income statement) and provide written opinions. The Supervisors shall have the right to exercise any other right of supervision in accordance with the provisions of the Articles of Association and the authorization from the board of Supervisors. The Supervisors should be held accountable to all shareholders and shall have the right to be informed of the Company's operating status and shall undertake their corresponding obligation of confidentiality.

Article 22: The chairman of the board of Supervisors shall exercise the following functions and powers:

- (1) To convene and chair the meeting of the board of Supervisors;
- (2) To inspect the implementation of resolutions adopted by the board of Supervisors;
- (3) To report work progress to the General Meeting for and on behalf of the board of Supervisors. In the event that the chairman could not or failed to perform his/her duties, a supervisor shall be elected by more than half of the Supervisors to perform such duties.

Article 23: The Supervisors owes the duty of loyalty and diligence to the Company and shall abide by the laws, administrative regulations and the Articles of Association. The Supervisors shall not abuse their power to accept bribes or other illegal income, and shall not encroach the property of the Company.

The Supervisors shall ensure that the information disclosed by the Company is true, authentic, and complete. The Supervisors shall not take advantage of his/her connections to undermine the interest Company. Supervisors who have caused loss to the Company shall be liable for indemnification.

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Article 24: Neither the Supervisors nor the board of Supervisors should interfere or participate in daily management activities of the Company and the appointment and removal of personnel.

Article 25: A Supervisor shall be liable for indemnification if he/she, in discharging his/her duties, has violated the laws, regulations, departmental rules or the Articles of Association thereby causing damage to the Company.

Article 26: In the event the Supervisors fails to fulfill their supervisory duties and causes major damage to the Company's interest, the interest of the shareholders or the interest of the employees during their terms of office, such Supervisors shall be held liable according to the degree of fault pursuant to the laws and administrative regulations. The General Meeting of the shareholders or the employee's congress may remove such Supervisors from the office in accordance with the prescribed procedures.

CHAPTER V: RULES OF PROCEDURES OF THE BOARD OF SUPERVISORS

Article 27: Meetings of the board of Supervisors shall be in the form of regular meetings and extraordinary meetings.

At least one regular meeting of the board of Supervisors shall be held every six months. A notice of meeting shall be given in writing to all Supervisors 10 days prior to the meeting of the board of Supervisors.

Article 28: The board of Supervisors shall convene an extraordinary meeting within ten days in any of the following circumstances:

- (1) When any Supervisor so requests;
- (2) When the General Meeting or a meeting of the Board passed resolutions in violation of laws, administrative rules and regulations, regulatory documents of securities regulatory authorities, the Articles of Association, the resolutions of General Meeting and other relevant provisions;
- (3) When the malpractice of the directors and the senior management may cause material damage or result in material adverse effect in the market;
- (4) When lawsuits are filed by shareholders against the Company, directors, Supervisors and the senior management;
- (5) When the Company, directors, Supervisors and senior management are punished by securities regulatory authorities or censured publicly by the securities exchange on which the shares of the Company are listed;
- (6) When any competent governmental department so requests;
- (7) Other circumstance required by the Articles of Association.

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Where the board of Supervisors convenes an extraordinary meeting of the board of Supervisors, a 2-day prior notice of meeting shall be given in writing to all Supervisors. Where the circumstance is urgent and requires an extraordinary meeting of the board of Supervisors to be convened as soon as practicable, the notice of the meeting shall be given by phone or other verbal means (not subject to the aforesaid 2-day prior notice). In the case where the extraordinary meeting is convened under urgent circumstances, the convener shall make explanations at the meeting.

Article 29: The Office of the board of Supervisors shall collect proposals from all Supervisors prior to issuing the notice to convene a regulatory meeting and shall seek opinions from the employees of the Company. In respect of proposal collecting and opinion seeking, the Office of the board of Supervisors shall explain that the focus of the board of Supervisors is on the supervision of the standardized operation of the Company and the acts of directors and senior management rather than the decision on the operation and management of the Company.

Article 30: Where the Supervisors propose to convene the extraordinary meeting, written proposal signed by the proposing Supervisors shall be submitted through the Office of the board of Supervisors or directly to the Chairman of the board of Supervisors. The written proposal shall include:

- (1) The name of the proposing Supervisor;
- (2) The reasons for the proposal or objective facts/causes on which the proposal is based;
- (3) The time or timeframe, venue and form of the proposed meeting;
- (4) The proposals in clear and specific terms;
- (5) The contact information of the proposing Supervisor and the date of proposal, etc.

The Office of the board of Supervisors shall issue the notice to convene the extraordinary meeting within 10 days upon the Office of the board of Supervisors or the chairman of the board of Supervisors receives the written proposals of the Supervisors.

Where the Office of the board of Supervisors deliberately delays or withholds such notice, the proposing Supervisor shall timely report to the supervisory authorities.

Article 31: To hold regular meetings and extraordinary meetings of the board of Supervisors, the Office of the board of Supervisors shall submit written notice of the meeting to all Supervisors by hand, fax, email or other means. If not delivered by person, the delivery shall be confirmed by calls and relevant records shall be made.

Article 32: After the written notice of a meeting of the board of Supervisors is issued, if the time or venue or such other details of the meeting needs to be changed, or the proposals for the meeting need to be supplemented, revised or cancelled, a 2-day prior written notice on changes specifying the circumstances,

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and details and related materials of the new proposals shall be provided. If the meeting is less than 2 days away, the meeting of the board of Supervisors shall be correspondingly postponed or held as originally scheduled with the unanimous consent of all attending Supervisors.

After the notice of an extraordinary meeting of the board of Supervisors is issued, if the time or venue or such other details of the meeting needs to be changed or the proposals for the meeting need to be supplemented, revised or cancelled, prior consent of all attending Supervisors shall be obtained ahead of schedule and corresponding records shall be made.

Article 33: A written notice on the meeting shall at least include:

- (1) The time, date, venue and duration of the meeting;
- (2) The matters (proposals) to be reviewed;
- (3) The form of the meeting;
- (4) The convener and the chairman of the meeting, the proposer of the extraordinary meeting as well as the written proposals;
- (5) Meeting materials necessary for the Supervisors' voting; Supervisors
- (6) The requirement on personal attendance by Supervisors; Supervisors
- (7) The contact person and contact method;
- (8) The date of the notice.

A verbal notice on meeting shall at least include the contents set out in paragraphs (1), (2) and (3) above, and explanations for the convening of an extraordinary meeting of the board of Supervisors under urgent circumstances.

As far as practicable, all documents relevant to the meeting of the board of Supervisors shall be served to each Supervisor at the time the notice of the meeting is served on the Supervisors. In the event that the materials cannot be served to the Supervisors together with the notice, such materials shall be served to all Supervisors before the meeting. The Supervisors should carefully read the materials delivered by the board of Supervisors and prepare their opinions.

Article 34: Meeting of the board of Supervisors shall be held on-site as far as practicable. Where an extraordinary meeting of the board of Supervisors has to be held, the Supervisors may vote by means of telecommunication, however, the convener (the chairman of the meeting) shall describe the emergency in details to the attending Supervisors. In case of voting by means of telecommunication, Supervisors shall fax their written opinions on the matters under consideration and the voting intention to the Office of the board of Supervisors after confirmation by signature.

APPENDIX VIII RULES OF PROCEDURES OF THE BOARD OF SUPERVISORS

Article 35: The meeting of the board of Supervisors shall be held when more than two-thirds of the Supervisors attend the meeting. If the quorum of the meeting cannot be met as a result of the supervisor's refusal to attend or absence without reasons, other Supervisors shall make prompt report to securities regulatory authorities.

The secretary to the board of directors and securities representative shall attend the meeting of board of Supervisors as non-voting attendees.

Article 36: The Supervisors shall attend the meeting of board of Supervisors in person. If any of the Supervisors is not able to attend the meeting due to certain reasons, he/she may either submit his/her written opinions or written voting in advance or authorize another supervisor to attend on his/her behalf by giving a written power of attorney;

The power of attorney should specify the alternate supervisor's name, matters that are authorized, scope of authority and term of validity, and shall be signed or stamped by the appointing supervisor. The supervisor who authorizes other supervisor to sign the written opinions for confirmation of the regular report shall make a specific authorization in the letter of authorization.

The supervisor so authorized shall submit to the chairman of the meeting his written power of attorney and state the details of such appointment on the attendance register. Any Supervisors who attend a meeting as a proxy shall exercise the right within the scope of authority. If a supervisor is unable to attend a meeting of the board of Supervisors in person and has not appointed a representative to attend on his/her behalf, he/she shall be deemed having waived his/her voting right in respect to that meeting.

Article 37: The chairman of the meeting shall request the attending supervisor to express definite opinions on each proposal. The chairman of the meeting shall restrain in a timely manner any supervisor who obstructs the normal conduct of the meeting or interrupts the speech of other Supervisors. Unless it is unanimously agreed by all attending Supervisors, the meeting of the board of Supervisors shall not vote on any proposal not included in the notice of the meeting. Where a supervisor accepts the appointment of any other supervisor to attend the meeting of the board of Supervisors on his/her behalf, he/she shall not vote on the proposal not included in the notice on the meeting on behalf of any other supervisor.

Article 38: Upon proposal by the Supervisors, the chairman of the meeting of the board of Supervisors shall require relevant directors, senior management, other employees of the Company or the personnel of relevant intermediary bodies to attend the meeting to receive inquiry.

Article 39: The Supervisors can require any directors, senior management and internal or external auditors of the Company to attend the meeting and respond to all inquiries of the Supervisors.

Any directors, senior management and internal or external auditors of the Company shall truthfully provide the related circumstances and information to the Supervisors, instead of hindering the Supervisors' exercising their official powers;

Article 40: Voting for the meeting shall be executed by way of show of hands or written vote. In the event that any supervisor calls for open ballot, voting by open ballot should be adopted.

APPENDIX VIII RULES OF PROCEDURES OF THE BOARD OF SUPERVISORS

Voting on any resolution at meeting of the board of Supervisors shall be on the basis of one vote per person. The resolution of board of Supervisors shall only be adopted when two-thirds of all Supervisors cast affirmative votes.

In case there is any conflict between different resolutions in terms of contents and meaning, the resolution formed at a later time shall prevail.

Article 41: After each proposal has been fully discussed on, the chairman of the meeting shall at an appropriate time require the attending Supervisors to vote on the proposal. The voting intention of the Supervisors shall be divided into the following categories: affirmative, negative or abstaining from voting. The attending Supervisors shall choose any one of the aforesaid voting intentions. If any supervisor does not choose any intentions or simultaneously chooses two or more intentions, the chairman of the meeting shall require such supervisor to vote afresh. If such supervisor refuses to do so, he/she shall be deemed as abstaining from voting. If any supervisor leaves the meeting venue halfway without returning and thus does not make a choice, he/she shall be deemed as abstaining from voting.

Article 42: If voting by a show of hands is taken, the chairman of the meeting should timely count the votes when the attending Supervisors are casting their votes. If voting by open ballot is taken, upon completion of voting by the attending Supervisors, the staff members from the office of the board of Supervisors shall timely collect and count the Supervisors' votes.

If the meeting is held on-site, the chairman of the meeting shall announce the voting results forthwith at the meeting venue. In other cases, the chairman of the meeting shall notify the Supervisors of the voting results before the next business day after the end of the specified voting time.

If the Supervisors vote after announcement of the voting results by the chairman of the meeting or after the end of the specified voting time, their votes shall be disregarded.

Article 43: Where a proposal is not or fails to be passed at a meeting of the board of Supervisors, any proposal with the same contents shall be not considered again before the period of one month has lapsed in the absence of any significant changes in the relevant conditions and factors.

Article 44: The chairman of the meeting shall require the proposal to be postponed for voting at the meeting if more than half of the attending Supervisors consider the proposal to be indefinite and unspecific, or where an informed judgement cannot be made due to other reasons including inadequate meeting materials.

The Supervisors who suggest suspending the voting shall put forward specific requirements necessary for the resubmission of a proposal.

Article 45: In respect of a meeting of the board of Supervisors, audio record may be made, if necessary, for the whole meeting.

Article 46: The staff members of the office of the board of Supervisors shall prepare the minutes of meeting for on-site meetings. The minutes of meeting shall include:

- (1) The number of session, time, venue of the meeting and the form in which it is held;
- (2) The circulation of the notice on the meeting;
- (3) The convener and the chairman of the meeting;
- (4) The attendance of the meeting;
- (5) Proposals considered at the meeting, the gist of every supervisor's speaking and main opinions in respect of relevant matters and voting intentions for the proposals;
- (6) The method and results of voting on each proposal (the number of affirmative, negative and abstaining votes shall be specifically indicated);
- (7) Such other matters which the attending Supervisors consider necessary to record.

For any meeting of the board of Supervisors convened in the mode of telecommunication, the office of the board of Supervisors shall prepare the minutes of meeting by reference to the above provisions.

Article 47: Minutes of meetings shall be confirmed by the Supervisors present at the meeting with their signatures. If any supervisor holds dissenting opinions to the minutes of meeting, he/she may make a written note when signing his/her name. Where necessary, the supervisor may also report the same to the regulatory authority or make a public declaration.

If any supervisor does not give confirmation by signature in accordance with the preceding paragraph, nor does he/she express dissenting opinions with written explanation, nor does he/she report his/her dissenting opinions to the regulatory authority or make a public declaration, such supervisor shall be deemed to be in total agreement with the contents of the minutes of meeting.

Article 48: The announcement of the resolutions adopted by the board of Supervisors shall be made by the secretary to the board of directors and the Company's securities affairs representative according to the regulatory rules and listing rules at the place of listing of the shares of the Company.

Before the announcement of the resolutions is made, attending Supervisors attending, other personnel attending as a non-voting delegates, recording staff and service staff shall observe the duty of confidentiality on all proceedings discussed,

Article 49: Supervisors shall procure the relevant personnel to implement the resolutions adopted by the board of Supervisors. The chairman of the board of Supervisors shall report at future meetings of the board of Supervisors the implementation of resolutions adopted.

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Article 50: The board of Supervisors meeting archives, including the meeting notices, meeting materials, attendance lists of the meeting, audio record of the meeting, votes, and meeting minutes, resolutions and their announcement signed and acknowledged by the attending Supervisors for confirmation, shall be kept as the archive of the Company for a period of not less than 10 years.

Article 51: The Supervisors shall assume liability for the resolutions adopted by the board of Supervisors. Where a resolution of the directors is in violation of laws, administrative regulations, the Articles of Association or the resolution adopted by the General Meeting, thereby causing loss to the Company, the Supervisors who took part in the resolution shall be held liable to for indemnification. However, where a supervisor can prove that he/she has expressed opposition to such resolution when it was put to vote, and that such opposition was recorded in minutes of the meeting, that supervisor may be relieved from such liability.

Article 52: Announcement on resolutions adopted by the board of Supervisors shall be handled by the secretary to the Directors in accordance with Model Rules of Procedures of the board of Supervisors of Listed Companies on Shanghai Securities Exchange, the Rules Governing Listing of Securities on Stock Exchange of Hong Kong Limited or the like regulatory provisions and listing rules of the place where the shares of the Company are listed (hereinafter referred to as the “Listing Regulatory Provisions”).

CHAPTER VI: SUPPLEMENTARY PROVISIONS

Article 53: Matters not covered by the Rules shall be executed in accordance with the relevant applicable laws, regulations, regulatory documents, the Listing Regulatory Provisions and the Articles of Association. In case of any conflict between the Rules and the relevant applicable laws, administrative regulations, regulatory documents, the Listing Regulatory Provisions and the Articles of Association, the latter shall prevail.

Article 54: In the Rules, the reference of “above”, “below” or “no more than” shall be inclusive and “over”, “lower than” or “more than” shall not be inclusive.

Article 55: The Rules, as an appendix to the Articles of Association shall be drafted by the board of Supervisors and shall not be put into force unless and until the Rules are considered and adopted by the General Meeting of the shareholders. On the date when the Rules have come into force, the original version shall be invalidated automatically.

Article 56: The Rules shall be subject to the interpretation by the board of Supervisors.

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

I. RULES FOR DISCLOSURE OF INFORMATION

Chapter I General Rules

Article 1 In order to regulate and standardize the disclosure of information for Jujiang Construction Group Co., Ltd. (hereinafter referred to as “the Company”), guarantee disclosed information is true, exact and complete, promote the Company to operate in accordance with laws and regulations and protect legal interests of the Company and its investors, and according to relevant provisions in laws and regulations like *Company Law*, *Securities Law*, *Management Method for Information Disclosure of Listed Companies*, *Rules Governing the Listing of Securities on Shanghai Stock Exchange* (hereinafter referred to as *SSE Listing Rules*) and *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* (hereinafter referred to as “HK Listing Rules”) as well as the articles of association of the Company (“Articles of Association”), these rules (the “Rules”) are formulated.

Chapter II Principles of Information Disclosure

Article 2 Information disclosure mentioned in the Rules refers to the act of disclosing the information, which is not yet known to the investors and possibly causes major influence to the Company, to shareholders in specified time and ways.

Article 3 Information disclosure shall show the principles of being open, fair and just for all the shareholders, disclose true, exact, complete and timely information to all the investors, and ensure no false information, misleading statements or major omitting of information. The Company’s information disclosure methods shall not give any priority to any people or any kinds of people in securities trade. The Company’s information disclosure methods shall not cause the existing information not to be reflected in the securities transaction in Stock Exchange of Hong Kong.

Information disclosure is a continuous responsibility and the Company shall honestly perform its obligation of continuous information disclosure.

Article 4 When the Company and other obligors for information disclosure shall submit announcement documents and relevant documents for future reference to Shanghai Stock Exchange and Stock Exchange of Hong Kong, and issue them in the media specified by China Securities Regulatory Commission (“CSRC Specified Media”).

The obligors for information disclosure shall not issue information on the Company’s website or other media earlier than on CSRC Specified Media, and shall not replace the report or announcement obligation to be performed with other ways like press release or answering reporters’ questions, and not discharge ad hoc report obligations with regular reports.

Article 5 Information disclosure shall be in accordance with laws and regulations, national unified accounting systems as well as relevant provisions of supervision authorities.

Chapter III Content of Information Disclosure

Article 6 Ad hoc reports the Company legally and publicly issue to outside include announcements of resolutions in general meeting of shareholders, announcements of resolutions in the board of directors, announcements of resolutions in the board of supervisors, announcements of assets purchase and sales, announcements of related party transactions, supplementary announcements, correction announcements and other announcements for major events as well as other events to be disclosed as securities exchanges deem necessary.

Article 7 Related party transaction shall be focused on the transactions of directors and the Company (e.g.: directors acquiring real properties) and the transactions of joint ventures and shareholders. Transactions to be announced shall be focused on equity transactions (e.g.: equity purchase and company establishment) and transactions of large consideration and not in the course of normal business (e.g.: land acquisition, loans, purchase, lawsuits and sales). The price sensitive information shall be focused on the control of publicity consistency to media.

Article 8 Regular reports that the Company shall legally and publicly issue to outside include quarterly reports, interim reports and annual reports.

Article 9 The prospectus that the Company publishes for issuing new stocks, share allotment explanation letters published for allotting shares, announcement for commencement of listing and announcement for issuing convertible bonds.

The prospectus that the Company formulates for issuing new stocks shall be in accordance with relevant regulations by the China Securities Regulatory Commission. All the information that has major influence on investors making investment decisions shall be disclosed in the prospectus. After the application for public issue of A share is examined and approved by China Securities Regulatory Commission, the Company shall announce the prospectus before issuing the securities.

When the issuer applies for initial public offering (IPO) of its A Share, after China Securities Regulatory Commission accepts the application documents and before issuance examination committee examines them, the issuer shall disclose the application draft of prospectus in advance on the website of China Securities Regulatory Commission.

Article 10 The documents like reports and applications that the Company submits to relevant government departments and possibly cause major influence on the Company's share price.

Article 11 News media's reports on the Company's major decisions and business circumstances

Chapter IV Procedures of Information Disclosure

Article 12 The Company shall manage the information disclosure according to degree of importance. The head of the department that provides information shall carefully examine relevant information and sign it for confirmation. The information shall be reviewed by Information Disclosure Office before being issued.

Article 13 For related party transactions, no matter how much the amounts are, they shall be filled into the information disclosure forms, and the list of related companies shall be updated in time. It shall be reported to Information Disclosure Office and copied to various related business departments.

Article 14 If the Company is not sure if relevant issues must be timely disclosed or not, it shall report them to supervision authorities to examine and decide whether to disclose as well as time and method of disclosure.

Article 15 In the event of equity transactions or land acquisition involving large consideration, the Company's Enterprise Development Center must fill in information disclosure report forms; in the event of loans of large amount, external security or pledge or loans from entities, the Company's Financial Department must fill in information disclosure report forms; in the event of purchase or sales involving large consideration, the Company's Sale Management Center must fill in information disclosure report forms; if lawsuits are involved, the Company's Legal Department must fill in information disclosure report forms.

Article 16 If Company's publicity materials include sensitive information about the Company's business performance and financial data or share price sensitive information (e.g. signing of significant agreements, fund-raising activities, commitments upon profit or dividend prospect, signing agreements for issuing convertible securities and occurrence of major foreign exchange loss), such publicity materials shall be reported to Information Disclosure Office for examination and approval.

Chapter V Management of Internal Reports

Article 17 Information reports that the Company needs in daily business activities can be classified into regular reports and instant reports.

Article 18 Regular reports refer to periodic information reports about the Company's business and operation situations in certain time period. Regular reports of the Company include annual reports, interim reports and quarterly reports. All the information that has major influence on investors making investment decisions shall be disclosed, mainly involving company data, financial data, chairman reports, business overview as well as discussion and analysis of management level.

1. Annual reports shall be completed with formulation within 4 months after the end date of each accounting year, reported to supervision authorities within 2 working days after the deliberation of the board of directors, issue them outside in specified time, through specified channels and in specified way after they are approved, and disclose the abstracts of annual reports on specified newspapers, and disclose the whole annual reports on specified websites. If they cannot be disclosed in time for special reasons, the permission to delay shall be applied for from local supervision authority with at least 15 working days in advance.
2. Interim reports shall be completed with formulation and disclosed within 2 months after the end date of the first half year of each accounting year.

3. Quarterly reports shall be completed with formulation and disclosed within 1 month after the ends of the third and ninth months of each accounting year.

The Company shall announce financial statements twice in each accounting year, announcing interim financial reports within 60 days after the end of the first 6 months of one accounting year and announcing annual financial statements within 120 days after the end of the accounting year.

If the Company's disclosure of financial statements is otherwise specified in laws, regulations or by local securities supervision authorities where the Company's shares are listed, it shall be followed.

Article 19 Instant information reports refer to illustrative reports and internal information including documents promulgated by the Company and meeting minutes etc., for emergency situations that the Company comes across during operation and possibly causes major influence on the Company's operation.

Article 20 Company internal reports refer to the documents that different departments formulate according to the needs of company internal management, the aim to realize Company strategy, the core focus on decision-making and control, in order to provide documents that contains information which is guaranteed to be relevant, reliable and comparable information. They are transferred within the Company by way of reporting level by level. Various levels of management staff shall make good use of internal information reports to guide the Company's production and operation activities and guarantee the Company realizes its development targets.

Article 21 The Company's President Office shall be the department for centralized management and filing of internal reports, and various departments shall be responsible for the formulation, analysis, filing and management of internal reports of functional department level.

Chapter VI Information Secrecy and Responsibility Investigation

Article 22 The Company's directors, supervisors and senior management staff as well as the staff that have contact with the information to be disclosed shall have the responsibilities and obligations to keep the information that has major influence on the Company's business operation and has not been disclosed confidential. When the Company sign employment contracts with the people mentioned above, it shall be specified in the contracts that they shall keep the information they have contact with in work confidential and not disclose it. If relevant staff cause information disclosure due to neglect of duty, which leads to severe influence or loss to the Company, the relevant staff shall be punished with notification, warning or even release from duties and liable to compensate the Company .

Article 23 When the board of directors learns that undisclosed information has been revealed or the Company's business operation has abnormally fluctuated because of the influence of such information, the Company shall disclose the information immediately.

Article 24 If the advisors, staff of intermediary or related parties that are employed by the Company arbitrarily disclose the Company's information, which causes losses to the Company, the Company reserves the right to investigate relevant responsibilities.

VII Supplementary Provisions

Article 25 If the Rules has any conflict with relevant standardizing documents like national laws and regulations as well as the Articles of Association, such standardizing documents like national laws and regulations as well as the Articles of Association shall prevail, and the Rules shall be modified promptly.

Article 26 The Company shall establish a professional team to be responsible for the guidance of information disclosure and examination of regular reports; the team members shall be appointed by the board of directors.

Article 27 The board of directors reserves the right of interpretation of the Rules.

Article 28 The Rules come into force from the date when it is approved in general meeting of shareholders of the Company.

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

II. RULES FOR EXTERNAL INVESTMENT MANAGEMENT

Chapter I General Rules

Article 1 These Rules (“Rules”) are formulated for the purpose of regularizing the external investment of Jujiang Construction Group Co., Ltd. (hereinafter referred to as “the Company”), increasing investment benefits, avoiding risks of investment, using capital effectively and reasonably and maximizing the time value of capital, in accordance with relevant rules of the *Company Law of the People’s Republic of China* (hereinafter referred to as “Company Law”), *Securities Law of the People’s Republic of China* (hereinafter referred to as “Securities Law”), *Rules Governing the Listing of Securities on Shanghai Stock Exchange*, and other laws and regulations of China, and combining company system of article of association, rules of procedure of general meeting, and rules of procedure of the board of directors of the Company (the “Board”).

Article 2 External investment in these Rules refers to the various external investments made by the Company with certain amount of monetary capitals, equity and evaluated tangible or intangible assets for the purpose of obtaining benefits in future.

Article 3 External investment is categorized into short-term investment and long-term investment according to the duration of investment. Short-term investment refers to the investments with the holding period not more than a year (including a year), which could be liquidated at any time and, including various kinds of shares, bonds, funds and insurance with dividends, etc.

Long-term investment refers to the investments with holding period more than a year, which could not be liquidated at any time or are not supposed to be liquidated, including bond investment, share investment and other investment, including but not limited to:

- (i) Enterprise solely invested by the Company or business projects with sole capital contribution by the Company;
- (ii) Joint venture, cooperative companies, or development projects founded by the Company with independent legal entity or natural person in and abroad;
- (iii) Equity participation in independent legal entities in PRC or overseas;
- (iv) Lease of operation assets, entrusted operation or joint operation with others;
- (v) Other investments the Company could made according to laws.

Article 4 Basic principles of investment management: Conform to development strategy of the Company, reasonably distribute corporate resources, promote elements optimization combination and create good economic benefits.

Article 5 These Rules is applicable to all the external investments of the Company and the wholly-owned subsidiaries and holding subsidiaries.

Chapter II Examination and Approval Authority of External Investment

Article 6 The following investments shall be subject to the approval of general meeting after consideration of the Board:

1. Total assets of such external investment (the higher shall prevail in case of both book value and assessed value) account for over 50% of last audited total assets of the Company;
2. Turnover amount of such external investment (including debts and cost undertaken) accounts for over 50% of last audited net assets of the Company, and absolute amount exceeds RMB 50 million;
3. Profits of such external investment account for over 50% of last audited net profits of the Company, with absolute amount exceeding RMB 5 million;
4. Operating revenue of such external investment object (in case of equity investment) in last accounting year accounts for over 50% of last audited operating revenue of the Company, with absolute amount exceeding RMB 50 million;
5. Net profit of such external investment object (in case of equity investment) in last accounting year accounts for over 50% of last audited net profit of the Company, with absolute amount exceeding RMB 5 million;

If the abovementioned indicators are of negative value, the absolute value shall be used for calculation.

Article 7 The following external investments shall be examined and approved by the Board:

- (i) Total assets in the transaction (the higher shall prevail in case of both book value and assessed value) account for over 10% of last audited total assets of the Company;
- (ii) Turnover amount of the transaction (including debts and cost undertaken) accounts for over 10% of the last audited net assets of the Company, with absolute amount exceeding RMB 10 million;
- (iii) Profits of transaction account for over 10% of last audited net profits of the Company, with absolute amount exceeding RMB 1 million;
- (iv) Operating revenue of transaction object (for example, stocks) in last accounting year accounts for over 10% of last audited operating revenue of the Company, with absolute amount exceeding RMB 10 million;

- (v) Net profit of transaction object (for example, stocks) in last accounting year accounts for over 10% of last audited net profit of the Company, with absolute amount exceeding RMB 1 million;

Article 8 The following investments shall be examined and approved by chairman of the Board (“Chairman”)

- (i) External investments other than those which are required to be submitted to general meeting or the Board for consideration, shall be examined and approved by the Chairman;
- (ii) The Chairman could authorize the management within the extent of competence.

