

Our Board of Directors

Our Board of Directors consists of nine Directors, three of whom are independent non-executive Directors. Our Directors are elected at our shareholders' meetings for a term of three years, renewable upon re-election and re-appointment. The functions and duties conferred on our Board of Directors include:

- convening shareholders' meetings and reporting the Board's work at the shareholders' general meetings;
- implementing the resolutions passed by the shareholders in general meetings;
- deciding our business plans and investment plans;
- formulating our annual preliminary and final financial budgets;
- formulating our proposals for profit distributions, recovery of losses and for the increase or reduction of our registered capital; and
- exercising other powers, functions and duties conferred by the shareholders in general meetings.

We have entered into a service contract with each of our executive Directors, non-executive Directors and independent non-executive Directors.

Our Supervisory Committee

The Company Law requires a joint stock limited company to establish a supervisory committee and this requirement is reflected in our Articles of Association. Our supervisory committee is responsible for monitoring our financial matters and overseeing the actions of our Board of Directors and our management personnel. Our supervisory committee consists of three Supervisors, two of whom are elected by our shareholders as their representatives and one of whom is elected by our employees. Supervisors serve for three years per term, and may be re-elected and re-appointed. An elected Supervisor cannot concurrently hold the position of a Director, manager or financial controller. The functions and powers conferred on our supervisory committee include:

- attending Board meetings,
- examining our financial affairs,
- examining our balance sheets, profit and loss accounts, business reports, dividend distribution proposals and other financial information proposed at shareholders' general meetings by the Directors from time to time, and
- overseeing the actions of our Board of Directors and other senior management personnel in carrying out their duties.

A resolution proposed at any meeting of the supervisory committee will be adopted only if two-thirds or more of our Supervisors approve.

Directors

Executive Directors

Li Sze Lim (李思廉), aged 48, is our chairman. Mr. Li started his real estate business in 1993 and jointly founded our predecessor, Tianli Properties, with Zhang Li in August 1994. He was elected a chairman of our Board in October 2001. Mr. Li has extensive experience in the real estate development and related businesses. He is responsible for the management, administration and strategic planning of our operations and business development. He, together with Zhang Li, made the strategic decisions to develop R&F Square (East Court and West Court) in 1996 and to expand our business to Beijing in 2002, the success of which has led us to become a large developer in Guangzhou and a national player in the PRC real estate industry, respectively. He received a bachelor's degree of science in mathematics from the Chinese University of Hong Kong in 1978.

Zhang Li (張力), aged 52, is our vice chairman and president. Mr. Zhang has extensive experience in real estate business. He co-founded Tianli Properties with Li Sze Lim in August 1994 and served as general manager. He was elected a vice chairman of our Board in October 2001 and appointed as the president of our company in March 2003. Mr. Zhang specializes in project planning and management, including site selection and product positioning. Mr. Zhang and Li Sze Lim made joint decisions to develop R&F Square (East Court and West Court) in 1996 and expand our business to Beijing in 2002. Prior to the founding of Tianli Properties, he was the general manager of the Meihua Town Hotel in Guangzhou.

Lu Jing (呂勁), aged 45, is our executive Director and deputy general manager. Mr. Lu joined us since the formation of Tianli Properties in August 1994 and has served as our deputy general manager since then. He was elected an executive director of our Board in October 2001. He is also the general manager of Beijing R&F Properties and R&F (Beijing) Properties, both our subsidiaries, and is primarily responsible for our development projects in Beijing. He graduated from the Guangdong University of Mining in 1982 with a bachelor's degree in industrial automation. He also received an EMBA degree from Beijing University. Prior to joining us, Mr. Lu was the deputy manager of a pharmaceutical factory in Guangzhou.

Zhou Yaonan (周耀南), aged 51, is our executive Director and deputy general manager primarily responsible for coordinating and monitoring the construction of our property developments, including the selection of contractors and quality control. He was appointed as our deputy general manager when he joined us in October 1995 and was elected an executive Director of our Board in October 2001. Prior to joining us, he was the Section Chief of the Construction Materials Division of the Education Bureau of Tianhe District in Guangzhou from 1990 to 1995. He held various teaching and administrative positions with a number of middle schools in Guangzhou from 1970 to 1990. He graduated from South China Normal University with a bachelor's degree in physical education.

