

CHINA REAL ESTATE OPPORTUNITIES LIMITED

**MEMORANDUM AND ARTICLES OF
ASSOCIATION**

COMPANIES (JERSEY) LAW 1991 (as amended)

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

of

CHINA REAL ESTATE OPPORTUNITIES LIMITED

- 1 The name of the Company is China Real Estate Opportunities Limited.
- 2 The Company shall have unrestricted corporate capacity.
- 3 The Company is a public company.
- 4 The Company is a no par value company.
- 5 The liability of each Member arising from his holding of a Share is limited to the amount (if any) unpaid on it.
- 6 There is no limit on the number of shares of any class that the Company is authorised to issue.

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COMPANIES (JERSEY) LAW 1991 (as amended)

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

CHINA REAL ESTATE OPPORTUNITIES LIMITED

1 Definitions and Interpretations

1.1 In these Articles, unless the context otherwise requires, the following expressions shall have the following meanings:

“**£**” means the lawful currency of Great Britain;

“**address**” means, in relation to electronic communications, any number or address used for the purposes of such communications;

“**AIM Rules**” means the rules for AIM companies and their nominated advisers published by the London Stock Exchange plc governing admission to and the operation of AIM;

“**AIM**” means the AIM market operated by the London Stock Exchange plc;

“**alternate Director**” means any alternate Director of the Company appointed in accordance with these Articles;

“**Articles**” means these articles of association as amended from time to time;

“**Associated Entity**” means, in relation to a company, partnership or other entity (whether of independent legal status or otherwise) any company, partnership or entity (whether of independent legal status or otherwise) which is a subsidiary (whether direct or indirect) or holding company or under common control with the first company, partnership or other legal entity and includes all directors and officers of any such entities or any person (either individually or with Connected Persons) who is able to direct, control or influence any such entity and, in respect of the first entity, any director, officer, shareholder or person (either individually or with Connected Persons) who is able to direct, control or influence such entity;

“**auditors**” means the auditors for the time being of the Company or, in the case of joint auditors, any one of them;

“**Board**” means the board of Directors from time to time of the Company or the Directors present or deemed to be present at a duly convened meeting of the Directors at which a quorum is present;

“**business day**” means a day (not being a Saturday or Sunday) on which clearing banks are open for normal banking business in London and Jersey;

“**certificated**” means, in relation to a Share, a Share which is not in uncertificated form;

“**clear days**” means, in relation to a period of notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

“**Company**” means the company incorporated under the Law in respect of which these Articles have been registered;

“**Concert Party**” means persons or persons who, pursuant to an agreement or understanding (whether formal or informal) actively co-operate, through the acquisition by any of them of Shares or otherwise to obtain or consolidate control of or influence over the Company for any purpose connected with the holding of Shares;

“**Connected Person**” means a Concert Party, an Associated Entity and a Related Person;

“**Director**” means any director for the time being of the Company appointed in accordance with these Articles;

“**electronic communication**” has the same meaning as in the Electronic Communications (Jersey) Law 2000;

“**Employee Share Scheme**” means any employee and/or executive incentive plan or scheme established for the benefit of employees and/or executives and their relations (as determined in accordance with such plans or schemes) of the Company and/or any of its direct or indirect subsidiaries (whether or not such plan or scheme is open to all employees, executives or relations or not) and which is operated either by the Company or any of its direct or indirect subsidiaries or

by a third party on their behalf and under the terms of which employees and/or executives and their relations may acquire and/or benefit from shares or any interest therein, whether directly or pursuant to any option over shares granted to them or otherwise;

“**entitled by transmission**” means, in relation to a Share, entitled as a consequence of the death or bankruptcy of a Member, or as a result of another event giving rise to a transmission of entitlement by operation of law;

“**equity security**” has the meaning ascribed thereto in Section 94(2) of the Companies Act 1985 of the United Kingdom;

“**ERISA**” means the United States Employee Retirement Income Security Act of 1974, as amended;

“**executed**” includes, in relation to a document, execution under hand or under seal or by any other method permitted by law;

“**ISA**” means the International Standards on Auditing as in force and applied by the Company from time to time;

“**Holder**” means, in relation to Shares, the Member whose name is entered in the register of Members of the Company as the holder or, where the context permits, the members whose names are entered in the register of Members of the Company as the joint holders of those Shares;

“**Law**” means the Companies (Jersey) Law 1991 including any statutory modification or re-enactment thereof for the time being in force and subordinate legislation made thereunder;

“**Member**” means any holder of legal title to a Share and any other member of the Company;

“**Memorandum**” means the memorandum of association of the Company as amended from time to time;