If the abovementioned indicators are of negative value, the absolute value shall be used for calculation.

Chapter III Management Organization of External Investment

Article 9 General meeting and the Board are the decision-making organs for external investment, and shall respectively make decisions on external investments of the Company within the limit of authority.

Article 10 General Manager is the principal for implementation of external investment and is mainly responsible for information collection and arrangement of new external investments and initial evaluation, and establishment of project library after screening and putting forth suggestions.

Article 11 Financial Department is for follow-up management of external investment and Administrative Department for implementation of fixed assets investment.

Article 12 Financial Department is responsible for the financial work of external investments, and cooperates with relevant parties to handle with such work as formalities of capital contribution, business registration, tax registration, opening bank account, etc.

Article 13 Legal advisor shall be engaged by the Company for legal review of the agreements, contracts, major letters and correspondences, as well as regulations about external investments.

Chapter IV Decision Management of External Investment

Section 1 Short-term Investment

Article 14 Decision-making procedure of short-term investments:

- (i) Securities Department is responsible for preliminarily screening of investment opportunities and objects;
- (ii) Financial Department is responsible for providing information about capital flow;

- (iii) Short-term investment plans shall be carried out after the examination and approval procedure within the limit of authority.

Article 15 Financial Department shall be responsible for registration of the type, quantity, unit price, accrued interests and date of purchase of short-term investments in time and handle with relevant accounts.

Article 16 Regarding to securities investments, joint control system shall be carried out strictly, which means at least two persons shall jointly operate, and the personnel responsible for capital and financial management personnel shall be separated and have mutual restrictions on each other; any of them shall not handle the investment assets individually, and the deposit or drawing of investment assets shall be jointly signed by the two.

Article 17 Short-term negotiable securities purchased by the Company shall be recorded in the Company on the date of purchase.

Section 2 Long-term Investment

Article 18 Securities Department shall make initial evaluation on long-term investments, put forth suggestions, and then submit to the Board for preliminary examination.

Article 19 Upon approval of the preliminary examination, according to the investment proposal, Securities Department shall be responsible for the investigation and demonstration, prepare feasibility study report and relevant letter of intent for cooperation, submit to General Manager office meeting for discussion, and then report to the Board.

Article 20 The Board shall implement the examination and approval procedure within the limit of authority (Chairman shall implement such procedure within the limit of authority given by the Board when directors meeting is not in session.), and the investments beyond the authority of the Board shall be submitted to general meeting.

Article 21 For external investments which have been approved for implementation, the Board shall authorize relevant departments for implementation.

Article 22 Management team of the Company shall be responsible for supervising the operation and management of investments.

Article 23 For long-term investments, investment contracts or agreements shall be signed with the investees, and shall be reviewed by legal advisor of the Company and signed officially after approval of competent decision-making organ.

Article 24 Financial Department shall coordinate with departments with authorization to make investments with cash, tangible assets or intangible assets. For investment by tangible assets, handover procedures shall be processed and approval of the departments which use and manage the tangible assets shall be obtained

Article 25 For major investments, the Company shall employ experts or intermediary for feasibility analysis.

Article 26 Securities Department shall, according to the investments approved by the Company, prepare the relevant construction or development plan for implementation, guide, supervise and control the implementation, take part in the audit, clearing upon termination or suspension, and handover, and make investment appraisal and summary.

Article 27 Quarterly report system is adopted for investment projects. Securities Department shall gather the information about schedule, implementation and use of budget, cooperating parties, operation conditions, problems and suggestions and prepare a statement every quarter, and then report to leaders of the Company timely. During construction and implementation of investment projects, budget shall be adjusted according to the actual situation of implementation, and such adjustment shall be approved by the original investment project examination and approval organ.

Article 28 Board of Supervisors, Audit Department and Financial Department of the Company shall supervise the investments according to their duties, put forth opinions for correction as for violations, put forward special report on major issues, and submit for the discussion and disposal of investment examination and approval organ.

Article 29 Establish complete investment files management, and sort and file all the documents from preliminary screening to completion and handover (including termination) by Administrative Department.

Chapter V Investment Transfer and Recovery of External Investment

Article 30 The Company could require return of investment if any of the following occurs:

- (i) According to Article of Association, the investment project (enterprise) expires;
- (ii) Due to bad operation of investment project (enterprise), the investment project (enterprise) could not repay debts due and became bankrupt according to law;
- (iii) Operation of investment projects (enterprise) could not continue due to force majeure;
- (iv) Other situations of investment termination as specified in the contract.

Article 31 The Company could transfer investment if any of the following occurs:

- (i) The investment obviously goes against operation direction of the Company;
- (ii) Continuous loss is recorded for the investment project and it is impossible to turn losses into profits, and there is no market prospect;
- (iii) Due to lack of operation fund, there is an urgent demand for replenishment of funds;
- (iv) Other situations the Company considers necessary.

Article 32 Investment transfer shall be strictly in line with the rules specified in *Company Law* and Article of Association. Disposal of external investment shall conform to rules of relevant National laws and regulations.

Article 33 The authority approving for external investment disposal procedure is the same with that for implementing external investment.

Article 34 Financial Department shall be responsible for asset evaluation for investment return and transfer, so as to prevent asset loss of the Company.

Chapter VI Personnel Management of External Investment

Article 35 For the establishment of cooperative or joint venture company with external investment, the Company shall appoint directors and supervisors elected through valid procedures to participate in and supervise the operating decisions having influence on the newly established company.

Article 36 For the establishment of subsidiary with external investment, the Company shall appoint the chairman elected through valid procedures and relevant management personnel (including financial principal) to exert significant influence on operation and decision of such subsidiary.

Article 37 The expatriate personnel referred in Article 35 and Article 36 shall be decided upon approval of Chairman after preliminary opinions by the General Manager office meeting.

Article 38 The expatriate personnel shall perform duties according to Company Law and Article of Association of the company being invested in, safeguard the Company's interests in operating management activities of the new company, and realize maintenance and increase of investment value. Relevant personnel appointed by the Company as directors of the company being invested in shall obtain more information about such company by taking part in board meetings, and report investment situation to the Company timely. Expatriate personnels shall sign responsibility agreement with the Company every year, receive indicators for performance appraisal, submit annual report on work and accept examination and inspection of the Company.

Chapter VII Financial Management and Audit of External Investment

Article 39 Financial Department shall make complete and sound financial record on external investments, carry out detailed financial accounting, establish subsidiary book for each investment, and make records of relevant information in detail. Financial accounting of external investment shall be in line with accounting standard and accounting system.

Article 40 Relevant internal rules of the Company shall be applicable to financial management of long-term investment.

Article 41 Audit Department shall carry out overall examination and inspection on long and short-term investments at the end of each year, and audit subsidiaries of the Company according to relevant rules of the Company.

Article 42 For all the investment assets, internal auditors or other person not engaged in investment operation shall take inventory regularly or custodian organization shall be entrusted for the inventory taking, so as to check if the investment assets are in the Company's possession. The inventory record and book records shall be checked to confirm consistent account.

Chapter VIII Major Events and Information Disclosure

Article 43 The Company shall perform the obligation of information disclosure of external investment strictly in line with the rules specified in Company Law and other laws and regulations, as well as Article of Association.

Chapter IX Supplementary Provisions

Article 44 "Above" and "not more than" referred to in these Rules shall include the figures thereafter; "below" and "exceeding" shall not include the figures thereafter.

Article 45 For other matters not covered by these Rules, implement in line with the rules in relevant laws and regulations of PRC, as well as Article of Association; relevant laws and regulations, as well as Article of Association shall prevail in case of any inconsistency between these Rules and relevant laws and regulations, as well as Article of Association issued or modified in future.

Article 46 These Rules are formulated by the Board and shall come into effect upon deliberation and approval of general meeting. The Board shall be responsible for the interpretation.

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

III. RULES FOR CONNECTED TRANSACTIONS MANAGEMENT

Chapter 1 General Provisions

Article 1 In order to standardize the connected transactions (referred to as connected transactions in *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited*) of the Jujiang Construction Group Co., Ltd. (hereinafter referred to as the Company), ensure the legality, fairness and rationality of the connected transactions between the Company and connected parties, sufficiently guarantee the legal interest of shareholders, the medium and small shareholders and the Company in particular, these rules (the “Rules”) is formulated in accordance with the relevant provisions of the *Company Law of the People’s Republic of China*, *Rules Governing the Listing of Securities on Shanghai Stock Exchange* (hereinafter referred to as “*Shanghai Stock Exchange Listing Rules*”), *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* (hereinafter referred to as the *Hong Kong Listing Rules*), *Corporate Governance Standards for Listed Companies* and other relevant laws and regulations, as well as the reality of the Company.

Article 2 The Company adopts classification management to the connected transactions. The Company affirms the scope of connected parties, performs the examination and approval the connected transactions and the information disclosure as well as other procedures in accordance with the Hong Kong Listing Rules, the Shanghai Stock Exchange Listing Rules and other relevant laws and regulations.

The Company should respectively examine and weigh the specific conditions in accordance with the Hong Kong Listing Rules and the Shanghai Stock Exchange Listing Rules when conducts a transaction, and should decide the following procedures with the stricter one of the two rules, including whether the involved parties are the connected parties of the Company; whether the transaction being conducted is connected transaction; applicable decision-making procedure and disclosure requirements.

If there is any discrepancy between the Rules and national laws, regulations and normative documents due to factors such as time, the transaction should be conducted by the stricter standards. If the standards of the national laws, regulations and normative documents are stricter than the Rules, the Company should make amendment in a timely manner.

Article 3 The Rules should be applied to the management of connected transactions of the Company.

Chapter 2 Definition and Scope

Article 4 The connected transactions in the Rules refer to the transaction conducted between the Company or its subsidiaries and the connected parties, including resource exchange, property exchange, providing each other with products, services and labors.

Article 5 The connected parties of the Company include both connected legal persons and connected natural persons. The definitions are subjected to the provisions of the *Hong Kong Listing Rules*, the *Shanghai Stock Exchange Listing Rules* and other relevant laws and regulations.

Article 6 Any legal persons or other organizations shall be considered as the connected legal persons of the Company under any of the following circumstances:

- (1) Legal persons or other organizations that directly or indirectly control the Company;
- (2) Legal persons or other organizations, other than the Company or its holding subsidiaries, which directly or indirectly controlled by the above mentions legal persons;
- (3) Legal persons and other organizations other than the Company or its holding subsidiaries, and directly or indirectly controlled by connected natural persons of the Company mentioned in the seventh Article in the Rules or act as executives and senior managers;
- (4) Legal persons or other organizations and their persons acting in concert who hold more 5% of shares of the Company;
- (5) The non-wholly owned subsidiaries of the Company and the executives, supervisors, senior managers and major shareholders of the Company, or any person who has been acted as executives of the Company or of the subsidiaries during the 12 months before the transaction date; any person who is individually or jointly entitled to exercise or control the exercise of 10% and above of the votes on the general meetings of shareholders of the non-wholly owned subsidiaries;
- (6) Any subsidiary companies of the non-wholly owned subsidiaries of the Company mentioned in the above Item (5);
- (7) Legal persons or other organizations who the China Securities Regulatory Commission, the Hong Kong Listing Rules and the Shanghai Stock Exchange Listing Rules or by the Company has, based on the principle of substance over form, been deemed to be having special relations and may or have caused the Company to lean towards its/his/hers interests.

Article 7 Any natural persons shall be considered as the connected natural persons of the Company under any of the following circumstances:

- (1) Any natural persons who directly or indirectly hold more than 5% of the shares of the Company;
- (2) The executives, supervisors and senior managers of the Company;
- (3) The executives, supervisors and senior managers of the legal persons listed in item(1) of the Article 6 of the Rules;
- (4) Directors, executives and substantial shareholders of the subsidiaries;

- (5) Closely related family members of the persons listed in items (1), (2) and (4) in this Article, including spouse, parents and parents of spouse, brothers and sisters and their spouses, children above the age of 18 and their spouses, brothers and sisters of the spouse and parents of children's spouses;
- (6) Natural persons who the China Securities Regulatory Commission, the *Hong Kong Listing Rules* and the *Shanghai Stock Exchange Listing Rules* or by the Company has, based on the principle of substance over form, deemed to be having special relations and may or have caused the Company to lean towards his/hers interests.

(The definitions of substantial shareholders and subsidiaries listed in this Article and in the Rules are subjected to *Hong Kong Listing Rules* and provisions of relevant laws and regulations.)

Article 8 Any legal or natural persons shall be considered as the connected parties of the Company under any of the following circumstances:

- (1) The occurrence of any of the situations in Article 6 or Article 7 in the future 12 months or after the agreements or arrangements between the Company or its connected parties are signed, made or have become effective;
- (2) The occurrence of any of the situations in Article 8 or Article 9 in the past 12 months.

Article 9 The executives, supervisors, senior managers and shareholders who hold more than 5% of the shares of the Company, as well as their persons acting in concert and actual controllers should inform the Company about their connected relations with the Company in time.

The connected transaction conducted by subsidiaries who hold more than 50% of the shares or controlled by the Company are regarded as corporate behavior and the Rules is also applicable to the management of such transactions

Article 10 Transactions include both trades of capital nature and of profit nature. Save for the exceptional circumstances defined by the *Hong Kong Listing Rules* and domestic relevant laws and regulations, connected transactions include but not limited to the following items regardless of whether they are conducted in the normal course of business of the Company:

- (1) Purchase or sell property, including the marketing matters stated in the *Hong Kong Listing Rules*;
- (2) Investment other enterprises (including entrusted asset management, entrusted loans etc.);
- (3) Provide financial assistance
- (4) Provide guarantee
- (5) Rent or rent out property

- (6) Entrust or be entrusted with property management and business;
- (7) Donate or receive donation of property;
- (8) Restructuring of financial claim and debt;
- (9) Conclude and sign licensing agreement;
- (10) Transfer or assign the research and development program;
- (11) Purchase raw materials, fuels and powers;
- (12) Promoting products and commodities;
- (13) Provide or receive labor service;
- (14) Entrust or be entrusted with sales;
- (15) Joint investment with connected parties;
- (16) Deposit and loan at the finance company of the connected parties;
- (17) Other matters that may cause the transfer of resource or obligations through commitment;
- (18) Other matters that is affirmed by China Securities Regulatory Commission, the *Hong Kong Listing Rules* and the *Shanghai Stock Exchange Listing Rules* to be the connected transaction.

Chapter 3 Principles to Abide by

Article 11 The connected transactions of the Company are subjected to the following basic principles:

- (1) Honesty, credit, equality, voluntarily, equivalence, compensation, justice fairness, openness;
- (2) Without impinge the legal interest of the Company and the non-connected shareholders;
- (3) The Board should judge whether the connected transactions is beneficial to the Company according to objective criterion and hire securities lawyer, professional appraiser or independent financial consultant for the advice of whether the transaction is fair to all shareholders when it is necessary;
- (4) When the Board and general meeting vote on the connected transactions, the connected executives and shareholders should be avoided;

- (5) The independent executive should clearly deliver independent opinions on the connected transactions that should be disclosed

Article 12 The Management of the price of the connected transactions

- (1) Price of connected transaction refer to the price of commodities or labor service that involved in the connected transactions between the Company and the connected parties
- (2) The confirmation of the price of connected transaction should be concluded and signed with written agreement and the pricing policy should be clarified under the principle of equivalence, compensation, justice fairness and openness.
- (3) The parties to the transaction should determine the pricing method according the specific circumstances of the connected transactions and clarify it in relevant agreement. If the laws and regulation require the assessed value and the audit value to be the pricing basis, then professional appraisal agency or audit institution should be hire to evaluate or audit the connected transactions
- (4) Financial department of the Company should track the market price and cost fluctuation of the products involved in connected transactions and report it to the Board for the record;
- (5) If the Board or independent directors have doubts about the price fluctuation of the connected transaction, the independent financial consultant could be hire for advice on the fairness of the price fluctuation of the connected transaction;
- (6) As for other inevitably temporary connected transactions of the Company, before the pricing method and the price are determined, the relevant pricing basis should be reported to the Board for approval. If the Board or more than a half of the independent directors vote against the pricing principles and prices, the Company should suspend the transaction. The connected transaction can only be continued after the hired independent financial consultant gives advice on the fairness of the connected transaction.

Article 13 The Company should adopt relevant measures to prevent shareholders and their connected parties to occupy or transfer the capital, property and other resources of the Company in various forms.

Article 14 The Company should take effective measures to prevent connected parties to interfere with the operation of the Company, to damage the interest of the Company and the non-connected shareholders in ways such as monopoly purchasing distributing business lines.

Article 15 The connected transactions between the Company and the connected parties should reach written agreement. The agreement should abide by the principle of equality, voluntarily, equivalence and compensation and the content of the agreement should be clear and specific. The Company should disclose the matters of the agreement in accordance with relevant regulations such as the formation, modification, termination and performance of the agreement.

The major content of the agreement should include but not limited to: transaction price, means of payment, the nature and proportion of the interest that the connected party takes in the transaction, felicity conditions of the agreement, time of effectiveness, deadline for performance etc. as well as other agreements, contracts and any other written arrangement involved in the transaction.

Under the *Hong Kong Listing Rules and the Shanghai Stock Exchange Listing Rules*, if the duration of the connected transaction agreement between the Company and the connected party exceeds 3 years, the deliberation procedures and disclosure obligations should be performed triennially according to the provisions.

Article 16 The Company should not directly or indirectly provide capital to shareholders and other connected parties through any of the following forms:

- (1) The paid or unpaid inter-banking lending of capital for shareholders and other connected parties;
- (2) Provide entrusted loan to connected parties through banks or non-bank financial institutions;
- (3) Entrust shareholders or other connected parties with investment activities;
- (4) Issue trade acceptance for shareholders and other connected parties without real transaction;
- (5) Make repayment of debt on behalf of shareholders or other connected parties;
- (6) Other forms that identified by Hong Kong Stock Exchange.

Article 17 The Company should not provide guarantee for shareholders and their subordinated enterprises, other connected parties who hold less than 50% of the Company share, any entity without legal person or individuals.

Article 18 Any connected parties with a stake in the connected transaction should abstain from voting on the Board in the subject of this resolution.

Article 19 The connected transaction should follow commercial principles. In theory, the price of the connected transaction should not deviate from the price or the charging standard of the third party in the market. The Company should sufficiently disclose the pricing basis of the connected transaction.

Article 20 During the commercial capital flow with shareholder and other connected parties, the Company should impose strict restrictions on their occupation of the Company's capital and should not make advanced payment to them nor bear the costs and other expenses of each other:

- (1) The Board establishes the "possession and frozen" mechanism for the Company shares held by shareholders, pursuant to which once the shareholders' occupation of Company's property is found, the Company would apply to freeze such shareholder's shares immediately. Any property that cannot be paid in cash would be paid by selling such shareholder's shares.

- (2) The executives, supervisors and senior managers are obliged to prevent the Company's capital from being occupied by shareholders and their subsidiaries. In the case that the executives and senior managers assist and indulge shareholders and their subsidiaries occupying the Company property, the Board should deal with the relevant personnel according to the seriousness of the case and submit executives who are highly responsible to the general meeting for a deposition.

Chapter 4 Test Pointer

Article 21 Test pointer is the standard for setting procedure for examination and approval and the jurisdiction of the connected transaction. It is formulated under the *Hong Kong Listing Rules* and is adjusted with the amendment of the local listing rules.

- (1) Asset ratio: total value of the assets involved in connected transaction divides the total value of the Company's assets;
- (2) Profitability ratio: the profit of the property involved in relevant transactions divides the profit of the listed issuer;
- (3) Earnings ratio: the earnings of the property involved in relevant transactions divides the earnings of the listed issuer;
- (4) Consideration ratio: relevant consideration divides the total market capitalization of the listed issuer. The total market capitalization is the average closing price of the listed issuer securities of the 5 business days before the trade date published on the daily sheet of Hong Kong Stock Exchange;
- (5) Ratio of capital stock: the capital stock value issued by listed issuer as consideration divides the capital stock value which has already been issued by the listed issuer before the relevant transaction.

Article 22 All size testses should be solely calculated and practiced with strict standard under the Lower Principle. Continuous connected transaction is calculated on the basis of annual sum of business transactions.

Article 23 The value of debt capital (if any) of listed issuer should not be taken into consideration when calculating the ratio of capital stock in which the debt capital includes any preferred stock. The listed issuer should take all ratios in the appropriate scope in to consideration when categorizes the transactions. In the case of acquisition, if the accounting standard used by purchased entity is different from the one adopted by the listed issuer, he or she must make appropriate and meaningful reconciliation of the relevant data in applicative scope in order to calculate the ratios.

Chapter 5 Authorities for Decision-Making

Article 24 Functional department of the Company should provide written reports in relation to the proposed connected transaction, elaborating on the detailed matters, pricing basis and the effect of the transaction on both parties.

Article 25 According to the frequently revised the *Hong Kong Listing Rules*, the following transactions require independent directors to deliver independent opinions on whether this transaction tally with procedures and on its fairness, and should submit to Board for examination and approval after the recognition of the independent directors: the connected transactions which any of the size tests such as asset ratio, revenue ratio, consideration ratio and ratio of share capital is above 0.1% (including 0.1%) save for those transaction which each of the size tests is between 0.1% (including 0.1%) and 5%, and the transaction the amount is below HK\$3 million. Before the independent directors make any decisions, an intermediary could be engaged to issue an independent financial report as basis for making decisions.

According to the *Shanghai Stock Exchange Listing Rules* and other relevant regulations, (1) connected transactions conducted with connected natural person with an amount above RMB 300,000 but less than RMB 3 million; (2) connected transactions conducted with connected legal person with an amount above RMB 3 million but less than RMB 30 million, or the connected transactions accounts for more than 0.5% but less than 5% of the absolute value of the last audited net assets; (3) connected transactions that the Board, independent directors and board of supervisors believe should be presented to the Board for approval; (4) connected transactions that the general meeting authorized the Board to decide and implement should be approved by the Board.

Article 26 According to the *Hong Kong Listing Rules* amended from time to time, in addition to the article 25, connected transaction within the following standards shall obtain the approval of general meeting before implementation: any of the size tests such as the asset ratio, revenue ratio, consideration ratio and share capital ratio is above 5%, except for those transactions which each size test was between 5% (including 5%) and 25%, and the transaction amounts is below HKD 10 million. Any connected person interested with the connected transaction shall give up the right to vote on the resolution at the general meeting. The Board of the Company shall give opinions on whether the transaction is beneficial to the Company, and the Company shall engage an independent financial adviser to comment on whether the connect transaction is fair and reasonable to all shareholders and explain reasons, main assumptions and considerations.

According to the *Shanghai Stock Exchange Listing Rules* and other relevant rules, (1) connected transaction with connected natural person in the amount of more than RMB 3 million; (2) connected transaction with connected legal person in the amount of more than RMB 30 million, which accounts for more than 5% of the Company's latest audited net assets value; (3) despite that the general manager and the Board have the authority to review and implement the connected transaction, if the independent directors or board of supervisors believe that such transaction should be submitted to the general meeting, it shall be reviewed and passed by the general meeting.

According to the *Shanghai Stock Exchange Listing Rules* and other relevant rules, connected transaction between the Company and connected person with the amount is more than RMB 3 million or higher than 5% of the Company's latest audited net asset value, shall be approved in advance by independent directors who shall also sign written approval documents, then the transaction shall be submitted to the Board for discussion and get independent opinions from independent directors. If necessary, independent directors can require a security service institution to issue an independent financial adviser's report as a basis for its judgment before the judgment is made.

Article 27 Connected transaction between the Company and connected person (except for Company's provision of guarantee, being endowed with cash assets and reduction of debt obligations) of the amount more than RMB 30 million, which accounts for 5% of the Company's latest audited net assets value. The amounts of the connected transactions concerning the same subject or the same connected persons within 12 months are to be aggregated.

If the subject of transaction is equity, in addition to be disclosed in a timely manner, the Company shall retain an accounting firm with the related qualification for the business of securities and futures to audit the financial accounting report of the subject of transaction in latest financial year, and the audit reference date shall not exceed six months of the date of agreement; If the subject of transaction is other assets other than equity, the Company shall retain an asset evaluation agency with the related qualification for the business of securities and futures to assess, and the date of assessment shall not be more than one year from the date of agreement.

Article 28 According to the *Hong Kong Listing Rules* amended from time to time, a series of connected transactions completed in the same period of 12 months or related to each other shall be aggregated and be regarded as one transaction to determine which categories the aggregated transaction belongs to. Under the circumstances, the Company shall comply with the relevant provisions of the category that the aggregated transaction belongs to.

In determining whether the connected transaction will be aggregated, what takes into account is whether the transaction is:

- (1) Conducted with the same party or the same person associated with each other;
- (2) Related to buy or sell the securities or equities of a particular company or group company;
- (3) Related to buy or sell a part of the total assets;
- (4) Led to the substantial participation of the Company, while the business in the past does not belong to part of the main business of the Company.

According to the *Shanghai Stock Exchange Listing Rules* and other relevant domestic rules, the Company conduct the connected transaction with the connected person associated with the same person or same subject or with the same person in the 12 consecutive months with its cumulative calculation of the amount of the transaction, which is articles 25, 26 and the review and disclosure procedures of the article 27 in the Rules are applicable. The same connected person includes the legal person or other organizations that are controlled by the same legal person or natural person, directly or indirectly, or existed with mutual equity control and in which the same natural person served as director or senior management personnel.

Article 29 According to the *Hong Kong Listing Rules*, the connected transaction of the Company which reaches the following standard (“discloseable connected transactions”), under any circumstances approved by any decision-making body, shall be promptly disclosed: the connected transaction with the size tests of asset ratio, revenue ratio, consideration ratio and share capital ratio is more than 0.1% (including 0.1%); except for transaction which each size tests is between 0.1% (including 0.1%) and 5%, with the transaction amount below HK\$3 million which can be exempt from disclosure.

According to the *Shanghai Stock Exchange Listing Rules* and other relevant domestic rules, the transaction between the Company and the connected person that the amount is more than RMB 300 thousand (excluding guarantee provided by the Company) shall be promptly disclosed. The Company shall not directly or indirectly provide the loan transaction to directors, supervisors and senior management personnel. The transaction with the connected legal person that the amount is more than RMB 3 million, which accounts for over 0.5% of the Company’s latest audited net assets value (excluding guarantee provided by the Company), shall be promptly disclosed.

Article 30 Independent directors of the Company shall give fair and independent opinions on whether the above disclosed connected transactions comply with the procedure, and disclose at the same time.

Chapter 6 Decision-making Procedures

Article 31 The relevant department of the Company shall put forward opinions or feasible proposals to the connected transactions to be reached, and report to the general manager for discussion in the office meeting or approval.

Article 32 After passed in the office meeting or approved by the general manager, the relevant department of the Company shall propose a bill of connected transaction to the independent directors.

Article 33 If necessary, the independent directors of the Company can require the relevant department to provide supported documents and data for its proposed bill.

Article 34 The Board of the Company will vote on the bill proposed by the general manager and reviewed by independent directors in accordance with the articles of the Company and their authority for decision-making. If the decision-making right belongs to the general meeting, the Board shall propose a bill to the general meeting after approved.

Article 35 The Board is responsible for convening a shareholder’s meeting, and making a detailed description to shareholders, then the general meeting shall to vote.

Article 36 The independent directors shall make independent opinions or instructions on the fairness of the connected transaction to the shareholders.

Article 37 The independent and non-executive directors of the Company shall annually review the ongoing connected transaction, and confirm whether the transactions are fair, reasonable and complied with the overall interests of shareholders in the annual report and accounts.

Article 38 Ordinary resolution at the general meeting pursuant to the Articles of Association of the Company shall be applicable when general meeting votes on connected transactions.

Article 39 When the Board reviews the connected transaction, the meeting can be held if more than half of the non-connected directors are present and the resolution of the Board shall be approved by the majority of the non-connected directors. If the attendance of non-connected directors is less than three, the transaction shall be submitted to the general meeting.

Article 40 When the Board makes a resolution on the matter, at least the following documents and data shall be reviewed:

- (1) Transaction announcement;
- (2) Relevant agreement or letters of intent of the transaction;
- (3) Resolution and the draft announcement in relation to the resolution of the Board (if applicable);
- (4) Approval from the relative authority in relation to the transaction (if applicable);
- (5) Professional report issued by security service institution (if applicable);
- (6) Prior written approval documents by independent directors;
- (7) Opinions from independent directors;
- (8) Other documents requested by the Hong Kong Stock Exchanges.

Article 41 When general meeting makes a resolution on the transaction, in addition to the audit of the files listed in the article 40, it also needs to review the opinions of independent directors on such transactions.

Article 42 The parties may terminate or amend the agreement within the validity period of the contract when the contract or agreement on connected transaction must be terminate or amended due to force majeure or changes in the production and operation. Supplemental and amended agreement shall become effective with immediate effect or after being approved again by the Board or general meeting in accordance with actual situation.

