
APPENDIX VII**STATUTORY AND GENERAL INFORMATION**

A. FURTHER INFORMATION ABOUT OUR COMPANY AND ITS SUBSIDIARIES**1. Incorporation**

Our Company was incorporated in Cayman Islands under the Companies Law as an exempted company with limited liability on August 2, 2007. Our Company has established a place of business in Hong Kong at Suite 2001, 20/F., Two International Finance Centre, No. 8 Finance Street, Central, Hong Kong, and was registered with the Registrar of Companies in Hong Kong as an oversea company under Part XI of the Companies Ordinance on June 16, 2008. Mr. Kwok Ying Shing and Mr. Cheung Hung Kwong have been appointed as the authorized representatives of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company is incorporated in Cayman Islands, it operates subject to the Companies Law and to its constitution, which comprises a memorandum of association and the articles of association. A summary of certain provisions of its constitution and relevant aspects of the Companies Law is set out in Appendix VI to this document.

2. Change in share capital

The authorized share capital of our Company as at the date of its incorporation was HK\$380,000 divided into 3,800,000 Shares of HK\$0.10 each.

On August 2, 2007, one subscriber Share was allotted nil paid to the initial subscriber and transferred to Mr. Kwok Chun Wai who in turn transferred the subscriber Share to Da Chang on the same date.

On August 8, 2007, the Company allotted and issued (a) 32 nil paid Shares to Da Chang; (b) 34 nil paid Shares to Da Feng; and (c) 33 nil paid Shares to Da Zheng.

On August 16, 2007, the Company allotted and issued (a) 3,267 Shares credited as fully paid to Da Chang; (b) 3,366 Shares credited as fully paid to Da Feng; and (c) 3,267 Shares credited as fully paid to Da Zheng, and credited all the nil paid Shares then held by Da Chang, Da Fang and Da Zheng respectively as fully paid Shares.

On November 16, 2007, the Company allotted and issued an aggregate of 869.565217 Shares credited as fully paid to Longhill, CAGP, CAGP III, Baytree, RECP, PMA and Forum at an aggregate consideration of US\$200 million, particulars of which are as follows:

<u>Name of the investor</u>	<u>Number of Shares issued</u>
Longhill	217.391304
CAGP	138.755025
CAGP III	6.172511
Baytree	362.318841
RECP	65.217391
PMA	65.217391
Forum	<u>14.492754</u>
Total	<u>869.565217</u>

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Pursuant to the resolutions in writing of our Shareholders passed on [●], 2009 below, the authorized share capital of our Company was increased from HK\$380,000 to HK\$5,000,000,000 by the creation of an additional 49,996,200,000 Shares.

Save for aforesaid and as mentioned in the paragraph headed “Resolutions in writing of our Shareholders passed on [●], 2009” below, there has been no alteration in the share capital of our Company since its incorporation.

3. Resolutions in writing of our Shareholders passed on [●], 2009

Pursuant to the written resolutions passed by our Shareholders on [●], 2009:

- (a) our Company approved and adopted the Articles of Association;
- (b) conditional upon [●] the authorized share capital of our Company was increased from HK\$380,000 to HK\$5,000,000,000 by the creation of an additional 49,996,200,000 Shares;
- (c) the rules of the Share Option Scheme, the principal terms of which are set out in the paragraph headed “Share Option Scheme” under the section headed “Other information” in this Appendix, were approved and adopted and our Directors were authorized to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of options granted under the Share Option Scheme; and

4. Corporate reorganization

The companies comprising the Group underwent a reorganization. The Reorganization involved the following:

- (a) on July 23, 2007, Rui Jing was incorporated in the BVI;
- (b) on July 23, 2007, the Business Holding Companies, namely Jie Feng, Heng Chang, Guang Feng and Ye Chang were incorporated in the BVI;
- (c) on July 23, 2007 Chang Ye, Yuan Yuan, Da Hau, Tai He Xiang, Zheng Zhong Tian and Xie Mao, were incorporated in the BVI;
- (d) on July 25, 2007, Rong Hui, Dong Chang, Jin Chang and Dong Sheng were incorporated in the BVI;
- (e) on July 2006, 2007, Xie Mao was incorporated in the BVI;
- (f) on August 2, 2007, our Company was incorporated in the Cayman Islands;
- (g) on August 8, 2007, each of Chang Ye, Rong Hui, Yuan Yuan and Da Hua allotted and issued one ordinary share of US\$1.00 each, credited as fully paid, to Jie Feng at par in cash;
- (h) on August 8, 2007, each of Tai He Xiang and Zheng Zhong Tian allotted and issued one ordinary share of US\$1.00 each, credited as fully paid, to Heng Chang at par in cash;

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- (i) on August 8, 2007, each of Dong Chang, Jin Chang and Dong Sheng allotted and issued one ordinary share of US\$1.00 each, credited as fully paid, to Guang Feng at par in cash;
- (j) on August 8, 2007, Xiao Mao allotted and issued one ordinary share of US\$1.00 each, credited as fully paid, to Ye Chang at par in cash;
- (k) on August 16, 2007, each of Chang Ye, Rong Hui, Yuan Yuan and Da Hua allotted and issue one ordinary share of US\$1.00 each, credited as fully paid, to Jie Feng;
- (l) on August 16, 2007, each of Tai He Xiang and Zheng Zhong Tian allotted and issued one ordinary share of US\$1.00 each, credited as fully paid, to Heng Chang;
- (m) on August 16, 2007, Xiao Mao allotted and issued one ordinary share of US\$1.00 each, credited as fully paid, to Ye Chang;
- (n) on August 16, 2007, each of Jie Feng, Heng Chang, Guang Feng and Ye Chang allotted and issued one ordinary share of US\$1.00 each, credited as fully paid, to Rui Jing;
- (o) on August 16, 2007, Grow Ahead transferred 33,334 shares of HK\$1.00 each in the capital of Kaisa Holdings to Chang Ye in consideration of the allotment of 0.34 share of US\$1.00 each in Chang Ye to Jie Feng;
- (p) on August 16, 2007, Big Progress transferred 33,333 shares of HK\$1.00 each in the capital of Kaisa Holdings to Chang Ye in consideration of the allotment of 0.33 share of US\$1.00 each in Chang Ye to Jie Feng;
- (q) on August 16, 2007, Havewill Investments transferred 33,333 shares of HK\$1.00 each in the capital of Kaisa Holdings to Chang Ye in consideration of the allotment of 0.33 share of US\$1.00 each in Chang Ye to Jie Feng;
- (r) on August 16, 2007, Mr. Chen Gengxian transferred 4,500 shares of HK\$10.00 each in the capital of Regal Silver to Rong Hui in consideration of the allotment of 0.90 share of US\$1.00 each in Rong Hui to Jie Feng;
- (s) on August 16, 2007, Mr. Liu Qiang transferred 500 shares of HK\$10.00 each in the capital of Regal Silver to Rong Hui in consideration of the allotment of 0.10 share of US\$1.00 each in Rong Hui to Jie Feng;
- (t) on August 16, 2007, Woodland Height transferred 10,000 shares of HK\$1.00 each in the capital of Kaisa Technology to Yuan Yuan in consideration of the allotment of 1 share of US\$1.00 each in Yuan Yuan to Jie Feng;
- (u) on August 16, 2007, Mr. Kwok Chun Wai transferred 1 share of HK\$1.00 each in the capital of Cornwell Holdings to Da Hua in consideration of the allotment of 0.5 share of US\$1.00 each in Da Hua to Jie Feng;
- (v) on August 16, 2007, Mr. Kwok Ying Shing transferred 1 share of HK\$1.00 each in the capital of Cornwell Holdings to Da Hua in consideration of the allotment of 0.5 share of US\$1.00 each in Da Hua to Jie Feng;