“**Non Qualified Holder**” means any person, as determined by the Directors, to whom a sale or transfer of shares, or in relation to whom the direct or beneficial holding of shares in circumstances (whether directly or indirectly affecting such person, and whether taken alone or in conjunction with any person or persons, connected or not, or any other circumstances appearing to the Directors to be relevant): (a) would or could be in breach of the laws or requirements of

any jurisdiction or governmental or regulatory authority or (b) would or might result in the Company incurring a liability to taxation or suffering any pecuniary, fiscal, administrative or regulatory or similar disadvantage or (c) would be for or on behalf of a Plan Investor;

“**Office**” means the registered office for the time being of the Company;

“**Ordinary Resolution**” means a resolution of the Company either in general meeting passed by a simple majority of the votes cast at that meeting or in writing in accordance with Article 25;

“**operator**” means a person approved as an operator by the Jersey Financial Services Commission under the Uncertificated Securities Order;

“**Ordinary Shares**” means the ordinary shares of no par value in the capital of the Company designated as such and having the rights and being subject to the restrictions specified in these Articles;

“**Plan Asset Regulations**” means the plan asset regulations promulgated by the United States Department of Labor under ERISA at 29 C.F.R. Section 2510.3-101;

“**Plan Investor**” means (i) an employee benefit plan, plan or other retirement arrangement or account that is subject to the fiduciary responsibility or prohibited transaction provisions of Title I of the US Employee Retirement Income Security Act of 1974, as amended (“ERISA”) (including, as applicable, assets of an insurance company general account) or a plan that is subject to the prohibited transaction provisions of Section 4975 of the US Internal Revenue Code of 1986, as amended (the “Code”) (including an individual retirement account), (ii) an entity whose underlying assets include “plan assets” by reason of such employee benefit plan’s, plan’s, account’s or arrangement’s investment in the entity, (iii) any “benefit plan investor” as otherwise defined in regulations promulgated by the US Department of Labor under Section 3(42) of ERISA) or (iv) an employee benefit plan, plan, account or other arrangement that is subject to provisions of applicable US federal, state, local or other US laws or regulations that are substantially similar to Section 406 of ERISA or Section 4975 of the Code;

“**paid**”, “**paid up**” and “**paid-up**” mean paid or credited as paid;

“**recognised financial institution**” means a recognised clearing house acting in relation to a recognised investment exchange or a nominee of a recognised clearing house acting in that way

or of a recognised investment exchange which is designated for the purposes of section 185(4B) of the Companies Act 1985 of the United Kingdom;

“**register**” means the register of Members of the Company to be kept pursuant to article 41 of the Law and/or the register of Members maintained pursuant to the Uncertificated Securities Order and, where the context requires, any register maintained by the Company or the approved operator of persons holding any renounceable right of allotment of a Share and cognate expressions shall be construed accordingly;

“**Related Person**” means, in relation to an individual, his or her spouse, civil law partner, children, step children, parents, grandparents, brothers and sisters and trusts of which that individual or any other Related Person is a beneficiary;

“**Seal**” means the common seal of the Company or any official or securities seal that the Company may have or may be permitted to have under the Law;

“**Secretary**” means the secretary for the time being of the Company or any other person appointed to perform any of the duties of the secretary of the Company, including a joint, assistant or deputy secretary;

“**Share**” means an equity security in the capital of the Company of any class;

“**Special Resolution**” means a special resolution as defined in article 90 of the Law;

“**Standard Table**” means the model articles of association of a company proposed by the Finance and Economics Committee of the States of Jersey pursuant to article 6 of the Law;

“**UKLA**” means the UK Listing Authority, a division of the Financial Services Authority, acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000 of the United Kingdom or any successor enactment;

“**uncertificated proxy instruction**” means an instruction or notification sent by means of a relevant system and received by such participant in that system acting on behalf of the Company as the Board may prescribe, in such form and subject to such terms and conditions as may from time to time be prescribed by the Board (subject always to the facilities and requirements of the relevant system concerned);

“Uncertificated Securities Order” means the Companies (Uncertificated Securities) (Jersey) Order 1999, as amended from time to time, including any provisions of or under the Law which alter or replace such regulations;

“uncertificated” means, in relation to a Share, a Share title to which is recorded in the register as being held in uncertificated form and title to which, by virtue of the Uncertificated Securities Order, may be transferred by means of a relevant system; and

“US Code” means the United States Internal Revenue Code of 1986, as amended.

