
APPENDIX V

STATUTORY AND GENERAL INFORMATION

FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES

1. *Incorporation*

Our Company was incorporated in the Cayman Islands under the Cayman Companies Law as an exempted company with limited liability on 8 June 2009. We have established a principal place of business in Hong Kong at Room 305, 3rd Floor, Arion Commercial Centre, 2–12 Queen’s Road West, Hong Kong and registered as a non-Hong Kong company in Hong Kong under Part XI of the Companies Ordinance on 18 August 2009. Ms Ng and Li Wing Sum Steven have been appointed as the authorised representatives of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company was incorporated in the Cayman Islands, its operation is subject to the Cayman Companies Law and its constitutional documents comprising the Memorandum of Association and the Articles of Association. A summary of certain relevant provisions of its constitution and relevant aspects of the Cayman Companies Law are set out in Appendix V to this document.

2. *Changes in share capital of our Company*

At the date of incorporation of our Company, the authorised share capital of our Company was HK\$380,000 divided into 3,800,000 Shares, one Share was transferred from Codan Trust Company (Cayman) Limited to Brave Leader on 8 June 2009 at par. On 17 June 2009, a total of 99 Shares were allotted and issued for cash at par as to 16 Shares to All Harmony, 49 Shares to Brave Leader, 9 Shares to Silver Castle and 25 Shares to Ausnutria BVI.

On 15 September 2009, pursuant to the corporate reorganisation as mentioned under the paragraph headed “Corporate reorganisation” below, All Harmony, Brave Leader, Silver Castle and Ausnutria BVI transferred their respective shareholdings in Spring Choice (which constituted the entire issued share capital of Spring Choice) to our Company in return for the allotment and issue of 144 Shares, 450 Shares, 81 Shares, and 225 Shares, credited as fully paid. Immediately following such transfer, All Harmony, Brave Leader, Silver Castle and Ausnutria BVI became the legal and beneficial owners of our Company which owned 16%, 50%, 9% and 25% issued share capital of our Company respectively.

Pursuant to the written resolutions of all Shareholders of our Company passed on 15 September 2009, the authorised share capital of our Company was increased from HK\$380,000 to HK\$150,000,000 by the creation of an additional 1,496,200,000 Shares with a par value of HK\$0.10 each.

Save as disclosed herein and as mentioned in the following paragraphs respectively headed “Written resolutions of all Shareholders passed on 19 September 2009” and “Corporate reorganisation”, there has been no alteration in the share capital of our Company since the date of its incorporation.

APPENDIX V

STATUTORY AND GENERAL INFORMATION

4. *Corporate reorganisation*

Our Group underwent a Reorganisation which involved the following:

- (a) On 9 April 2009, All Harmony was incorporated in the BVI. On 4 June 2009, a total of 100 shares of US\$1.00 each in the capital of All Harmony were allotted and issued to the following persons for cash at par as to 49.22 shares to Mr Chen, 3.125 shares to Zhu Zhonghua (朱中華), 3.125 shares to Gong Jingming (龔京明), 1.56 shares to Zhu Junxiang (朱軍祥), 3.125 shares to Xiao Guoxiong (肖國雄), 5.49 shares to Xiao Shihu (肖詩弧), 3.125 shares to Dai Zhiyong (戴智勇), 1.56 shares to Yang Mingqing (楊明清), 3.125 shares to Li Sihua (李四化), 6.25 shares to Cao Xi (曹曦), 3.125 shares to Liu Yuehui (劉躍輝), 3.125 shares to Tan Ningnan (談寧南), 1.56 shares to Wu Zhangwei (吳章魏), 1.56 shares to Qu Zhishao (屈治劭), 1.56 shares to Huang Yongbin (黃勇斌), 3.125 shares to Huang Yongcheng (黃勇誠), 1.56 shares to Huang Mingwen (黃明文), 0.78 shares to Yang Peihao (楊培號), 0.78 shares to Li Wei (李偉), 1.56 shares to Liu Yubiao (劉育標) and 1.56 shares to Sun Jingang (孫金剛).
- (b) On 22 April 2009, Brave Leader was incorporated in the BVI. On 3 June 2009, a total of 100 shares of US\$1.00 each in the capital of Brave Leader were allotted and issued to the following persons for cash at par as to 59.57 shares to Mr Wu, 30.67 shares to Ms X Wu and 9.76 shares to Mr Yan.
- (c) On 22 April 2009, Silver Castle was incorporated in the BVI. On 3 June 2009, a total of 100 shares of US\$1.00 each in the capital of Silver Castle were allotted and issued to the following persons for cash at par as to 59.57 shares to Mr Wu, 30.67 shares to Ms X Wu and 9.76 shares to Mr Yan.
- (d) On 22 April 2009, Spring Choice was incorporated in the BVI. On 17 June 2009, a total of 75 shares of US\$1.00 each in the capital of Spring Choice were allotted and issued for cash at par as to 16 shares to All Harmony, 50 shares to Brave Leader and 9 shares to Silver Castle. On the same day, 25 shares of US\$1.00 each in the capital of Spring Choice were allotted and issued to Ausnutria BVI in consideration and in exchange for which Ausnutria BVI transferred one share of HK\$1.00 in the capital of Ausnutria Hong Kong, being its entire issued share capital and 10,000,000 shares of A\$0.05 each in Ausnutria Australia, being its entire issued share capital, to Spring Choice.
- (e) On 6 May 2009, Mornring, Xin Da Xin and Ausnutria Hunan entered into an equity purchase agreement pursuant to which Xin Da Xin acquired 43% of the equity interests in Ausnutria Hunan held by Mornring for the consideration of RMB150,500,000.
- (f) On 6 May 2009, Mr Chen, Xin Da Xin and Ausnutria Hunan entered into an equity purchase agreement pursuant to which Xin Da Xin acquired 16% of the equity interests in Ausnutria Hunan held by Mr Chen for the consideration of RMB56,000,000.
- (g) On 6 June 2009, Xin Da Xin, Ausnutria Hong Kong and Ausnutria Hunan entered into an equity purchase agreement pursuant to which Ausnutria Hong Kong acquired 59% of the equity interests in Ausnutria Hunan held by Xin Da Xin for the consideration of US\$11,800,000.