Non-executive Directors

Zhang Lin (張琳), aged 57, was elected a non-executive Director of our Board in June 2004. Prior to that, she served as a lecturer in the South China University of Technology from 1982 to 1984 and was an associate professor from 1984 to 2003, teaching electrical engineering and electronic technology (電工及電子技術). Ms. Zhang is the sister of Zhang Li.

Li, Helen (李海倫), aged 54, was elected a non-executive Director of our Board in May 2005. Ms. Li has over 25 years of experience in international trade. She held various senior executive positions with several international companies. From 1986 to 1987, she was the sales manager of Sunrise Knitwear Ltd., a garment manufacturing company in Hong Kong and a subsidiary of Hongkong Sales Knitwear Ltd. Since 1988, she has been the president of Great Seas Marketing Inc., a garment manufacturing and wholesale company in Canada. Ms. Li is the sister of Li Sze Lim.

Independent Non-executive Directors

Huang Kaiwen (黃開文), aged 71, is our independent non-executive Director. He held various senior administrative positions with various schools and colleges from 1963 to 1979. From 1979 to 1996, he was a division chief, deputy director general and director general of the Guangzhou Bureau of Land Resources and Housing Administration. Mr. Huang became our independent non-executive Director in May 2005.

Dai Feng (戴逢), aged 63, is our independent non-executive Director. Mr. Dai has over 40 years of experience in real estate development, specializing in urban planning, design and related information technology. Since 2000, he has been a consultant to the China Association of City Planning, an association which studies issues concerning the reform of urban planning in China and assists the government in the drafting of development plans. He is also a fellow of the Euroasian Academy of Sciences. Since 1985, he has won various prizes in urban planning and application of advanced technology. His achievements in applying advanced technology in urban planning were recognized by the Ministry of Construction of China. Mr. Dai became our independent non-executive Director in May 2005.

Ming Joseph Lai (黎明), *F.C.P.A., F.C.M.A., F.C.P.A (Australia)*, aged 60, is our independent non-executive Director. He was the president of the Hong Kong Society of Accountants (now know as the Hong Kong Institute of Certified Public Accountants) in 1986 and is presently on the Audit Committee and the Investigation Panel. Mr. Lai is also an advisor to the Corporate Governance Committee of the Hong Kong China Division of CPA (Australia). Mr. Lai was the managing director of Hsin Chong International Holdings Ltd. before his retirement at the end of 2003. He is on the board of Synergis Holdings Ltd. as a non-executive director and is an independent non-executive director of SNP Leefung Holdings Ltd. and Dynasty Fine Wines Group Ltd. Mr. Lai is also a founding member and director of Opera H.K. Ltd. and a director of the Research and Development Corp. of the Hong Kong University of Science and Technology. Mr. Lai became our independent non-executive Director in May 2005.

Supervisors

Feng Xiangyang (鳳向陽), aged 58, is our Supervisor. Mr. Feng held various positions in the government of the Tianhe District of Guangzhou, including as the deputy director of the Transportation Bureau of the Tianhe District from 1985 to 1990 and the vice district governor of the Tianhe District from 1990-1996. He joined the private sector in 1996 and was appointed the manager of our Engineering Department in August 2001, a position he has held since then. He was appointed as a Supervisor of our company in June 2004 as a representative of our employees.

Liang Yingmei (梁英梅), aged 65, is our Supervisor. Ms. Liang has over 40 years of experience in the construction industry. She has been the chairman of the Association of the Construction Materials Industry of Guangzhou since 2000. She served as the chairman and general manager of Guangzhou Construction Materials Group Corporation prior to 2000. Ms. Liang received a bachelor's degree in chemistry from the South China University of Technology in 1964. She was appointed as a Supervisor of our company in June 2004 as a representative of our shareholders.