1.2 In these Articles, save where the context otherwise requires:

- (a) the word “person” includes a natural person, a firm, a body corporate, an unincorporated association or an authority;
- (b) the singular includes the plural and vice versa;
- (c) where a word or phrase is given a particular meaning, other grammatical forms of that word or phrase have corresponding meanings;
- (d) a reference to an “Article” is a reference to an article of these Articles;
- (e) a reference to writing includes typewriting, printing, telegram, facsimile, electronic mail or other modes of representing or reproducing words in a visible form;
- (f) headings are inserted for convenience and do not affect the interpretation of these Articles;
- (g) save as aforesaid, and unless the context otherwise requires, words or expressions defined in the Law shall have the same meaning where used in these Articles but excluding any statutory modification thereof not in force when these Articles became binding on the Company;
- (h) the expressions **“register of Company Members”**, **“approved operator”**, **“operator’s instruction”**, **“issuer”**, and **“participating security”** have the meaning as in the Uncertificated Securities Order;

- (i) “**relevant system**” means a computer system which has the purposes described in article 2 of the Uncertificated Securities Order;
- (j) all references in the Articles to the giving of instructions by means of a relevant system shall be deemed to relate to a properly authenticated dematerialised instruction given in accordance with the Uncertificated Securities Order. Notwithstanding the other provisions of these Articles, the giving of such instructions shall be subject to:
 - (i) the facilities and requirements of the relevant system;
 - (ii) the Uncertificated Securities Order; and
 - (iii) the extent to which such instructions are permitted by or practicable under the rules and practices from time to time of the approved operator of the relevant system;
- (k) subject to the provisions of Article 1.2(g), references to any statutory provision or statute includes all amendments thereto and all subordinate legislation made thereunder.

1.3 The Standard Table prescribed pursuant to the Law shall not apply to the Company and is expressly excluded in its entirety.

SHARE CAPITAL AND SHARE CERTIFICATES

2 Share Capital

2.1 Subject to the Law (in particular articles 38 and 52 of the Law) the Directors are generally authorised to approve the allotment, grant of options over or otherwise dispose of Shares to such persons, at such times and on such terms as they think fit provided that any Share may be issued with such rights or restrictions as to issuance as the Company may by Ordinary Resolution determine.

2.2 Subject to the provisions of these Articles, the unissued Shares shall be at the disposal of the Directors and they may allot, grant options over or otherwise dispose of them to such persons, at such times and generally on such terms as they think fit. Subject to the

provisions of article 36 of the Law, no Shares may be issued by the Company at a discount.

- 2.3 Subject to the provisions of articles 38 and 55 of the Law, the Company may issue Shares which are to be redeemed, or are liable to be redeemed, at the option of the Company or at the option of the Holder holding such redeemable Shares and on such terms and in such manner as may be determined by Ordinary Resolution.
- 2.4 The Company may exercise the powers of paying commissions conferred by the Law. Subject to the provisions of the Law, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid Shares or partly in one way and partly in the other.
- 2.5 The Board may at any time after the allotment of a Share but before a person has been entered in the register as the Holder of the Share recognise a renunciation of the Share by the allottee in favour of another person and may grant to an allottee a right to effect a renunciation on such terms and conditions as the Board thinks fit.
- 2.6 Save as required by law or as ordered by a court of competent jurisdiction, no person shall be recognised by the Company as holding any Share upon any trust and (save as otherwise provided by these Articles or by law) the Company shall not be bound by or recognise (even when having notice thereof) any interest in any Share save an absolute right of the Holder of such Share to the entirety thereof.
- 2.7 The Company shall not be required to enter the names of more than four joint Holders in respect of any Share in the register of Members of the Company.

3 Special Rights Attaching to Classes of Shares

- 3.1 Whenever the capital of the Company is divided into different classes of Shares, the special rights attached to any class may (unless otherwise provided by the terms of issue of the Shares of that class) be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding-up:
- (a) when the Company is a par value company, with the consent in writing of the Holders of two thirds in nominal value of the issued Shares of that class; or

- (b) when the Company is a no par value company, with the consent in writing of the Holders of two thirds in number of the issued shares of that class; or
- (c) with the sanction of a Special Resolution passed at a separate meeting of the Holders of the issued Shares of that class.

3.2 The provisions of these Articles relating to general meetings or to the proceedings thereat shall apply, *mutatis mutandis*, to each separate meeting held in respect of different classes of Shares pursuant to this Article save that:

- (a) when the Company is a par value company the quorum shall be at least two persons holding or representing by proxy not less than one-third in nominal value of the issued Shares of that class; and
- (b) when the Company is a no par value Company, the quorum shall be at least two persons holding or representing by proxy not less than one-third in number of the issued shares of that class,

but provided that if, at any adjourned meeting of such Holders, a quorum as defined above is not present, those Holders who are present shall be a quorum.

3.3 Subject to the terms on which any shares may be issued, the rights or privileges attached to any class of shares shall be deemed to be varied or abrogated by the reduction of the capital paid up on such shares or by the allotment of further shares ranking in priority for the payment of a dividend or in respect of capital or howsoever or which confer on the holders voting rights more favourable than those conferred by such first mentioned shares but shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking *pari passu* in all respects (save as to the date from which such new shares shall rank for dividend) with or subsequent to those already issued or by the purchase or redemption by the Company of its own shares in accordance with the provisions of the Law and these Articles.