APPENDIX V

STATUTORY AND GENERAL INFORMATION

- (h) On 6 June 2009, Mr Chen, Ausnutria Hong Kong and Ausnutria Hunan entered into an equity purchase agreement pursuant to which Ausnutria Hong Kong acquired 16% of the equity interests in Ausnutria Hunan held by Mr Chen for the consideration of US\$3,200,000.
- (i) On 30 July 2009, 16 shares, 50 shares and 9 shares of US\$1.00 each in the capital of Spring Choice were allotted and issued to All Harmony, Brave Leader and Silver Castle in consideration of All Harmony, Brave Leader and Silver Castle jointly injecting an amount of US\$15 million to Spring Choice. On the same date, 25 shares were allotted and issued to Ausnutria BVI for cash at par.
- (j) On 15 September 2009, All Harmony, Brave Leader, Silver Castle, Ausnutria BVI as vendors, our Company as purchaser and Mr Wu, Mr Yan and Mr Chen as guarantor entered into a share transfer agreement pursuant to which our Company acquired the entire issued share capital of Spring Choice from All Harmony, Brave Leader, Silver Castle and Ausnutria BVI in consideration of the allotment and issue of 144 Shares, 450 Shares, 81 Shares and 225 Shares by our Company to All Harmony, Brave Leader, Silver Castle and Ausnutria BVI respectively.

5. *Changes in share capital of subsidiaries*

The present subsidiaries of our Company are referred to in the accountants' report, the text of which is set forth in Appendix I to this document.

There has been no alteration in the share capital of any subsidiary of our Company within the two years immediately preceding the date of this document.

FURTHER INFORMATION ABOUT THE BUSINESS OF OUR COMPANY

7. *Summary of material contracts*

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by us or any of our subsidiaries within the two years immediately preceding the date of this document and are or may be material:

- (a) an equity purchase agreement entered into by Mornring, Mr Chen, Ausnutria Hunan and MoveUp dated 25 October 2007 pursuant to which MoveUp agreed to acquire 43% and 32% equity interests in Ausnutria Hunan held by Mornring and Mr Chen respectively for a total consideration of RMB206,500,000;
- (b) an equity purchase deed entered into by ADY, Ausnutria BVI and Ausnutria Australia dated 7 March 2008 pursuant to which ADY proposed to acquire the entire issued share capital of Ausnutria Australia for a consideration of RMB87,500,000;
- (c) a letter of intent entered into by MoveUp, ADY, Ausnutria Hunan, Mornring, Mr Chen and Xin Da Xin dated 16 December 2008 to record the parties' intention to terminate the Equity Purchase Agreement and the acquisition of MoveUp by Xin Da Xin at a consideration of RMB90 million;
- (d) a purchase termination agreement entered into by Mornring, Mr Chen, Ausnutria Hunan and MoveUp dated 26 February 2009 pursuant to which the parties agreed to terminate and revoke the equity purchase agreement as mentioned in paragraph (a);