Article 43 In the event that the Company provides guarantee to the connected person, the transaction shall be submitted to the general meeting for review after approved on the Board regardless of the transaction amount. The Company provides guarantee to the connected shareholders, while the connected shareholder shall abstain from voting on the general meeting.

Chapter 6 Withdrawal and Voting Procedure of the Connected directors

Article 44 A written agreement must be signed and necessary abstaining measures shall be taken when the transaction is conducted between the Company and the connected person:

- (1) Anyone can sign an agreement on behalf of one party;
- (2) The connected person of the Company shall not interfere with the Company's decision in any manner.

Article 45 When the Board vote or make decision on connected transaction, the person of the following circumstances shall abstain:

- (1) Two parties to the transaction;
- (2) Served in the other side of the transaction, or served as a legal person or in other organizations that can be directly or indirectly controlled by other party or both parties of the transaction;
- (3) Have direct or indirect control over the other party;
- (4) The family members of the two parties or close family members of the people controlled directly or indirectly by the two parties.
- (5) Close family members of directors, supervisors and senior management personnel of the person controlled by the two parties (Refer to paragraph (d) of article seventh of this provisions);
- (6) Other reason which are considered by the China Securities Regulatory Commission, the *Shanghai Stock Exchange Rules*, the *Hong Kong Listing Rules* or the Company that the person's independent business judgment could be affected.

Article 46 When the general meeting votes or makes decision on connected transaction, the person of the following circumstances shall abstain:

- (1) The two parties to the transaction;
- (2) have direct or indirect control over the other side of the transaction;
- (3) Directly or indirectly controlled by the other party;
- (4) Directly or indirectly controlled by the same legal person or natural person;
- (5) The voting rights are limited or affected because there is equity transfer agreement or other agreements that have not been completed by any other party or its connected person;

- (6) legal person or natural person who is considered by the China Securities Regulatory Commission (CSRC), the *Shanghai Stock Exchange Listing Rules* or the *Hong Kong Listing Rules* that may cause the Company to incline to its interests.

Article 47 When the above connected shareholders abstain from voting, the number of their shares is not included in the total number of valid voting. If they cannot abstain due to special circumstances, after being approved by relevant department of the Company, they have the right to vote in accordance with normal procedures. The Company shall make a detailed description in the shareholder's resolutions, at the same time, make a special statistics for non-connected shareholders, and disclose in the announcement of the resolutions.

Article 48 The abstaining and voting procedures of connected directors are:

- (1) Connected directors should take the initiative to apply for abstention, or the other directors have the right to ask for their abstention;
- (2) When the dispute arises whether it is connected directors or not, the Board will make a request to its regulatory authorities or lawyers of the Company to confirm, and decide whether such director should abstain or not in accordance with the reply from above authorities or personnel.
- (3) Connected directors may sit in the meeting to discuss the connected transaction.
- (4) When the Board votes on the connected transactions, connected directors shall not exercise their voting rights, and shall not act for other directors to exercise their voting rights. The meeting could be held if there is more than half of non-connected directors is present, while decisions must be approved by more than half of non-connected directors. If the number of non-connected directors present is less than three, the matter shall be submitted to the shareholders' meeting.

Article 49 The abstaining and voting procedures of connected shareholders are:

- (1) Connected shareholders should take the initiative to apply for abstention; otherwise the other shareholders have the right to ask for their abstention;
- (2) When there is a dispute about whether it is shareholder or not, the chairperson of the meeting shall review, and the lawyer who is present at the meeting shall make a judgment on whether the relevant shareholders are connected shareholders;
- (3) When the general meeting vote on the connected transaction, after deducting the number of shares represented by connected shareholders, the present non-connected shareholders shall vote in accordance with Articles of Association of the Company and the rules of procedure of the general meeting.

Article 50 The application by directors may be made orally or in written form, and shall declare the reason that connected directors should abstain. The Board shall first review and make a decision on the abstention application prior to the approval. Unless the connected directors make a disclosure to the Board according to this article and the Board approved the matter without taking them into account as quorum and such connected directors did not participate in voting, the Company has the right to request the director or other companies that the director served to cancel the contract, transaction or arrangement, except when such director or the Company that the director served is the bona fide third party.

Article 51 In the event that the connected directors did not disclose or abstain from voting on the connected transactions according to the procedures mentioned above, all resolutions of the related matters are not valid, the Company has the right to cancel the contract, transaction or arrangement.

Article 52 The director who is requested to abstain from voting or other directors who have any objection to the transaction, disclosure, abstention or giving up of voting rights, may apply for the convening an extraordinary meeting of the board to make a decision by the directors who are not required to abstain from voting.

Chapter 7 Exception Provisions

Article 53 Upon satisfying the Hong Kong Listing Rules and domestic stock exchanges rules, the Company may be exempted from the obligations in accordance with the Rules when conducting the following transaction with connected persons:

- (1) One party subscribes to shares, cooperate bonds, and convertible cooperate bonds or other derivatives in cash publicly issued by the other side;
- (2) One party, as a member of the underwriting syndicate, underwrites the shares, corporate bonds, convertible cooperate bonds or other derivatives publicly issued by the other side.
- (3) pursuant to approval of the other party's shareholders' general meeting, the party shall receive a dividend, bonus or remuneration;
- (4) The connected transaction resulted from one party involved in the open tender, open auction and other acts;
- (5) Other transactions identified by the Company listed on the stock exchange.

Chapter 8 Supplementary Provisions

Article 54 The audit and supervision department of the Company shall conduct regular audit and issue opinions on company's internal funds and connected transactions.

Article 55 The amount involved in the Rules, "the following" does not include the number, and "above" includes the number.

Article 56 Matters not mentioned in the Rules shall be executed in accordance with the relevant laws and regulations, share trading rules of place where the Company is listed in, Articles of Associations of the company and other normative documents. Any inconsistency of the Rules with relevant laws and regulations, share trading rules of place where the Company is listed in or the Articles of Associations of the company, the relevant laws and regulations, share trading rules of place where the Company is listed in or the Articles of Associations of the company shall prevail.

Article 57 The Rules shall be effective from the date of resolution of the general meeting approving the same, the same as the amendment.

Article 58 The explanation right of this Rule belongs to the Board of the Company.

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

IV. RULES FOR MANAGEMENT OF PROVISION OF EXTERNAL GUARANTEE

Chapter I General Rules

Article 1 These Rules (“Rules”) are formulated for the purpose of protecting the legal rights and interests of investors, regularizing the external guarantee of Jujiang Construction Group Co., Ltd. (hereinafter referred to as “the Company”), avoiding risks of external guarantee effectively, and ensuring assets safety in accordance with relevant rules of *Company Law of the People’s Republic of China* (hereinafter referred to as “Company Law”), *Guarantee Law of the People’s Republic of China* (hereinafter referred to as “Guarantee Law”), *Rules Governing the Listing of Securities on Shanghai Stock Exchange*, *Notice on Regularizing External Guarantee of Listed Companies*, and other laws, regulations and normative documents of China, and combining Article of Association and practical situation of the Company.

Article 2 External guarantee in these Rules refer to the guarantee provided by the Company for others, including subsidiaries.

Article 3 External guarantee shall be managed uniformly, and without the approval of the Board or Shareholders Meeting, no one shall have the right to sign external guarantee contract, agreement or any other similar legal documents in the name of the Company.

Article 4 Directors and senior management of the Company shall be cautious with and strictly control debt risks arising from guarantee, and undertake joint liability for the loss caused by external guarantee which is in breach of relevant regulations are improper.

Article 5 External guarantee made by subsidiaries or subsidiaries in actual control of the Company shall be deemed as made by the Company, and shall be in line with these Rules. Subsidiaries shall inform the Company of implementing relevant information disclosure upon decision of the Board or general meeting of such subsidiaries.

Article 6 External guarantee shall follow the principle of legality, caution, mutual benefits and safe, so as to strictly control guarantee risks.

Article 7 For the guarantee for others, the Company shall take necessary measures to prevent risks, such as counter guarantee, and the party providing counter guarantee shall have the actual capability of such guarantee.

Article 8 Independent directors of the Company shall make special introductions in relation to accumulative and current guarantee of the Company in annual report according to the supervision rules at place of listing or at other time or in other ways of disclosure as specified in such supervision rules, and shall give independent opinions.

Chapter II Examination of External Guarantee Object

Article 9 The Company could provide guarantee for the independent legal person and with any one of the following conditions:

- (i) party to mutual guarantee due to business need;
- (ii) entity with important business relation with the Company;
- (iii) entity with potential important business relation with the Company;
- (iv) Subsidiaries of the Company and other entity with control relation with the Company.

The above entities shall have relatively strong debts payment capabilities, and shall be in line with relevant articles in these Rules.

Article 10 In the event that the conditions in Article 9 are not met, if the Company thinks there is the need to develop business and cooperation with the applicants and risk of such guarantee is low, with agreement of the Board or after deliberation of Shareholders Meeting, the Company could provide such guarantee.

Article 11 The Board shall understand the credit status of debtor and make sufficient analysis on interests and risks of the guarantee before making the decision of providing guarantee or submitting such guarantee matter to general meeting for decision by vote.

Article 12 Credit status of applicants shall at least include the following:

- (i) Basic information of enterprise, including business license, copy of article of association, identification of legal representative, relevant data revealing correlation or other relations with the Company;
- (ii) Application for guarantee, including but not limited to the way, term, amount, etc. of such proposed guarantee;
- (iii) Audited financial reports of the recent three years and loan repayment ability analysis;
- (iv) Copy of the main contract relating to loan;
- (v) Conditions and relevant data of counter guarantee of the applicant;
- (vi) Statement of inexistence of potential or undergoing major lawsuits, arbitration or administrative penalties;
- (vii) Other significant data.

Article 13 Responsible person shall investigate on and check about the operating and financial situation, project condition, credit and industry prospect according to the basic information provided by the applicant, submit to relevant department for examination according to contract approval procedure, and submit relevant data to the Board or general meeting for approval after check by competent leaders and General Manager.

Article 14 The Board or general meeting shall examine the data submitted and make a vote, and the voting result shall be recorded. Guarantee shall not be made in case of any one of the following conditions or insufficient data:

- (i) Funds allocation is not in line with National laws and regulations, or National industrial policies;
- (ii) false record or false data in financial documents in the recent three years;
- (iii) The Company has made guarantee for the applicant before, and overdue bank debt or default interest occurred, and debts have not been paid or effective measures are not taken as at the time of the application;
- (iv) Bad operation situation, bad credit, and no sign of improvement;
- (v) No effective property for counter guarantee;
- (vi) Other situations that the Board thinks guarantee shall not be provided according to the requirements of regulatory organization at the place of listing.

Article 15 Counter guarantee provided by applicant or other effective risk prevention measures shall have consistent amount with guarantee. If properties for counter guarantee provided by applicant are prohibited by laws and regulations for circulation, or are non-transferrable, guarantee shall be refused.

Chapter III Examination and Approval Procedure of External Guarantee

Article 16 The supreme decision-making body for external guarantee is Shareholders Meeting, and the Board shall exercise the decision-making right according to rules of Article of Association about approval authority of the Board for external guarantee and authorization by Shareholders Meeting. For the external guarantee not within the scope of approval authority specified in Article of Association or the authorization by Shareholders Meeting, the Board shall propose a preliminary plan and submit to general meeting for approval. The Board shall be responsible for organization management and implementation of external guarantee approved by Shareholders Meeting.

Article 17 External guarantee within the authority of the Board shall be approved by more than two-thirds of the directors present at the session of the Board and over half of all directors.

Article 18 External guarantee which shall be approved by general meeting shall be submitted to general meeting for approval after examination of the Board, including but not limited to:

- (i) Guarantee provided when the total amount of external guarantee of the Company and subsidiaries has topped or exceeded 50% of last audited net assets of the Company;
- (ii) Guarantee amount of the Company within one year is more than 30% of last audited net assets of the Company;
- (iii) Guarantee for applicant with debt to assets ratio of more than 70%;
- (iv) Guarantee with single amount exceeding 10% of last audited net assets of the Company;
- (v) According to accumulative calculation principle of guarantee amount for 12 consecutive months, the accumulative guarantee amount is more than 30% of last audited total assets of the Company.
- (vi) According to accumulative calculation principle of guarantee amount for 12 consecutive months, the accumulative guarantee amount is more than 50% of last audited total assets of the Company, with absolute amount exceeding RMB 50 million;
- (vii) Other external guarantees as required by laws, administrative laws and regulations, *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* and Article of Association for approval of Shareholders Meeting.

External guarantee within the authority of the Board shall be approved by more than two-thirds of the directors present at the session of the Board and over half of all directors; guarantees in (v) aforementioned shall be approved by more than two-thirds of shareholders present at the session of the general meeting and with voting rights.

External guarantees provided for controlling shareholders, actual controllers and related parties (defined according to the rules of regulatory organization at the place of listing) shall be disclosed timely according to regulations at the place of listing after examination and approval of the Board, regardless of the guarantee amount, and shall be submitted to general meeting for deliberation, and further approval by more than half of non-connected shareholders.

Guarantees provided for shareholders with less than 5% shareholdings shall be in line with the provisions of the preceding paragraph, and relevant shareholders shall avoid voting at the session of Shareholders Meeting.

Without the approval of the Board or general meeting according to this guarantee system and relevant procedure in line with regulations at the place of listing, the Company shall not provide external guarantee.

Article 19 If necessary, the Company could engage professional intermediaries to make risk appraisal on external guarantee to provide decision basis for the Board or Shareholders Meeting.

Article 20 The Company shall sign written guarantee contract and counter guarantee contract which shall be prepared according to *Guarantee Law of the People's Republic of China*, *Contract Law of the People's Republic of China*, and relevant rules in other law fields applicable to such contracts.

Article 21 Guarantee contract shall at least include the following:

- (i) Type and amount of principal debts guaranteed;
- (ii) Deadline of performance of debtor;
- (iii) Guarantee type;
- (iv) scope of guarantee;
- (v) Duration of guarantee
- (vi) Others the contracting parties think necessary.

Article 22 When concluding the guarantee contract, responsible person shall check the subjects signing principal contract, guarantee contract and counter guarantee contract and relevant contents comprehensively and earnestly. Responsible person shall require the other contracting party to revise the provisions in violation of laws and regulations, regulations at the place of listing, article of association of the Company, relevant decisions of the Board or Shareholders Meeting, and provisions attaching unreasonable obligations or with unpredictable risks, and refuse to provide guarantee and report to the Board or general meeting if the party refuses to revise such provisions.

Article 23 Legal representative or others with legal authorization shall sign the guarantee contract on behalf of the Company according to the decisions of the Board or Shareholders Meeting. Without approval and authorization of general meeting or the Board, no one shall sign the guarantee contract on behalf of the Company. Responsible person shall not sign guarantee contract beyond his or her authority or sign or stamp in principal contract as guarantor.

Article 24 The Company could sign counter guarantee contract with legal enterprises in line with these Rules. Responsible person shall timely require the other party to provide relevant financial statements and other data revealing the debt payment ability faithfully.

Article 25 In the handling of counter guarantee mortgage or pledge, relevant departments shall perfect relevant legal formalities, especially handle with mortgage or pledge registration formalities timely.

Article 26 If the guaranteed debt is due and extension is needed and the Company shall go on to provide guarantee, guarantee examination and approval procedures shall be implemented again.

Chapter IV Management of External Guarantee

Article 27 Financial Department shall be responsible for handling external guarantee.

Article 28 Main responsibilities of Financial Department:

- (i) Credit investigation and appraisal of guarantee;
- (ii) Handling with guarantee formalities
- (iii) After external guarantee is made, track, examination and supervision of guarantee;
- (iv) Guarantee documents filing and management;
- (v) Providing all the external guarantees faithfully to Audit Department timely according to rules;
- (vi) Handling with other matters relevant to guarantee.

Article 29 The Company shall properly manage guarantee contract and relevant primary data, do cleaning and checking work timely, and check up with banks and other relevant organs regularly, so as to ensure complete, accurate and effective data storage, and pay attention to limitation period of the guarantee.

During the process of contract management, once there is any abnormal contract without approval of the Board or general meeting through examination and deliberation procedure, report to the Board and Board of Supervisors timely.

Article 30 The Company shall assign a special person to pay constant attention to the guarantee, collect the latest financial information and audit report of guarantee, make analysis on the financial situation and debt payment ability regularly, and pay close attention to the production and management, assets and liabilities, external guarantee, and the changes of division and merger, as well as legal representative.

Once there is any significant matter such as worsen of operation condition of guarantee or dissolution and division of enterprise, responsible person shall timely report to the Board, which is responsible to take effective measures, so as to reduce losses to a minimum.

Article 31 For external guarantees for others, once the guarantee could not implement debt repayment obligation when the debt is due, or the guarantee goes bankrupt and starts liquidation, or creditor advocates implementation of guarantee obligations by guarantor, department in charge shall timely learn about the debt repayment ability of guarantee and prepare to start procedure of debt recovery by counter guarantee after that, at the same time, report to Secretary of the Board who will then report to the Board immediately.

Article 32 Once the guarantee could not fulfill the obligation and creditor advocates implementation of guarantee obligations by guarantor, department in charge shall start procedure of debt recovery by counter guarantee immediately, at the same time, report to Secretary of the Board who will then report to the Board immediately.

Article 33 Upon implementation of guarantee obligation for the debtor, the Company shall take effective measures for debt recovery. Department in charge shall report the information regarding status of recovery to Secretary of the Board who will then report to the Board immediately.

Article 34 Once there is evidence proving guarantee is incapable of or could be incapable of fulfilling debt repayment obligation, the Company shall take necessary measures timely to effectively control risk; once the creditor and debtor collude with each other maliciously to damage the interests of the Company, the Company shall immediately take the measure to request confirmation of the guarantee contract being invalid; for the economic loss due to violation of guarantee, the Company shall claim compensation from the guarantee timely.

Article 35 Financial Department shall take effective measures according to other possible risks, put forth corresponding treating methods for approval of competent leaders, and submit to the Board and Board of Supervisors according to the situation.

Article 36 As the guarantor, if there are more than two guarantors for a debt with agreed proportion of liabilities, the Company shall refuse to undertake the liability beyond the agreement amount.

Article 37 Once the people's court accepts the bankruptcy case of debtor and if the creditor does not submit claims for his or her right, responsible person and Financial Department shall propose participation in bankruptcy property distribution to execute guarantor's right of recovery in advance.

Chapter V Information Disclosure of External Guarantee

Article 38 The Company shall earnestly perform the information disclosure obligation of external guarantee according to the supervision rules at the place of listing, Article of Association and Rules for Disclosure of Information, etc.

Article 39 Any department or responsible person engaged in external guarantee shall have the responsibility to report the information about external guarantee to Secretary of the Board timely and provide the documents and data of information disclosure.

Article 40 External guarantees examined and approved by the Board or general meeting as specified in Article 17 and Article 18 shall be disclosed timely on media as required by the supervision rules at the place of listing, and the information of disclosure shall include but not be limited to decision of the Board or Shareholders Meeting, total amount of external guarantees of the Company and the subsidiaries until the date of disclosure, amount of guarantees of the Company for subsidiaries, the ratio of above mentioned amount to the last audited net assets of the Company.

If the guarantee could not fulfill the debt repayment obligation within fifteen (15) trading days since the due date of debt, or the guarantee goes bankrupt and starts liquidation or in other situation which significantly influence the ability of repayment, the Company shall disclose relevant information timely.

Article 41 Competent departments of the Company shall take necessary measures to control the number of people knowing the information to the minimum before public disclosure of information in relation to guarantees. Anyone who is in possession the information in relation to guarantees legally or illegally shall have the due obligation to maintain confidentiality until the date of disclosure of such information, and shall undertake the legal liability arising thereof otherwise.

Chapter VI Responsibilities of Responsible Person

Article 42 External guarantees provided by the Company shall be strictly in line with these Rules. The Board shall punish responsible person in fault according to the extent of Company's loss, risks and severity.

Article 43 Directors, General Manager or other senior management of the Company shall be held responsible if any of them sign guarantee contract beyond the authority and in violation of the procedure specified in these Rules.

Article 44 Personnel in department in charge or other responsible person shall undertake the liability for damage if any of them violates the rules of laws or these Rules and provides guarantee disregard of risks arbitrarily and causes loss.

Article 45 Personnel in department in charge or other responsible person shall be given economic penalty or disciplinary sanction according to severity of the case if any of them is negligent in undertaking their responsibilities and causes loss to the Company.

Article 46 If any of the personnel in department in charge or other responsible person makes arbitrary decision which results in liabilities of the Company which is not required for guarantor under relevant laws and causes loss shall be given disciplinary sanction and undertake the liability for damage.

Chapter VII Supplementary Provisions

Article 47 "More than" and "above" referred to in these Rules shall include the figures thereafter

Article 48 For matters not covered by these Rules, they shall be handled in line with the rules in relevant laws and regulations of PRC, normative documents, as well as supervision rules by regulatory at the place of listing and rules of listing ("supervision rules at the place of listing" for short in these Rules), including *Rules Governing the Listing of Securities on Shanghai Stock Exchange* and *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* and Article of Association; relevant laws and regulations, normative documents, as well as supervision rules at the place of listing and Article of Association shall prevail in case of any inconsistency between these Rules and relevant laws and regulations, normative documents, as well as supervision rules at the place of listing and Article of Association.

Article 49 The Board shall be responsible for the interpretation.

Article 50 These Rules shall come into effect and be implemented upon deliberation and approval of Shareholders Meeting.

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

V. WORKING RULES FOR INDEPENDENT DIRECTORS

Article 1 To further enhance the structure of the Company's legal person governance and board of directors (the "Board"), strengthen internal constraints and incentives for directors and management, protect the interests of minority shareholders and stakeholders and promote standardized operation of the Company, the Rules ("Rules") is formulated in accordance with the *Company Law of the People's Republic of China* ("Company Law"), the *Securities Law of the People's Republic of China* (hereinafter referred to as "Securities Law"), *Guideline on Listed Companies' Establishing Independent Director System*, *Rules Governing the Listing of Stocks on Shanghai Stock Exchange* (hereinafter referred to as "SSE Listing Rules"), *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* (hereinafter referred to as "HK Listing Rules"), the Articles of Association of Jujiang Construction Group Co., Ltd. ("Articles of Association"), other relevant laws and regulations as well as the provisions of regulatory documents.

Article 2 Independent directors are persons who do not assume any posts other than directorship in the Company and should meet the independence requirement under Article 3.13 of HK Listing Rules on independent directors, and who have no relationships with the Company and its major shareholders that might interfere with their independent and objective judgements.

Article 3 Independent directors owe a duty of good faith and diligence to the Company and all of its shareholders. Independent directors shall, in accordance with the requirements of the Articles of Association and the Rules, earnestly perform their duties and responsibilities and safeguard the overall interests of the Company with particular attention to ensure that the legitimate rights and interests of minority shareholders are not compromised.

Article 4 Independent directors shall perform their duties and responsibilities independently without being subject to the influence of the Company's major shareholders and de facto controllers or other entities or individuals who have a vested interest in the Company.

Article 5 An independent director shall, in principle, concurrently assume independent directorship for a maximum of five companies and shall ensure that he/she has enough time and energy to effectively perform the duties and responsibilities of an independent director.

Article 6 The Board shall have at least one-third of its members as independent directors, at least one of whom is an accounting professional.

The accounting professional mentioned in the preceding paragraph refers to a person who has the title of a senior accountant or the qualifications of a certified public accountant.

The staff composition of independent directors shall be in compliance with *SSE Listing Rules* and *HK Listing Rules*.

Article 7 Where an independent director fails to meet the conditions for independence or is not fit to perform the duties and responsibilities of an independent director for other reasons and, as a result, the number of independent directors fails to reach the specified in the Articles of Association, the Company shall fill the vacancy according to provisions.

Article 8 Independent directors shall meet the conditions for employment appropriate to the exercise of their functions and powers.

Article 9 Independent directors shall meet the following basic conditions:

- (1) having the qualifications of assuming directorship in the Company in accordance with laws, administrations and other relevant provisions;
- (2) meeting the requirements for independence as stated in the Rules;
- (3) having basic knowledge on the operation of the Company and familiar with relevant laws, administrations, rules and regulations;
- (4) having more than five years of working experience in law, economics or other fields as required in performing the duties and responsibilities of an independent director;
- (5) other conditions as specified in the Articles of Association.

Article 10 Independent directors must meet the requirements for independence and the following persons shall not act as independent director:

- (1) a person who holds a position in the Company or its subsidiaries and such person's direct relatives and major social relations (direct relatives refer to such person's spouse, parents, children, etc.; major social relations refer to such person's brothers, sisters, father-in-law, mother-in-law, daughters-in-law, sons-in-law, brothers-in-law, and sisters-in-law, etc.);
- (2) a person who directly or indirectly holds more than 1% of the shares of the Company, or any of the ten largest natural person shareholders of the Company, or such person's direct relatives;
- (3) a person who directly or indirectly holds more than 5% of the outstanding shares of the Company or in any of the five largest shareholders of the Company and such person's direct relatives;
- (4) a person who holds a position in the ultimate controlling owner of a listed company and its subsidiaries;
- (5) a person who provides financial, legal or consulting services to a listed company and its controlling shareholders or their respective subsidiaries, including the whole project team of the intermediary who provides the services, reviewing officers at all levels, and officers, partners and main responsible person who signs on the report;

- (6) a person who serves as a director, supervisor or senior management personnel in an entity which has substantial business dealings with a listed company and its controlling shareholders or their respective subsidiaries, or serves as a director, supervisor or senior management personnel in the controlling shareholder of such entity with substantial business dealings;
- (7) a person who has met any of the six conditions above in the most recent year;
- (8) persons obtained any securities equity of the Company from connected persons or the Company in the form of gifting or in any other way of financial support, in addition to the exceptional circumstances listed in *HK Listing Rules*.
- (9) persons who have served as director, partner or employee of any company providing professional advisory service to the Company, its holding companies or their respective subsidiaries, or the connected persons of the Company, for the present or the past year;
- (10) his/her purpose to hold the office of director is to protect the interest of certain persons and such interest is not consistent with the shareholders' interest as a whole (for example, a strategic investor's assigned director);
- (11) persons who have been connected (mainly relatives) with any director, chief executive or major shareholders (i.e. holding 10% shares or more) of the Company for the present or the past two years;
- (12) persons who have served as administrative staff or director (other than independent director) of the Company, its holding companies or their respective subsidiaries, or connected person of the Company for the present or the past two years;
- (13) persons who are financially dependent upon the Company, its holding companies or their respective subsidiaries or connected person of the Company;
- (14) other persons identified by the Stock Exchange of Hong Kong Limited (hereinafter referred to as "HKSE"), the Shanghai Stock Exchange (hereinafter referred to as "SSE") and the China Securities Regulatory Commission.

Article 11 The Board, board of supervisors or shareholders individually or collectively holding more than 1% of the shares of the Company may nominate candidates for independent directorship to be elected at the shareholders' meeting.

Article 12 The consent to the nomination for independent directorship shall be obtained from the nominee before the nomination. The nominator shall have full knowledge of the nominee's general information such as profession, educational background, professional title, detailed working experience and all other posts he or she concurrently holds, and give opinion on the nominee's qualifications and the independence required as an independent director. The nominee shall make a statement that he/she has no relationships with the Company that may affect his/her independent and objective judgment.

Article 13 The term of office of an independent director shall be the same as that of other directors of the Company. Upon the expiry of his/her term, he or she may serve another term if re-elected. However, his/her consecutive term shall not exceed 6 years.

Article 14 A candidate of independent director should not have the following unfavorable record:

- (1) having been subject to administrative penalty by the China Securities Regulatory Commission in the recent three years;
- (2) being in the period that is publicly identified by a stock exchange not suitable to serve as the director of a listed company;
- (3) having been publicly condemned or criticized more than twice via announcement by a stock exchange in the recent three years;
- (4) being absent from two consecutive board meetings during the tenure of independent director, or the number of the board meetings which he has not attended in person representing more than one third of the number of board meetings in that year;
- (5) the independent opinion issued by him during his tenure of independent director being clearly inconsistent with the relevant facts.

Should the above situation occur during the tenure of an independent director, the Board may request to replace the director at the shareholders' meeting.

Article 15 An independent director may resign before the term of his/her office expires. He/she shall submit a written resignation report to the Board and spell out the circumstances related to the resignation or those that need to be brought to the attention of shareholders and creditors of the Company.

If the resignation of the independent director causes the number of independent directors in the Board to become less than the minimum number required by the Articles of Association, the resignation report of the independent director shall take effect after the subsequently appointed independent director fills the vacancy. The original nominator of the independent director or the Board of the listed company should propose a new candidate of independent director with 90 days from the resignation of the independent director.