Zheng Ercheng (鄭爾城), aged 48, is our Supervisor. Mr. Zheng has extensive experience in the banking industry and the financial sector in China. He was the sub-branch deputy governor and then governor of China Construction Bank, Guangzhou Branch, Tianhe Sub-branch from 1987 to 1997 and general manager of the International Business Department of the Guangzhou Branch of China Construction Bank from 1997 to 1999. He was the general manager of the Guangzhou Branch of Cinda Asset Management Company from 1999 to 2000. He became a Supervisor of our company in June 2004 as a representative of our shareholders. He is also the general manager of Guangzhou Fuze Property Development Company.

Company Secretary and Qualified Accountant

Wu Tai Loy (胡泰來), aged 58, is our company secretary and qualified accountant. Mr. Wu has over 30 years of experience in the investment and banking industry and specializes in the regional project finance and corporate finance as well as merger and acquisition in the Asia Pacific region. He held various senior positions with international financial institutions and was the head of corporate affairs of the regional headquarters of a major Malaysian group in Hong Kong and the chief financial officer of a Hong Kong listed company. He received a Master of Business Administration degree from the University of East Asia in Macau in 1988, a diploma in economics and trade from the Graduate School of Economics of Beijing University in 1990 and a diploma in management from the Institute of Business Administration in Australia in 1974. He is a fellow member of the Hong Kong Society of Accountants (now known as the Hong Kong Institute of Certified Public Accountants), an associate member of The Hong Kong Institute of Company Secretaries, an associate member of The Institute of Chartered Secretaries and Administrators in the United Kingdom and a fellow member of The Association of International Accountants. Mr. Wu became our company secretary and qualified accountant in May 2005.

Senior Management

Jiang Chongzhou (姜崇洲), aged 45, is our general manager. Mr. Jiang has over 15 years of experience in urban planning and property development. Prior to joining us as the general manager in March 2003, he was a deputy director general of the Guangzhou Urban Planning Bureau from 1988 to 1999 and the director general of the Guangzhou Environmental Protection Bureau from 1999 to 2003. He received a master's degree in structural engineering from the Wuhan University of Technology in 2002.

Zhu Ling (朱玲), aged 39, is our chief financial officer and a deputy general manager. Ms. Zhu has over 10 years of experience in financial accounting and management. She worked for the financial departments of various companies from 1984 to 1995. She joined us in February 1995 and has served as our chief financial officer since October 2001. She was appointed our deputy general manager in March 2003. She received a diploma in financial accounting from the Guangdong Radio and Television University in 1991.

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Wang Heng (王珩), aged 35, is the Secretary of our Board and our deputy general manager. Ms. Wang was also a manager of our Human Resources Department from 1995 to 2001. She was appointed as our deputy general manager in March 2003. Prior to joining us in April 1995, she was a lecturer in the Guangzhou Normal Institute. She graduated from Shanghai Jiaotong University in 1992 with a bachelor degree in resources engineering.

Board Audit Committee

We have established an audit committee within our Board in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. The primary duties of the audit committee will be to review our financial reporting process and internal control system and provide advice and comments to the Board of Directors. As of the Latest Practicable Date, the audit committee consisted of three members, namely, Li, Helen, Dai Feng and Lai Ming, Joseph. Mr. Lai Ming, Joseph currently serves as the chairman of the audit committee.

Board Remuneration Committee

We have also set up a remuneration committee within our Board. The board remuneration committee considers and recommends to the Board the remuneration and other benefits paid by us to the Directors and senior management members. The remuneration of all Directors and senior management members is subject to regular monitoring by the board remuneration committee to ensure that levels of their remuneration and compensation are appropriate. As of the Latest Practicable Date, the board remuneration committee was composed of Dai Feng, Huang Kaiwen and Li Sze Lim.

Compensation of Directors, Supervisors and Senior Management

We reimburse Directors and Supervisors for expenses which are necessarily and reasonably incurred for providing services to us or executing matters in relation to our operations. The executive Directors and Supervisors who are also our employees, receive, in their capacity as our employees, compensation in the form of salaries, housing allowances, other allowances and benefits in kind, including our contribution to the pension scheme for our executive Directors and non-independent Supervisors in accordance with relevant PRC law.

The aggregate amount of salaries, housing allowances, other allowances and benefits in kind paid by us to our five highest paid individuals during the three years ended December 31, 2002, 2003 and 2004 was approximately RMB3.0 million, RMB3.3 million and RMB3.5 million, respectively.