APPENDIX V**STATUTORY AND GENERAL INFORMATION**

- (e) an equity purchase agreement entered into by Mornring, Xin Da Xin and Ausnutria Hunan dated 6 May 2009 pursuant to which Xin Da Xin acquired 43% of the equity interests in Ausnutria Hunan held by Mornring for the consideration of RMB150,500,000;
- (f) an equity purchase agreement entered into by Mr Chen, Xin Da Xin and Ausnutria Hunan dated 6 May 2009 pursuant to which Xin Da Xin acquired 16% of the equity interests in Ausnutria Hunan held by Mr Chen for the consideration of RMB56,000,000;
- (g) an equity purchase agreement entered into by Xin Da Xin, Ausnutria Hong Kong and Ausnutria Hunan dated 6 June 2009 pursuant to which Ausnutria Hong Kong acquired 59% of the equity interests in Ausnutria Hunan held by Xin Da Xin for the consideration of US\$11,800,000;
- (h) an equity purchase agreement entered into by Mr Chen, Ausnutria Hong Kong and Ausnutria Hunan dated 6 June 2009 pursuant to which Ausnutria Hong Kong acquired 16% of the equity interests in Ausnutria Hunan held by Mr Chen for the consideration of US\$3,200,000;
- (i) a share transfer agreement entered into by Ausnutria BVI and Spring Choice dated 17 June 2009 pursuant to which Spring Choice acquired the entire issued share capital in Ausnutria Hong Kong held by Ausnutria BVI for the consideration of allotment and issue of 1 share in Spring Choice to Ausnutria BVI;
- (j) a share transfer agreement entered into by Ausnutria BVI and Spring Choice dated 17 June 2009 pursuant to which Spring Choice acquired the entire issued share capital in Ausnutria Australia held by Ausnutria BVI for the consideration of allotment and issue of 24 shares in Spring Choice to Ausnutria BVI;
- (k) a confirmation letter dated 20 July 2009 signed by Leng Youbin (冷友斌), chairman of ADY, confirming the termination of the Equity Purchase Agreement and the Equity Purchase Deed, and other related matters;
- (l) a deed of release dated 5 August 2009 entered into by ADY, Ausnutria BVI and Ausnutria Australia pursuant to which the parties acknowledged and confirmed the Equity Purchase Deed was terminated on 17 March 2008;
- (m) a share transfer agreement dated 15 September 2009 entered into by All Harmony, Brave Leader, Silver Castle, Ausnutria BVI, our Company and Mr Wu pursuant to which our Company acquired the entire issued share capital of Spring Choice from All Harmony, Brave Leader, Silver Castle and Ausnutria BVI in consideration of the allotment and issue by our Company of 144 Shares, 450 Shares, 81 Shares and 225 Shares respectively;
- (n) a deed of non-competition dated 19 September 2009 and entered into among Mr Wu, Mr Yan, Mr Chen, Xiao Shihu, Dai Lianyu, Liu Yuehui, Dai Zhiyong, Li Wei, Yang Mingqing, Xin Da Xin, MoveUp, Mornring and Aubrand in favour of our Company (for itself and on behalf of our subsidiaries), details of which are set out in the section headed “Business — Non-Competition Undertaking” in this document; and
- (o) a deed of indemnity dated [●] entered into by [●], [●] and [●] with and in favour of our Company (and any of our subsidiaries), pursuant to which each of [●], [●] and [●] has agreed to indemnify our Company against, among others, certain estate duty and tax liabilities.

APPENDIX V**STATUTORY AND GENERAL INFORMATION**

8. Particulars of our subsidiaries in the PRC

As at the Latest Practicable Date, we have one subsidiary in the PRC, the particulars of which are as follows:

澳優乳品（湖南）有限公司

Date of establishment : 15 September 2003

Nature of enterprise : Wholly foreign owned enterprise

Registered capital : RMB10,000,000

Paid-up capital : RMB10,000,000

Percentage of equity interest : 100%
held by us

Registered owners : Ausnutria Australia — 25%
Ausnutria Hong Kong — 75%

Term of operation : from 15 September 2003 to 14 September 2033

Principal scope of business : Production and sale of paediatric nutrition food (paediatric milk formula food, paediatric nutrition supplementary food), milk and dairy products (high calcium and high protein formula milk powder, expectant or nursing mother milk powder); sale of olive oil and walnut oil 嬰幼兒食品（嬰幼兒配方食品，嬰幼兒輔助食品）、乳和乳製品（高鈣高蛋白配方奶粉，孕兒優媽媽奶粉）生產，銷售；橄欖油，核桃油的經營

Directors : Mr Wu, Mr Yan and Mr Chen

Legal representative : Mr Yan

APPENDIX V STATUTORY AND GENERAL INFORMATION

9. Our Intellectual Property Rights

(a) Trademark

As at the Latest Practicable Date, we have obtained registration for the following material trademarks:

<u>Trademark</u>	<u>Registered Owner</u>	<u>Place of Registration</u>	<u>Class⁽¹⁾</u>	<u>Registration Date⁽²⁾</u>	<u>Registration Number</u>
	Ausnutria Hunan	PRC	5, 29	28 August 2008, 28 April 2005	3696287, 3696284
	Ausnutria Hunan	PRC	5, 29, 29, 30	7 January 2006, 28 April 2005, 21 January 2006, 21 March 2006	3696288, 3696285, 3888435, 3888434
	Ausnutria Hunan	PRC	5, 29, 29, 30, 32, 35	7 January 2006, 28 April 2005, 28 November 2005, 14 January 2006, 28 November 2005, 28 June 2006	3696289, 3696286, 3888430, 3888433, 3888432, 3888431,
	Ausnutria Hunan	PRC	29	14 July 2005	3750076
	Ausnutria Hunan	PRC	29	14 July 2005	3750078
澳优学儿优	Ausnutria Hunan	PRC	29	28 November 2005	3910380
	Ausnutria Hunan	PRC	29	28 May 2009	5561865
澳優	Ausnutria Hong Kong	Hong Kong	5, 29, 30, 43	6 November 2008	301234719
能力多	Ausnutria Hong Kong	Hong Kong	5, 29, 30	22 December 2008	301261142
	Ausnutria Hong Kong	Hong Kong	5, 29, 30	16 April 2008	301094517
	Ausnutria Hong Kong	Hong Kong	5, 29, 30, 43	16 April 2008	301094526

APPENDIX V

STATUTORY AND GENERAL INFORMATION

As at the Latest Practicable Date, we have applied for the registration of the following material trademarks, the registration of which has not yet been granted:

<u>Trademark</u>	<u>Applicant</u>	<u>Place of Application</u>	<u>Class⁽¹⁾</u>	<u>Application Date</u>	<u>Application Number</u>
澳优	Ausnutria Hunan	PRC	3, 5, 8, 9, 10, 11, 12, 16, 20, 21, 24, 25, 28, 41, 43	12 February 2007 for classes 3 to 28, 12 February 2007 for classes 41 to 43	5909911, 5909912, 5909910, 5909909, 5909904, 5909903, 5909902, 5909901, 5909900, 5909899, 5909908, 5909907, 5909906, 5909905, 5909975
allnutria	Ausnutria Hunan	PRC		5 24 August 2006	5561866
新生乐	Ausnutria Hunan	PRC		5 26 March 2007	5960403
新生优	Ausnutria Hunan	PRC		5 26 March 2007	5960404
慧能多	Ausnutria Hunan	PRC		5 26 March 2007	5960405
allnutria	Ausnutria Hunan	PRC	5, 29	2 April 2007	5972487, 5972488
澳优健优	Ausnutria Hunan	PRC		5 28 May 2007	6074270
澳优爱优	Ausnutria Hunan	PRC		5 28 May 2007	6074271
澳优幼优	Ausnutria Hunan	PRC		5 28 May 2007	6074272
allnutria	Ausnutria Hunan	PRC		5 14 March 2008	6597648
kidnutria	Ausnutria Hunan	PRC	5, 29, 30	28 September 2008	6980325, 6980331, 6980336
allnutria	Ausnutria Australia	Australia	29, 30	18 November 2004	982256
Ausnutria	Ausnutria Australia	Ausnutria	29, 30	11 October 2004	979893

APPENDIX V

STATUTORY AND GENERAL INFORMATION

Notes:

- (1) Class 3: *Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices.*
- Class 8: *Hand tools and implements (hand-operated); cutlery; side arms; razors.*
- Class 9: *Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment and computers; fire-extinguishing apparatus.*
- Class 10: *Surgical, medical, dental and veterinary apparatus and instruments, artificial limbs, eyes and teeth; orthopedic articles; suture materials.*
- Class 11: *Apparatus for lighting, heating, steam generating, cooking, refrigerating, drying, ventilating, water supply and sanitary purposes.*
- Class 12: *Vehicles; apparatus for locomotion by land, air or water.*
- Class 16: *Paper, cardboard and goods made from these materials, not included in other classes; printed matter; bookbinding material; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); printers' type; printing blocks.*
- Class 20: *Furniture, mirrors, picture frames; goods (not included in other classes) of wood, cork, reed, cane, wicker, horn, bone, ivory, whalebone, shell, amber, mother-of-pearl, meerschaum and substitutes for all these materials, or of plastics.*
- Class 21: *Household or kitchen utensils and containers; combs and sponges; brushes (except paint brushes); brush-making materials; articles for cleaning purposes; steelwool; unworked or semi-worked glass (except glass used in building); glassware, porcelain and earthenware not included in other classes.*
- Class 24: *Textiles and textile goods, not included in other classes; bed and table covers.*
- Class 25: *Clothing, footwear, headgear.*
- Class 28: *Games and playthings; gymnastic and sporting articles not included in other classes; decorations for Christmas trees.*
- Class 29: *Meat, fish, poultry and game; meat extracts; preserved, frozen, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs, milk and milk products; edible oils and fats.*
- Class 41: *Education; providing of training; entertainment; sporting and cultural activities.*
- Class 43: *Services for providing food and drink; temporary accommodation.*
- (2) *The validity period for each of the above trademarks is 10 years from the registration date.*