Article 16 Independent directors shall have the following special functions and powers other than those of a director conferred by the Company Law, the Articles of Association and other relevant laws and regulations:

- (1) major connected transactions (referring to connected transactions that the Company intends to conclude with the connected person and their total value exceeds three million RMB or 5% of the Company's recently audited net assets) shall be approved by independent directors before submission to the Board for discussion; before an independent director makes his or her judgment, an intermediary agency may be employed to produce an independent financial advisory report which will serve as the basis for his or her judgment;

- (2) the appointment or dismissal of accounting firms shall be approved by independent directors before submission to the Board for discussion;
- (3) put forward the proposal to the Board relating to the appointment or dismissal of accounting firms;
- (4) propose to the Board to call an Extraordinary General Meeting;
- (5) propose to call a Board meeting;
- (6) appoint external auditing and consulting organizations independently;
- (7) may openly solicit proxies before a shareholders' meeting is convened.

Article 17 Consent from more than one-half of all the independent directors shall be obtained if an independent director desires to exercise the above-mentioned functions and powers.

Article 18 Aside from performing the duties and responsibilities stated in Article 16 of the Rules, independent directors shall give independent opinion on the following matters to the Board or the shareholders' meeting:

- (1) nomination, appointment and replacement of directors;
- (2) appointment and dismissal of senior management personnel;
- (3) remuneration for directors and senior management personnel of the Company;
- (4) any existing or new loans borrowed by the Company or other funds transfer that exceeds three million RMB or 5% of the Company's recently audited net assets made by the company's shareholders, de facto controllers or connected enterprises, and whether or not the Company has taken effective measures to collect the amount due;
- (5) matters that are deemed by independent directors to be detrimental to the interests of minority shareholders;
- (6) other matters specified by the Articles of Association.

Article 19 With respect to the above-mentioned matters, independent directors shall provide one of the following kinds of opinions: a consent opinion, a reserved opinion and its reasons, a negative opinion and its reasons, or a non-comment opinion and the hurdles for giving such opinion.

Article 20 The Company shall ensure that independent directors have the same right to be kept informed as other directors in the Company.

With respect to matters that must be submitted to the Board for decision, the Company must notify independent directors in advance within legally prescribed time and provide them with sufficient materials. Independent directors may ask for supplementary materials if they consider the given materials incomplete.

When two or more independent directors consider that the materials are incomplete or the argumentation is unclear, they may jointly propose in writing to the Board to postpone the convening of the board meeting or to postpone the discussion of the matter, which shall be adopted by the Board.

Article 21 Materials provided by the Company to independent directors shall be kept by the Company and the independent directors themselves for at least five years.

Article 22 The Company shall provide independent directors with the necessary working facilities for them to perform their duties. The secretary of the Board shall actively offer assistance to independent directors by giving a briefing, providing materials, etc. Where the independent opinion, proposal and written statement given by independent directors shall be made public, the secretary of the Board shall handle the matters concerning the announcement at the stock exchange without delay.

Article 23 When an independent director exercises his/her functions and powers, relevant personnel in the Company shall cooperate actively and shall not turn down his/her requests, hinder his/her work or conceal information from him/her, nor shall they interfere with the exercise of his/her functions and powers independently.

Article 24 Expenses incurred from the engagement of intermediary agencies and other expenses relating to the performance of functions and powers by independent directors shall be borne by the Company.

Article 25 The Company shall grant appropriate allowances to independent directors. The standard of the allowances shall be proposed by the Board for consideration, approved at the shareholders' meeting, and disclosed in the Company's annual report.

Independent directors shall not receive any extra non-disclosed interests from the Company and its major shareholders or other interested entities and persons other than the above-mentioned allowances.

Article 26 As circumstances permit, the Company may establish a liability insurance policy for independent directors according to actual conditions to lower the risks of independent directors that may occur when performing their duties and responsibilities under normal circumstances.

Article 27 The independent director, as a member of the Board having an equal status to any other director, shall attend regular meetings of the Board and any meetings of the Special Committee in which he/her is serving as the member of the Committee and actively participate in the conference affairs, and make contribution with his/her skills, expertise and different backgrounds or qualifications. They shall attend the Shareholders' meeting and have a fair understanding on shareholders' opinions and those who were unable to attend are required to provide reason. The independent directors shall make a positive contribution to the Company's strategy formulation and policies by providing their independent, constructive and well-founded advices.

Article 28 The term “more than” used in the Rules shall be inclusive.

Article 29 The Rules should come into force after being formulated by the Board and submitted to the Shareholders’ meeting for consideration and adoption. So should the modification.

Article 30 In case of anything unspecified herein or any discrepancy between the Rules and the national laws, administrative regulations and so on, the latter should prevail.

Article 31 The Rules shall be interpreted by the Board of the Company.

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

VI. IMPLEMENTATION RULES OF CUMULATIVE VOTING SYSTEM

Chapter I General Rules

Article 1 In order to optimize the corporate governance structure of Jujiang Construction Group Co., Ltd. (hereinafter referred to as “the Company”), regulate the Company’s behavior of electing directors and supervisors and protect minority shareholders’ interests, these rules of cumulative voting system (the “Rules”) were formulated in accordance with the relevant national laws and regulations such as the *Company Law of the People’s Republic of China* (hereinafter referred to as “Company Law”) as well as the Articles of Association of the Company. (hereinafter referred to as “Articles of Association”),.

Article 2 For the purpose of the Rules, “cumulative voting system” shall represent that each share held by shareholders carries a number of voting rights equivalent to the number of directors or supervisors to be elected in the course of the election of directors and supervisors at the Shareholders’ general meeting. The total number of voting rights held by each shareholder is equivalent to the product of shares held by him/her multiplying the number of directors or supervisors to be elected. This is a voting system that a shareholder may freely allocate his votes among the candidates of directors and supervisors, either to allocate to a number of candidates, or to vote all in favour of one person. The Company shall establish and carry out a system of independent director before public offering and getting listed of it’s a shares; before independent directors are in office, relevant clauses about independent directors in the Rules may be temporarily skipped.

Article 3 The Rules shall be applicable for the proposal of election or change of two or more directors or supervisors at the Shareholders’ general meeting.

Article 4 When two or more directors or supervisors will be elected in the Shareholders’ general meeting, in the notice of holding the Shareholders’ general meeting, the Board shall inform that the election of directors or supervisors adopts the cumulative voting system.

Article 5 For the purpose of the Rules, “directors” shall represent independent directors and non-independent directors and “supervisors” are those who are not supervisors representing employees. The supervisors from workers’ representatives are elected or changed by the Company Union or assembly of the workers’ representatives, which shall not be applicable to relevant requirements of the Rules.

Chapter II Candidate Nomination of Directors or Supervisors

Article 6 The Board and the shareholders that individually or collectively hold more than 3% of the issued shares with voting rights can propose candidates for non-independent directors. Single referrer shall not recommend more people than the number of non-independent directors to be elected.

The Board, the Board of Supervisors, the shareholders that individually or collectively hold more than 1% of issued shares can propose candidates for independent directors. Single referrer shall not recommend more people than the number of independent directors to be elected.

After the recommended director candidates are reviewed by the Nomination Committee of the Board and are reviewed and approved by the Board, the Board proposes the candidates for non-independent directors to the Shareholders' general meeting and submits them to the same for election.

Article 7 The Board of Supervisors and the shareholders that individually or collectively hold more than 3% of the issued shares with voting rights can propose a suggested list of candidates, being shareholders' representatives, for supervisors. Single referrer shall not recommend more people than the number of supervisors to be elected from shareholders.

After the recommended supervisors candidates are reviewed and approved by the Board of Supervisors, the Board of Supervisors proposes the candidates for supervisors to the Shareholders' general meeting and submits them to the same for election.

Article 8 The candidates shall submit detailed personal information to the Board or the Board of Supervisors, including but not limited to: names, genders, ages, nationalities, educational backgrounds, detail working experience, all the part-time jobs, relationships with referrers and whether there exist any circumstances which make them unfit to be directors or supervisors].

Article 9 The candidates for director or supervisor shall provide written commitments before the Shareholders' general meeting is held, agree to accept the nomination and disclose detailed personal information, commit that disclosed information for the candidates is real and complete, and commit to practically perform director or supervisor duties after being elected. The candidates for independent directors shall also give public statements that they have no relationship with the Company which would influence their independent and objective judgement.

Article 10 After getting personal information of the candidates, the Board or the Board of Supervisors shall carefully review their qualification according to relevant laws, regulations and the Articles of Association, and the candidates, after being approved as qualified, will become director or supervisor candidates. The number of director or supervisor candidates can be more than the number of directors or supervisors prescribed in the Articles of Association.

Article 11 After the Company gives out the notice of the Shareholders' general meeting for electing director and shareholder supervisors, the shareholders that individually or collectively hold 5% or more shares may propose candidates for director and supervisor before the Shareholders' general meeting is held, which shall be reviewed by the Board according to the procedures of modifying proposals for the Shareholders' general meeting and then submitted to the Shareholders' general meeting for review.

Chapter III Election and Vote of Directors and Supervisors

Article 12 Specific steps of election are as follows:

(I) Votes calculation method for cumulative voting system:

1. The number of cumulative votes held by each shareholder is equivalent to the product of shares held by them multiplying the number of directors or supervisors to be elected at the Shareholders' general meeting.
 2. When several rounds of voting for election are carried out at the Shareholders' general meetings of the Company, the number of shareholders' cumulative votes shall be recalculated in accordance with the number of directors or supervisors to be elected at each round.
 3. Before each cumulative vote, the secretary of the Board shall announce cumulative votes of each shareholder. If any shareholder, independent director, supervisor, scrutineer of such Shareholder's general meeting or witness lawyer has any objection on the announcement result, the result shall be verified right away.
- (II) In order to ensure that the number of candidates of elected independent directors is in compliance with the provisions of the Articles of Association, the elections of independent directors and non-independent directors shall be separated to guarantee the ratio of independent directors. Specific operation is as follows:
1. In election of independent directors, the number of voting rights held by each shareholder is equivalent to the product of the number of shares held by him/her multiplying the number of independent directors to be elected, and such votes shall only be casted on candidates of independent directors of the Group.
 2. In election of non-independent directors or supervisors, the number of voting rights held by each shareholder is equivalent to the product of the number of shares held by him/her multiplying the number of non-independent directors or supervisors to be elected, and such votes shall only be casted on candidates of non-independent directors or supervisors of the Group.
- (III) Voting method:
1. The staff at the Shareholders' general meeting shall give out the ballot tickets for electing directors or supervisors; the voting shareholder must indicate the number of shares held by him/her, and mark the number of voting right (or called as the number of votes) they use after each director or supervisor they vote.
 2. The number of votes for directors and supervisors that each shareholder votes shall not exceed the maximum number of votes for directors or supervisors that the shareholder has; the number of directors or supervisors which the shareholder vote for shall not exceed the number of directors or supervisors to be elected.
 3. When the total number of votes casted collectively on directors and supervisors exceeds the maximum number of votes on directors and supervisors held by a shareholder, all votes casted by the shareholder on director or supervisor candidates are deemed as invalid and deemed as abstain from voting.

4. When the total number of votes casted is less than or equivalent to the total number of votes legally held by a shareholder, the votes casted by the shareholder are valid, while the difference is deemed as abstaining from voting.
5. After voting is finished, the scrutineer of the Shareholders' meeting shall count the votes and announce the votes each director or supervisor candidate has; the number of votes that each director or supervisor gets will be used to determine the elected directors or supervisors.

Chapter IV Election of Directors and Supervisors

Article 13 Election shall depend on the number of voting right that each director or supervisor candidate gets and those getting more shall win the election. Meanwhile, the number of voting right that each winning director or supervisor gets shall not be less than half of total number of shares held by the shareholders that are present in the Shareholders' general meeting (according to the number of shares not cumulated).

Article 14 Election principles of directors or supervisors:

- (I) the number and structure of directors elected out in the Shareholders' general meeting shall accord with the Articles of Association. Election shall depend on the number of votes that each director or supervisor candidate gets. However, the number of votes that each elected director or supervisor gets shall exceed half of total number of shares held by the shareholders that are present in the Shareholders' general meeting (according to the number of shares not cumulated)..
- (II) If the number of director or supervisor candidates joining the election in the Shareholders' general meeting is more than the number to be elected, the candidates winning more votes shall win. If the number of the elected directors or supervisors is less than the number of the directors or supervisors to be elected, and the number of the elected directors or supervisors is more than two thirds of the number of the members of the Board of Directors or the Board of Supervisors, the vacancy shall be filled up in the next Shareholders' general meeting. If the number of the elected directors or supervisors is less than the number of the directors or supervisors to be elected, and the number of the elected directors or supervisors is also less than two thirds of the number of the members of the Board of Directors or the Board of Supervisors prescribed in the Articles of Association, the candidates of directors or supervisors failed to be elected shall have a second election. If the above-mentioned requirement has not been satisfied after the second election, the Company shall convene another Shareholders' general meeting within two months after the completion of this Shareholders' general meeting for the election of directors or supervisors to fill up the vacancies.

- (III) If the number of director or supervisor candidates who get more votes than half of effective voting rights held by the shareholders that are present in the Shareholders' general meeting is more than the number of directors or supervisors to be elected, such director or supervisor candidates shall be ranked in order and those getting more votes shall win. When there are two or more candidates have the same number of votes and such number of votes will make the number of the electees larger than the number of candidates to be elected, the Shareholders' general meeting shall conduct a second election among the aforementioned candidates. If the second election still cannot determine the electees, the Company shall elect the directors or supervisors at the next Shareholders' general meeting. If the above issue makes the number of elected directors or supervisors smaller than two thirds of the number of the members of the Board of Directors prescribed in the Articles of Association, the Company shall convene another Shareholders' general meeting within two months after the completion of this Shareholders' general meeting for the election of directors or supervisors to fill up the vacancies.

Chapter V Supplementary Provisions

Article 15 Before director or supervisor candidates are voted in the Shareholders' general meeting, the meeting host or other appointed person shall be responsible for explaining the Rules of cumulative voting system to ensure that shareholders will vote correctly.

Article 16 The reference of "over" and "below" mentioned in the Rules shall be inclusive while "more than", "higher than" and "lower than" shall not be inclusive.

Article 17 The issues uncovered in the Rules shall be handled according to relevant national laws, regulations and the Articles of Association. If the Rules have any conflict with national laws and regulations issued or modified in the future or the Articles of Association modified with prescribed procedures, such national laws and regulations as well as the Articles of Association shall prevail.

Article 18 The Rules were stipulated by the Board and shall come into force after being approved in the Shareholders' general meeting. The Board shall be responsible for the interpretation.

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

VII. RULES FOR MANAGEMENT OF THE PROCEEDS

Chapter I General Rules

Article 1 In order to regulate the management and use of proceeds from fund-raising (the “Proceeds”) of Jujiang Construction Group Co., Ltd. (hereinafter referred to as “the Company”), improve the efficiency and effectiveness of the use of the Proceeds and maximally protect investors’ interests, these Rules for Management of the Proceeds (the “Rules”) are formulated according to the *Company Law of the People’s Republic of China* (hereinafter referred to as “Company Law”), the *Securities Law of the People’s Republic of China* (hereinafter referred to as “Securities Law”), *Measures for the Administration of Initial Public Offering and Listing of Stocks*, *Measures for the Administration of the Issuance of Securities by Listed Companies*, *Rules Governing the Listing of Stocks on Shanghai Stock Exchange* (hereinafter referred to as “Listing Rules”), *Measures for the Administration of the Proceeds by Listed Companies of Shanghai Stock Exchange*, and other laws and regulations, normative legal documents, as well as the requirements of the Article of Association.

Article 2 The Proceeds referred in the Rules refers to the fund raised from investors by the Group by public issue of securities (including but not limited to initial public offering of shares, allotment of shares, additional issues of shares, issues of convertible bonds, and issues of warrant bond) and non-public offering of securities, except for the Proceeds by stock incentive plan implemented by the Group.

Article 3 The Proceeds of the Group are strictly restricted to the use in planned investment projects which have been announced publicly. The Board shall formulate a detailed fund using plan according to the implementation of projects, so as to ensure standard, open and clear use of Proceeds. Without the decision of Shareholders’ meeting, the use of the Proceeds shall not be changed.

Article 4 The directors, supervisors and senior management personnel of the Company shall perform their duties diligently, monitor the Company to use the Proceeds in a regulated manner, consciously uphold the security of the Proceeds of the Company and shall not participate in, facilitate or condone an unauthorised or disguised change of the use of the Proceeds. Relevant responsible person shall undertake civil compensation liability in violation of National laws and regulations, and the Article of Association and the Rules to use the Proceeds and cause damages to the Group.

Article 5 The controlling shareholders and de facto controllers of the Company shall not directly or indirectly retain or misapply the Proceeds of the Group, nor use the Proceeds and the investment projects in which the Proceeds are invested to obtain improper benefits.

Article 6 Sponsors shall, according to *Administrative Measures for the Sponsorship Business of the Issuance and Listing of Securities* and *Measures for the Administration of the Proceeds by Listed Companies of Shanghai Stock Exchange* and the Rules, perform sponsor duties and implement management of the Proceeds of the Company and maintain continuous supervision..

Chapter II Deposit of the Proceeds

Article 7 The Company establishes special deposit account system of the Proceeds. The Proceeds shall be deposited in the special account for the Proceeds (hereinafter referred to as “special account for the Proceeds”) established with the approval of the Board for centralized management. The account shall not be deposited with other capitals or for other uses.

Article 8 Upon full payment of the Proceeds, the Company shall handle with capital verification formalities timely, and deposit the Proceeds in special account for the Proceeds timely and in full amount after issuance of capital verification report by accounting firm with securities qualification.

Article 9 Deposit of the Proceeds shall follow the principles of appropriate centralization and convenient management.

Article 10 The Company shall sign the three-party supervision agreement for deposit into the special account for the Proceeds with the sponsors and the commercial bank in which the Proceeds are deposited (the “Commercial Bank”) within one month after the Proceeds are transferred to the account. The agreement shall at least include the following contents:

- (1) The Company shall deposit all proceeds into the special account;
- (2) The Commercial Bank shall provide the Company a bank statement of the special account on a monthly basis and make a copy to the sponsors;
- (3) If the Company withdraws more than RMB50 million at one time or in aggregate within 12 months from the special account for the Proceeds, and the amount reaches 20% of net proceeds deducting the issuing expense from the total proceeds (the “Net Proceeds”), the Company shall promptly notify the sponsors;
- (4) The sponsors may visit the Commercial Bank for access of the information related to the special account for the Proceeds any time;
- (5) Liability for breach of contract of the Company, the Commercial Bank and the sponsors.

The Company shall report to the Shanghai Stock Exchange for filing and make announcement within two trading days after the execution of the abovementioned agreement.

If the aforementioned agreement is terminated before the expiry date due to changes of the sponsors or the Commercial Bank, the Company shall sign a new agreement with relevant parties within two weeks from the date of termination of the agreement, and report to the Shanghai Stock Exchange for filing and make announcement within two trading days after the execution of the new agreement.

Article 11 If the sponsors find that the Company or the Commercial Bank has not performed the three-party supervision agreement for deposit of the Proceeds in the special account for the Proceeds in accordance with the agreement, the sponsors shall promptly report to the Shanghai Stock Exchange in writing upon knowledge of the relevant facts.

Chapter III Use of the Proceeds

Article 12 The Company shall use the Proceeds according to the plan on the use of Proceeds committed in the offering application documents. In case of any circumstances which severely affect the normal implementation of the plan on the use of Proceeds, the Company shall timely report to Shanghai Stock Exchange and make announcement.

Article 13 For use of the Proceeds, the Company shall go through the approval procedures for the use of the Proceeds in strict compliance with financial management system of the Company. For expenditure of the Proceeds, the relevant department should propose the use plan of the Proceeds. The payment shall be made upon the approval of the Board within its scope of authority and if exceeding the Board's scope of authority, it should be reported to the Board for approval.

Article 14 If any of the following situations occurs for any investment project using the Proceeds (the "Investment Project"), the Company shall re-assess the feasibility and expected return, etc. of the Investment Project to determine whether the implementation of the Investment Project should proceed, and disclose the progress of the Investment Project, the reasons for the abnormalities and the adjusted Investment Project (if any) in the latest periodic report:

- (1) Significant changes in the market environment relating to the Investment Project;
- (2) The suspension of the Investment Project has been for over 1 year;
- (3) The time of completion for the investment plan of the Proceeds has elapsed and the investment amount of the Proceeds has not reached 50% of relevant expected amount;
- (4) Occurrence of other abnormalities for the Investment Projects.

Article 15 The Proceeds shall be used for main businesses of the Company. The Company shall not use the Proceeds in any of the following ways:

- (1) Investment Projects are financial investments such as held-for-trading financial assets, available-for-sale financial assets, investments by lending and entrusted wealth management, or direct or indirect investment in companies whose main business involves the dealing of priced securities;
- (2) Change the use of the Proceeds in form of pledge, entrusted loan or other ways;
- (3) Related parties such as controlling shareholders and de facto controllers occupy or misappropriate the Proceeds to obtain illicit interest with Investment Projects;
- (4) Other behaviors in violation of the Rules regarding the use of the Proceeds.

Article 16 If the Company has disclosed in offering application documents to replace self-raised funds invested in advance with the Proceeds and the amount has been determined, self-raised funds shall be replaced by the Proceeds within six (6) months upon payment of the Proceeds. The replacement shall be reviewed and approved by the Board, with an assurance report issued by an accounting firm and published with the express consent from the independent directors, the Board of Supervisors and the sponsors. The Company shall report such replacement to Shanghai Stock Exchange and make announcement within two (2) trading days after the Board meeting.

Article 17 Temporarily idle proceeds of the Company (the “Idle Proceeds”) can be used for cash management and the products invested in must comply with the following conditions:

- (1) a high degree of safety, and can meet the protection requirements of the principal, with undertaking by the product issuer;
- (2) good liquidity and shall not affect the normal implementation of the Investment Projects.

The investment products shall not be pledged and the funds other than the Proceeds raised shall not be deposited in the special settlement account for the investment products (if applicable) and the account shall not be used for other purposes. The Company shall report to the Shanghai Stock Exchange for filing and make announcement within two trading days for the opening and closing of the special settlement account for such investment products.

Article 18 The use of the Idle Proceeds in investment products shall be reviewed and approved by the Board with express consent from the independent directors, the Board of Supervisors and the sponsors. The Company shall announce the following contents within two trading days after the Board meeting:

- (1) Basic information of the Proceeds, including the time, amount of the Proceeds raised, the Net Proceeds and investment plans, etc;
- (2) Status of the use of the Proceeds;
- (3) The limits and duration of the Idle Proceeds that can be used to invest in products; and if there are any behaviors that may change the purposes of the use of the Proceeds in a disguised form; and measures for ensuring the normal implementation of the projects funded by the Proceeds;
- (4) Methods of profit distribution, scope of investment and safety of investing in the investment products;
- (5) Opinions of the independent directors, the Board of Supervisors and the sponsors.

Article 19 Under the circumstances of not influencing the schedule of the Investment Projects with the Proceeds, and within the scope of laws and regulations, as well as normative documents of regulatory departments, idle funds can be used to supplement working capital of the Company temporarily, and the following conditions shall be met:

- (1) The purposes of the Proceeds shall not be changed in disguise and the normal implementation of the Investment Projects shall not be affected;
- (2) It is confined to the production and operation relating to the main business, and shall not be used directly or indirectly for issuing or placing new shares, subscription of shares, trading shares and its derivatives, convertible bonds, etc.;
- (3) The period for a single replenishment of working capital shall not be more than 12 months;
- (4) The previous proceeds used for replenishing the working capital temporarily that are due have been repaid (if applicable).

The temporary replenishment of working capital with the Idle Proceeds shall be reviewed and approved by the Board, and with express consent from the independent directors, the sponsors and the Board of Supervisors. The Company shall report to the Shanghai Stock Exchange and make an announcement within two trading days after the Board meeting. The Company shall return partial funds to the special account for deposit of the Proceeds before the due date for the working capital replenished, and shall report to the Shanghai Stock Exchange and make an announcement within two trading days after full repayment of the capital.

Article 20 Any actual Net Proceeds in excess of the planned amount (the “Excess Fund”) can be used to permanently replenish working capital or repay bank loans. However, the accumulative use shall not exceed 30% of the Excess Fund in every 12 months, and the Company shall undertake that high-risk investments and financial assistance to other parties will not be made within 12 months after the replenishment of working capital.

Article 21 The use of the Excess Fund to replenish working capital or repay bank loans shall be reviewed and approved by the Board and the Shareholders’ meeting. Online voting shall be provided to shareholders. Express consent shall be given by independent directors, the Board of Supervisors and sponsors. The Company shall report to the Shanghai Stock Exchange and make an announcement within two trading days after the Board meeting with details of the following:

- (1) Basic information of the fund raising, including the time, amount of the Proceeds raised, the Net Proceeds, the Excess Fund and investment plans, etc.;
- (2) Status of the use of the Proceeds;
- (3) The necessity for, and detailed plan of, using the Excess Fund for permanent replenishment of working capital or repayment of bank loans;
- (4) Undertaking to not make high-risk investments and provide financial assistance to other parties within 12 months after the replenishment of working capital;
- (5) Impact of using the Excess Fund for permanent replenishment of working capital or repayment of bank loans on the Company;

- (6) Opinions of independent directors, the Board of Supervisors, and sponsors.

Article 22 If the Company spends the Excess Fund on projects under development and new projects (including acquisition of assets), the funds shall be invested in the core business of the Company, and a feasibility analysis shall be scientifically and carefully conducted for such investment project in accordance with Articles 25 to Article 30 of the Rules, and disclosure shall be made in a timely manner.

Article 23 Upon completion of a single Investment Project, if the remaining proceeds (including interest income) (the “Remaining Proceeds”) for use in that Investment Project are used for other Investment Projects, review and approval from the Board and express consent from the independent directors, sponsors and the Board of Supervisors are required before the Remaining Proceeds can be used. If the Remaining Proceeds (including interest income) is less than RMB 1 million, or less than 5% of the promised investment amount of the Proceeds, the procedure in the preceding paragraph can be waived, and its progress of use should be disclosed in the annual report.

For the use of the Remaining Proceeds (including interest income) of any single Investment Project for purposes other than the Investment Projects (including replenishing working capital), the corresponding procedure and disclosure obligations for the change of Investment Projects shall apply.

Article 24 Upon completion of all of the Investment Projects, if the Remaining Proceeds (including interest income) account for more than 10% of the Net Proceeds, such surplus shall be used only after the review and approval of the Board and the Shareholders’ meeting, with express consent from independent directors, the sponsors and the Board of Supervisors. The Company shall report to the Shanghai Stock Exchange and make an announcement within two trading days after the Board meeting.

For the Remaining Proceeds (including interest income) which is less than 10% of the Net Proceeds, such surplus shall be used only after review and approval of the Board, with express consent from the independent directors, sponsors and the Board of Supervisors. The Company shall report to the Shanghai Stock Exchange and make an announcement within two trading days after the Board meeting.

If the Remaining Proceeds (including interest income) is less than RMB 5 million or less than 5% of the Net Proceeds, the procedure in the preceding paragraph can be waived, and its progress of use should be disclosed in the latest periodic report.

Chapter IV Change of Committed Investment Projects

Article 25 In principle, use of the Proceeds and Investment Projects shall be implemented in line with the disclosed plan in the prospectus, but if change is applied due to particular reasons, the Board shall review the change after the Chairman confirms and approves the changes, and the reasons and scheme of change shall be provided.

Article 26 The Board shall coordinate experts in the Company or employ intermediary agency to make special assessment on the change scheme confirmed by the Chairman, so as to make a decision on whether to change. Independent directors, the Board of Supervisors and sponsors shall give express independent opinions. The decision of change made by the Board shall be submitted to Shareholders’ Meeting for review.

Article 27 Where changes are merely made to the implementation location of the Investment Project, the preceding procedures can be waived, but review and approval from the Board shall be obtained, and the Company shall report to the Shanghai Stock Exchange within two trading days, and make announcement regarding the reasons for the change and opinions of the sponsors.

Article 28 The altered Investment Projects shall invest in main businesses. The Board should scientifically and cautiously analyze the feasibility of the proposed new Investment Project and ensure that the Investment Project has good market prospects and profitability so as to effectively prevent investment risks and improve efficiency of the use of the Proceeds.

Article 29 The Company shall report to Shanghai Stock Exchange and announce the following content within two (2) trading days after submission to the Board for discussion if it plans to change the committed investment projects:

- (1) The basic information of the original Investment Project and the specific reasons for the change;
- (2) Basic information, feasibility analysis and reminders of risks of the new Investment Project;
- (3) Investment plan of the new Investment Project;
- (4) Explanation of whether the new Investment Project has been approved or is waiting for the approval by the relevant authorities (if applicable);
- (5) Opinions of the independent directors, the Board of Supervisors and sponsors in respect of the change of the Investment Project;
- (6) Explanation that the change of the Investment Project still requires approval at the Shareholders' meeting;
- (7) Other contents required by Shanghai Stock Exchange.