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- (w) on August 16, 2007, Empire Glory transferred 67,000 shares of HK\$1.00 each in the capital of Woodland Height to Tai He Xiang in consideration of the allotment of 0.67 share of US\$1.00 each in Tai He Xiang, credited as fully paid at premium, to Heng Chang;
- (x) on August 16, 2007, Year Up transferred 33,000 shares of HK\$1.00 each in the capital of Woodland Height to Tai He Xiang in consideration of the allotment of 0.33 share of US\$1.00 each in Tai He Xiang, credited as fully paid at premium, to Heng Chang;
- (y) on August 16, 2007, Mr. Kwok Ying Chi transferred 1,000 shares of HK\$1.00 each in the capital of Success Take to Zheng Zhong Tian in consideration of the allotment of 0.01 share of US\$1.00 each in Zheng Zhong Tian, credited as fully paid at premium, to Heng Chang;
- (z) on August 16, 2007, Clever Cosmos transferred 99,000 shares of HK\$1.00 each in the capital of Success Take to Zheng Zhong Tian in consideration of the allotment of 0.99 share of US\$1.00 each in Zheng Zhong Tian, credited as fully paid at premium, to Heng Chang;
- (aa) on August 16, 2007, Speed Prosper transferred 3,400 shares of HK\$1.00 each in the capital of Leisure Land to Xie Mao in consideration of the allotment of 0.34 share of US\$1.00 each in Xie Mao, credited as fully paid at premium, to Ye Chang;
- (bb) on August 16, 2007, Year Up transferred 3,300 shares of HK\$1.00 each in the capital of Leisure Land to Xie Mao in consideration of the allotment of 0.33 share of US\$1.00 each in Xie Mao, credited as fully paid at premium, to Ye Chang;
- (cc) on August 16, 2007, Clever Cosmos 3,300 shares of HK\$1.00 each in the capital of Leisure Land in consideration of the allotment of 0.33 share of US\$1.00 each in Xie Mao, credited as fully paid at premium, to Ye Chang;
- (dd) on August 16, 2007, the Company acquired the entire issued share capital of Rui Jing from Da Chang, Da Feng and Da Zheng in consideration of the allotment and issue of 297 Shares, 306 Shares and 297 Shares to Da Chang, Da Feng and Da Zheng respectively and crediting as fully paid a total of 100 nil-paid Shares held by Da Chang, Da Feng and Da Zheng;
- (ee) on September 18, 2007, each of Zhan Zhang, Yi Qing and Yong Rui Xiang was incorporated in Hong Kong;
- (ff) on December 29, 2007, Kaisa Technology Company transferred the entire registered capital of Shenzhen Kaisa Technology to Kaisa Technology at a consideration HK\$12 million which was satisfied by the allotment and issue of one share of HK\$1.00 each in Kaisa Technology, credited as fully paid at premium, to Yuan Yuan in January 2008;
- (gg) on November 16, 2007, Jie Feng acquired the entire issued share capital of China Agriculture in consideration of the allotment and issue of one share in Jie Feng, credited as fully paid at premium, to Rui Jing;
- (hh) on November 16, 2007, Jie Feng acquired the entire issued share capital of Ace Start in consideration of the allotment and issue of one share in Jie Feng, credited as fully paid at premium, to Rui Jing;

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- (ii) on November 16, 2007, the Company allotted and issue an aggregate of 869,565,217 Shares to Longhill, CAGP, CAGP III, Baytree, RECP, PMA and Forum at a cash consideration of US\$200,000,000;
- (jj) on December 28, 2007, State Achieve transferred the entire registered capital of Huizhou Weitong to Yi Qing at a consideration of RMB109,200,000 which was satisfied by the allotment and issue of one share of HK\$1.00 each in Yi Qing, credited as fully paid at premium, to Jin Chang in January 2008;
- (kk) on December 28, 2007, State Achieve transferred the entire registered capital of Huizhou Canrong to Yi Qing at a consideration of RMB31,878,000 which was satisfied by the allotment and issue of one share of HK\$1.00 each in Yi Qing to Jin Chang, credited as fully paid at premium, in January 2008;
- (ll) on January 7, 2008, Kaisa Holdings transferred the entire registered capital of Shenzhen Wanyuchang to Yong Rui Xiang at a consideration of HK\$2 million [which was satisfied by the allotment and issue of one share of HK\$1.00 each in Yong Rui Xiang, credited as fully paid at premium, to Dong Sheng in January 2008]; and
- (mm) on November [●], 2009, Guang Feng transferred the entire issued share capital of Jin Chang to Jie Feng in consideration of an intercompany loan from Jie Feng to Guang Feng, credited as fully paid at premium, to Rui Jing.

5. Changes in share capital of subsidiaries

Our Company's subsidiaries are referred to in the Accountants' Report in Appendix I to this document. The following sets out the changes to the share capital made by the subsidiary of our Company during the two years preceding the date of this document:

- (a) The registered capital of Shenzhen Kaisa Property was increased from RMB200 million to RMB730 million on December 13, 2007.
- (b) The registered capital of Shenzhen Kaisa Electronic was increased from HK\$5 million to HK\$390 million on January 4, 2008.
- (c) The registered capital of Shenzhen Leisure Land was increased from RMB5 million to RMB540 million on January 21, 2008.
- (d) The registered capital of Shenzhen Cornwell was increased from RMB10 million to RMB550 million on March 5, 2008.
- (e) The registered capital of Chengdu Kaisa Investment was increased from RMB10 million to RMB20 million on May 21, 2008.
- (f) The registered capital of Shanghai Xinwan was increased from RMB10 million to RMB60 million on May 23, 2008.

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- (g) The registered capital of Dongguan Yingtai was increased from RMB1 million to RMB10 million on May 28, 2008.
- (h) The registered capital of Sichuan Tianzi was increased from RMB10 million to RMB20 million on June 24, 2008.
- (i) The registered capital of Beijing Jinmao was reduced from RMB50 million to RMB24.4 million on July 9, 2008.
- (j) The registered capital of Shenzhen Tajian was increased from RMB8 million to RMB27 million on July 14, 2009.
- (k) The registered capital of Huizhou Huasheng was reduced from RMB183,673,470 to RMB60 million on July 20, 2009.
- (l) The registered capital of Jiangyin Taichang was increased from RMB20 million to RMB200 million on July 28, 2008.

Save for the subsidiaries mentioned in the Accountants' Report in Appendix I to this document, our Company has no other subsidiaries.

Save as set out above, there has been no alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this document.

6. Particulars of subsidiaries

The Group has interests in a number of major PRC subsidiaries. Set out below is a summary of the corporate information of these PRC subsidiaries:

(a) *Beijing Jinmao*

Date of Establishment	:	December 5, 2005
Place of Establishment	:	Beijing
Nature	:	Limited liability company
Registered Capital	:	RMB24,400,000 (fully paid up)
Shareholder	:	Shenzhen Cornwell (100%)

(b) *Beijing Kaisa*

Date of Establishment	:	August 6, 2009
Place of Establishment	:	Beijing
Nature	:	Limited liability company
Registered Capital	:	RMB1,000,000 (fully paid up)
Shareholder	:	Shenzhen Kaisa Property (100%)

(c) *Boluo Kaisa Property*

Date of Establishment	:	June 2, 2008
Place of Establishment	:	Huizhou
Nature	:	Limited liability company
Registered Capital	:	RMB10,000,000 (fully paid up)
Shareholder	:	Shenzhen Kaisa Property (100%)

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(d) *Boluo Kaisa Zhiye*

Date of Establishment : June 2, 2008
Place of Establishment : Huizhou
Nature : Limited liability company
Registered Capital : RMB10,000,000 (fully paid up)
Shareholder : Huizhou Kaisa Property (100%)

(e) *Chengdu Kaisa Investment*

Date of Establishment : June 22, 2007
Place of Establishment : Chengdu
Nature : Limited liability company
Registered Capital : RMB20,000,000 (fully paid up)
Shareholder : Chengdu Kaisa Property (100%)