APPENDIX V **STATUTORY AND GENERAL INFORMATION**

(b) Domain name

As at the Latest Practicable Date, we have registered the following domain names:

<u>Domain Name</u>	<u>Registration Date</u>	<u>Expiration Date</u>
Ausnutria.com.	22 June 2006	2 September 2010
ausnutria.com.hk	18 November 2008	18 November 2013
ausnutria.com.au	18 August 2006	18 August 2008
ausnutria.hk	18 November 2008	18 November 2013

FURTHER INFORMATION ABOUT DIRECTORS, MANAGEMENT AND STAFF

(c) Particulars of Directors’ service agreements and letters of appointment

Some of our Directors have entered into a service agreement with us for an initial fixed term of three years commencing on the [●].

Pursuant to the service agreements, the director’s fee of our Directors are as follows:

<u>Director</u>	<u>Remuneration (per annum) (HK\$)</u>
Mr Wu.	100,000
Mr Yan	100,000
Mr Chen	100,000
Ms Ng.	100,000

Some of our Directors have been appointed for an initial fixed term of two years commencing on [●]. The annual remuneration payable to each of these Directors is as follows:

<u>Director</u>	<u>Remuneration (per annum) (HK\$)</u>
Qiu Weifa (仇為發).	100,000
Jason Wan (萬賢生)	100,000
Chan Yuk Tong (陳育棠).	160,000

(d) Directors’ remuneration

During the year ended 31 December 2008 and for the six months ended 30 June 2009, the aggregate of the remuneration paid and benefit in kind granted to our Directors by our Company were approximately RMB580,000 and RMB250,000, respectively.

Under the current arrangements, our Directors will receive remuneration of RMB544,000 for the financial year ending 2009.

No Director has been paid in cash or shares or otherwise by any person either to induce him to become, or to qualify him as a Director, or otherwise for services rendered by him in connection with the promotion or formation of our Company.

APPENDIX V

STATUTORY AND GENERAL INFORMATION

(e) Disclaimers

Save as disclosed in this document:

- (ii) none of our Directors and the experts referred to under the heading “Consents of experts” in this appendix has any direct or indirect interest in the promotion of our Company or any of our subsidiaries, or in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by or leased to, our Company or any of our subsidiaries, or are proposed to be acquired or disposed of by or leased to our Company or any of our subsidiaries;
- (iii) none of our Directors and the experts referred to under the heading “Consents of experts” in this appendix is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to our business taken as a whole;
- (iv) none of our Directors has any existing or proposed service contracts with our Company or any of our subsidiaries, excluding contracts which are expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation);
- (v) none of the experts referred to under the heading “Consents of experts” in this appendix has any shareholding in our Company or any of our subsidiaries or the right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries; and
- (vi) none of our Directors, or shareholders of our Company who are interested in more than 5% of the issued share capital of our Company has any interest in our Company’s five largest customers and five largest suppliers.

12. *Related party transactions*

Save as disclosed in the Accountants’ Report set out in Appendix I to this document, we have not engaged in any dealings with our Directors within the two years immediately preceding the date of this document.

13. *Share Option Scheme*

Summary of terms

The following is a summary of the principal terms of the Share Option Scheme conditionally approved and adopted by a written resolution passed by all Shareholders on 19 September 2009:

(a) *Purpose*

The purpose of the Share Option Scheme is to enable us to grant options to selected participants as incentives or rewards for their contribution to our Company.

APPENDIX V

STATUTORY AND GENERAL INFORMATION

(b) *Who may join*

Our Directors may, at their absolute discretion, invite any person belonging to any of the following classes of participants, to take up options to subscribe for Shares at a price calculated in accordance with subparagraph (f) below:

- (i) any employee or proposed employee (whether full-time or part-time), consultants or advisers of or to our Company, any of our subsidiaries or any entity (“**Invested Entity**”) in which our Company holds an equity interest;
- (ii) any supplier of goods or services to our Company or any of our subsidiaries or any Invested Entity;
- (iii) any customer of our Company or any Invested Entity;
- (iv) any person or entity that provides research, development or other technological support to our Company or any Invested Entity; and
- (v) any shareholder of our Company or any of our subsidiaries or any Invested Entity or any holder of any securities issued by our Company or any of our subsidiaries or any Invested Entity,

and for the purposes of the Share Option Scheme, the options may be granted to any company wholly-owned by one or more persons belonging to any of the above classes of participants. For the avoidance of doubt, the grant of any options by us for the subscription of Shares or other securities of our Company to any person who falls within any of the above classes of participants shall not, by itself, unless our Directors otherwise determine, be construed as a grant of option under the Share Option Scheme.