A new Investment Project that involves connected transactions, asset acquisition or foreign investments shall also be disclosed in accordance with the relevant requirements.

Article 30 If the Company changes the committed Investment Projects and uses the funds for acquisition of the assets (including equities) of controlling shareholders or de facto controllers, it shall ensure effective avoidance of competitions and reduction of connected transactions after acquisition.

Article 31 Where an Investment Project is intended to be transferred to an external party or replaced (except for the ones that have been transferred to an external party or replaced in full during the Company's significant asset reorganization), the Company should report it to the Shanghai Stock Exchange within two trading days after approval by the Board, and announce the following:

- (1) the specific reasons for the external transfer or replacement of the Investment Project;

- (2) the amount invested in the project from the Proceeds;
- (3) the progress and realized profits of the project;
- (4) basic information, feasibility analysis and reminders of risks (if applicable) of the new project after replacement;
- (5) pricing basis and related profit of the transfer or replacement; Opinions of independent directors, the Board of Supervisors and sponsors on the transfer or replacement of the Investment Project;
- (6) Explanation that the transfer or replacement of the Investment Project requires approval at the Shareholders' meeting;
- (7) Other information required by the Shanghai Stock Exchange.

The Company should pay full attention to the receipt and use of the transfer amount, as well as the ownership changes and continuous operation of the newly-replaced assets, and perform the necessary obligations of information disclosure as required.

Chapter V Supervision on Use of the Proceeds

Article 32 The Company shall disclose the actual use of the Proceeds truly, accurately and fully.

Article 33 The Board should thoroughly examine progress of the Investment Projects every six months, and issue the Special Report on Deposit and Actual Use of the Proceeds of the Company (the "Special Report on the Proceeds") in connection with the deposit and use of the Proceeds.

In case of any difference between the actual progress and the investment plan of Investment Projects, the Company shall explain the specific reasons in the Special Report on the Proceeds. If the Idle Proceeds are invested in investment products in the current reporting period, the Company shall disclose the income in the current reporting period, and the shares of investment, signatories, product names, duration and other information at the end of the period in the Special Report on the Proceeds.

The Special Report on the Proceeds should be reviewed and approved by the Board and the Board of Supervisors, and reported to the Shanghai Stock Exchange and an announcement should be made within two trading days after approval from the Board. When conducting the annual audit, the Company shall employ an accounting firm to issue an authentication report on the deposit and use of the Proceeds, which shall be submitted to the Shanghai Stock Exchange in disclosure of the annual report and disclosed on the Stock Exchange website.

Article 34 The audit committee of the Board (“Audit Committee of the Board”), the Board of Supervisors or independent directors shall pay constant attention to the actual management and use of the Proceeds. If more than one half of the independent directors, the Audit Committee of the Board or the Board of Supervisors think necessary, certified public accountant can be employed to make special verification on the deposit and use of the Proceeds and issue an authentication report. The Board shall actively cooperate while the necessary costs shall be borne by the Company.

The Board shall report to Shanghai Stock Exchange and make an announcement within two trading days after receiving the authentication report issued by the certified public accountant (the “Authentication Report”). If the Authentication Report opines that the management and the use of the Proceeds involve a violation of the regulations, the Board shall also announce such violation regarding the deposit and use of the Proceeds, as well as the actual or potential consequences and measures that have been or will be taken.

Article 35 The sponsors of the Company shall conduct an on-site investigation on the deposit and use of the Proceeds at least once every six months. After the conclusion of each fiscal year, the sponsors of the Company shall issue a special annual audit report on the deposit and use of the Proceeds according to the rules of Shanghai Stock Exchange, and the audit report shall be submitted to the Shanghai Stock Exchange in the disclosure of the annual report. The audit report should contain the following contents:

- (1) The deposit and use of the Proceeds and balance of the special account;
- (2) The progress of the Investment Project, including the deviation from the planned progress;
- (3) The status of the replacement of the self-raised funds invested in the Investment Project with the Proceeds (if applicable);
- (4) The status of the replenishment of working capital with the Idle Proceeds and the effects (if applicable);
- (5) Use of Excess Fund (if applicable);
- (6) Changes in the use of the Proceeds (if applicable);
- (7) Conclusive comments on the compliance of the deposit and use of the Proceeds;
- (8) Other information required by the Shanghai Stock Exchange.

After the conclusion of each fiscal year, the Board shall disclose the specific audit report of the sponsors and conclusive comments in the authentication report of the accounting firm in the Specific Report on the Proceeds.

Chapter VI Supplementary Provisions

Article 36 If Investment Projects are implemented by subsidiaries of the Company or other enterprises under the control of the Company, special account for the Proceeds, use, management and supervision involved in the Investment Projects shall be in line with the Rules.

Article 37 “More than” referred to in the Rules shall include the figures thereafter; “less than” shall not include the figures thereafter.

Article 38 The Board shall be responsible for formulation, alteration and interpretation of the Rules.

Article 39 The Rules, being formulated by the Board and reviewed and approved at the Shareholders’ meeting, shall take effect since the date of initial public offering of shares of Class A common stock of the Company, and shall be interpreted by the Board.

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

VIII. RULES FOR INVESTOR RELATION MANAGEMENT

Chapter I General Rules

Article 1 In order to enhance information communication between Jujiang Construction Group Co., Ltd. (hereinafter referred to as “the Company”) and investors, perfect the Company’s management structure and practically protect legal interest of investors, especially social public investors, according to *Company Law of the People’s Republic of China* (hereinafter referred to as “Company Law”), *Securities Law of the People’s Republic of China* (hereinafter referred to as “Securities Law”), *Work Instructions for the Relationship between Listed Company and Investors*, *Rules Governing the Listing of Securities on Shanghai Stock Exchange* (hereinafter referred to as “Listing Rules”), *Articles of Association of Jujiang Construction Group Co., Ltd.* (hereinafter referred to as “Articles of Association”) as well as other laws and regulations, and combining actual situation of the Company, these rules for investor relation management (the “Rules”) are formulated.

Article 2 Investor relation management refers to the management behavior that through information disclosure and communication, the Company enhances the communication with investors and potential investors, increase investors’ understanding and approval to the Company and improve the Company’s management level so as to the maximize the Company’s overall interests and protect legal interests of investors.

Article 3 The purposes of investor relation management include:

- (I) Promote positive relation between the Company and investors and increase investors’ understanding and acknowledge about the Company;
- (II) Establish stable and quality investor base and achieve long-term market support;
- (III) Create the corporate culture of serving investors and respecting investors;
- (IV) Promote the investment philosophy of focusing on both the maximization of the Company’s overall benefits and the growth of shareholders’ wealth;
- (V) Increase the transparency of information disclosure and constantly perfect the Company’s management.

Article 4 Basic principles of investor relation management:

- (I) The principle of disclosing information sufficiently; in addition to compulsory information disclosure, the Company may initiatively disclose other relevant information that investors care about.

- (II) The principle of disclosing information according to laws and regulations; the Company shall follow national laws and regulations as well as the regulations of securities supervision departments and securities exchange about disclosing information of listed companies, and guarantee the disclosed information is true, exact, complete and timely. When carrying out the work of investors relation, pay attention to the confidentiality of the information not yet disclosed and other inside information; once any confidential information is leaked out, the Company shall timely disclose relevant information in accordance with relevant regulations.
- (III) The principle of equal opportunity for investors; the Company shall treat all the shareholders and potential investors equally, and avoid selective information disclosure.
- (IV) The principle of being honest and trustworthy; the Company's work of investors relation shall be objective, real and exact, and avoid excessive publicity and misleading.
- (V) The principle of high efficiency and low consumption; when choosing the work mode of investor relation, the Company shall sufficiently consider to increase communication efficiency and reduce communication cost.
- (VI) The principle of interactive communication; the Company initiatively listen to the opinions and advices from investors, realize two-way communication between the Company and investors, and achieve positive interaction.

Chapter II Objects and Work Content of Investor Relation Management

Article 5 Work objects of investor relation management:

- (I) Investors (including current investors and potential investors);
- (II) Securities analysts and industry analysts;
- (III) Medias such as financial and economic media and industry media;
- (IV) Other relevant institutions.

Article 6 In the management of investor relation, communication content between the Company and investors mainly include:

- (I) The Company's development strategies, including the Company's development direction, development plan, competitive strategies and business policies;
- (II) Legal information disclosure and explanation, including regular reports, ad hoc announcements and annual report explanation conferences;

- (III) Operation and management information that the Company may disclose in accordance with relevant laws, including production and operation status, financial condition, research and development of new products or new technologies, business performance and dividend distribution;
- (IV) Major events that the Company may disclose in accordance with relevant laws, including major investment and change, assets restructuring, merger and acquisition, foreign cooperation, external security, major contracts, related party transactions, major lawsuits or arbitrations, management level changes and major shareholder change;
- (V) building of Corporate cultural;
- (VI) Other relevant information of the Company.

Article 7 Communication mode between the Company and investors:

Communication modes between the Company and investors include but are not limited to: regular reports and ad hoc announcements, annual report explanation conference, general meeting, company website, one-to-one communication, sending materials by mail, consulting by telephone, site visit, analyst meeting and performance illustration meeting, media interviews and reports as well as road show. The Company shall try to conduct timely, in-depth and comprehensive communication with investors through various modes, and especially pay attention to increase communication efficiency and reduce communication cost with Internet.

Article 8 For the information that shall be disclosed according to laws, regulations and Listing Rules, it must be published immediately on the information disclosure newspapers and websites specified by the Company; the Company shall not disclose any information on other public media earlier than specified newspaper and websites and not replace company announcements with other methods like press release or answering reporters' questions. The Company shall clearly distinguish publicity advertisements from media reports and not influence objective and independent reports of media with publicity advertising materials or paid means.

Chapter III Establishment of Department of Investor Relation Management

Article 9 The secretary of the Board is the responsible person of investors' relation affairs of the Company. Securities Department of the Company is the functional department for the management of investors relation, led by the secretary of the Board, and responsible for planning, arranging and organizing various activities and daily affairs of investors relation under the circumstance of understanding the Company's operation and management, operating status and development strategies comprehensively and in depth.

The employees engaged in the management of investors' relation shall have the following qualities:

- (I) Comprehensive understanding of the Company, including its industry, products, technologies, production process, management, research and development, marketing, finance and human resources, and the Company's development strategies and development prospect in depth;

- (II) good knowledge structure and is familiar with the laws and regulations related to the management, finance and accounting of the Company;
- (III) good communication and coordination abilities;
- (IV) good behaviors and good faith;
- (V) able to grasp the content and procedures of investor relation management accurately.

With the authorization of the Chairman of the Board, the secretary of the Board may hire professional operating institutions for investors' relation as necessary to help the Company conduct investors' relation work.

Article 10 Job duties of investor relation management mainly include but are not limited to the following aspects:

- (I) Information communication: carry out information disclosure timely and accurately according to the requirements in laws, regulations and listing rules as well as relevant rules of investors relation management; according to the Company's actual situation, communicate with investors by holding analyst explanation conference and road show; reply investors' questions by telephone, email, fax and receiving visitors.
- (II) Regular report: handle the formulation, printing and mailing work of annual reports, interim reports and quarterly reports;
- (III) Preparing meetings: prepare annual general meeting, temporary general meeting and director meetings, and prepare meeting materials;
- (IV) Public relation: establish and maintain positive public relation with relevant authorities like supervision authorities, securities exchange and industry associations;
- (V) Media cooperation: enhance the cooperation relation with financial and economic media, correctly guide media's reports on the Company; arrange media's interviews with senior management staff and other significant staff;
- (VI) Establishment of internet information platform: establish special column for investors' relation management on the Company's website, and disclose company information on the internet for investors' easy enquiries;
- (VII) Crisis management: quickly put forward effective management scheme after occurrence of crisis, such as lawsuits, arbitrations, major restructuring, key staff change, dramatic fluctuation of profit, abnormal stock transactions and natural hazards;
- (VIII) Other work which is beneficial to improve investors' relation.

Article 11 With the precondition of not influencing production and operation and not revealing trade secrets, other functional departments and all the staff of the Company have the obligation to help the secretary of the Board and relevant functional departments with management work of investors' relation. Other directors, supervisors, senior management staff and employees shall avoid to make statements on behalf the Company in the activities of investors' relation, unless after getting exact authorization and receiving training.

The Company shall arrange reasonable and proper visiting process so as to let visitors understand the Company's business and operation and meanwhile prevent visitors from learning undisclosed significant information.

Article 12 The Company shall provide trainings about relevant knowledge of investors' relation in proper ways to its staff, especially directors, supervisors, senior management staff, department leaders and responsible staff of subordinate bodies of the Company; for significant activities for promoting investors' relation, specialized trainings shall be provided.

Article 13 The Company shall provide dedicated consulting hotline for investors so that investors can call it to ask and learn the issues they care about. Dedicated staff shall be arranged for answering such consulting hotline and it shall be guaranteed that dedicated staff will answer the consulting hotline and the hotline works in working time. When significant events happen or at other necessary moments, the Company shall provide more hotlines to answer investors' questions. If there is any change of the consulting hotline, it shall be announced immediately.

Article 14 The secretary of the Board and relevant staff in Securities Department shall constantly pay attention to various kinds of news about the Company from news media and on Internet, and timely feedback to the Board and management level of the Company.

Article 15 The Company shall perform information disclosure obligations strictly according to relevant laws, regulations and rules of securities supervision authorities including China Securities Regulatory Commission (CSRC) and Shanghai Stock Exchange. The Company shall choose information disclosure newspapers and websites from those CSRC specifies.

Article 16 Once the Company announces any significant information in any activity for investors' relation by any means and such information shall be disclosed according to laws and rules, the Company shall timely report it to Shanghai Securities Exchange and perform formal disclosure before the commencement of trading on next trading day.

Chapter IV Supplementary Provisions

Article 17 The terms used in these Rules bear the same meanings with that of such terms in articles of association, unless otherwise specified.

Article 18 "Over", "below" and "within" mentioned in these Rules include the base while "more than", "less than" and "lower than" don't include the base.

Article 19 The issues not mentioned in these Rules shall be handled according to relevant national laws, regulations and Articles of Association; if there is any conflict between these Rules and national laws and regulations issued in future or Articles of Association modified in legal procedures, such national laws and regulations as well as Articles of Association shall prevail, and these Rules shall be modified right away and submitted to the Board and general meeting for deliberation.

Article 20 These Rules are prepared by the Board. After being approved by the general meeting, it shall come into force on the date of initial public offering of RMB common stocks (A-shres). The Board shall be responsible for the interpretation.

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

IX. RULES FOR MANAGEMENT OF CHANGE IN SHAREHOLDING OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

Chapter I General Rules

Article 1 In order to regulate the shares held by directors, supervisors and senior management of Jujiang Construction Group Co., Ltd. (hereinafter referred to as “the Company”) and their changes, according to *Company Law of the People’s Republic of China* (hereinafter referred to as “Company Law”), *Securities Law of the People’s Republic of China* (hereinafter referred to as “Securities Law”), *Company Shares Held by Directors, Supervisors and Senior management and Change Management Rules of Listed Companies*, *Articles of Association of Jujiang Construction Group Co., Ltd.* (hereinafter referred to as “Articles of Association”) as well as other laws and regulations, and combining actual situation of the Company, these rules (the “Rules”) are formulated.

Article 2 These Rules are applicable to all the directors, supervisors and senior management of the Company. Directors, supervisors and senior management shall not hold, buy or sell the Company’s shares with assumed names, by using others’ names or in the ways forbidden in applicable regulations so as to circumvent these Rules.

Directors, supervisors and senior management shall also not handle the transactions forbidden in applicable regulations, including but not limited to buying or selling the Company’s shares, revealing relevant information to others (including but not limited to their respective parents, spouse, children and other relatives) or suggesting others (including but not limited to their respective parents, spouse, children and other relatives) to buy or sell the Company’s shares before relevant inside information is disclosed.

Directors, supervisors and senior management shall adhere to the principle of being initiatively self-disciplined when they face their parents, spouse, children and other relatives buying and selling the Company’s shares.

Article 3 Company shares held by directors, supervisors and senior management and their change shall strictly accord with the regulations in These Rules.

Article 4 The secretary of the Board of the Company shall be responsible for specific management stuff of company shares held by directors, supervisors and senior management and their changes as well as the disclosure of relevant information.

Chapter II Legal Transaction

Article 5 Company shares held by directors, supervisors and senior management refer to all the company shares registered under their names; if directors, supervisors and senior management are engaged in securities margin trading transactions, company shares recorded in their credit accounts shall be also included.

Article 6 Under the following circumstances, company shares held by directors, supervisors and senior management shall not be transferred:

1. Within 1 year after commencement of trading of company shares;
2. Within half year after resignation of directors, supervisors and senior management;
3. Within the period in which directors, supervisors and senior management had committed not to transfer;
4. Other circumstances specified in applicable regulations.

Article 7 During their terms of office, directors, supervisors and senior management shall not transfer over 25% of total company shares that they hold through concentrated bidding, block trade and share transfer by agreement every year, excluding the shareholdings change caused by judicial enforcement, inheritance, legacy and legal property division.

If directors, supervisors and senior management hold less than 1000 shares, they can be transferred in one time, which shall not be limited by the transfer percentage specified in last clause.

Article 8 The quantity of transferrable shares shall be calculated with the basis of the shares that the Company issued and directors, supervisors and senior management hold at the end of last year.

Article 9 For various types of new shares including public offering and private placement, implementation of share incentive plan, purchase in secondary market by directors, supervisors and senior management, convertible bonds being converted into shares, exercise of rights and share transfer by agreement, the new shares without sales restriction can be transferred by 25% in the current year while that with sales restriction shall be accounted into the calculation basis of transferrable shares in the next year.

If company shares held by directors, supervisors and senior management are increased by share distribution, amount of shares transferrable in the current year can be increased proportionately.

Article 10 If transferrable shares held by directors, supervisors and senior management are not transferred in the current year, they shall be accounted into the number of total company share that they hold at the current year end, which shall be regarded as calculation basis of transferrable shares in the next year.

Article 11 Directors, supervisors and senior management shall not buy or sell company shares in the following periods:

1. Within 30 days before regular reports and announcements of the Company;
2. Within 10 days before results preannouncement and preliminary results estimates of the Company;

3. From the date when significant events that possibly cause major influence to share prices of company happen or the start of decision-making process to 2 trading days after legal disclosure;
4. Other periods specified in applicable regulations.

Article 12 If directors, supervisors and senior management violate applicable regulations and sell company shares they hold within 6 months after they buy them or buy company shares within 6 months after they sell them, the Company shall own the earnings they received and the Board shall seize the earnings they received and timely disclose relevant information. “Sell company shares within 6 months after they buy them” refers to selling out within 6 months after the point of time of the last acquisition, and “buy company shares within 6 months after they sell them” refers to buying in within 6 months after the point of time of the last disposal.

Chapter III Transaction Declaration

Article 13 Directors, supervisors and senior management shall declare and update their personal information to the secretary of the Board at the following point of time and during the following periods, and the latter shall timely declare and update such personal information (including but not limited to names, titles, ID numbers, securities accounts and time of getting in and out office) through the website of Shanghai Stock Exchange:

- (I) Within 2 trading days after general meeting (congress of workers and staff) passes the office holding issues of newly-appointed directors and supervisors; within 2 trading days after general meeting of Board passes the office holding issues of newly-appointed senior management;
- (II) Within 2 trading days after current directors, supervisors and senior management declare the changes of their personal information;
- (III) Within 2 trading days after current directors, supervisors and senior management leave office;
- (IV) Other time required in applicable regulations.

Article 14 According to applicable regulations and the data declared in personal information of directors, supervisors and senior management, Shanghai Stock Exchange will accordingly lock and unlock the company shares registered in their securities accounts, and supervise if directors, supervisors and senior management buy or sell company shares.

Article 15 After directors, supervisors and senior management buy or sell company shares, they shall declare the following information to securities affair representative or the secretary of the Board within 1 trading day after the date when the transaction actually happens:

- (I) The quantity of company shares they hold at last year end;

- (II) The dates, quantities and prices of each change of shares from last year end to this change;
- (III) The quantity of shares they hold before this change of shareholdings;
- (IV) The date, quantity and price of this change of shareholding;
- (V) The quantity of shares they hold after this change of shareholdings;
- (VI) Other information required in applicable regulations.

If shareholdings of directors, supervisors and senior management change for other reasons, they shall also declare it to the secretary of the Board or securities affair representative within 1 trading day after the transaction actually happens.

The secretary of the Board shall be responsible for the management of the identities of directors, supervisors and senior management of the Company and the data and information of company shares they hold, issue online declaration of personal information of directors, supervisors and senior management, and regularly inspect the disclosure of directors, supervisors and senior management buying and selling company shares.

Chapter IV Legal Liabilities

Article 16 Directors, supervisors and senior management shall make sure that the data they declare is timely, true, exact and complete. If directors, supervisors and senior management hold, buy or sell company shares against this regulation or fail to perform relevant declaration obligations according to these Rules, they shall undertake correspondingly the legal liabilities incurred and the Company may give internal punishment within the range allowed in applicable regulations.

Chapter V Supplementary Provisions

Article 17 The terms used in these Rules bear the same meanings with that of such terms in articles of association, unless otherwise specified.

Article 18 The reference to “Over”, “below” and “within” mentioned in the rules shall be inclusive while “more than”, “less than” and “lower than” shall not be inclusive.

Article 19 The issues uncovered in these Rules shall be handled according to relevant national laws, regulations and Articles of Association; if these Rules has any conflict with national laws and regulations issued in future or Articles of Association modified in legal procedures, such national laws and regulations as well as Articles of Association shall prevail, and these Rules shall be modified right away and submitted to the Board and general meeting for deliberation and pass.

Article 20 These Rules is prepared by the Board. After passing the deliberation of general meeting, it comes into force on the date of initial public offering of RMB ordinary shares (A-shares). The Board shall be responsible for the interpretation.

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

After incorporating the proposed amendments to the Draft Articles of Association as set out in this Appendix X, the numbering of and cross-referencing referred to in the articles will be re-numbered and updated accordingly.

Current Articles (assuming the amendments set out in Appendix V to this circular will be approved at the EGM and the Class Meetings)

Article 3

Upon approval of the China Securities Regulatory Commission on 30 October 2015, the Company initially issued to the public 133,360,000 overseas listed foreign shares the company which were listed on the Stock Exchange of Hong Kong Limited (hereafter referred as “Hong Kong Stock Exchange”) on 12 January 2016, the company registration is relocated to the Zhejiang Provincial Administration of Industry and Commerce.

Article 6

The registered capital of the Company is RMB533,360,000.

Article 10

Amendments to the Articles of Association will come into effect after being approved by the Company’s general meeting through its special resolution and the relevant competent departments of the state in accordance with relevant laws and regulations (if necessary).

Draft Articles of Association

Article 3

Upon approval of the China Securities Regulatory Commission on 30 October 2015, the Company initially issued to the public 133,360,000 overseas listed foreign shares the company which were listed on the Stock Exchange of Hong Kong Limited (hereafter referred as “Hong Kong Stock Exchange”) on 12 January 2016, the company registration is relocated to the Zhejiang Provincial Administration of Industry and Commerce.

The Company was approved by China Securities Regulatory Commission on [•••] for the fresh issue of [•••] Renminbi denominated ordinary shares (A shares) to the general public and the listing on the Shanghai Stock Exchange on [date].

Article 6

The registered capital of the Company is RMB533,360,000 [•••].

Article 10

Amendments to the Articles of Association will come into effect after being approved by the Company’s general meeting through its special resolution and the approval from the securities regulatory body of the State Council and shall be effective from the date of initial public offering and listing of the ordinary shares of the Company denominated in Renminbi (A shares) and the relevant competent departments of the state in accordance with relevant laws and regulations (if necessary).

Article 25

After its establishment, with the review of the China Securities Regulatory Commission on 30 October, 2015 and approval of the Hong Kong Stock Exchange, the Company shall issue 133,360,000 ordinary shares, all being foreign investment shares listed outside the People's Republic of China, accounting for 25% of the total number of ordinary shares that may be issued by the Company.

After issuing the foreign investment shares listed outside the People's Republic of China mentioned above. The composition of the Company's share capital shall be: 533,360,000 ordinary shares, of which Zhejiang Jujiang Holding Co., Ltd. shall hold 204,000,000 shares, Zhejiang Jujiang Equity Investment Management Co., Ltd. shall hold 196,000,000 shares, holders of foreign investment shares listed outside the People's Republic of China shall hold 133,360,000 shares.

Article 25

After its establishment, with the review of the China Securities Regulatory Commission on 30 October, 2015 and approval of the Hong Kong Stock Exchange, the Company shall issue 133,360,000 ordinary shares, all being foreign investment shares listed outside the People's Republic of China, accounting for 25% of the total number of ordinary shares that may be issued by the Company.

After issuing the foreign investment shares listed outside the People's Republic of China mentioned above. The composition of the Company's share capital shall be: 533,360,000 ordinary shares, of which Zhejiang Jujiang Holding Co., Ltd. shall hold 204,000,000 shares, Zhejiang Jujiang Equity Investment Management Co., Ltd. shall hold 196,000,000 shares, holders of foreign investment shares listed outside the People's Republic of China shall hold 133,360,000 shares.

As approved by the examination and approval authority authorized by the State Council, the Company can issue up to [•••] ordinary shares. The share capital structure of the Company is as follows: [•••] ordinary shares, of which [•••] shares are Renminbi denominated ordinary shares (A shares), representing [•••]% of the total number of issued ordinary shares of the Company, and [•••] shares are overseas-listed foreign-invested shares (H Shares) representing [•••]% of the total number of issued ordinary shares of the Company.

The A shares issued by the Company are deposited with institutions in accordance with relevant regulations. H shares of the Company are mainly deposited with Hong Kong Securities Clearing Company Limited.

New Article 71

When the Company convenes a meeting of the Shareholders' Meeting, it will employ lawyers to issue legal opinions on the following issues:

- (1) whether the procedures of convening and holding the meeting are in conformity with laws, administrative regulations and the Articles of Association;

- (2) whether the eligibility of the personnel attending the meeting and the qualifications of the convener are lawful and valid;
- (3) whether the procedures of the casting of votes and the voting results are legal and valid;
- (4) issue legal opinions on other relevant issues at the request of the Company.

New Article 232

The Company shall implement continuous and stable profit distribution policy. The Company shall pay attention to the reasonable return to investors under the premise that earnings and cash flow meet the normal operation and long-term development of the Company. The profit distribution policy formulated by the board of directors is as follows:

- (1) the principle of profit distribution
 - 1. The Company's profit distribution policy will give full consideration to the reasonable return of investors, and maintain continuity and stability of such policy.
 - 2. The profit distribution policy of the Company mainly takes into account the long-term interests of the Company, the overall interests of all the shareholders and the sustainable development of the Company. The profit distribution shall not exceed the range of the cumulative distributable profit and shall not impair the Company's ability of continuous operation.
 - 3. The opinions of independent directors and public investors shall be fully taken into account in the process of decision-making and discussion on profit distribution policy by the board of directors, the board of supervisors and the Shareholders' Meeting.

(2) Profit distribution mode

The distribution of profit of the Company may be in the form of cash, stock, a combination of cash and stock, or other forms permitted by laws and regulations. Under the conditions of meeting cash dividend conditions, the Company shall give priority to profit distribution in the form of cash dividend. In the premise that the Company achieves profit in the year and the accumulative undistributed profit is positive, the Company shall, in principle, make a cash dividend distribution every year. The board of directors of the Company may propose the medium-term cash distribution according to the profit situation and capital requirements of the Company.

(3) The following conditions shall be satisfied when cash dividend distribution is carried out:

1. The distributable profit (i.e., the after-tax profit after the Company makes up for losses and draws reserve fund) realized by the Company in the year is positive, the cash flow is abundant, and the implementation of cash dividend distribution will not affect the Company's continuing operations;
2. The audit institution issues a standard unqualified audit report on the Company's annual financial report;

3. The Company has no significant investment plan or significant cash expenditure in the next 12 months (except for fund raising projects). Significant investment plan or significant cash expenditure refers to one of the following circumstances: (1) The Company's accumulated expenditure in transactions such as foreign investment, acquisition of assets or purchase of equipment within the next 12 months reaches or exceeds 50% of the latest audited net assets of the Company and exceeds RMB50 million; (2) The Company's accumulated expenditure in transactions such as foreign investment, acquisition of assets or purchase of equipment within the next 12 months reaches or exceeds 30% of the latest audited net assets of the Company.