(f) *Chengdu Kaisa Property*

Date of Establishment : July 31, 2006
Place of Establishment : Chengdu
Nature : Limited liability company
Registered Capital : RMB10,000,000 (fully paid up)
Shareholder : Shenzhen Kaisa Property (100%)

(g) *Chengdu Kaisa Property Management*

Date of Establishment : January 30, 2008
Place of Establishment : Chengdu
Nature : Limited liability company
Registered Capital : RMB3,000,000 (fully paid up)
Shareholder : Shenzhen Kaisa Property Management (100%)

(h) *Chengdu Nanxing*

Date of Establishment : November 5, 2004
Place of Establishment : Chengdu
Nature : Limited liability company
Registered Capital : RMB20,000,000 (fully paid up)
Shareholder : Chengdu Kaisa Property (100%)

(i) *Chengdu Zhaoruijing*

Date of Establishment : January 29, 2008
Place of Establishment : Chengdu
Nature : Limited liability company
Registered Capital : RMB2,000,000 (fully paid up)
Shareholder : Shenzhen Zhaoruijing (100%)

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(j) *Dongguan Kaisa Property*

Date of Establishment : September 6, 2004
Place of Establishment : Dongguan
Nature : Limited liability company
Registered Capital : RMB38,000,000 (fully paid up)
Shareholder : Shenzhen Kaisa Property (100%)

(k) *Dongguan Kaisa Property Management*

Date of Establishment : July 18, 2007
Place of Establishment : Dongguan
Nature : Limited liability company
Registered Capital : RMB2,500,000 (fully paid up)
Shareholder : Shenzhen Kaisa Property Management (100%)

(l) *Dongguan Yingsheng*

Date of Establishment : March 3, 2006
Place of Establishment : Dongguan
Nature : Limited liability company
Registered Capital : RMB10,000,000 (fully paid up)
Shareholder : Dongguan Kaisa Property (100%)

(m) *Dongguan Yingtai*

Date of Establishment : January 4, 2007
Place of Establishment : Dongguan
Nature : Limited liability company
Registered Capital : RMB10,000,000 (fully paid up)
Shareholder : Dongguan Kaisa Property (100%)

(n) *Dongguan Yingyan*

Date of Establishment : July 4, 2008
Place of Establishment : Dongguan
Nature : Limited liability company
Registered Capital : RMB10,000,000 (fully paid up)
Shareholder : Dongguan Kaisa Property (80%)
Dongguan Fenggang Yantian Enterprise Development
Company (20%)

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(o) *Fenglong Group*

Date of Establishment : October 29, 1993
Place of Establishment : Shenzhen
Nature : Limited liability company
Registered Capital : RMB168,000,000 (fully paid up)
Shareholder : Shenzhen Jililong (55%)
飛達集團有限公司 (Fitter Holdings Limited) (44%)
深圳發展銀行深圳寶安支行 (Shenzhen Development Bank
Baoan Branch) (1%)

(p) *Guangdong Kaisa Property*

Date of Establishment : July 12, 2007
Place of Establishment : Guangzhou
Nature : Limited liability company
Registered Capital : RMB10,000,000 (fully paid up)
Shareholder : Shenzhen Kaisa Property (100%)

(q) *Guangzhou Jiasui*

Date of Establishment : May 31, 2006
Place of Establishment : Guangzhou
Nature : Limited liability company
Registered Capital : RMB10,000,000 (fully paid up)
Shareholder : Shenzhen Jililong (100%)

(r) *Guangzhou Jinmao Property*

Date of Establishment : October 27, 2005
Place of Establishment : Guangzhou
Nature : Limited liability company
Registered Capital : RMB10,000,000 (fully paid up)
Shareholder : Beijing Jinmao (100%)

(s) *Guangzhou Jinmao Property Management*

Date of Establishment : June 22, 2006
Place of Establishment : Guangzhou
Nature : Limited liability company
Registered Capital : RMB5,000,000 (fully paid up)
Shareholder : Shenzhen Leisure Land (100%)

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(t) *Guangzhou Zhaoruijing*

Date of Establishment : December 11, 2007
Place of Establishment : Guangzhou
Nature : Limited liability company
Registered Capital : RMB2,000,000 (fully paid up)
Shareholder : Shenzhen Zhaoruijing (100%)

(u) *Huidongxian Dongsheng*

Date of Establishment : March 12, 2007
Place of Establishment : Huizhou
Nature : Wholly foreign-owned enterprise
Registered Capital : HK\$20,000,000 (fully paid up)
Shareholder : China Agriculture (100%)

(v) *Huidongxian Kaisa*

Date of Establishment : November 20, 2007
Place of Establishment : Huizhou
Nature : Limited liability company
Registered Capital : RMB10,000,000 (fully paid up)
Shareholder : Shenzhen Kaisa Property (100%)

(w) *Huizhou Canrong*

Date of Establishment : January 14, 1994
Place of Establishment : Huizhou
Nature : Wholly foreign-owned enterprise
Registered Capital : HK\$31,878,000 (fully paid up)
Shareholder : Yi Qing (100%)

(x) *Huizhou Huasheng*

Date of Establishment : August 29, 2007
Place of Establishment : Huizhou
Nature : Limited liability company
Registered Capital : RMB60,000,000 (fully paid up)
Shareholder : Huizhou Kaisa Property (65%)
Shenzhen Kaisa Property (35%)

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(y) *Huizhou Jiabo*

Date of Establishment : September 14, 2007
Place of Establishment : Huizhou
Nature : Limited liability company
Registered Capital : RMB1,000,000 (fully paid up)
Shareholder : Dongguan Kaisa Property (90%)
Dongguan Yingsheng (10%)

(z) *Huizhou Jinhua*

Date of Establishment : March 26, 1993
Place of Establishment : Huizhou
Nature : Limited liability company
Registered Capital : RMB51,480,000 (fully paid up)
Shareholder : Huizhou Kaisa Property (100%)

(aa) *Huizhou Jinhua Entertainment Park*

Date of Establishment : June 11, 1993
Place of Establishment : Huizhou
Nature : Sino-foreign cooperative enterprise
Registered Capital : US\$4,800,000 (fully paid up)
Shareholder : Yi Qing (64%)
Shenzhen Kaisa Electronic (36%)

(bb) *Huizhou Jinhua Resort Village*

Date of Establishment : June 2, 1993
Place of Establishment : Huizhou
Nature : Sino-foreign cooperative enterprise
Registered Capital : US\$12,000,000 (fully paid up)
Shareholder : Yi Qing (64%)
Shenzhen Kaisa Electronic (36%)

(cc) *Huizhou Kaisa Infrastructure*

Date of Establishment : February 2, 2008
Place of Establishment : Huizhou
Nature : Sino-foreign equity joint venture
Registered Capital : US\$98,000,000 (*Note*)
Shareholder : Kaisa Holdings (80%)
Shenzhen Kaisa Property (20%)

Note: Shenzhen Kaisa Property has paid up its first installment of registered capital of US\$11,534,690.58. Kaisa Holdings will pay up its first installment of registered capital on or before December 31, 2009. The remaining registered capital will be paid up on or before December 31, 2010.

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(dd) *Huizhou Kaisa Property*

Date of Establishment	:	January 29, 2007
Place of Establishment	:	Huizhou
Nature	:	Limited liability company
Registered Capital	:	RMB10,000,000 (fully paid up)
Shareholder	:	Shenzhen Kaisa Property (100%)

(ee) *Huizhou Kaisa Road*

Date of Establishment	:	February 2, 2008
Place of Establishment	:	Huizhou
Nature	:	Sino-foreign equity joint venture
Registered Capital	:	US\$50,000,000 (<i>Note</i>)
Shareholder	:	Kaisa Holdings (80%) Shenzhen Kaisa Property (20%)

Note: The first installment of registered capital of US\$40,000,000 has been paid up by Kaisa Holdings. Shenzhen Kaisa Property will pay its first installment of registered capital on or before June 30, 2010 and will pay its remaining registered capital on or before December 31, 2010.