The basis of eligibility of any of the above classes of participants to the grant of any options shall be determined by our Directors from time to time on the basis of the participants’ contribution to the development and growth of our Company.

In order for a person to satisfy our Directors that he is qualified to be (or where applicable, continues to qualify to be) a participant, such person shall provide all such information as our Directors may request for the purpose of assessing his eligibility (or continuing eligibility).

(c) *Maximum number of Shares*

The maximum number of Shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of our Company must not in aggregate exceed 30% of our issued share capital from time to time. No options may be granted under any schemes of our Company (or the subsidiary of our Company) if such grant will result in the maximum number being exceeded.

(d) *Maximum entitlement of each participant*

- (i) Unless approved by our shareholders, the total number of Shares issued and to be issued upon exercise of all outstanding options granted under the Share Option Scheme and any other share option schemes of our Company (including both exercised and outstanding options) to each participant in any 12-month period must not exceed 1% of the Shares in issue (“**Individual Limit**”).

APPENDIX V**STATUTORY AND GENERAL INFORMATION**

- (ii) Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular to our shareholders in compliance with relevant rules and regulations the approval of our shareholders in general meeting with such participant abstaining from voting. The number and terms (including the exercise price) of options to be granted to such participant must be fixed before our shareholders’ approval and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under relevant rules and regulations.
- (iii) In addition to the shareholders’ approval set out in relevant rules and regulations, each grant of options to a Director, chief executive or substantial shareholder of our Company must be approved by the Directors (excluding any independent non-executive Director who is the grantee of the options).
- (iv) Where any grant of options to a substantial shareholder would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) under the Share Option Scheme or any other share option schemes of our Company to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate more than 0.1% of the Shares in issue; and
- (b) [●],

such further grant of options must be approved by our shareholders. We must send a circular to our shareholders. Any vote taken at the meeting to approve the grant of such option must be taken on a poll.

(e) *Minimum period of holding an option and performance target*

Our Directors may, at their absolute discretion, fix any minimum period for which an option must be held, any performance targets that must be achieved and any other conditions that must be fulfilled before the options can be exercised upon the grant of an option to a participant.

(f) *Subscription price for Shares*

The subscription price of a Share in respect of any option granted under the Share Option Scheme shall be such price as our Board in its absolute discretion shall determine, provided that such price shall not be less than the highest of (i) the nominal value of our Shares; (ii) [●]; and (iii) [●] A consideration of HK\$1.00 is payable on acceptance of the offer of the grant of an option.

(g) *Rights are personal to grantee*

An option granted under the Share Option Scheme shall not be transferable or assignable and is personal to the grantee.

APPENDIX V

STATUTORY AND GENERAL INFORMATION

(h) *Time of exercise of option*

An option may be accepted by a participant within 28 days from the date of the offer of grant of the option.

An option may be exercised in accordance with the terms and conditions of the Share Option Scheme at any time during a period to be determined and notified by our Directors to each grantee, which period may commence on a day upon which the offer for the grant of the option is accepted but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof.

(i) *Rights on ceasing employment or death*

If the grantee of an option, who is an employee of our Company or any Invested Entity at the time of the grant of the option, ceases to be an employee of our Company or Invested Entity for any reason other than death, ill-health or retirement in accordance with his contract of employment or certain other grounds, the option (to the extent not already exercised) shall lapse on the date of cessation or termination and not be exercisable unless our Directors otherwise determine, in which case the grantee may exercise the option (to the extent not already exercised) in whole or in part within such period as our Directors may determine following the date of such cessation or termination, which date shall be the last actual working day with our Company or the relevant Invested Entity whether salary is paid in lieu of notice or not. Failing such exercise, the option will lapse.

If the grantee of an option, who is an employee of our Company or any Invested Entity at the time of the grant of the option, ceases to be an employee of our Company or Invested Entity by reason of death, ill-health or retirement in accordance with his contract of employment, before exercise of option in full, the grantee or, if appropriate his lawful personal representative(s) may exercise the option in whole or in part (to the extent not already exercised) within a period of twelve months following the date of cessation of employment (or such longer period as our Directors may determine), failing which it will lapse.