(4) The proportion and time interval of cash dividend distribution

In the premise of meeting the principle of profit distribution and the conditions for cash dividend distribution, the Company's annual cash distribution of profit shall not be less than 20% of the distributable profit achieved in the year. The board of directors may propose mid-term cash dividend distribution according to the Company's profitability and capital requirements.

The board of directors of the Company is authorized by Shareholders' Meeting to propose differentiated cash dividend distribution policies according to the following circumstances, in accordance with the Articles of Association, and based on consideration of the characteristics of the industry, the development stage, the mode of operation, profit level, cash flow and whether there are significant capital expenditure arrangements in each year:

1. If the Company is at mature stage of development and there is no major capital expenditure arrangement, the cash dividend shall account for no less than 80% of the profit for distribution.

2. If the Company is at mature stage of development and there is major capital expenditure arrangement, the cash dividend shall account for no less than 40% of the profit for distribution.

3. If the Company is at growth stage and there is major capital expenditure arrangement, the cash dividend shall account for no less than 20% of the profit for distribution.

If it is not easy to distinguish between the development stages of the Company but there are major capital expenditure arrangements, the provisions of the preceding paragraph shall be complied with.

(5) Conditions for the distribution of stock dividends

According to accumulative distributable profit, reserve fund and cash flow situation, the Company can distribute profit in the form of stock dividend, in the premise of guaranteeing full cash dividend and reasonable scale of share capital of the Company. The specific distribution ratio shall be submitted to the Shareholders' Meeting for consideration, after examined and approved by the board of directors.

(6) If any shareholder expropriates the funds of the Company in violation, the Company shall deduct the cash dividend distributable to such shareholder, in order to repay the funds expropriated by him.

(7) The decision-making process and mechanism of profit distribution

1. The profit distribution plan of the Company shall be formulated by the board of directors and examined and approved by the board of directors. After approved by more than two thirds of the independent directors of the Company and adopted by the board of supervisors, the profit distribution plan shall be submitted to the Shareholders' Meeting.

2. The procedures and requirements for the consideration of profit distribution by the board of directors: the board of directors shall, carefully study and demonstrate the time, conditions and minimum proportion of cash dividend, the adjustment conditions and the decision-making procedures, etc., according to the Company's specific business data, profit scale, cash flow status, development plan and next stage capital needs, and the opinions of shareholders (especially small and medium shareholders) and independent directors, and in line with the profit distribution policy established in the Articles of Association. The board of directors shall propose annual or interim profit distribution plan, submit it to the Shareholders' Meeting for consideration, and implement it after it is adopted by the Shareholders' Meeting. The profit distribution plan may be submitted to the Shareholders' Meeting for consideration, after it is adopted by more than half of the board of directors through voting.

Independent directors shall express their independent opinions on the reasonableness of the profit distribution plan and express definite opinions on the specific scheme of cash dividend distribution. Independent directors may solicit opinions from minority shareholders, propose dividend distribution proposals and submit them directly to the board of directors for consideration.

3. The Shareholders' Meeting shall consider the procedures and the requirements on profit distribution plan: when the Shareholders' Meeting is considering the specific scheme of cash dividend distribution, the Shareholders' Meeting needs to take the initiative to communicate with shareholders, especially small and medium shareholders through many channels, to fully listen to the opinions and demands of small and medium shareholders, and promptly respond to the concerns of small and medium shareholders. The Shareholders' Meeting shall vote on the profit distribution proposals proposed by the board of directors in accordance with laws and regulations. After the Shareholders' Meeting reaches a resolution on profit distribution plan, the board of directors shall complete stock dividend (or shares) distribution within 2 months after the meeting of the Shareholders' Meeting is convened.
4. The board of supervisors shall consider the profit distribution plan established or modified by the board of directors, and the plan shall be adopted by more than two thirds of the supervisors. If the Company makes annual profit but does not propose a cash dividend plan, the board of supervisors shall give special explanations and opinions on relevant policies and plans. The board of supervisors shall supervise the implementation of profit distribution plan and shareholders' return plan.
5. The Company shall ensure the right of public shareholders to participate in the meetings of Shareholders' Meeting. The board of directors, independent directors and the shareholders meeting certain conditions may solicit their voting rights in the Shareholders' Meeting from shareholders of the Company.

(8) The adjustment mechanism of profit distribution policy

1. If the Company needs to adjust the profit distribution policy according to the production and operation, investment planning and long-term development needs, or because of changes in the external business environment, the adjustment of profit distribution policy shall be based on the protection of shareholders' interests, and not violate the provisions of relevant laws, regulations and regulatory documents.
2. If the board of directors of the Company, after studying and argumentation, puts forward a proposal on adjusting the profit distribution policy, the proposal shall be submitted to the Shareholders' Meeting for approval, after commented by independent directors and the board of supervisors and approved by the board of directors. The company will, based on actual situation, provide convenience for public shareholders' participation in the meetings of Shareholders' Meeting through the trading system of the stock exchange, or Internet voting, etc. The proposal on adjusting the profit distribution policy considered by the Shareholders' Meeting shall be adopted by shareholders present at the meeting, representing 2/3 or more of the voting rights.

(9) The principle of using undistributed profits of the Company

The undistributed profits retained by the Company are mainly used for major investments such as overseas investment, assets acquisition and equipment purchase, as well as working capital required for daily operation, expanding the scale of production and operation, optimizing enterprise asset structure and financial structure, promoting efficient and sustainable development of the Company, implementing the Company's development planning objectives, and ultimately maximizing the interests of shareholders.

(10) Information disclosure on profit distribution

The listed company shall disclose in detail in the annual report the formulation and implementation of cash dividend policy, and make a special statement on the following matters:

- (1) whether it meets the requirements of the Articles of Association or the resolutions of the Shareholders' Meeting;
- (2) whether the dividend standard and ratio are clear and explicit;
- (3) whether relevant decision-making procedures and mechanisms are complete;
- (4) whether independent directors have performed their due diligence and played their due roles;
- (5) whether small and medium shareholders have opportunity to sufficiently express their views and aspirations, and whether their legitimate rights and interests have been fully protected.

If adjustments or changes are made to cash dividend policy, the conditions for adjustment or change and whether the procedures are compliant and transparent shall also be specified in detail.

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

The Company applied to China Securities Regulatory Commission for the initial public offering of RMB Ordinary Shares (A Shares) (the “**Offering**”), and intends to submit to the extraordinary general meeting of shareholders and class meetings of shareholders to fully authorize the board of directors to handle each and every issue related to the Offering according to laws and regulations, including but not limited to:

- (1) Produce and/or sign application report, prospectus and other necessary legal documents and relevant papers for the purpose of the Offering;
- (2) Engage lead underwriter(s) and sponsor(s) for the Offering and negotiate with lead underwriters to determine the detailed scheme for the Offering (including but not limited to the number of A shares to be issued in the Offering, the offering price and the manner of the Offering, and number of shares to be offered for sale by the Company’s shareholders, the offering price and the manner of such offer);
- (3) Revise and adjust terms and conditions of the Offering and adjust the actual amount of investment and the implementation of the projects where the proceeds raised from the Offering are to be invested (the “**Projects**”) according to the actual amount of proceeds raised and progress of the Projects, in accordance with the review conclusion of competent supervisory body on the Offering and on the projects that the proceeds raised are to be invested into;
- (4) handle relevant issues about such assignment in the event that the A Share Offering involves the assignment of shares in issue;
- (5) Handle the matters related to the use of proceeds raised from the Offering (where the general manager of the Company shall be authorized to sign, on behalf of the Company, documents from projects in which connected transaction is involved); handle procedures such as share registration and custody, and change of business registration etc.; modify the articles of association and other internal rules of the Company which require the approval by a general meeting of shareholders according to the outcome of the Offering; and handle any other relevant matters.

If above proposal is approved by an extraordinary general meeting of the shareholders and class meetings of the shareholders, the relevant resolution on this proposal shall be valid for 12 months as from the date on which the extraordinary general meeting of shareholders and the class meetings of shareholders approve such resolution.

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

As approved by the China Securities Regulatory Commission in its Approval Letter for Issuance of Overseas-listed Foreign Shares of Jujiang Construction Group Co., Ltd. (hereinafter referred to as the “Company”) (CSRC Approval [2015] No. 2420), the Company has issued overseas-listed H shares of with nominal value of RMB 1.00 on the Stock Exchange of Hong Kong Limited on 12 January 2016, and the price for issuance and subscription was HKD 1.35 per share and payment for shares was made in HKD in full amount of HKD 180,036,000.00 (equivalent to RMB 152,252,844.48). After deduction of underwriting fees, stock trading fees and transaction taxes of RMB 6,286,051.11, as well as payment to sponsor and other intermediaries of RMB 4,265,265.73, the total amount of proceeds raised was HKD 167,559,274.95 (equivalent to RMB 141,701,527.64). Deducting other costs related to the listing incurred by the company itself of RMB 784,462.77 from the proceeds, the actual amount of proceeds raised was RMB 140,917,064.87.

As at 29 February 2016, aforesaid proceeds raised by company from the H Share Offering had been in place, verified and confirmed by Jiaxing Qiuzhen Accounting Firm Co., Ltd. with Capital Verification Report No. QZYW [2016] 004. Funds raised equivalent to RMB 141,701,527.64 (before deduction of other costs related to the listing incurred by the company itself) had all been deposited into HKD account of the Company opened in Hong Kong branch of Bank of Communications Co., Ltd.

II. ACTUAL USAGE OF THE PREVIOUSLY RAISED PROCEEDS FROM THE H SHARE OFFERING

(1) A Comparison of usage of the previously raised proceeds from the H Share Offering

Unit: RMB '000

Total amount of proceeds raised: 140,917	Total amount of proceeds raised which have been used accumulatively: 132,380
Total amount of proceeds raised which have been changed their usage: 0	Total amount of proceeds raised which have been used for the period from February through June of 2016: 132,380
Percentage of total amount of proceeds raised which have been changed their usage: 0	

Investment Projects			Accumulative Investment Amount of Proceeds Raised As of 30 June 2016				Percentage of Amount of Actual Investment as compared to the Amount of Committed Investment after IPO (approx.)
No.	Projects that Investment is Committed to	Projects that Investment is Actually Made to	Amount of Committed Investment before IPO	Amount of Committed Investment after IPO	Amount of Actual Investment	Difference between Amount of Actual Investment and Amount of Committed Investment after IPO	
1	Operation of newly contracted construction projects	Operation of newly contracted construction projects	91,596	91,596	86,050	(5,546)	94%
2	Repayment of bank loan	Repayment of bank loan	28,183	28,183	26,487	(1,696)	94%
3	Investment into new equipment and machinery	Investment into new equipment and machinery	14,092	14,092	13,243	(849)	94%
4	General corporate purposes	General corporate purposes	7,046	7,046	6,600	(446)	94%
	Total		140,917	140,917	132,380	(8,537)	94%

- (2) **Change of use of the previously raised proceeds from the H Share Offering in actual investment projects**

None.

- (3) **Status of transfer or replacement of investment projects using the previously raised proceeds from the H Share Offering**

None.

- (4) **Status of use of idle proceeds**

The company has deposited proceeds raised not used into bank account opened by the Company on 30 June 2016.

- (5) **A comparison between usage of the previously raised proceeds from the H Share Offering and regular report of the Company**

None.

III. ECONOMIC EFFECT GENERATED BY THE INVESTMENT PROJECTS USING THE PREVIOUSLY RAISED PROCEEDS FROM THE H SHARE OFFERING

There is no forecast made about the economic effect of the projects invested with proceeds raised by the H shares Offering by the Company in the prospectus of the H Share Offering of the Company.

IV. CONCLUSION

The Board is of the view that the Company has complied with the expected use of proceeds as disclosed in prospectus of the H Share Offering of the Company in 2016, and the paragraph headed “*II. Actual Usage of the previously raised proceeds from the H Share Offering*” in using the previously raised proceeds from the H Share Offering. All Directors of the company have undertaken that this report will not include false record, misleading statement or substantial omission, and are willing to take joint and several liabilities for authenticity, correctness and completeness of this report.

The English version of this appendix is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

I. BASIC INFORMATION OF THE COMPANY

Jujiang Construction Group Co., Ltd. (hereinafter referred to as “Company” or “the Company”) is a limited company approved to be established by the State Administration for Industry and Commerce of the People’s Republic of China by the means of overall change in entity type of Jujiang Construction Group Co., Ltd. Its promoters are Zhejiang Jujiang Holdings Group Co., Ltd. and Zhejiang Jujiang Equity Investment Management Co., Ltd. Its registered capital is RMB 400 million (the nominal value per share is RMB 1). The Company’s Business License (license No.:330483000032503) was approved and issued by Jiaxing Administrative Bureau for Industry and Commerce on April 7, 2015.

As of June 21, 2016, the company’s registered capital is RMB 533.36 million among which RMB 204 million is contributed by Zhejiang Jujiang Holding Group Co., Ltd. which accounts for 38.25% of the registered capital; and RMB 196 million is contributed by Zhejiang Jujiang Equity Investment Management Co., Ltd. which accounts for 36.75% of the registered capital; RMB 133.36 million is contributed by public shareholders (H shares) which accounts for 25% of the registered capital.

The Company is engaged the construction industry.

Business scope: engineering construction general contracting, engineering general contracting, project management; construction engineering technology development and consultation; mechanical equipment leasing and installation; steel structure components assembling and installation; building materials wholesale and retail; engineering management service, survey and design; general contracting of municipal landscape engineering and infrastructure construction and investment. (The items which shall be approved by law can only be operated after being approved by the relevant departments.)

The company’s registered address: Gaoqiao Town, Jiaxing City, Zhejiang Province, PRC. Office of the headquarters: No. 669 Qingfeng South Road, Tongxiang City, Zhejiang Province, PRC.

II. THE GOAL OF THE COMPANY FOR ESTABLISHING INTERNAL CONTROL SYSTEM AND THE PRINCIPLES ADOPTED

(I) Goal of Company’s internal control system

1. Establish and perfect corporate governance structure and internal organizational structure conforming to modern management requirements to form scientific decision-making mechanism, execution mechanism and supervision mechanism and ensure the accomplishment of Company’s business management goal;
2. Establish effective risk control system, strengthen risk management to ensure normal and orderly operation of company’s business activities;

3. Establish good internal management environment, prevent and timely discover and rectify mistakes and fraudulent behaviors, and ensure safety and completeness of company's property and maximum of shareholders' benefits;
4. Ensure the implementation of relevant national laws and regulations and the company's internal control system.

(II) The following basic principles adopted by the Company on establishing internal control:

1. Internal accounting control is in compliance with relevant national laws and regulations, the *Fundamental Norms for Enterprise Internal Control* issued by five ministries and commissions including the Ministry of Finance, and the Company's actual situation.
2. Internal accounting control is binding on the Company's all internal staff whose work involves accounting works. No party can have the authority beyond internal control.
3. Internal accounting control covers every economic business in the Company involving accounting works and the relevant positions, and it will be implemented into various key control points during process of business dealing including decision-making, execution, supervision and feedback etc..
4. Internal accounting control ensures reasonable setting of department and positions in the Company involving accounting works and the reasonable division of their responsibilities and authorities. It ensures on separation of duties which are not compatible with each other, and well-defined powers and responsibilities with mutual restriction and mutual supervision among different department and positions.
5. Internal control follows cost-benefit principle which reaches the best control effect with reasonable cost control.
6. Internal control will constantly be revised and perfected in accordance with the change of external environment, adjustment of Company's business functions and improvement of management requirements.

III. INFORMATION RELATED TO COMPANY'S INTERNAL CONTROL

The setting of internal control system related to accounting statements of the Company on June 30, 2016 is as follows:

(I) Company's internal control structure**1. Control environment****(1) Communication and implementation of integrity and moral values**

Integrity and moral values are important parts of control environment which will influence the design and operation of Company's important business process. The Company consistently pays attention to the creation and maintenance of the atmosphere of this aspect and built internal specifications like *Employee Handbook* and *Employee Disciplines Management Measures* etc. and passed *Employee Rewards and Punishments Management Measures*. The Company's higher management will effectively implement these specifications in multiple channels and on every side by their actual efforts.

(2) Emphasis on competence

When recruiting employees, the Company gave corresponding conditions and requirements, established Recruitment Management System and executed it strictly. At the same time, the management also put great emphasis on improving employee quality. It established *Training Management System*, layered and classified the employees according to actual situation, and gave them well-rounded trainings by combining the internal and external training which mainly include those in relation to enterprise culture, company system, professional knowledge, concept and management skill to make the employees to be competent for current job.

(3) Participation procedure of executive management

The Company formulated system documents like *Articles of Association*, *Rules of Procedures of the General Meeting*, *Rules of Procedures of the Board of Directors*, *Rules of Procedure for the Board of Supervisors*, *Detailed Working Rules and Regulations of the Audit Committee of the Board of Directors*, *Detailed Working Rules and Regulations of the Strategic Committee of the Board of Directors* and *Detailed Working Rules and Regulations of the Nomination Committee of the Board of Directors* which made clear requirements on staff composition of the Company's executive management, responsibilities and authorities, decision-making procedure and rules of procedures etc. To ensure the executive management's effective supervision on the management, perfect the company's governance structure, the audit committee was established and is mainly responsible for communication, supervision and inspection of the Company's internal and external audit.

(4) *The management's concept and operation style*

The management is responsible for the Company's operation and formulation of business strategies and procedures. The board of directors, audit committee or similar institutions shall have effective supervision on the management. The management shall properly handle matters of internal control including safety production control, engineering quality control, technical management control, cost management control, and the reports received on weak points of internal control and breaches.

(5) *Organizational structure*

The Company has established General Meeting, board of directors and board of supervisors to respectively fulfill the functions of decision-making, management and supervision according to the provisions of the *Company Law of the People's Republic of China*. The Company has set up integrated management, enterprises development, enterprise technology, marketing management and production management centers and three management companies according to the business, management and internal control needs of the Company. The related systems clearly stipulate every department's main responsibilities which form a mutual cooperation and restriction internal control system in which every department performs its own functions and links with each other, which play an important role on the Company to organize production, expand scale, improve quality, increase benefit and ensure safety.

(6) *The distribution of functions, powers and responsibilities*

The Company established complete financial management and control system, and especially gave clear provisions on funds management, cost management and control and financing management. The financial department relatively reasonably ensured the business activities undergone according to proper authorization through various kinds of measures and the business matters being timely recorded in the proper accounts in the proper accounting period with correct amount to make the preparation of the financial statements conform to the related requirements of Accounting Standards for Business Enterprises.

(7) *Human resources policies and practices*

The Company has established and implemented relatively scientific human resources management system on recruitment, training, assessment, reward and punishment, promotion and elimination, and hired enough staff to make them complete the distributed tasks.

2. *Risk assessment process*

The Company has not set up a risk management department to manage risks, but it has made continuous and effective identification, measurement, assessment and monitoring on the operation, financial, quality safety, policies, laws and regulations and moral risks which may occur in every aspect. For the identified and acceptable risks, the Company is required to quantify them, formulate methods to control and reduce risks and make continuous monitoring and regular assessment; for the identified but unacceptable risks, the Company is required to formulate risk handling plan, fix the responsible handling person and the date of completion.

3. *Information system and communication*

To timely and effectively provide performance report to the management to establish strong information system, personnel of information system (including financial personnel) worked hard to fulfill their responsibilities being granted. The company's management also provided proper manpower and financial resources to ensure the whole information system's normal and effective operation.

The Company established effective communication channels and mechanisms for suspicious improper matters and behaviors to enable the management to effectively communicate matters related to personnel and control responsibilities. The sufficiency on internal communication enables the personnel to effectively fulfill their responsibilities, effectively communicate with customers, suppliers, supervisors and other outsiders to help the management to timely take proper further actions when facing different changes.

4. *Control activities*

All the company's main operating activities have necessary control policies and procedures. The management has clear targets in the aspects of budget, profit and other financial and operating performances. The Company has clear internal records and communication on these targets and monitors them actively.

To reasonably ensure the achievement of every targets, the Company established related control procedures mainly including operating authority, division of responsibilities, vouchers and records, independent inspection and information management system controls etc.

- (1) Operating authority control: clarify contents related to the scope, authorities, procedures and responsibilities of authority approval. Every management level in the unit must exercise their corresponding functions and powers within the authorized scope and the operators must handle the operating businesses within the authorized scope.

- (2) Division of responsibilities control: reasonable division of work, scientific division of responsibilities and authorities, implementation of the principle of separation duties incompatible to form a mechanism with mutual checks and balances. The incompatible duties mainly include: authority approval and business handling, business handling and accounting record, accounting record and property safekeeping, business handling and business inspection, authority approval and supervision etc.
- (3) Vouchers and records control: reasonably make vouchers circulation procedure. When executing transaction, the operator can timely prepare the related vouchers and make the vouchers prepared be timely submitted to the accounting department for recording and the vouchers which had been recorded in the accounts to be filed orderly. All transactions must be recorded (such as personnel salary records, perpetual inventory records and sales invoices etc.), and independently compare the records with the corresponding sub-records.
- (4) Independent inspection control: the Company established internal audit agency to make inspection and assessment on the authenticity, correctness and completeness of the formalities on monetary funds, negotiable securities, vouchers and account book records, materials purchase and payment, finished products sales and collections, salaries management and account agreeing with physical inventory.
- (5) The Company has made relatively strict information management control system, and made a lot of works on the aspects like e-information system development and maintenance, data input and output, data privacy and backup.

5. *Supervision on control*

The Company will regularly assess all internal controls, at the same time, it will establish mechanisms to make the related personnel obtain evidences on effective operation of internal control on certain extent when fulfilling the normal post responsibilities on one hand; on the other hand, it will validate internal information or point out existing problems through external communication. The Company's management attaches high importance on the reports and suggestions from the functional departments and supervision institutions for internal control and take measures to timely correct deviation in controlling operation.

(II) The executions of the company's main internal controls and problems existed

The Company has made self-assessment on internal control system design and the effectiveness of execution. The executions of the company's main internal controls and problems existed are as follows:

1. For monetary fund's income and expenses and custody businesses, the Company has established relatively strict authority approval procedure, and separated the incompatible posts responsible for handling monetary fund's businesses. The related institutions and personnel have mutual restriction relationship. The provisions which have clarified the cash's scope of use and handled cash income and expenses businesses according to *Funds Management System* shall be followed. It also clarified settlement procedures for bank deposits and requirements for branch company's funds management. The Company does not have any major improperness which may influence the safety of monetary funds.
2. The Company has formed management system on financing business. It can relatively reasonably determine financing scale and structure, choose proper financing methods and be relatively strict on financial risk control to reduce funds costs, financing risks, increase funds utilization benefits and ensure safe operation of funds chain. The decision for external financing shall be made by authorities of different level in the Company according to different amounts of funds raised. The Company has no problem of serious deviation of the funds raised from the original plan.
3. The Company has reasonably planed and implemented institutions and posts for purchase and payment businesses and clarified the procedures for suppliers selection, review, purchase request, approval, purchase and acceptance. On the aspect of payment for goods, it gives detailed provision on payment methods, and the payment for accounts payable and prepayments can only be handled after finishing all the related formalities. The Company has no major vulnerability on purchase and payment control.
4. The Company has established post responsibility system on inventory management which can control key process like properties' acceptance and putting into inventory, reception and sending out, safekeeping and disposal. It took measures like division of responsibilities, regular inventory taking, recording properties, checking accounts with physical inventory and property insurance to relatively effectively prevent material object property's being stolen, damaged and major loss. The Company has no major vulnerability on the control of material object management.
5. The Company has established relatively scientific procedures for construction in process and fixed assets management system and decision-making procedures to clarify process like budget, final accounts and engineering safety quality supervision in engineering projects, and also clarify purchase authorities for all fixed assets, and make relatively perfect procedures for purchase request, approval, purchase and acceptance. The payment for constructions in process and fixed assets can only be paid after the related assets having been implemented with complete formalities. The Company has no major vulnerability on the control of constructions in process and decision-making on fixed assets management.

6. The Company has established relatively scientific and perfect operation management and control system which clarify whole-process control key points like project information management, project investigation assessment, bidding and tendering, budget, secondary operation during the process and settlement. At the same time, it has clarified management and control requirements in the stages like project negotiation, contract approval, signing and fulfilling through establishing economic contract management and control procedures; and clarified links like sales revenue confirmation, collection and related accounting records; business operator and invoice opening and management; provision and approval for bad debts and cancelling after verification and approval of bad debts. The Company has no major vulnerability on operation management control.
7. The Company has established relatively complete costs and expenses control system which can review and control costs and expenses according to relevant regulations; timely and completely record and reflect them; correctly calculate costs and period expenses and finish all fundamental works in costs and expenses management. The Company has gradually established budget control system, but still needs to deepen and timely handle the comparison between actual performance and planned target and apply the results of comparison in actual works. The Company has no major vulnerability on the control of costs and expenses management.
8. The Company has set up audit supervision department under the enterprise development center and equip it with special internal audit personnel to be responsible for the independent audit on the establishment and execution of the Company's internal control, assets ownership and quality, external investment and benefits, signing and fulfillment of major economic contract, financial information and its disclosure, and reporting of audit results to the board of directors. But the breadth and depth of internal audit works still need to be strengthened.

IV. THE MEASURES PLANNED TO BE TAKEN BY THE COMPANY

The existing internal controls made by the Company according to the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Accounting Law of the People's Republic of China*, *Accounting Standards for Business Enterprises*, *Basic Specification for Enterprise Internal Control*, and other laws, regulations and rules can basically adapt the requirements of company management and provide reasonable guarantee on preparing true, complete, just and fair financial statements, and healthy operation of the company's business activities, and implementation of the related national laws and regulations, and the unit's internal rules and regulations. For the current insufficiencies in the aspect of internal control, the Company plans to take the following measures to improve:

1. For the problems existed in the aspect of internal control system, further improve construction of internal control system, improve internal control on risk management to make the Company's internal control system more complete and sound.

2. Further improve overall budget system, and make complete budget preparation including operation, capital and financial budgets, and achieve supervision on the company's operation activities, better implement costs and expenses control and timely make analysis, examination and assessment on budget implementation through budget system.
3. Strengthen personnel allocation and system construction of internal audit department, overall perform supervision function of internal audit to ensure the Company being operated according to the decision made by the operating management and prevent the loss if Company's assets and practically ensure shareholders' rights and interests.
4. Strengthen training works of related personnel, make them learn related laws, regulations, systems and rules, and timely update their knowledge and continuously improve their competence.

In conclusion, the Company is of the view that it results in all major aspects of internal control according to the Basic Specification for Enterprise Internal Control issued by the five ministries and commissions including the Ministry of Finance, and the related detailed specifications are effective.

APPENDIX XIV

CONNECTED TRANSACTIONS OF THE COMPANY FOR THE YEAR OF 2013, 2014, 2015 AND FOR THE SIX MONTHS ENDED 30 JUNE 2016

The proposal of confirmation of connected transactions (as defined under Shanghai Listing Rules) of the Company for the year of 2013, 2014, 2015 and for the six months ended 30 June 2016 has been approved by the Board, and shall be submitted to the EGM for consideration and approval as ordinary resolutions. Relevant directors who had material interests in the relevant connected transaction(s) had abstained from voting on resolutions in relation to confirmation of the relevant connected transaction(s).