(ff) *Huizhou Kaisa Tangquan*

Date of Establishment	:	September 29, 2007
Place of Establishment	:	Huizhou
Nature	:	Limited liability company
Registered Capital	:	RMB10,000,000 (fully paid up)
Shareholder	:	Huizhou Kaisa Property (80%) 惠州市國營湯泉林場 (Huizhou State-owned Tangquan Linchang) (20%)

(gg) *Huizhou Kaisa Technology*

Date of Establishment	:	March 24, 2008
Place of Establishment	:	Huizhou
Nature	:	Sino-foreign joint venture enterprise
Registered Capital	:	US\$90,000,000 (<i>Note</i>)
Shareholder	:	Shenzhen Kaisa Property (30%) Kaisa Technology (70%)

Note: Shenzhen Kaisa Property has paid its first installment of registered capital of US\$6,442,560.99. Kaisa Technology will pay its first installment of registered capital on or before June 30, 2010. The remaining registered capital will be fully paid up by the end of June 2012.

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(hh) *Huizhou Weitong*

Date of Establishment : January 14, 1994
Place of Establishment : Huizhou
Nature : Wholly foreign-owned enterprise
Registered Capital : HK\$109,200,000 (fully paid up)
Shareholder : Yi Qing (100%)

(ii) *Huizhou Zhaoruijing*

Date of Establishment : April 7, 2009
Place of Establishment : Huizhou
Nature : Limited liability company
Registered Capital : RMB5,000,000 (fully paid up)
Shareholder : Shenzhen Zhaoruijing (100%)

(jj) *Hunan Kaisa Property*

Date of Establishment : August 22, 2007
Place of Establishment : Changsha
Nature : Limited liability company
Registered Capital : RMB20,000,000 (fully paid up)
Shareholder : Shenzhen Kaisa Property (100%)

(kk) *Hunan Kaisa Zhiye*

Date of Establishment : September 14, 2007
Place of Establishment : Changsha
Nature : Wholly foreign-owned enterprise
Registered Capital : HK\$100,000,000 (fully paid up)
Shareholder : Kaisa Holdings (100%)

(ll) *Jiangyin Taichang*

Date of Establishment : November 22, 2007
Place of Establishment : Jiangyin
Nature : Limited liability company
Registered Capital : RMB200,000,000 (fully paid up)
Shareholder : Guangdong Kaisa Property (100%)

(mm) *Shenzhen Jinshawan*

Date of Establishment : June 17, 1997
Place of Establishment : Shenzhen
Nature : Limited liability company
Registered Capital : RMB50,000,000 (fully paid up)
Shareholder : Shenzhen Leisure Land (100%)

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(nn) *Shanghai Kaisa Investment*

Date of Establishment : March 27, 2008
Place of Establishment : Shanghai
Nature : Wholly foreign-owned enterprise
Registered Capital : US\$2,000,000 (fully paid up)
Shareholder : Kaisa Holdings (100%)

(oo) *Shanghai Xinwan*

Date of Establishment : January 17, 2007
Place of Establishment : Shanghai
Nature : Limited liability company
Registered Capital : RMB60,000,000 (fully paid up)
Shareholder : Guangdong Kaisa Property (100%)

(pp) *Shenyang Kaisa Property*

Date of Establishment : November 7, 2007
Place of Establishment : Shenyang
Nature : Wholly foreign-owned enterprise
Registered Capital : HK\$370,000,000 (*Note*)
Shareholder : Kaisa Holdings (100%)

Note: The registered capital of Shenyang Kaisa Property in the amount of HK\$370,000,000 will be paid up within required timeframe on or before June 30, 2010.

(qq) *Shenyang Woodland Height*

Date of Establishment : November 20, 2007
Place of Establishment : Shenyang
Nature : Wholly foreign-owned enterprise
Registered Capital : HK\$370,000,000 (*Note*)
Shareholder : Kaisa Holdings (100%)

Note: The registered capital of Shenyang Woodland Height in the amount of HK\$370,000,000 will be fully paid up within required timeframe on or before June 30, 2010.

(rr) *Shenzhen Chuangzhan*

Date of Establishment : November 17, 2000
Place of Establishment : Shenzhen
Nature : Limited liability company
Registered Capital : RMB10,000,000 (fully paid up)
Shareholder : Shenzhen Kaisa Property (100%)

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(ss) *Shenzhen Cornwell*

Date of Establishment : August 23, 2004
Place of Establishment : Shenzhen
Nature : Wholly foreign-owned enterprise
Registered Capital : RMB550,000,000 (fully paid up)
Shareholder : Cornwell Holdings (100%)

(tt) *Shenzhen Daye*

Date of Establishment : January 26, 2007
Place of Establishment : Shenzhen
Nature : Limited liability company
Registered Capital : RMB10,000,000 (fully paid up)
Shareholder : Shenzhen Kaisa Property (100%)

(uu) *Shenzhen Jiachangxin Investment*

Date of Establishment : November 14, 2006
Place of Establishment : Shenzhen
Nature : Limited liability company
Registered Capital : RMB204,680,000 (fully paid up)
Shareholder : Shenzhen Cornwell (100%)

(vv) *Shenzhen Jililong*

Date of Establishment : March 21, 1997
Place of Establishment : Shenzhen
Nature : Sino-foreign equity joint venture
Registered Capital : RMB12,000,000 (fully paid up)
Shareholder : Shenzhen Kaisa Property (75%)
Kaisa Holdings (25%)

(ww) *Shenzhen Kaisa Electronic*

Date of Establishment : May 28, 2001
Place of Establishment : Shenzhen
Nature: Wholly foreign-owned enterprise
Registered Capital : HK\$390,000,000 (fully paid up)
Shareholder : Kaisa Holdings (100%)

(xx) *Shenzhen Kaisa Property*

Date of Establishment : June 3, 1999
Place of Establishment : Shenzhen
Nature : Wholly foreign-owned enterprise
Registered Capital : RMB730,000,000 (fully paid up)
Shareholder : Kaisa Holdings (100%)

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(yy) *Shenzhen Kaisa Property Management*

Date of Establishment : October 20, 1999
Place of Establishment : Shenzhen
Nature : Wholly foreign-owned enterprise
Registered Capital : RMB5,000,000 (fully paid up)
Shareholder : Kaisa Holdings (100%)

(zz) *Shenzhen Kaisa Technology*

Date of Establishment : July 27, 2001
Place of Establishment : Shenzhen
Nature : Wholly foreign-owned enterprise
Registered Capital : HK\$12,000,000 (fully paid up)
Shareholder : Kaisa Technology (100%)

(aaa) *Shenzhen Leisure Land*

Date of Establishment : May 23, 2005
Place of Establishment : Shenzhen
Nature : Wholly foreign-owned enterprise
Registered Capital : RMB540,000,000 (fully paid up)
Shareholder : Leisure Land (100%)

(bbb) *Shenzhen Regal Silver*

Date of Establishment : March 26, 2004
Place of Establishment : Shenzhen
Nature : Wholly foreign-owned enterprise
Registered Capital : RMB10,000,000 (fully paid up)
Shareholder : Regal Silver (100%)

(ccc) *Shenzhen Success Take*

Date of Establishment : February 15, 2004
Place of Establishment : Shenzhen
Nature : Wholly foreign-owned enterprise
Registered Capital : RMB10,000,000 (fully paid up)
Shareholder : Success Take (100%)

(ddd) *Shenzhen Taijian*

Date of Establishment : July 19, 2007
Place of Establishment : Shenzhen
Nature : Limited liability company
Registered Capital : RMB27,000,000 (fully paid up)
Shareholder : Shenzhen Wanyuchang (100%)