(j) *Rights on dismissal*

If the grantee of an option leaves the service of our Company or Invested Entity by the reason of serious misconduct or on certain other grounds on which an employer would be entitled to lawfully terminate his employment, his option (to the extent not already exercised) will thereupon lapse forthwith and will not in any event be exercisable on or after the date of cessation of employment.

(k) *Rights on a general offer, a compromise or arrangement*

If a general or partial offer, whether by way of takeover offer, share repurchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, we shall use all reasonable endeavours to procure that such offer is extended to all the grantees (or his personal representative(s)) on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the options granted to them, shareholders. If such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes or is

APPENDIX V

STATUTORY AND GENERAL INFORMATION

declared unconditional or such scheme or arrangement is formally proposed to our shareholders, a grantee (or his personal representative(s)) shall, notwithstanding any other terms on which his options were granted, be entitled to exercise his option (to the extent not already exercised) to its full extent or to the extent specified in the grantee’s notice to us in accordance with the provisions of the Share Option Scheme at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under scheme of arrangement, as the case may be.

(l) *Rights on winding-up*

In the event of an effective resolution being proposed for the voluntary winding-up of our Company during the option period, the grantee of an option (or his personal representative(s)) may, subject to the provisions of all applicable laws, by notice in writing to us elect to exercise the option (to the extent not already exercised) either to its full extent or to the extent specified in such notice within two Business Days prior to the proposed general meeting of our Company considering such winding up, such notice to be accompanied by the subscription price for the Shares in respect of which the notice is given, whereupon the grantee will be entitled, in respect of the Shares falling to be allotted and issued upon the exercise of his options, to receive out of the assets available in the liquidation *pari passu* with the holders of Shares such sum as would have been received in respect of the Shares the subject of such election. Subject to the above, an option will lapse automatically (to the extent not exercised) on the date of commencement of the winding-up of our Company.

(m) *Ranking of Shares*

The Shares to be allotted upon the exercise of an option will be subject to all the provisions of our Memorandum of Association and the Articles of Association for the time being in force and will rank *pari passu* in all respects with the then existing fully paid Shares in issue on the date of exercise of the option and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of exercise of the option other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with reference to a record date falling before the date of exercise of the option. A Share allotted and issued upon the exercise of an option shall not carry voting rights until the name of the grantee of such option has been duly entered on our register of members or the holder thereof.

(n) *Period of the Share Option Scheme*

Unless terminated by us by resolution in general meeting, the Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date on which the Share Option Scheme becomes unconditional.

(o) *Alteration of the Share Option Scheme*

The Share Option Scheme may be altered in any respect by a resolution of our Board except that any material alteration to its terms and conditions, any change to the terms of options granted (except for changes which automatically take effect under the existing terms of the Share Option Scheme) and the matters contained in the relevant provisions of the relevant rules and regulations shall not be altered to the advantage of the grantees or prospective

APPENDIX V

STATUTORY AND GENERAL INFORMATION

grantees without the prior sanction of any resolution of our Company in general meeting. The amended terms of the Share Option Scheme or the options must still comply with the applicable requirements under the relevant rules and regulations. Any change to the authority of our Directors or scheme administrators (if applicable) in relation to any alteration to the terms of the Share Option Scheme must be approved by our shareholders in general meeting.

(p) *Effect of alterations to capital*

In the event of any alteration in our capital structure whilst any option remains exercisable or the Share Option Scheme remains in effect, and such event arises from a capitalisation of profits or reserves, rights issue, consolidation, subdivision or reduction of our share capital or otherwise howsoever, we shall instruct our auditors for the time being or an independent financial adviser to our Company to certify in writing that such adjustments satisfy the requirement that they give a participant the same proportion (or rights in respect of the same proportion) of the equity capital as that to which that person was previously entitled. Adjustment will be made to the number of Shares being the subject matter of the Share Option Scheme or the option so far as unexercised and/or the subscription price and/or the maximum number of Shares referred to in the sub-paragraph headed “Maximum number of Shares” above provided that (i) any such adjustment shall be made on the basis that the aggregate subscription price payable by a grantee on the full exercise of any option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event; (ii) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value; (iii) no such adjustment shall be made the effect of which would be to increase the proportion of the issued share capital of our Company for which any grantee would have been entitled to subscribe had he exercised all the options held by him immediately prior to such adjustment; (iv) the issue of Shares or securities of our Company as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and (v) for the avoidance of doubt, any adjustments shall be made in compliance with the relevant rules and regulations set out in the letter from the Stock Exchange to all listed issuers dated 5 September 2005 or other relevant guidance as the Stock Exchange may from time to time issue.