The connected transactions of the Company (as defined under Shanghai Listing Rules) for the years ended 31 December 2013, 2014 and 2015 and for the six-months ended 30 June 2016 are set out below:

Name of the related party	Details of Transaction	Transaction amount (RMB)			January- June 2016
		2013	2014	2015	
Jujiang Holdings	Lending of funds	–	19,900,000.00	–	200,950,000.00
	Borrowing of funds	–	–	19,900,000.00	200,950,000.00
	Receipt of guarantees ⁽¹⁾	–	–	9,980,000.00	16,480,000.00
Zhejiang Jujiang Real Estate Group Co., Ltd.* (浙江巨匠房地產集團有限公司)	Provision of construction contracting services	73,703,170.91	72,615,367.00	116,817,521.00	39,663,931.41
	Provision of design services	9,221.47	13,584.91	3,113.21	–
	Sales of goods	–	1,331,880.34	321,794.88	–
	Lending of funds	450,582,316.00	85,190,002.33	–	11,500,000.00
	Borrowing of funds	817,626,638.02	81,913,168.89	–	11,500,000.00
Tongxiang City Jujiang Property Co., Ltd.* (桐鄉市巨匠置業有限公司)	Receipt of guarantees ⁽¹⁾	151,670,000.00	240,470,000.00	308,374,600.00	88,240,000.00
	Provision of construction contracting services	28,259,632.80	8,667,727.05	236,181.15	350,063.30
	Provision of design services	148,055.06	631,647.17	–	–
	Provision of equipment installation services	–	1,000,000.00	–	–
	Borrowing of funds	3,208,276.00	–	–	–
Laizhou Jiangxin Trading Co., Ltd.* (萊州市匠心貿易有限公司)	Receipt of guarantees ⁽¹⁾	41,200,000.00	23,014,439.00	65,992,139.00	65,992,139.00
	Sales of goods	903,070.59	813,947.43	–	–
	Lending of funds	–	4,000,000.00	1,000,000.00	–
Suqian City Jujiang Real Estate Development Co., Ltd.* (宿遷市巨匠房地產開發有限公司)	Borrowing of funds	–	5,000,000.00	–	–
	Provision of construction contracting services	448,000.00	12,600,000.00	20,026,398.00	13,332,884.91
	Borrowing of funds	–	–	29,510,000.00	–
Jiaxing Jujiang Real Estate Development Co., Ltd.* (嘉興巨匠房地產開發有限公司)	Provision of construction contracting services	59,336,283.38	4,992,661.60	7,930,689.50	794,350.33
	Provision of design services	9,433.96	–	–	–
	Lending of funds	–	3,000,000.00	–	–
	Borrowing of funds	1,000,000.00	2,000,000.00	–	–
	Receipt of guarantees ⁽¹⁾	–	–	16,680,000.00	16,680,000.00

APPENDIX XIV
**CONNECTED TRANSACTIONS OF THE COMPANY
FOR THE YEAR OF 2013, 2014, 2015 AND FOR
THE SIX MONTHS ENDED 30 JUNE 2016**

Name of the related party	Details of Transaction	Transaction amount (RMB)			January- June 2016
		2013	2014	2015	
Haiyan County Jujiang Real Estate Development Co., Ltd.* (海鹽縣巨匠房地產開發有限公司)	Provision of construction contracting services	62,018,300.00	40,525,714.00	2,947,896.00	3,216,796.79
	Provision of design services	49,839.62	—	—	—
	Lending of funds	72,230,000.00	—	—	—
	Borrowing of funds	73,110,736.70	—	—	—
	Receipt of guarantees ⁽¹⁾	—	256,231,400.00	276,661,400.00	237,071,400.00
Laizhou Sunshaine Bay Hotel Investment Co., Ltd.* (萊州陽光海灣酒店投資有限公司)	Provision of construction contracting services	—	8,260,000.00	2,065,000.00	—
	Receipt of guarantees ⁽¹⁾	—	—	—	11,300,000.00
Laizhou Jujiang Real Estate Development Co., Ltd.* (萊州巨匠房地產開發有限公司)	Provision of construction contracting services	—	5,011,500.00	1,670,500.00	—
	Receipt of guarantees ⁽¹⁾	—	—	—	80,120,000.00
Laizhou Investment Development Co., Ltd.* (萊州巨匠投資開發有限公司)	Provision of construction contracting services	—	7,488,000.00	2,496,000.00	—
	Lending of funds	92,680,242.82	—	—	—
	Borrowing of funds	40,480,000.00	—	—	—
Rongcheng Zhonghan Bianmaocheng Co. Ltd.* (榮成中韓邊貿城有限公司)	Provision of construction contracting services	93,230,747.06	102,721,102.00	51,425,720.00	2,202,803.40
	Provision of design services	1,220,320.93	—	—	—
	Sales of goods	512,820.52	1,151,025.64	954,529.91	—
	Receipt of guarantees ⁽¹⁾	—	—	22,865,000.00	22,865,000.00
Jiangsu Haina Real Estate Development Co., Ltd.* (江蘇海納房地產開發有限公司)	Provision of construction contracting services	54,122,979.19	16,093,952.75	1,003,336.30	—
Tongxiang Lvdou Real Estate Development Co., Ltd.* (桐鄉綠都房地產開發有限公司)	Provision of construction contracting services	140,929.00	201,700.00	—	—
	Borrowing of funds	—	—	33,052,805.64	—
	Receipt of guarantees ⁽¹⁾	14,860,000.00	—	30,827,900.00	30,827,900.00
Tongxiang City Hongwang Property Co., Ltd.* (桐鄉市宏望置業有限公司)	Provision of construction contracting services	13,596,314.82	581,368.74	—	—
	Lending of funds	7,000,000.00	—	—	—
Tongxiang City Jujiang Property Co., Ltd.* (桐鄉市巨匠實業投資有限公司)	Lending of funds	695,244,000.00	951,231,474.80	866,615,910.20	11,500,000.00
	Borrowing of funds	480,978,000.00	1,140,889,532.00	1,053,402,385.00	11,500,000.00
	Receipt of guarantees ⁽¹⁾	42,000,000.00	42,000,000.00	42,000,000.00	42,000,000.00
Zhejiang Huaying Steel Technologu Co., Ltd.* (浙江華贏特鋼科技有限公司)	Provision of construction contracting services	—	—	—	400,000.00
Tongxiang City Tongxing Concrete Co., Ltd.* (桐鄉市桐星混凝土有限公司)	Purchase of goods	30,949,729.39	24,341,787.59	32,516,875.50	3,747,876.14
Fushun Jiayuan Real Estate Development Co., Ltd.* (撫順市佳源房地產開發有限公司)	Provision of construction contracting services	135,000,000.00	21,600,000.00	5,400,000.00	—

APPENDIX XIV
**CONNECTED TRANSACTIONS OF THE COMPANY
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Name of the related party	Details of Transaction	Transaction amount (RMB)			January- June 2016
		2013	2014	2015	
Zhejiang Tongxiang Rural Commercial Bank Co., Ltd.* (浙江桐鄉農村商業銀行)	Provision of construction contracting services	—	—	—	263,786.41
Tongxiang City Gengxin Silk Co., Ltd.* (桐鄉市更新絲綢有限公司)	Lending of funds	37,000,000.00	—	—	—
Tongxiang City Juneng Property Co., Ltd.* (桐鄉市巨能置業有限公司)	Provision of construction contracting services	115,778,153.83	94,300,691.44	104,939,582.53	66,569,213.62
	Provision of design services	—	2,555,452.16	—	—
Zhejiang Xianglong Leather Co., Ltd.* (浙江祥隆皮革有限公司)	Provision of construction contracting services	37,800,000.00	51,081,693.12	3,703,403.88	4,314,884.00
Tongxiang City Rural Credit Cooperatives* (桐鄉市農村信用合作聯社)	Provision of construction contracting services	—	—	2,850,452.10	638,135.90
Tongxiang City Jujiang Construction Laowu Co. Ltd.* (桐鄉市巨匠建築勞務有限公司)	Lending of funds	150,000.00	—	189,000.00	—
	Receipt of Labour Services	957,171,884.51	1,018,737,377.37	535,669,544.08	—
	Borrowing of funds	200.00	—	189,000.00	—
Rongcheng City Huanhe Property Co., Ltd.* (榮成市環河置業有限公司)	Provision of construction contracting services	15,000,000.00	6,250,000.00	88,932,081.10	—
Lv Yaoneng	Lending of funds	15,000,000.00	—	—	—
	Borrowing of funds	13,795,000.00	1,205,000.00	—	—
	Receipt of guarantees ⁽¹⁾	—	—	1,630,000.00	1,630,000.00
Shen Hongfen	Borrowing of funds	3,000,000.00	—	—	—
Lv Yuntao	Borrowing of funds	800,000.00	—	—	—
	Receipt of guarantees ⁽¹⁾	—	—	1,100,000.00	1,100,000.00
Lv Xingliang	Lending of funds	—	300,000.00	—	—
	Borrowing of funds	275,000.00	177,372.30	53,500.00	—
Lv Daming	Lending of funds	1,400,000.00	4,300,000.00	—	—
	Borrowing of funds	4,300,000.00	—	—	—
Zhejiang Jujiang Technology Services Co., Ltd.* (浙江巨匠科技服務有限公司)	Receipt of guarantees ⁽¹⁾	14,300,000.00	5,710,000.00	5,710,000.00	8,010,000.00
Tongxiang City Qitang Silk Industry Co. Ltd.* (桐鄉市騎塘絲業有限公司)	Receipt of guarantees ⁽¹⁾	2,550,000.00	7,950,000.00	7,950,000.00	7,950,000.00
Lv Yaoneng, Lv Yuntao, Wang Shaolin, Lv Dazhong and Li Jinyan	Receipt of guarantees ⁽¹⁾	—	—	72,960,000.00	72,960,000.00
Zhejiang Huagang Steel Plate Co., Ltd.* (浙江華鋼板業有限公司)	Provision of guarantees ⁽¹⁾	—	—	57,000,000.00	—

Note:

- (1) Provision and receipt of guarantees were counted according to the guarantee contracts which are not expired and not released as at each balance sheet date.

RELATIONSHIP BETWEEN THE COMPANY AND EACH OF THE CONNECTED PARTIES

1. Jujiang Holdings

Jujiang Holdings is the controlling shareholder of the Company; the actual controller and chairman of the Board of Directors of Company Lv Yaoneng controls and works as a director in that company; directors and senior management personnel of the Company Lv Dazhong and Li Jinyan hold shares and director positions in that company; the senior management personnel of the Company Wang Shaolin and Gao Xingwu hold shares and director positions in that company; director of the Company Lu Zhicheng holds shares in that company; Lv Yuntao, who is the son of the actual controller and chairman of the Company Lv Yaoneng, holds more than 5% of the shares in the Company, works as senior management personnel in that company. In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Jujiang Holdings constitutes a connected transaction. For more details, please refer to the table above.

Related Directors Lv Yaoneng, Lv Dazhong, Li Jinyan and Lu Zhicheng have abstained from voting on the resolution.

2. Tongxiang City Tongxing Concrete Co., Ltd.* (桐鄉市桐星混凝土有限公司)

Tongxiang City Tongxing Concrete Co., Ltd. is an invested Company (參股公司) of the Company; the actual controller and chairman of the Board of Directors of Company Mr. Lv Yaoneng works as a director in that company; director and senior management personnel of the Company Lv Dazhong works as a supervisor in that company. In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Tongxiang City Tongxing Concrete Co., Ltd. constitutes a connected transaction. For more details, please refer to the table above.

Related Directors Lv Yaoneng and Lv Dazhong have abstained from voting on the resolution.

3. The controlling shareholder, ultimate beneficial owner of the Company and parties connected with each of them**(1) Zhejiang Jujiang Real Estate Group Co., Ltd* (浙江巨匠房地產集團有限公司)**

Zhejiang Jujiang Real Estate Group Co., Ltd. is a company controlled by the Company's controlling shareholder; Lv Yuntao, who is the son of the actual controller and chairman of the Company Lv Yaoneng, who holds more than 5% of the shares in the Company, works as the chairman of the board of directors of that company. In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Zhejiang Jujiang Real Estate Group Co., Ltd.* constitutes a connected transaction. For more details, please refer to the table above.

(2) *Tongxiang City Jujiang Property Co., Ltd.* (桐鄉市巨匠置業有限公司)*

Tongxiang City Jujiang Property Co., Ltd.* is a company controlled by the Company's controlling shareholder; Lv Yuntao, who is the son of the actual controller and chairman of the Company Lv Yaoneng, who holds more than 5% of the shares in the Company, works as the executive director in that company. In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Tongxiang City Jujiang Property Co., Ltd.* constitutes a connected transaction. For more details, please refer to the table above.

(3) *Zhejiang Jujiang Technology Services Co., Ltd.* (浙江巨匠科技服務有限公司)*

Zhejiang Jujiang Technology Services Co., Ltd.* is a company controlled by the Company's controlling shareholder; Lv Yuntao, who is the son of the actual controller and chairman of the Company Lv Yaoneng, who holds more than 5% of the shares in the Company, works as the executive director in that company. In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Zhejiang Jujiang Technology Services Co., Ltd.* constitutes a connected transaction. For more details, please refer to the table above.

(4) *Laizhou Jiangxin Trading Co., Ltd.* (萊州市匠心貿易有限公司)*

Laizhou Jiangxin Trading Co., Ltd.* is a company controlled by the Company's controlling shareholder; Lv Yuntao, who is the son of the actual controller and chairman of the Company Lv Yaoneng, who holds more than 5% of the shares in the Company, works as the executive director in that company. In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Laizhou Jiangxin Trading Co., Ltd.* constitutes a connected transaction. For more details, please refer to the table above.

(5) *Suqian City Jujiang Real Estate Development Co., Ltd.* (宿遷市巨匠房地產開發有限公司)*

Suqian City Jujiang Real Estate Development Co., Ltd.* is a company controlled by the Company's controlling shareholder. In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Suqian City Jujiang Real Estate Development Co., Ltd.* constitutes a connected transaction. For more details, please refer to the table above.

(6) *Jiaxing Jujiang Real Estate Development Co., Ltd.* (嘉興巨匠房地產開發有限公司)*

Jiaxing Jujiang Real Estate Development Co., Ltd.* is a company controlled by the Company's controlling shareholder; Lv Yuntao, who is the son of the actual controller and chairman of the Company Lv Yaoneng, who holds more than 5% of the shares in the Company, works as the executive director in that company. In accordance with Shanghai

Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Jiaying Jujiang Real Estate Development Co., Ltd.* constitutes a connected transaction. For more details, please refer to the table above.

(7) ***Haiyan County Jujiang Real Estate Development Co., Ltd.**** (海鹽縣巨匠房地產開發有限公司)

Haiyan County Jujiang Real Estate Development Co., Ltd.* is a company controlled by the Company's controlling shareholder. In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Haiyan County Jujiang Real Estate Development Co., Ltd.* constitutes a connected transaction. For more details, please refer to the table above.

(8) ***Laizhou Sunshaine Bay Hotel Investment Co., Ltd.**** (萊州陽光海灣酒店投資有限公司)

Laizhou Sunshaine Bay Hotel Investment Co., Ltd.* is a company controlled by the Company's controlling shareholder; Lv Yuntao, who is the son of the actual controller and chairman of the Company Lv Yaoneng, who holds 5% of the shares in the Company, works as the executive director in that company. In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Laizhou Sunshaine Bay Hotel Investment Co., Ltd.* constitutes a connected transaction. For more details, please refer to the table above.

(9) ***Laizhou Jujiang Real Estate Development Co., Ltd.**** (萊州巨匠房地產開發有限公司)

Laizhou Jujiang Real Estate Development Co., Ltd.* is a company controlled by the Company's controlling shareholder; Lv Yuntao, who is the son of the actual controller and chairman of the Company Lv Yaoneng, who holds 5% of the shares in the Company, works as the executive director in that company. In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Laizhou Jujiang Real Estate Development Co., Ltd.* constitutes a connected transaction. For more details, please refer to the table above.

(10) ***Laizhou Investment Development Co., Ltd.**** (萊州巨匠投資開發有限公司)

Laizhou Jujiang Investment Development Co., Ltd.* is a company controlled by the Company's controlling shareholder; Lv Yuntao, who is the son of the actual controller and chairman of the Company Lv Yaoneng, who holds 5% of the shares in the Company, works as the executive director in that company. In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Laizhou Jujiang Investment Development Co., Ltd.* constitutes a connected transaction. For more details, please refer to the table above.

(11) Rongcheng Zhonghan Bianmaocheng Co. Ltd.* (榮成中韓邊貿城有限公司)

Rongcheng Zhonghan Bianmaocheng Co., Ltd.* is a company controlled by the Company's controlling shareholder; the actual controller and chairman of the Company Lv Yaoneng works as a director in that company. In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Rongcheng Zhonghan Bianmaocheng Co., Ltd.* constitutes a connected transaction. For more details, please refer to the table above.

(12) Jiangsu Haina Real Estate Development Co., Ltd.* (江蘇海納房地產開發有限公司)

Jiangsu Haina Real Estate Development Co., Ltd.* is a company in which the Company's actual controller and chairman Lv Yaoneng works as a director. In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Jiangsu Haina Real Estate Development Co., Ltd.* constitutes a connected transaction. For more details, please refer to the table above.

(13) Tongxiang Lvdou Real Estate Development Co., Ltd.* (桐鄉綠都房地產開發有限公司)

Tongxiang Lvdou Real Estate Development Co., Ltd.* is a company controlled by the Company's controlling shareholder; Lv Yuntao, who is the son of the actual controller and chairman of the Company Lv Yaoneng, who holds 5% of the shares in the Company, works as the executive director in that company. In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Tongxiang Lvdou Real Estate Development Co., Ltd.* constitutes a connected transaction. For more details, please refer to the table above.

(14) Tongxiang City Hongwang Property Co., Ltd.* (桐鄉市宏望置業有限公司)

Tongxiang City Hongwang Property Co., Ltd.* is a company controlled by the Company's controlling shareholder; Lv Yuntao, who is the son of the actual controller and chairman of the Company Lv Yaoneng, who holds 5% of the shares in the Company, works as the executive director and general manager in that company. In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Tongxiang City Hongwang Property Co., Ltd.* constitutes a connected transaction. For more details, please refer to the table above.

(15) Tongxiang City Jujiang Property Co., Ltd.* (桐鄉市巨匠實業投資有限公司)

Tongxiang City Jujiang Property Co., Ltd.* is a company controlled by the Company's controlling shareholder; the actual controller and chairman Lv Yaoneng of the Company holds 10% shares in that company; Lv Yuntao, who is the son of the actual controller and chairman, who holds 5% of the shares in the Company, works as the executive director and

general manager in that company. In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Tongxiang City Jujiang Property Co., Ltd.* constitutes a connected transaction. For more details, please refer to the table above.

(16) *Zhejiang Huaying Steel Technology Co., Ltd. (浙江華贏特鋼科技有限公司)**

Zhejiang Huaying Steel Technology Co., Ltd.* is a company controlled by the Company's controlling shareholder; the Company's supervisor Lv Zili works as a manager in that company. In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Zhejiang Huaying Steel Technology Co., Ltd.* constitutes a connected transaction. For more details, please refer to the table above.

(17) *Zhejiang Huagang Steel Plate Co., Ltd. (浙江華鋼板業有限公司)**

Zhejiang Huagang Steel Plate Co., Ltd.* is a company controlled by the Company's controlling shareholder; the Company's supervisor Lv Zili works as a manager in that company. In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Zhejiang Huagang Steel Plate Co., Ltd.* constitutes a connected transaction. For more details, please refer to the table above.

(18) *Fushun Jiayuan Real Estate Development Co., Ltd. (撫順市佳源房地產開發有限公司)**

The Company's actual controller and chairman Lv Yaoneng works as a director in that company. In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Fushun Jiayuan Real Estate Development Co., Ltd.* constitutes a connected transaction. For more details, please refer to the table above.

(19) *Tongxiang City Juneng Property Co., Ltd. (桐鄉市巨能置業有限公司)**

Tongxiang City Juneng Property Co., Ltd.* is a company in which the Company's controlling shareholder holds 38% shares. The son of the Company's actual controller, who holds more than 5% shares of the Company, works as a supervisor in that company. In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Tongxiang City Juneng Property Co., Ltd.* constitutes a connected transaction. For more details, please refer to the table above.

(20) Lv Yaoneng

Lv Yaoneng is the chairman and actual controller of the Company. In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Lv Yaoneng constitutes a connected transaction. For more details, please refer to the table above.

(21) Shen Hongfen

Shen Hongfen is the spouse of Lv Yaoneng. In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Shen Hongfen constitutes a connected transaction. For more details please refer to the table above.

(22) Lv Yuntao

Lv Yuntao is the son of Lv Yaoneng and holds more than 5% shares of the Company. In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Lv Yuntao constitutes a connected transaction. For more details, please refer to the table above.

For the resolutions referred to in paragraphs (1) to (11). (13) to (17) and (19), directors Lv Yaoeng, Lv Dazhong, Li Jinyan and Lu Zhicheng have abstained from voting, and for other resolutions, director Lv Yaoneng has abstained from voting.

4. Zhejiang Tongxiang Rural Commercial bank Co., Ltd.* (浙江桐鄉農村商業銀行)

The Company's supervisor Chen Xiangjiang is a shareholder of Zhejiang Tongxiang Rural Commercial Bank Co., Ltd.* In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Zhejiang Tongxiang Rural Commercial Bank Co., Ltd.* constitutes a connected transaction. For more details, please refer to the table above.

5. Tongxiang City Gengxin Silk Co., Ltd.* (桐鄉市更新絲綢有限公司)

Tongxiang City Gengxin Silk Co., Ltd.* is a company controlled by the Company's supervisor Lv Zili. Lv Zili works as the executive director and general manager in that company. In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Tongxiang City Gengxin Silk Co., Ltd.* constitutes a connected transaction. For more details, please refer to the table above.

6. Zhejiang Xianglong Leather Co., Ltd.* (浙江祥隆皮革有限公司)

Zhejiang Xianglong Leather Co., Ltd. is a company in which the Company's supervisor Chen Xiangjiang works as the chairman and general manager. In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Zhejiang Xianglong Leather Co., Ltd. constitutes a connected transaction. For more details please refer to the table above.

7. Tongxiang City Rural Credit Cooperatives* (桐鄉市農村信用合作聯社)

The Company's supervisor Lv Zili works as a director in Tongxiang City Rural Credit Cooperatives*. In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Tongxiang City Rural Credit Cooperatives* constitutes a connected transaction. For more details please refer to the table above.

8. Tongxiang City Qitang Silk Industry Co. Ltd.* (桐鄉市騎塘絲業有限公司)

Tongxiang City Qitang Silk Industry Co., Ltd.* is a company controlled by the Company's supervisor Lv Zili. Lv Zili works as the executive director and a manager in that company. In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Tongxiang City Qitang Silk Industry Co., Ltd.* constitutes a connected transaction. For more details please refer to the table above.

9. Tongxiang City Jujiang Construction laowu Co. Ltd.* (桐鄉市巨匠建築勞務有限公司)

Tongxiang City Jujiang Construction Laowu Co., Ltd.* is a company controlled by the Company's controlling shareholder in the reporting period. In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Tongxiang City Jujiang Construction Laowu Co., Ltd. constitutes a connected transaction. For more details please refer to the table above.

Directors Lv Yaoneng, Lv Dazhong, Li Jinyan and Lu Zhicheng have abstained from voting.

10. Rongcheng City Huanhe property Co., Ltd.* (榮成市環河置業有限公司)

Zhejiang Jujiang Real Estate Group which is controlled by the Company's controlling shareholder holds 30% shares in Rongcheng City Huanhe Property Co., Ltd.* In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Rongcheng City Huanhe Property Co., Ltd.* constitutes a connected transaction. For more details please refer to the table above.

Related directors including Lv Yaoneng, Lv Dazhong, Li Jinyan and Lu Zhicheng have abstained from voting.

11. Lv Xingliang

Lv Xingliang is a supervisor of the Company. In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transaction between the Company and Lv Xingliang constitutes a connected transaction. For more details please refer to the table above.

12. Lv Yaoneng, Lv Yuntao, Wang Xiaolin, Lv Dazhong and Li Jinyan

Lv Yaoneng, Wang Shaolin, Lv Dazhong and Li Jinyan are the actual controllers, directors or senior related persons of the Company. Lv Yuntao is the son of the Company's actual controller and chairman, and holds 5% shares in the Company. In accordance with Shanghai Stock Exchange Listing Rules and other relevant laws and regulations, the transactions between the Company and Lv Yaoneng, Lv Yuntao, Wang Shaolin, Lv Dazhong and Li Jinyan constitute connected transactions. For more details, please refer to the table above.

Directors Lv Yaoneng, Lv Dazhong and Li Jinyan have abstained from voting.

13. Lv Daming

Lv Daming is the elder sister of Lv Yaoneng, the Director and actual controller of the issuer. According to the Stock Listing Rules of the Shanghai Stock Exchange and other relevant laws and regulations, the transaction between the Company and Lv Daming constitutes a connected transaction. For more details please refer to the table above.

Related Director Lv Yaoneng has abstained from voting.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, save as disclosed below and, so far as the Company is aware, none of the Directors, Supervisors or chief executive of our Company had any interests or short positions in the Shares, underlying shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO which have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions) which he/she is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code.

Long Position in Shares

Name of Director/ Supervisor	Nature of interest	Number and class of Shares ⁽¹⁾	Approximate percentage of shareholding in same class of shares/total share capital of the Company as at the Latest Practicable Date
Mr. Lv Yaoneng ⁽²⁾	Interest of controlled corporation	204,000,000 Domestic Shares (L)	51%/38.25%

Notes:

- (1) The letter "L" denotes a person's long position (as defined under Part XV of the SFO) in the Shares.
- (2) Jujiang Holdings is held as to approximately 51.33% by Mr. Lv Yaoneng. Mr. Lv Yaoneng controls more than one-third of the voting rights of Jujiang Holdings and are deemed to be interested in its interest in the Company by virtue of the SFO.

3. SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, save as disclosed below and so far as is known to the Directors or chief executive of the Company, no persons other than a director or chief executive of the Company, had an interest or short position in 5% or more in the Shares, underlying shares and debentures of the Company

which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and required to be recorded in the register of interests and short positions required to be kept by the Company pursuant to section 336 of the SFO:

Long Position in Shares

Name of Shareholder	Nature of interest	Number and class of Shares ⁽¹⁾	Approximate percentage of shareholding in same class of shares/total share capital of the Company as at the Latest Practicable Date ⁽²⁾
Jujiang Holdings	Beneficial Owner	204,000,000 Domestic Shares (L)	51%/38.25%
Ms. Shen Hongfen ⁽³⁾	Interest of spouse	204,000,000 Domestic Shares (L)	51%/38.25%
Jujiang Equity Investment	Beneficial Owner	196,000,000 Domestic Shares (L)	49%/36.75%
Chan Ka Wo	Beneficial Owner	9,480,000 H Shares (L)	7.10%/1.78%

Notes:

- (1) The letter “L” denotes a person’s long position (as defined under Part XV of the SFO) in the Shares.
- (2) The calculation is based on the total number of 533,360,000 Shares in issue as at the Latest Practicable Date.
- (3) Ms. Shen Hongfen (沈洪芬), the spouse of Mr. Lv Yaoneng, is deemed to be interested in Mr. Lv Yaoneng’s interest in the Company by virtue of the SFO.

As at the Latest Practicable Date, each of Mr. Lv Yaoneng, Mr. Lv Dazhong and Mr. Li Jinyan, all being Directors of the Company, are a non-executive director of Jujiang Holdings and/or its subsidiaries.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or a proposed Director is a director or employee of a company which had, or was deemed to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Mr. Lv Xingliang as the employee representative Supervisor and all other Directors and Supervisors had entered into a service contract or an appointment letter (subject to retirement by rotation and re-election at the annual general meeting and as the case may be) with our Company for the period from 20 August 2016 and will end on the date on which the term of the first session of the Supervisory Committee in 2017 and an initial fixed term of three years respectively, subject to retirement by rotation and re-election at the annual general meeting and will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other.

Save as disclosed above, none of the Directors or Supervisors has a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

5. INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

Save as disclosed in this circular, as at the Latest Practicable Date:

- (a) none of the Directors or Supervisors had any interest, direct or indirect, in any assets which have been, since 31 December 2015, being the date of the latest published audited accounts of the Group, acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to, any member of the Group; and
- (b) none of the Directors or Supervisors was materially interested in any contract or arrangement subsisting as at the date of this circular and which is significant in relation to the business of the Group.

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm that there had been no material adverse change in the financial or trading position of the Group since 31 December 2015, being the date to which the latest published audited accounts of the Group were made up.

7. EXPERT'S QUALIFICATIONS AND CONSENT

The following are the qualifications of the expert who has given opinion or, advice contained in this circular:

Name	Qualification
Lego Corporate Finance Limited	a licensed corporation to carry out type 6 (advising on corporate finance) regulated activities as defined under the SFO

As at the Latest Practicable Date, the Independent Financial Adviser had no shareholding interests in any member of the Group nor any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the Independent Financial Adviser had no interest, directly or indirectly, in any assets which had been, since 31 December 2015, being the date of the latest published audited financial statements of the Group, acquired or disposed of by, or leased to any member of the Group, or were proposed to be acquired or disposed of by, or leased to, any member of the Group.

The Independent Financial Adviser has given and has not withdrawn its written consent as to the issue of this circular with the inclusion herein of its letter and reference to their name in the form and context in which they respectively appear. The letter and recommendation given by the Independent Financial Adviser is given as at the Latest Practicable Date for incorporation herein.

8. COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or Supervisors nor their respective close associates was interested in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with that of the Group.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of the Company's principal place of business in Hong Kong at 22/F, World-Wide House, 19 Des Voeux Road Central, Hong Kong during normal business hours from 11 November 2016 up to and including 24 November 2016 and at the EGM and Class Meeting(s):

- (1) the service contracts and letters of appointment referred to in the section headed "Directors' and Supervisors' Service Contracts" in this appendix;
- (2) the letter from the Independent Board Committee, the text of which is set out on pages 26 to 27 of this circular;
- (3) the letter from Independent Financial Adviser, the text of which is set out on pages 28 to 41 of this circular;
- (4) the written consent of Independent Financial Adviser referred to in the section headed "Expert's Qualifications and Consent" in this appendix;
- (5) the 2015 Master Agreement;
- (6) the 2016 Master Agreement; and
- (7) this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



巨匠建设

JUJIANG CONSTRUCTION GROUP

Jujiang Construction Group Co., Ltd.