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(eee) *Shenzhen Wanyuchang*

Date of Establishment : October 26, 2001
Place of Establishment : Shenzhen
Nature : Wholly foreign-owned enterprise
Registered Capital : HK\$2,000,000 (fully paid up)
Shareholder : Yong Rui Xiang (100%)

(fff) *Shenzhen Wanyuhua*

Date of Establishment : July 11, 2008
Place of Establishment : Shenzhen
Nature : Wholly foreign-owned enterprise
Registered Capital : RMB1,000,000 (fully paid up)
Shareholder : China Manfort

(ggg) *Shenzhen Woodland Height*

Date of Establishment : October 13, 2003
Place of Establishment : Shenzhen
Nature : Wholly foreign-owned enterprise
Registered Capital : RMB10,000,000 (fully paid up)
Shareholder : Woodland Height (100%)

(hhh) *Shenzhen Xingwoer*

Date of Establishment : January 29, 1999
Place of Establishment : Shenzhen
Nature : Limited liability company
Registered Capital : RMB10,000,000 (fully paid up)
Shareholder : Shenzhen Regal Silver (100%)

(iii) *Shenzhen Zhaoruijing*

Date of Establishment : July 19, 2004
Place of Establishment : Shenzhen
Nature : Limited liability company
Registered Capital : RMB1,000,000 (fully paid up)
Shareholder : Shenzhen Wanyuchang (100%)

(jjj) *Shenzhen Zhengchangtai*

Date of Establishment : June 13, 2007
Place of Establishment : Shenzhen
Nature : Limited liability company
Registered Capital : RMB10,000,000 (fully paid up)
Shareholder : Shenzhen Success Take (20%)
Shenzhen Xingwoer (80%)

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(kkk) *Shenzhen Zhongwei*

Date of Establishment	:	August 31, 2005
Place of Establishment	:	Shenzhen
Nature	:	Limited liability company
Registered Capital	:	RMB13,480,000 (fully paid up)
Shareholder	:	Shenzhen Kaisa Property (100%)

(lll) *Sichuan Kaisa Zhiye*

Date of Establishment	:	May 16, 2007
Place of Establishment	:	Chengdu
Nature	:	Limited liability company
Registered Capital	:	RMB10,000,000 (fully paid up)
Shareholder	:	Shenzhen Kaisa Property (100%)

(mmm) *Sichuan Tianzi*

Date of Establishment	:	September 15, 2006
Place of Establishment	:	Chengdu
Nature	:	Sino-foreign joint venture
Registered Capital	:	RMB20,000,000 (fully paid up)
Shareholder	:	Sichuan Kaisa Zhiye (70%) Onfair Asia (30%)

(nnn) *Zhuhai Zhanda*

Date of Establishment	:	January 17, 2007
Place of Establishment	:	Zhuhai
Nature	:	Limited liability company
Registered Capital	:	RMB50,000,000 (fully paid up)
Shareholder	:	Shenzhen Kaisa Property (100%)

As disclosed above, the registered capitals of our PRC subsidiaries have been or will be paid up within the required timeframe. As advised by King and Wood, the Company's PRC legal advisers, the Group is allowed to consolidate the assets and liabilities and the financial results of our PRC subsidiaries in the Accountants' Report notwithstanding the outstanding registered capital disclosed above.

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B. FURTHER INFORMATION ABOUT THE BUSINESS

1. Summary of material contracts

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

- (a) an equity transfer agreement (in Chinese) dated November 28, 2007 between Ms. Peng Ailing, Mr. Zhan Qiongmeng and Shenzhen Cornwell pursuant to which the aforesaid individuals agreed to sell and Shenzhen Cornwell agreed to acquire the entire registered capital of Beijing Jinmao at a consideration of RMB50 million;
- (b) an equity transfer agreement (in Chinese) dated November 29, 2007 between Guangzhou Jinmao Property and Shenzhen Leisure Land pursuant to which Guangzhou Jinmao Property agreed to sell and Shenzhen Leisure Land agreed to acquire the entire registered capital in Guangzhou Jinmao Property Management at a consideration of RMB5 million;
- (c) an equity transfer agreement (in Chinese) dated November 29, 2007 between Mr. Zhan Qiongmeng and Beijing Jinmao pursuant to which Mr. Zhan Qiongmeng agreed to sell and Beijing Jinmao agreed to acquire 10% registered capital in Guangzhou Jinmao Property at a consideration of RMB1 million;
- (d) an equity transfer agreement (in Chinese) dated November 29, 2007 between Mr. Zhan Qiongmeng, Ms. Zhan Huihua and Chengdu Kaisa Property pursuant to which the aforesaid individuals agreed to sell and Chengdu Kaisa Property agreed to acquire the entire registered capital in Chengdu Nanxing at a consideration of RMB20 million;
- (e) an equity transfer agreement (in Chinese) dated November 30, 2007 between State Achieve and Yi Qing pursuant to which State Achieve agreed to sell and Yi Qing agreed to acquire the entire registered capital of Huizhou Weitong;
- (f) an equity transfer agreement (in Chinese) dated November 30, 2007 between State Achieve and Yi Qing pursuant to which State Achieve agreed to sell and Yi Qing agreed to acquire the entire registered capital of Huizhou Canrong;
- (g) an equity transfer agreements (in Chinese) dated December 1, 2007 between Mr. Lin Daohong and Shenzhen Kaisa Technology and an equity transfer agreement (in Chinese) dated December 1, 2007 between Mr. Zou De and Shenzhen Kaisa Technology pursuant to which the aforesaid individuals agreed to sell and Shenzhen Kaisa Technology agreed to acquire the entire registered capital in Dongguan Yingtai at a consideration of RMB1 million;
- (h) an equity transfer agreement (in Chinese) dated December 5, 2007 between Mr. Guo Tianlu and Shenzhen Wanyuchang pursuant to which Mr. Guo Tianlu agreed to sell and Shenzhen Wanyuchang agreed to acquire the entire registered capital in Shenzhen Taijian at a consideration of RMB8 million;

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- (i) an equity transfer agreement (in Chinese) dated December 12, 2007 between Mr. Guo Ying Long, Mr. Guo Ying Guang and Shenzhen Wanyuchang pursuant to which the aforesaid individuals agreed to sell and Shenzhen Wanyuchang agreed to acquire the entire registered capital in Shenzhen Zhaoruijing at a consideration of RMB1 million;
- (j) a share purchase agreement dated October 21, 2009, between Da Chang, Da Feng, Da Zheng, the Investor Shareholders and the Company, which amends a share purchase agreement dated November 7, 2007, between Da Chang, Da Feng, Da Zheng, the Investor Shareholders and the Company, pursuant to which Da Chang, Da Feng and Da Zheng agreed to sell and the Investor Shareholders agreed to purchase an aggregate of 434.782609 Shares at an aggregate consideration of US\$100 million;
- (k) a credit agreement dated October 24, 2009 between, among others, the Company, Da Chang, Da Feng, Da Zheng and CCS in respect of the US\$200 million term loan facility which amends and restates a credit agreement dated September 12, 2007 between, among others, the Company, Da Chang, Da Feng, Da Zheng and CSS, and which in turn amends and restates a credit agreement dated August 24, 2007 between, among others, the Company, Da Chang, Da Feng, Da Zheng and CSS in respect of the US\$25,000,000 term loan facility;
- (l) the tranche A warrant instrument dated October 24, 2009, between the Company, Da Chang, Da Feng and Da Zheng in respect of the Tranche A Warrants which amends and restates the tranche A warrant instrument dated September 12, 2007, between the Company, Da Chang, Da Feng and Da Zheng in respect of the Tranche A Warrants;
- (m) the tranche B warrant instrument dated October 24, 2009, between the Company, Da Chang, Da Feng and Da Zheng in respect of the Tranche B Warrants which amends and restates the tranche B warrant instrument dated September 12, 2007, between the Company, Da Chang, Da Feng and Da Zheng in respect of the Tranche B Warrants;
- (n) the deed of indemnity dated [●], 2009 given by the indemnifiers named therein in favor of our Company and its subsidiaries in respect of, amongst others, Hong Kong estate duty, taxation and other indemnities referred to in the sub-section headed “Estate duty, tax and other indemnities” in this Appendix; and
- (o) the deed of non-competition dated [●], 2009 between each of the Controlling Shareholders in favour of our Company pursuant to which each of the Controlling Shareholders has unconditionally undertaken to our Company that he/it will not directly or indirectly participate in, hold any right or interest, or otherwise be involved in, any business which may be in competition with our businesses and those of our subsidiaries.