During the three years ended December 31, 2002, 2003 and 2004, the aggregate amount of salaries, housing allowances, pension scheme contributions, other allowances and benefits in kind paid by us (i) to our Directors; and (ii) to our Supervisors are as set out below.

<u>Remuneration</u>	<u>Year ended December 31,</u>		
	<u>2002</u>	<u>2003</u>	<u>2004</u>
	(RMB in thousands)		
Directors	2,611	2,877	3,059
Supervisors	261	261	283

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Save as disclosed above, no other payments have been paid or are payable, in respect of the three years ended December 31, 2002, 2003 and 2004, by us or any of our subsidiaries to our Directors and Supervisors.

Under the arrangements currently in force, we estimate the aggregate remuneration of our Directors and Supervisors payable for the year ending December 31, 2005 to be approximately RMB5.8 million and RMB0.3 million, respectively.

Employees

As of December 31, 2004, we had approximately 907 full-time employees. Breakdowns by function and location as of December 31, 2004 were as follows:

<u>Division</u>	<u>Employees</u>		<u>Percentage of Total</u>
	<u>Guangzhou</u>	<u>Beijing</u>	
			(%)
Management	7	5	1.3
Administration	23	15	4.2
Human resources	6	6	1.3
Finance and accounting	31	14	5
Auditing	12	8	2.2
Legal	7	4	1.2
Public relations	15	5	2.2
Property development	33	17	5.5
Tendering	8	3	1.2
Property design and engineering	73	43	12.9
Construction	25	34	6.6
Supplies	6	6	1.3
Property supervisory	40	—	4.4
Sales	80	20	11.0
Property agency	62	—	6.8
Property management	185	61	27.3
Property investments	1	—	0.1
Others	25	27	5.7
Total	<u>639</u>	<u>268</u>	<u>100%</u>

We do not have employees based in Shenyang or Tianjin at present. Our Beijing employees have been providing our staffing requirements in the two cities.

We have also employed engineers from Hong Kong, with international property development experience, to manage aspects of our developments in order to better meet the growing demands and expectations of our purchasers. We believe that the continued development of our employees is critical to our success and we have devised extensive training programs for our staff tailored to the needs of their duties and functions. New recruits are trained through an orientation program. We offer training programs to our staff on management techniques, corporate culture and technical skills. We also update our staff on

technology developments, safety measures and ethical standards. From time to time we hold conferences and seminars with the participation of professionals in the property development industry to broaden the knowledge base of our employees. In addition, we encourage our employees to take courses or complete advance degrees in colleges and universities and award them scholarships on a selective basis.

The remuneration package of our employees includes salary, bonuses and allowances. We participate in the social insurance contribution plans organized by the governments of Guangzhou and Beijing. In accordance with the relevant national and local labor and social welfare laws and regulations, we are required to pay on behalf of our employees a monthly social insurance premium covering pension insurance, medical insurance, unemployment insurance and housing reserve fund. According to the currently applicable local regulations, the respective percentages of the pension insurance, medical insurance, unemployment insurance and housing reserve fund we must contribute in Guangzhou are 20%, 8%, 2% and 8% of our Guangzhou employees' total monthly basic salary, and in Beijing are 20%, 10%, 1.5% and 8% of our Beijing employees' total monthly basic salary.

We provide a one-off discount to our employees who purchase our properties. The discount rate ranges from 2% to 15%, depending on seniority, the position held and the person's length of employment with us. We believe the salaries and benefits that our employees receive are competitive in comparison with market rates.

We have also designed an appraisal system to maintain a quality work force. Appraisals are conducted quarterly and are the basis for bonus and promotion decisions. Junior staff also have the opportunity to assess their seniors. Employees who receive a poor review may be demoted or dismissed.

We do not have a labor union and our employees do not negotiate their terms of employment by way of collective bargaining agreements. We do respect, however, the rights of our employees to form labor unions pursuant to the relevant PRC laws. We believe our relationship with our employees is good. As of the Latest Practicable Date, no significant labor disputes had adversely affected or were likely to have an adverse effect on the operations of our business.

We currently have no share option schemes for either senior management or other employees.