(q) *Cancellation of options*

Our Directors may effect the cancellation of any options granted but not exercised on such terms as may be agreed with the relevant grantee, as our Directors may in their absolute discretion see fit and in a manner that complies with all applicable legal requirements for cancellation. Where we cancel any options granted and offer to grant or grant new options to the same grantee, the offer or grant of such new options may only be made under the Share Option Scheme if there are available unissued options (excluding the cancelled options) within each of the limit as referred to in the subparagraph headed “Maximum number of Shares” above.

APPENDIX V

STATUTORY AND GENERAL INFORMATION

(r) [●]

(s) *Termination of the Share Option Scheme*

We may by resolution in general meeting terminate the operation of the Share Option Scheme and in such event no further options will be offered but options granted prior to such termination shall continue to be valid and exercisable in accordance with the provisions of the Share Option Scheme. Details of the options granted, including options exercised or outstanding, under the Share Option Scheme and (if applicable) options that become void or non-exercisable as a result of the termination must be disclosed in the circular to our shareholders seeking approval of the first new scheme (if any) to be established after such termination.

OTHER INFORMATION

14. *Indemnities*

Estate duty and tax indemnity

Each of [●] and [●] has entered into a deed of indemnity with and in favour of our Company (and any of our present subsidiaries) whereby each of [●] and [●] has given indemnities in connection with, among other things, any liability for estate duty under the Estate Duty Ordinance, Chapter 111 of the Laws of Hong Kong, or legislation similar thereto in Hong Kong or any part of the world which might be incurred by our Company or any of our subsidiaries on or before the [●], and other taxation (including all fines, penalties, costs, charges, expenses and interest relating to taxation) which may be made against our Company or any of our subsidiaries in respect of any income, profits or gains earned, accrued or received on or before the [●], save:

- (a) to the extent that a specific provision or reserve has been made for such taxation in the Accountants’ Report of our Group as set out in Appendix I to this document;
- (b) to the extent that the liability for such taxation would not have arisen but for any voluntary act of our Company or any of our subsidiaries which our Company or the relevant subsidiary, as applicable, ought reasonably to have known would give rise to such taxation but excluding any act carried out other than pursuant to a legally binding obligation entered into or incurred on or before the [●], pursuant to an obligation imposed by any law, regulation or requirement having the force of law, which has taken place with the written approval of [●] and [●], or which has occurred in the ordinary course of business; or
- (c) the taxation arises or is incurred as a result of any retrospective passing of any legislation, retrospective change in practice or retrospective increase in tax rates coming into force after the [●].

Our Directors have been advised that no material liability for estate duty is likely to fall on any member of our Company in the Cayman Islands and the BVI.

APPENDIX V **STATUTORY AND GENERAL INFORMATION**

15. *Litigation*

As at the Latest Practicable Date, we have not been engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against us.

16. *Registration procedures*

Subject to the provisions of the Cayman Companies Law, our register of members will be maintained in Hong Kong by Computershare Hong Kong Investor Services Limited.

18. *Qualifications of experts*

The following are the qualifications of the experts which have given their opinion or advice which are contained in, or referred to, in this document:

Expert	Qualification
Ernst & Young	Certified public accountants
Jones Lang LaSalle Sallmanns Limited	Professional surveyors and valuers
Conyers Dill & Pearman	Cayman Islands attorneys-at-law
Jingtian & Gongcheng	Legal advisers on PRC law to our Company
Mallesons Stephen Jaques	Legal advisers on Australian and Hong Kong laws to our Company

19. *Consents of experts*

Each of Ernst & Young, Jones Lang LaSalle Sallmanns Limited, Conyers Dill & Pearman, Jingtian & Gongcheng and Mallesons Stephen Jaques has given and has not withdrawn its written consent to the issue of this document with the inclusion of its reports, letters, valuation certificate, opinions or summaries of opinions (as the case may be) and the references to its name included herein in the form and context in which they are respectively included.

20. *Binding effect*

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than penal provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

23. *Bilingual Document*

The English language and Chinese language versions of this document are being published separately.

APPENDIX V**STATUTORY AND GENERAL INFORMATION**

24. *No Material Adverse Change*

Our Directors confirm that since 30 June 2009, there has been no material adverse change in our financial or trading position or prospects.

26. *Miscellaneous*

- (a) Save as disclosed in this document:
 - (i) within the two years immediately preceding the date of this document, neither our Company nor any of our subsidiaries has issued or agreed to issue any share or loan capital fully or partly paid up either for cash or for a consideration other than cash;
 - (ii) within the two years immediately preceding the date of this document, no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
 - (iv) no founder, management or deferred shares of our Company or any of our subsidiaries have been issued or agreed to be issued;
 - (v) our Directors confirm that there has not been any interruption in the business of our Company which may have or have had a material adverse effect on the financial position of our Company in the 12 months immediately preceding the date of this document; and
 - (vi) our Company has no outstanding convertible debt securities or debentures.