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2. Intellectual property rights of the Group

(a) Trademarks

- (i) As at the Latest Practicable Date, the Group has applied for the registration of the following trademarks:

<u>Trademark</u>	<u>Registered owner</u>	<u>Application number</u>	<u>Application date</u>	<u>Class (Note)</u>	<u>Place of application</u>
佳兆業.	Shenzhen Kaisa Property	6056190	May 18, 2007	1	PRC
佳兆業.	Shenzhen Kaisa Property	6056189	May 18, 2007	2	PRC
佳兆業.	Shenzhen Kaisa Property	6056188	May 18, 2007	3	PRC
佳兆業.	Shenzhen Kaisa Property	6056187	May 18, 2007	4	PRC
佳兆業.	Shenzhen Kaisa Property	6056707	May 18, 2007	5	PRC
佳兆業.	Shenzhen Kaisa Property	6056708	May 18, 2007	6	PRC
佳兆業.	Shenzhen Kaisa Property	6056709	May 18, 2007	7	PRC
佳兆業.	Shenzhen Kaisa Property	6056710	May 18, 2007	8	PRC
佳兆業.	Shenzhen Kaisa Property	6056711	May 18, 2007	9	PRC
佳兆業.	Shenzhen Kaisa Property	6056712	May 18, 2007	10	PRC
佳兆業.	Shenzhen Kaisa Property	6056713	May 18, 2007	11	PRC
佳兆業.	Shenzhen Kaisa Property	6056714	May 18, 2007	12	PRC
佳兆業.	Shenzhen Kaisa Property	6056715	May 18, 2007	13	PRC
佳兆業.	Shenzhen Kaisa Property	6056716	May 18, 2007	14	PRC
佳兆業.	Shenzhen Kaisa Property	6056697	May 18, 2007	15	PRC
佳兆業.	Shenzhen Kaisa Property	6056698	May 18, 2007	16	PRC
佳兆業.	Shenzhen Kaisa Property	6056699	May 18, 2007	17	PRC
佳兆業.	Shenzhen Kaisa Property	6056700	May 18, 2007	18	PRC
佳兆業.	Shenzhen Kaisa Property	6056701	May 18, 2007	19	PRC
佳兆業.	Shenzhen Kaisa Property	6056702	May 18, 2007	20	PRC
佳兆業.	Shenzhen Kaisa Property	6056703	May 18, 2007	21	PRC
佳兆業.	Shenzhen Kaisa Property	6056704	May 18, 2007	22	PRC
佳兆業.	Shenzhen Kaisa Property	6056705	May 18, 2007	23	PRC
佳兆業.	Shenzhen Kaisa Property	6056706	May 18, 2007	24	PRC
佳兆業.	Shenzhen Kaisa Property	6056687	May 18, 2007	25	PRC
佳兆業.	Shenzhen Kaisa Property	6056688	May 18, 2007	26	PRC
佳兆業.	Shenzhen Kaisa Property	6056689	May 18, 2007	27	PRC
佳兆業.	Shenzhen Kaisa Property	6056690	May 18, 2007	28	PRC
佳兆業.	Shenzhen Kaisa Property	6056691	May 18, 2007	29	PRC
佳兆業.	Shenzhen Kaisa Property	6056692	May 18, 2007	30	PRC
佳兆業.	Shenzhen Kaisa Property	6056693	May 18, 2007	31	PRC
佳兆業.	Shenzhen Kaisa Property	6056694	May 18, 2007	32	PRC
佳兆業.	Shenzhen Kaisa Property	6056695	May 18, 2007	33	PRC
佳兆業.	Shenzhen Kaisa Property	6056696	May 18, 2007	34	PRC
佳兆業.	Shenzhen Kaisa Property	6056676	May 18, 2007	35	PRC
佳兆業.	Shenzhen Kaisa Property	6056678	May 18, 2007	36	PRC
佳兆業.	Shenzhen Kaisa Property	6056679	May 18, 2007	37	PRC
佳兆業.	Shenzhen Kaisa Property	6056680	May 18, 2007	38	PRC
佳兆業.	Shenzhen Kaisa Property	6056681	May 18, 2007	39	PRC
佳兆業.	Shenzhen Kaisa Property	6056682	May 18, 2007	40	PRC
佳兆業.	Shenzhen Kaisa Property	6056683	May 18, 2007	41	PRC
佳兆業.	Shenzhen Kaisa Property	6056684	May 18, 2007	42	PRC
佳兆業.	Shenzhen Kaisa Property	6056685	May 18, 2007	43	PRC
佳兆業.	Shenzhen Kaisa Property	6056686	May 18, 2007	44	PRC
佳兆業.	Shenzhen Kaisa Property	6056667	May 18, 2007	45	PRC
	Shenzhen Kaisa Property	6056225	May 18, 2007	1	PRC

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<u>Trademark</u>	<u>Registered owner</u>	<u>Application number</u>	<u>Application date</u>	<u>Class (Note)</u>	<u>Place of application</u>
.....	Shenzhen Kaisa Property	6056224	May 18, 2007	2	PRC
.....	Shenzhen Kaisa Property	6056223	May 18, 2007	3	PRC
.....	Shenzhen Kaisa Property	6056222	May 18, 2007	4	PRC
.....	Shenzhen Kaisa Property	6056221	May 18, 2007	5	PRC
.....	Shenzhen Kaisa Property	6056220	May 18, 2007	6	PRC
.....	Shenzhen Kaisa Property	6056219	May 18, 2007	7	PRC
.....	Shenzhen Kaisa Property	6056218	May 18, 2007	8	PRC
.....	Shenzhen Kaisa Property	6056217	May 18, 2007	9	PRC
.....	Shenzhen Kaisa Property	6056216	May 18, 2007	10	PRC
.....	Shenzhen Kaisa Property	6056215	May 18, 2007	11	PRC
.....	Shenzhen Kaisa Property	6056214	May 18, 2007	12	PRC
.....	Shenzhen Kaisa Property	6056213	May 18, 2007	13	PRC
.....	Shenzhen Kaisa Property	6056212	May 18, 2007	14	PRC
.....	Shenzhen Kaisa Property	6056211	May 18, 2007	15	PRC
.....	Shenzhen Kaisa Property	6056210	May 18, 2007	16	PRC
.....	Shenzhen Kaisa Property	6056209	May 18, 2007	17	PRC
.....	Shenzhen Kaisa Property	6056208	May 18, 2007	18	PRC
.....	Shenzhen Kaisa Property	6056207	May 18, 2007	19	PRC
.....	Shenzhen Kaisa Property	6056206	May 18, 2007	20	PRC
.....	Shenzhen Kaisa Property	6056205	May 18, 2007	21	PRC
.....	Shenzhen Kaisa Property	6056204	May 18, 2007	22	PRC
.....	Shenzhen Kaisa Property	6056203	May 18, 2007	23	PRC
.....	Shenzhen Kaisa Property	6056202	May 18, 2007	24	PRC
.....	Shenzhen Kaisa Property	6056201	May 18, 2007	25	PRC
.....	Shenzhen Kaisa Property	6056200	May 18, 2007	26	PRC
.....	Shenzhen Kaisa Property	6056199	May 18, 2007	27	PRC
.....	Shenzhen Kaisa Property	6056198	May 18, 2007	28	PRC
.....	Shenzhen Kaisa Property	6056197	May 18, 2007	29	PRC
.....	Shenzhen Kaisa Property	6056186	May 18, 2007	30	PRC
.....	Shenzhen Kaisa Property	6056185	May 18, 2007	31	PRC