巨匠建設集團股份有限公司

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

(Stock Code: 1459)

REVISED NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Reference is made to the notice of the extraordinary general meeting (the “EGM”) of Jujiang Construction Group Co., Ltd. (the “Company”) dated 9 September 2016; the announcement of the Company dated 6 October 2016 relating to, inter alia, the postponement of the EGM.

REVISED NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “EGM”) of the Company will be held at Conference Room (Asuka), TKP International Limited, 23/F, Euro Trade Centre, 21-23 Des Voeus Road Central, Central, Hong Kong at 2:30 p.m. on Thursday, 24 November 2016 for the purpose of considering, and if thought fit, passing the following resolutions:

SPECIAL RESOLUTIONS

- (1) to consider and approve the proposal of the initial public offering of A shares (the “A Shares”) (the “A Share Offering”);
 - (a) Class of shares to be issued;
 - (b) Nominal value per share;
 - (c) Proposed stock exchange for the listing of the A Shares;
 - (d) Offering size;
 - (e) Target subscriber;
 - (f) Method of offering;
 - (g) Pricing methodology;
 - (h) Form of underwriting;
 - (i) Time of issuance;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (j) Conversion of the Company into a joint stock company with limited liability and overseas listed shares; and
 - (k) Validity period of the resolutions for the proposal of the A Share Offering.
- (2) to consider and approve the feasibility analysis report on the use of proceeds from the A Share Offering;
 - (3) to consider and approve the undertakings to be given for the purpose of the A Share Offering;
 - (4) to consider and approve the accumulated profit distribution plan before the A Share Offering;
 - (5) to consider and approve the dividend return plan within three years after the A Share Offering;
 - (6) to consider and approve the dilution of immediate return plan arising from the A Share Offering and remedial measures;
 - (7) to consider and approve the price stabilisation plan for the A Shares within three years after the A Share Offering after the A Share Offering;
 - (8) to consider and approve the proposed amendments to the articles of association and adoption of the rules of procedures of the general meetings, the board (the “Board”) of directors (the “Directors”) and the board of supervisors of the Company and other corporate governance procedures in preparation for the A Share Offering and with effect upon the approval by the shareholders of the Company (the “Shareholders”) at the EGM, the H Shareholders’ class meeting and the domestic Shareholders’ class meeting of the Company;
 - (9) to consider and approve the proposed adoption of the draft articles of association of the Company with effect upon the listing of the A Shares on the Shanghai Stock Exchange;
 - (10) to consider and approve the grant of authorization to the Board to implement the A Share Offering;
 - (11) to consider and approve the report on the use of proceeds of the initial public offering of the Company’s H shares globally and listing of such H shares on the Stock Exchange of Hong Kong Limited on 12 January 2016;

ORDINARY RESOLUTIONS

- (12) to consider and approve the report on internal control assessment;
- (13) to consider and approve the appointment of AJ Securities Company Limited* (愛建證券有限責任公司) as the sponsor and lead underwriter in relation to the A Share Offering;
- (14) to consider and approve the appointment of All Bright Law Offices as the legal advisor of the People’s Republic of China (the “PRC”) in relation to the A Share Offering;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (15) to consider and approve the appointment of Ernst & Young Hua Ming LLP as the Company's auditor in relation to the A Share Offering;
- (16) to consider and approve the appointment of Mr. Yu Jingxuan (余景選) as shareholder representative supervisor of the first session of the supervisory committee of the Company to hold office from the date on which this resolution is passed until the end of the first session of the Board in 2017 and to authorize any one executive Director to enter into a service contract on behalf of the Company with Mr. Yu Jingxuan on and subject to such terms and conditions as the Board shall think fit and to do all such acts and things to give effect to such matters;
- (17) to consider and approve the appointment of Mr. Zhu Jialian (朱家煉) as an independent non-executive Director to hold office from the date on which this resolution is passed until the end of first session of the supervisory committee of the Company in 2017 and to authorise any one executive Director to enter into a service contract on behalf of the Company with Mr. Zhu Jialian on and subject to such terms and conditions as the Board shall think fit and to do all such acts and things to give effect to such matters;
- (18) to consider and approve the establishment of the strategic committee of the Company;
- (19) to consider and approve confirmation of connected transactions of the company for the year of 2013, 2014, 2015 and for the six months ended 30 June 2016;
- (20) to consider and approve, confirm and ratify the master agreement dated 25 August 2016 ("2016 Master Agreement") (a copy of which is tabled at the EGM marked "A" and initialled by the Chairman of the meeting for identification purpose) entered into between the Company and Zhejiang Jujiang Holdings Group Co., Ltd.* (浙江巨匠控股集團有限公司) ('Jujiang Holdings') in relation to the provision of construction contracting services by the Group to Jujiang Holdings, its subsidiaries and their associates (other than our Group), and the continuing connected transactions contemplated thereunder and to authorise any Director of the Company to do all such further acts and things and execute such further documents and take all such steps which in their opinion as may be necessary, desirable or expedient to implement and/or give effect to the terms of such continuing connected transactions; and
- (21) to consider and approve, confirm and ratify the Revised Annual Caps (as defined in the circular of the Company) as contemplated under the 2016 Master Agreement for each of the three years ending 31 December 2018 and to authorise any Director of the Company to do all such further acts and things and execute such further documents and take all such steps which in their opinion as may be necessary, desirable or expedient to implement and/or give effect to the terms of such continuing connected transactions.

By order of the Board of Directors
Jujiang Construction Group Co., Ltd.
Mr. Lv Yaoneng
Chairman

Zhejiang Province, the PRC, 7 October 2016

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. All resolutions at the meeting will be taken by poll pursuant to the Listing Rules. The results of the poll will be published on the websites of The Stock Exchange of Hong Kong Limited and the Company in accordance with the Listing Rules.
2. The register of members of the Company will be closed from 24 October 2016 to 24 November 2016 (both days inclusive), during which period no transfer of shares of the Company can be registered. In order to qualify to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the H share registrar of the Company, Tricor Investor Services Ltd. at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H shares of the Company) or the headquarters in the PRC of the Company at No. 669 Qingfeng South Road (South), Tongxiang City, Zhejiang Province, PRC (for holders of domestic shares of the Company), no later than 4:30 p.m. on 21 October 2016.
3. Shareholders who intend to attend the EGM should complete the reply slip and return it by hand or by post to the H share registrar of the Company (for holders of H shares of the Company) or to the head office in the PRC of the Company (for holders of domestic shares of the Company) on or before 4 November 2016.
4. Shareholders who are entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a Shareholder.
5. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly authorised in writing. If the Shareholder is a legal person, that instrument must be executed either under its seal or under the hand of its director or other attorney duly authorised to sign the same on its behalf.
6. In order to be valid, the revised proxy form for the EGM ("Revised Proxy Form") must be deposited by hand or post, for holders of H shares of the Company, to the H share registrar of the Company Tricor Investor Services Ltd. at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong and, for holders of domestic shares of the Company, to the headquarters in the PRC of the Company not less than 24 hours before the time for holding the EGM (or any adjournment thereof) for taking the poll (the "Closing Time"). If the Revised Proxy Form is signed by a person under a power of attorney or other authority, a notarial copy of that power of attorney or authority shall be deposited at the same time as mentioned in the Revised Proxy Form. Completion and return of the Revised Proxy Form will not preclude shareholders from attending and voting in person at the EGM or any adjourned meetings should they so wish.

If the proxy is a legal person, its legal representative or any representative authorised by a resolution of its board of directors or by other governing body shall attend the above meeting of the Company on its behalf. If the shareholder is a recognised clearing house (or its proxy) defined by the Hong Kong relevant Ordinance from time to time, the shareholder may authorise one or more persons it considers appropriate as its representative(s) at the above meeting; however, if more than one person are authorized, the power of attorney shall contain the number and class of shares for which such persons are authorized, and shall be signed by an authorised personnel of the recognised clearing house. The person(s) so authorised can represent the recognised clearing house (or its proxy) to attend the meeting and exercise its right, as if the persons are the Company's individual shareholders, and shall not be required to produce evidence of shareholding, the notarised power of attorney and/or further evidence to prove that he/ she/they have been duly authorised.

A vote provided in according to the instruments in such proxy forms shall be valid, notwithstanding the previous death or loss of capacity of the appointer or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares with respect to which the proxy is given, provided that no notice in writing of such matters shall have been received by the Company prior to the above meeting.

7. In case of joint shareholder for any share, only the person whose name is at the first place on the register of shareholders has the rights to receive the certificate of relevant shares and notice from the Company and to attend or exercise all of the votes relating to the shares.

NOTICE OF EXTRAORDINARY GENERAL MEETING

8. Shareholders or their proxies shall provide their identity documents when attending the EGM. If corporate Shareholders appoint authorised representative to attend the EGM, the authorised representative shall produce his/her identity documents and a notarial copy of the relevant authorisation instrument signed by the Board or other authorised parties of the corporate Shareholders or other notarial documents allowed by the Company. Proxies shall produce their identity documents and the proxy form signed by the Shareholders or their attorney when attending the EGM.
9. Shareholders attending the EGM shall bear their own traveling and accommodation expenses.

Shareholders who have lodged the proxy form(s) despatched on 9 September 2016 (the “**Original Proxy Form(s)**”) with the Company prior to the date of the revised notice of EGM of the Company (i.e. 7 October 2016) should note that:

- (i) If no Revised Proxy Form(s) is lodged with the Company’s Hong Kong share registrar (for holders of H Shares) or the head office of the Company in the PRC (for holders of Domestic Shares) prior to the Closing Time, the Original Proxy Form(s) will be treated as a valid form of proxy lodged by him or her if correctly completed and signed and returned in accordance with the instructions printed thereon. The proxy appointed by the Shareholder will be entitled to vote at his/her discretion or abstain on any resolution properly proposed to the EGM.
- (ii) If the Revised Proxy Form is lodged with the Company’s Hong Kong share registrar (for holders of H Shares) or the head office of the Company in the PRC (for holders of Domestic Shares) prior to the Closing Time, the Revised Proxy Form will revoke and supersede the relevant Original Proxy Form previously lodged by him or her. The Revised Proxy Form will be treated as a valid form of proxy lodged by such Shareholder if correctly completed and signed and returned in accordance with the instructions printed thereon.
- (iii) If the duly completed and signed Revised Proxy Form is lodged with the Company’s Hong Kong share registrar (for holders of H Shares) or the head office of the Company in the PRC (for holders of Domestic Shares) after the Closing Time, the Revised Proxy Form will be invalid. However, it will revoke the Original Proxy Form previously lodged by such Shareholder, and any vote that may be cast by the purported proxy (whether appointed under the Original Proxy Form or the Revised Proxy Form) will not be counted in any poll which will be taken on any proposed resolution.

Accordingly, Shareholders are advised not to lodge the Revised Proxy Form after the Closing Time. In such case, if any Shareholder wishes to vote at the EGM, he/she will have to attend in person and vote at the relevant meeting himself/herself. Completion and return of the Original Proxy Form(s) and/or the Revised Proxy Form(s) will not preclude Shareholders from attending and voting in person at the EGM or any adjournment thereof should he/she so wish.

NOTICE OF DOMESTIC SHAREHOLDERS' CLASS MEETING



巨匠建设

JUJIANG CONSTRUCTION GROUP

Jujiang Construction Group Co., Ltd.

巨匠建設集團股份有限公司

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

(Stock Code: 1459)

REVISED NOTICE OF DOMESTIC SHAREHOLDERS' CLASS MEETING

Reference is made to the notice of the class meeting (the **"Domestic Shareholders' Class meeting"**) of the holders of domestic shares (the **"Domestic Shares"**) of Jujiang Construction Group Co., Ltd. (the **"Company"**) dated 9 September 2016; the announcement of the Company dated 6 October 2016 relating to, inter alia, the postponement of the Domestic Shareholders' Class meeting of the Company.

REVISED NOTICE IS HEREBY GIVEN that the Domestic Shareholders' Class Meeting of the Company will be held at Conference Room (Asuka), TKP International Limited, 23/F, Euro Trade Centre, 21-23 Des Voeus Road Central, Central, Hong Kong on Thursday, 24 November 2016 immediately after the conclusion of the EGM held at the same date or any adjournment thereof for the purpose of considering, and if thought fit, passing the following resolutions:

SPECIAL RESOLUTIONS

- (1) to consider and approve the proposal of the initial public offering of A shares (the **"A Shares"**) (the **"A Share Offering"**);
 - (a) Class of shares to be issued;
 - (b) Nominal value per share;
 - (c) Proposed stock exchange for the listing of the A Shares;
 - (d) Offering size;
 - (e) Target subscriber;
 - (f) Method of offering;
 - (g) Pricing methodology;
 - (h) Form of underwriting;

NOTICE OF DOMESTIC SHAREHOLDERS' CLASS MEETING

- (i) Time of issuance;
 - (j) Conversion of the Company into a joint stock company with limited liability and overseas listed shares; and
 - (k) Validity period of the resolutions for the proposal of the A Share Offering.
- (2) to consider and approve the feasibility analysis report on the use of proceeds from the A Share Offering;
 - (3) to consider and approve the undertakings to be given for the purpose of the A Share Offering;
 - (4) to consider and approve the accumulated profit distribution plan before the A Share Offering;
 - (5) to consider and approve the dividend return plan within three years after the A Share Offering;
 - (6) to consider and approve the dilution of immediate return plan arising from the A Share Offering and remedial measures;
 - (7) to consider and approve the price stabilisation plan for the A Shares within three years after the A Share Offering;
 - (8) to consider and approve the proposed amendments to the articles of association and adoption of the rules of procedures of the general meetings, the board (the "Board") of directors (the "Directors") and the board of supervisors of the Company and other corporate governance procedures in preparation for the A Share Offering and with effect upon the approval by the shareholders of the Company (the "Shareholders") at the EGM, the H Shareholders' class meeting of the Company and the Domestic Shareholders' Class Meeting;
 - (9) to consider and approve the proposed adoption of the draft articles of association of the Company with effect upon the listing of the A Shares on the Shanghai Stock Exchange;
 - (10) to consider and approve the grant of authorization to the Board to implement the A Share Offering;
 - (11) to consider and approve the report on the use of proceeds of the initial public offering of the Company's H shares globally and listing of such H shares on the Stock Exchange of Hong Kong Limited on 12 January 2016.

By order of the Board of Directors
Jujiang Construction Group Co., Ltd.
Mr. Lv Yaoneng
Chairman

Zhejiang Province, the PRC, 7 October 2016

NOTICE OF DOMESTIC SHAREHOLDERS' CLASS MEETING

Notes:

1. All resolutions at the meeting will be taken by poll.
2. The register of members of the Company will be closed from 24 October 2016 to 24 November 2016 (both days inclusive), during which period no transfer of shares of the Company can be registered. In order to qualify to attend and vote at the Domestic Shareholders' Class Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the headquarters in the PRC of the Company at No. 669 Qingfeng South Road (South), Tongxiang City, Zhejiang Province, PRC, no later than 4:30 p.m. on 21 October 2016.
3. Domestic shareholders who intend to attend the Domestic Shareholders' Class Meeting should complete the reply slip and return it by hand or by post to the head office in the PRC of the Company on or before 4 November 2016.
4. Shareholders who are entitled to attend and vote at the Domestic Shareholders' Class Meeting may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a domestic shareholder.
5. The instrument appointing a proxy must be in writing under the hand of a domestic shareholder or his attorney duly authorised in writing. If the domestic shareholder is a legal person, that instrument must be executed either under its seal or under the hand of its director or other attorney duly authorised to sign the same on its behalf.
6. In order to be valid, the revised proxy form for the Domestic Shareholders' Class Meeting ("Revised Proxy Form") must be deposited by hand or post, to the headquarters in the PRC of the Company not less than 24 hours before the time for holding the Domestic Shareholders' Class Meeting (or any adjournment thereof) for taking the poll (the "Closing Time"). If the Revised Proxy Form is signed by a person under a power of attorney or other authority, a notarial copy of that power of attorney or authority shall be deposited at the same time as mentioned in the Revised Proxy Form. Completion and return of the Revised Proxy Form will not preclude shareholders from attending and voting in person at the Domestic Shareholders' Class Meeting or any adjourned meetings should they so wish.

If the proxy is a legal person, its legal representative or any representative authorised by a resolution of its board of directors or by other governing body shall attend the above meeting of the Company on its behalf. If the domestic shareholder is a recognised clearing house (or its proxy) defined by the Hong Kong relevant Ordinance from time to time, the domestic shareholder may authorise one or more persons it considers appropriate as its representative(s) at the above meeting; however, if more than one person are authorized, the power of attorney shall contain the number and class of shares for which such persons are authorized, and shall be signed by an authorised personnel of the recognised clearing house. The person(s) so authorised can represent the recognised clearing house (or its proxy) to attend the meeting and exercise its right, as if the persons are the Company's individual shareholders, and shall not be required to produce evidence of shareholding, the notarised power of attorney and/or further evidence to prove that he/ she/they have been duly authorised.

A vote provided in according to the instruments in such proxy forms shall be valid, notwithstanding the previous death or loss of capacity of the appointer or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares with respect to which the proxy is given, provided that no notice in writing of such matters shall have been received by the Company prior to the above meeting.

7. In case of joint shareholder for any Domestic Share, only the person whose name is at the first place on the register of shareholders has the rights to receive the certificate of relevant shares and notice from the Company and to attend or exercise all of the votes relating to the shares.

NOTICE OF DOMESTIC SHAREHOLDERS' CLASS MEETING

8. Domestic shareholders or their proxies shall provide their identity documents when attending the Domestic Shareholders' Class Meeting. If corporate domestic Shareholders appoint authorised representative to attend the Domestic Shareholders' Class Meeting, the authorised representative shall produce his/her identity documents and a notarial copy of the relevant authorisation instrument signed by the Board or other authorised parties of the corporate Shareholders or other notarial documents allowed by the Company. Proxies shall produce their identity documents and the proxy form signed by the Shareholders or their attorney when attending the Domestic Shareholders' Class Meeting.
9. Shareholders attending the Domestic Shareholders' Class Meeting shall bear their own traveling and accommodation expenses.

Shareholders who have lodged the proxy form(s) despatched on 9 September 2016 (the "Original Proxy Form(s)") with the Company prior to the date of the revised notice of Domestic Shareholders' Class Meeting of the Company (i.e. 7 October 2016) should note that:

- (i) If no Revised Proxy Form(s) is lodged with the head office of the Company in the PRC prior to the Closing Time, the Original Proxy Form(s) will be treated as a valid form of proxy lodged by him or her if correctly completed and signed and returned in accordance with the instructions printed thereon. The proxy appointed by the Shareholder will be entitled to vote at his/her discretion or abstain on any resolution properly proposed to the Domestic Shareholders' Class Meeting.
- (ii) If the Revised Proxy Form is lodged with the head office of the Company in the PRC prior to the Closing Time, the Revised Proxy Form will revoke and supersede the relevant Original Proxy Form previously lodged by him or her. The Revised Proxy Form will be treated as a valid form of proxy lodged by such Shareholder if correctly completed and signed and returned in accordance with the instructions printed thereon.
- (iii) If the duly completed and signed Revised Proxy Form is lodged with the head office of the Company in the PRC after the Closing Time, the Revised Proxy Form will be invalid. However, it will revoke the Original Proxy Form previously lodged by such Shareholder, and any vote that may be cast by the purported proxy (whether appointed under the Original Proxy Form or the Revised Proxy Form) will not be counted in any poll which will be taken on any proposed resolution.

Accordingly, Shareholders are advised not to lodge the Revised Proxy Form after the Closing Time. In such case, if any Shareholder wishes to vote at the Domestic Shareholders' Class Meeting, he/she will have to attend in person and vote at the relevant meeting himself/herself. Completion and return of the Original Proxy Form(s) and/or the Revised Proxy Form(s) will not preclude Shareholders from attending and voting in person at the Domestic Shareholders' Class Meeting or any adjournment thereof should he/she so wish.

NOTICE OF H SHAREHOLDERS' CLASS MEETING



巨匠建设
JUJIANG CONSTRUCTION GROUP

Jujiang Construction Group Co., Ltd.

巨匠建設集團股份有限公司

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

(Stock Code: 1459)

REVISED NOTICE OF H SHAREHOLDERS' CLASS MEETING

Reference is made to the notice of the class meeting (the "**H Shareholders' Class meeting**") of the holders of H shares (the "**H Shares**") of Jujiang Construction Group Co., Ltd. (the "**Company**") dated 9 September 2016; the announcement of the Company dated 6 October 2016 relating to, inter alia, the postponement of the H Shareholders' Class meeting of the Company.

REVISED NOTICE IS HEREBY GIVEN that the H Shareholders' Class Meeting will be held at Conference Room (Asuka), TKP International Limited, 23/F, Euro Trade Centre, 21-23 Des Voeus Road Central, Central, Hong Kong on Thursday, 24 November 2016 immediately after the conclusion of the class meeting of the holders of domestic shares (the "**Domestic Shares**") of the Company (the "**Domestic Shareholders' Class Meeting**", together with the H Shareholders' Class Meeting, the "**Class Meetings**") held at the same date or any adjournment thereof for the purpose of considering, and if thought fit, passing the following resolutions:

SPECIAL RESOLUTIONS

- (1) to consider and approve the proposal of the initial public offering of A shares (the "**A Shares**") (the "**A Share Offering**");
 - (a) Class of shares to be issued;
 - (b) Nominal value per share;
 - (c) Proposed stock exchange for the listing of the A Shares;
 - (d) Offering size;
 - (e) Target subscriber;
 - (f) Method of offering;
 - (g) Pricing methodology;
 - (h) Form of underwriting;

NOTICE OF H SHAREHOLDERS' CLASS MEETING

- (i) Time of issuance;
 - (j) Conversion of the Company into a joint stock company with limited liability and overseas listed shares; and
 - (k) Validity period of the resolutions for the proposal of the A Share Offering.
- (2) to consider and approve the feasibility analysis report on the use of proceeds from the A Share Offering;
 - (3) to consider and approve the undertakings to be given for the purpose of the A Share Offering;
 - (4) to consider and approve the accumulated profit distribution plan before the A Share Offering;
 - (5) to consider and approve the dividend return plan within three years after the A Share Offering;
 - (6) to consider and approve the dilution of immediate return plan arising from the A Share Offering and remedial measures;
 - (7) to consider and approve the price stabilisation plan for the A Shares within three years after the A Share Offering;
 - (8) to consider and approve the proposed amendments to the articles of association and adoption of the rules of procedures of the general meetings, the board (the "Board") of directors (the "Directors") and the board of supervisors of the Company and other corporate governance procedures in preparation for the A Share Offering and with effect upon the approval by the shareholders of the Company (the "Shareholders") at the extraordinary general meeting of the Company, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting;
 - (9) to consider and approve the proposed adoption of the draft articles of association of the Company with effect upon the listing of the A Shares on the Shanghai Stock Exchange;
 - (10) to consider and approve the grant of authorization to the Board to implement the A Share Offering;
 - (11) to consider and approve the report on the use of proceeds of the initial public offering of the Company's H shares globally and listing of such H shares on the Stock Exchange of Hong Kong Limited on 12 January 2016.

By order of the Board of Directors
Jujiang Construction Group Co., Ltd.
Mr. Lv Yaoneng
Chairman

Zhejiang Province, the PRC, 7 October 2016

NOTICE OF H SHAREHOLDERS' CLASS MEETING

Notes:

1. All resolutions at the meeting will be taken by poll.
2. The register of members of the Company will be closed from 24 October 2016 to 24 November 2016 (both days inclusive), during which period no transfer of shares of the Company can be registered. In order to qualify to attend and vote at the H Shareholders' Class Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the H share registrar of the Company, Tricor Investor Services Ltd. at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on 21 October 2016.
3. H shareholders who intend to attend the H Shareholders' Class Meeting should complete the reply slip and return it by hand or by post to the H share registrar of the Company on or before 4 November 2016.
4. H shareholders who are entitled to attend and vote at the H Shareholders' Class Meeting may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a Shareholder.
5. The instrument appointing a proxy must be in writing under the hand of a H shareholder or his attorney duly authorised in writing. If the H shareholder is a legal person, that instrument must be executed either under its seal or under the hand of its director or other attorney duly authorised to sign the same on its behalf.
6. In order to be valid, the revised proxy form for the H Shareholders' Class Meeting ("Revised Proxy Form") must be deposited by hand or post, for holders of H shares of the Company, to the H share registrar of the Company Tricor Investor Services Ltd. at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 24 hours before the time for holding the H Shareholders' Class Meeting (or any adjournment thereof) for taking the poll (the "Closing Time"). If the Revised Proxy Form is signed by a person under a power of attorney or other authority, a notarial copy of that power of attorney or authority shall be deposited at the same time as mentioned in the Revised Proxy Form. Completion and return of the Revised Proxy Form will not preclude shareholders from attending and voting in person at the H Shareholders' Class Meeting or any adjourned meetings should they so wish.

If the proxy is a legal person, its legal representative or any representative authorised by a resolution of its board of directors or by other governing body shall attend the above meeting of the Company on its behalf. If the H shareholder is a recognised clearing house (or its proxy) defined by the Hong Kong relevant Ordinance from time to time, the H shareholder may authorise one or more persons it considers appropriate as its representative(s) at the above meeting; however, if more than one person are authorized, the power of attorney shall contain the number and class of shares for which such persons are authorized, and shall be signed by an authorised personnel of the recognised clearing house. The person(s) so authorised can represent the recognised clearing house (or its proxy) to attend the meeting and exercise its right, as if the persons are the Company's individual shareholders, and shall not be required to produce evidence of shareholding, the notarised power of attorney and/or further evidence to prove that he/ she/they have been duly authorised.

A vote provided in according to the instruments in such proxy forms shall be valid, notwithstanding the previous death or loss of capacity of the appointer or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares with respect to which the proxy is given, provided that no notice in writing of such matters shall have been received by the Company prior to the above meeting.

7. In case of joint shareholder for any share, only the person whose name is at the first place on the register of shareholders has the rights to receive the certificate of relevant shares and notice from the Company and to attend or exercise all of the votes relating to the shares.

NOTICE OF H SHAREHOLDERS' CLASS MEETING

8. H shareholders or their proxies shall provide their identity documents when attending the H Shareholders' Class Meeting. If corporate H shareholders appoint authorised representative to attend the H Shareholders' Class Meeting, the authorised representative shall produce his/her identity documents and a notarial copy of the relevant authorisation instrument signed by the Board or other authorised parties of the corporate Shareholders or other notarial documents allowed by the Company. Proxies shall produce their identity documents and the proxy form signed by the H shareholders or their attorney when attending the H Shareholders' Class Meeting.
9. H shareholders attending the H Shareholders' Class Meeting shall bear their own traveling and accommodation expenses.

Shareholders who have lodged the proxy form(s) despatched on 9 September 2016 (the “**Original Proxy Form(s)**”) with the Company prior to the date of the revised notice of H Shareholders' Class Meeting of the Company (i.e. 7 October 2016) should note that:

- (i) If no Revised Proxy Form(s) is lodged with the Company's Hong Kong share registrar prior to the Closing Time, the Original Proxy Form(s) will be treated as a valid form of proxy lodged by him or her if correctly completed and signed and returned in accordance with the instructions printed thereon. The proxy appointed by the Shareholder will be entitled to vote at his/her discretion or abstain on any resolution properly proposed to the H Shareholders' Class Meeting.
- (ii) If the Revised Proxy Form is lodged with the Company's Hong Kong share registrar prior to the Closing Time, the Revised Proxy Form will revoke and supersede the relevant Original Proxy Form previously lodged by him or her. The Revised Proxy Form will be treated as a valid form of proxy lodged by such Shareholder if correctly completed and signed and returned in accordance with the instructions printed thereon.
- (iii) If the duly completed and signed Revised Proxy Form is lodged with the Company's Hong Kong share registrar after the Closing Time, the Revised Proxy Form will be invalid. However, it will revoke the Original Proxy Form previously lodged by such Shareholder, and any vote that may be cast by the purported proxy (whether appointed under the Original Proxy Form or the Revised Proxy Form) will not be counted in any poll which will be taken on any proposed resolution.

Accordingly, Shareholders are advised not to lodge the Revised Proxy Form after the Closing Time. In such case, if any Shareholder wishes to vote at the H Shareholders' Class Meeting, he/she will have to attend in person and vote at the relevant meeting himself/herself. Completion and return of the Original Proxy Form(s) and/or the Revised Proxy Form(s) will not preclude Shareholders from attending and voting in person at the H Shareholders' Class Meeting or any adjournment thereof should he/she so wish.