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<u>Trademark</u>	<u>Registered owner</u>	<u>Application number</u>	<u>Application date</u>	<u>Class (Note)</u>	<u>Place of application</u>
.....	Shenzhen Kaisa Property	6056184	May 18, 2007	32	PRC
.....	Shenzhen Kaisa Property	6056183	May 18, 2007	33	PRC
.....	Shenzhen Kaisa Property	6056182	May 18, 2007	34	PRC
.....	Shenzhen Kaisa Property	6056181	May 18, 2007	35	PRC
.....	Shenzhen Kaisa Property	6056180	May 18, 2007	36	PRC
.....	Shenzhen Kaisa Property	6056179	May 18, 2007	37	PRC
.....	Shenzhen Kaisa Property	6056178	May 18, 2007	38	PRC
.....	Shenzhen Kaisa Property	6056177	May 18, 2007	39	PRC
.....	Shenzhen Kaisa Property	6056196	May 18, 2007	40	PRC
.....	Shenzhen Kaisa Property	6056195	May 18, 2007	41	PRC
.....	Shenzhen Kaisa Property	6056194	May 18, 2007	42	PRC
.....	Shenzhen Kaisa Property	6056193	May 18, 2007	43	PRC
.....	Shenzhen Kaisa Property	6056192	May 18, 2007	44	PRC
.....	Shenzhen Kaisa Property	6056191	May 18, 2007	45	PRC

(ii) As at the [Latest Practicable Date], the Group has registered the following trademarks:

<u>Trademark</u>	<u>Registered owner</u>	<u>Registration number</u>	<u>Class (Note)</u>	<u>Validity Period</u>	<u>Place of application</u>
.....	Kaisa Holdings	300302417	37	27 February 2005 to 26 February 2015	Hong Kong
.....	Kaisa Holdings	300302417	37	27 February 2005 to 26 February 2015	Hong Kong

Notes:

Class 1: Chemicals used in industry, science and photography, as well as in agriculture, horticulture and forestry; unprocessed artificial resins, unprocessed plastics; manures; fire extinguishing compositions; tempering and soldering preparations; chemical substances for preserving foodstuffs; tanning substances; adhesives used in industry.

Class 2: Paints, varnishes, lacquers; preservatives against rust and against deterioration of wood; colorants; mordants; raw natural resins; metals in foil and powder form for painters, decorators, printers and artists.

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 4: Industrial oils and greases; lubricants; dust absorbing, wetting and binding compositions; fuels (including motor spirit) and illuminants; candles and wicks for lighting.

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- Class 5: Pharmaceutical and veterinary preparations; sanitary preparations for medical purposes; dietetic substances adapted for medical use, food for babies; plasters, materials for dressings; material for stopping teeth, dental wax; disinfectants; preparations for destroying vermin; fungicides, herbicides.
- Class 6: Common metals and their alloys; metal building materials; transportable buildings of metal; materials of metal for railway tracks; non-electric cables and wires of common metal; ironmongery, small items of metal hardware; pipes and tubes of metal; safes; goods of common metal not included in other classes; ores.
- Class 7: Machines and machine tools; motors and engines (except for land vehicles); machine coupling and transmission components (except for land vehicles); agricultural implements other than hand-operated; incubators for eggs.
- 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 13: Firearms; ammunition and projectiles; explosives; fireworks.
- Class 14: Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments.
- Class 15: Musical instruments.
- 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 17: Rubber, gutta-percha, gum, asbestos, mica and goods made from these materials and not included in other classes; plastics in extruded form for use in manufacture; packing, stopping and insulating materials; flexible pipes, not of metal.
- Class 18: Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery.

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- Class 19: Building materials (non-metallic); non-metallic rigid pipes for building; asphalt, pitch and bitumen; non-metallic transportable buildings; monuments, not of metal.
- 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 22: Ropes, string, nets, tents, awnings, tarpaulins, sails, sacks and bags (not included in other classes); padding and stuffing materials (except of rubber or plastics); raw fibrous textile materials.
- Class 23: Yarns and threads, for textile use.
- Class 24: Textiles and textile goods, not included in other classes; bed and table covers.
- Class 25: Clothing, footwear, headgear.
- Class 26: Lace and embroidery, ribbons and braid; buttons, hooks and eyes, pins and needles; artificial flowers.
- Class 27: Carpets, rugs, mats and matting, linoleum and other materials for covering existing floors; wall hangings (non-textile).
- 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 30: Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking-powder; salt, mustard; vinegar, sauces (condiments); spices; ice.
- Class 31: Agricultural, horticultural and forestry products and grains not included in other classes; live animals; fresh fruits and vegetables; seeds, natural plants and flowers; foodstuffs for animals, malt.
- Class 32: Beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages.
- Class 33: Alcoholic beverages (except beers).
- Class 34: Tobacco; smokers' articles; matches.
- Class 35: Advertising; business management; business administration; office functions.
- Class 36: Insurance; financial affairs; monetary affairs; real estate affairs.
- Class 37: Building construction; repair; installation services.
- Class 38: Telecommunications.

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- Class 39: Transport; packaging and storage of goods; travel arrangement.
- Class 40: Treatment of materials.

- Class 41: Education; providing of training; entertainment; sporting and cultural activities.

- Class 42: Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software.

- Class 43: Services for providing food and drink; temporary accommodation.

- Class 44: Medical services; veterinary services; hygienic and beauty care for human beings or animals; agriculture, horticulture and forestry services.

- Class 45: Legal services; security services for the protection of property and individuals; personal and social services rendered by others to meet the needs of individuals.

(b) Domain Names

As at the [Latest Practicable Date], the Group is the registered proprietor of the following domain names in Hong Kong and PRC:

<u>Domain Name</u>	<u>Name of proprietor</u>	<u>Date of registration</u>	<u>Expiry date</u>
佳兆业集团.hk	中國萬網 (www.net.cn)	January 11, 2008	January 11, 2013
佳兆业集团.net	中國萬網 (www.net.cn)	January 11, 2008	January 11, 2013
佳兆业集团.com	中國萬網 (www.net.cn)	January 11, 2008	January 11, 2013
佳兆业集团.公司	中國萬網 (www.net.cn)	January 14, 2008	January 14, 2013
佳兆业集团.中国	中國萬網 (www.net.cn)	January 14, 2008	January 14, 2013
Kaisagroup.cn	中國萬網 (www.net.cn)	January 11, 2008	January 11, 2013
Kaisagroup.com.cn	中國萬網 (www.net.cn)	January 11, 2008	January 11, 2013
Kaisagroup.net	中國萬網 (www.net.cn)	January 11, 2008	January 11, 2013
Kaisagroup.com	中國萬網 (www.net.cn)	January 11, 2008	January 11, 2013
Kaisagroup.hk	中國萬網 (www.net.cn)	January 11, 2008	January 11, 2013

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C. FURTHER INFORMATION ABOUT DIRECTORS

[●]

(b) *Particulars of service contracts*

Each of the executive Directors will enter into a service contract with our Company for a term of 3 years commencing from [●], which may be terminated by not less than 3 months' notice in writing served by either party on the other.

(c) *Directors' remuneration*

Each of the executive Directors is entitled to a director's fee. Each executive Director shall be paid a remuneration on the basis of 12 months in a year. In addition, each of the executive Directors is also entitled to a discretionary bonus. An executive Director may not vote on any resolution of our Directors regarding the amount of the bonus payable to him. The current annual director's fees and remuneration of the executive Directors for the year ending December 31, 2009 are as follows.

Name	Annual Director's Fee (HK\$)
Kwok Ying Shing	[●]
Kwok Ying Chi	[●]
Sun Yuenan	[●]
Ye Jiansheng	[●]
Chen Gengxian	[●]
Jin Jane	[●]

The independent non-executive Directors have been appointed for a term of one year. Our Company intends to pay a director's fee of HK\$300,000 per annum to each of the independent non-executive Directors.

Under the arrangement currently in force, the aggregate amount of emoluments payable by the Group to our Directors for the year ending December 31, 2009 will be approximately HK\$[●].

Further details of the terms of the above service contracts are set out in the paragraph headed "Particulars of service contracts" in the subsection headed "Directors" in this Appendix.

3. Agency fees or commissions received

Save as disclosed in this document, no commissions, discounts, brokerages or other special terms were granted within the two years preceding the date of this document in connection with the issue or sale of any capital of any member of the Group.

4. Disclaimers

Save as disclosed herein:

(a) [●];

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- (b) none of our Directors or 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 in any assets which have within the two years immediately preceding the date of this document been 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;
- (c) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of the Group taken as a whole;
- (d) none of our Directors has any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));
- (e) none of the experts referred to under the heading "Consents of experts" in this Appendix has any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (f) so far as is known to our Directors, none of our Directors, their respective associates (as defined under the Listing Rules) or Shareholders who are interested in more than 5% of the issued share capital of our Company has any interests in the five largest customers or the five largest suppliers of the Group.

D. OTHER INFORMATION

2. Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme conditionally adopted by the written resolutions of our Shareholders passed on [●], 2009.

(a) *Purpose*

The Share Option Scheme is a share incentive scheme prepared in accordance with Chapter 17 of the Listing Rules and is established to recognize and acknowledge the contributions the Eligible Participants (as defined in paragraph (b) below) had or may have made to the Group. The Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in our Company with the view to achieving the following objectives:

- (i) motivate the Eligible Participants to optimize their performance efficiency for the benefit of the Group; and
- (ii) attract and retain or otherwise maintain on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

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(b) *Who may join*

The Board may, at its discretion, offer to grant an option to subscribe for such number of new Shares as the Board may determine at an exercise price determined in accordance with paragraph (e) below to:

- (i) any full-time or part-time employees, executives or officers of our Company or any of its subsidiaries;
- (ii) any directors (including non-executive directors and independent non-executive directors) of our Company or any of its subsidiaries; and
- (iii) any advisers, consultants, suppliers, customers and agents to our Company or any of its subsidiaries.

Upon acceptance of the option, the grantee shall pay HK\$1.00 to our Company by way of consideration for the grant. Any offer to grant an option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of [●]. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

(c) *Maximum number of Shares*

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme and under any other share option schemes of our Company must not in aggregate exceed 10% of the total number of Shares in issue, excluding for this purpose Shares which would have been issuable pursuant to options which have lapsed in accordance with the terms of the Share Option Scheme (or any other share option schemes of our Company). Subject to the issue of a circular by our Company and the approval of our Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may:

- (i) renew this limit at any time to 10% of the Shares in issue as at the date of the approval by our Shareholders in general meeting; and/or
- (ii) grant options beyond the 10% limit to Eligible Participants specifically identified by the Board. The circular issued by our Company to our Shareholders shall contain a generic description of the specified Eligible Participants who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified Eligible Participants with an explanation as to how the options serve such purpose, the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules.

Notwithstanding the foregoing and subject to paragraph (q) below, the maximum number of Shares which may 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 at any time shall not exceed 30% of the Shares in issue from time to time. No options shall be granted under any schemes of our Company (including the Share Option Scheme) if this will result in the 30% limit being exceeded. The maximum number of Shares in respect of which options may be granted shall be adjusted, in such manner as the auditors of our Company or an approved independent financial adviser shall certify to be

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appropriate, fair and reasonable in the event of any alteration in the capital structure of our Company in accordance with paragraph (q) below whether by way of consolidation, capitalization issue, rights issue, sub-division or reduction of the share capital of our Company but in no event shall exceed the limit prescribed in this paragraph.

(d) *Maximum number of options to any one individual*

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of our Company (including both exercised and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to:

- (i) the issue of a circular by our Company containing the identity of the Eligible Participant, the numbers of and terms of the options to be granted (and options previously granted to such participant) the information as required under Rules 17.02(2)(d) and the disclaimer required under 17.02(4) of the Listing Rules; and
- (ii) the approval of our Shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his associates (as defined in the Listing Rules) abstaining from voting. The numbers 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 at which the Board proposes to grant the options to such Eligible Participant shall be taken as the date of grant for the purpose of calculating the subscription price of the Shares. The Board shall forward to such Eligible Participant an offer document in such form as the Board may from time to time determine.

(e) *Price of Shares*

Subject to any adjustments made as described in paragraph (q) below, the subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price will not be less than the highest of:

- (i) [●];
- (ii) [●]; and
- (iii) the nominal value of a Share.

(f) *Granting options to connected persons*

Any grant of options to a director, chief executive or substantial Shareholder (as defined in the Listing Rules) of our Company or any of their respective associates (as defined in the Listing Rules) is required to be approved by the independent non-executive Directors (and in the event that the Board offers to grant options to an independent non-executive Director of the Company, the vote of such independent non-executive director shall not be counted for the purposes of approving such grant). If the Board proposes to grant options to a substantial Shareholder or any independent non-executive Director

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or their respective associates (as defined in the Listing Rules) which will result in the number of Shares issued and to be issued upon exercise of options granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

[●]

The circular to be issued by our Company to our Shareholders pursuant to the above paragraph shall contain the following information:

- (i) the details of the number and terms (including the exercise price) of the options to be granted to each selected Eligible Participant which must be fixed before the Shareholders' meeting and the date of Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of calculating the exercise price of such options;
 - (ii) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options) to the independent Shareholders as to voting;
 - (iii) the information required under Rule 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
 - (iv) the information required under Rule 2.17 of the Listing Rules.
- (g) *Restrictions on the times of grant of Options*

A grant of options may not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published pursuant to the requirements of the Listing Rules. In particular, no options may be granted during the period commencing one month immediately preceding the earlier of:

- (i) the date of the Board meeting (as such date to first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of our company's annual results, half-year, quarterly or other interim period (whether or not required under the Listing Rules);
- (ii) the deadline for our company to publish an announcement of results of the Company for (i) any year or half-year period in accordance with the Listing Rules; and (ii) any quarterly or any other interim period, where the Company has elected to publish such results (whether or not required under the Listing Rules), and ending on the date of actual publication of the results for such year, half year, quarterly or interim period (as the case may be), and where the grant of options is to a director of the company;
- (iii) no options shall be granted during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (iv) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

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(h) *Rights are personal to grantee*

An option is personal to the grantee and may be exercised or treated as exercised, as the case may be, in whole or in part. No grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favor of any third party over or in relation to any option or attempt so to do.

(i) *Time of exercise of Option and duration of the Share Option Scheme*

An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. No option may be granted more than 10 years after the date of approval of the Share Option Scheme. Subject to earlier termination by our Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption.

(j) *Performance target*

A grantee may be required to achieve any performance targets as the Board may then specify in the grant before any options granted under the Share Option Scheme can be exercised.

(k) *Rights on ceasing employment or death*

If the grantee of an option ceases to be an employee of our Company or any of its subsidiaries:

- (i) by any reason other than death or termination of his employment on the grounds specified in paragraph (l) below, the grantee may exercise the option up to the entitlement of the grantee as at the date of cessation (to the extent not already exercised) within a period of one month from such cessation; or
- (ii) by reason of death, his personal representative(s) may exercise the option within a period of 12 months from such cessation,

which date shall be the last actual working day with our Company or the relevant subsidiary whether salary is paid in lieu of notice or not, failing which it will lapse.

(l) *Rights on dismissal*

If the grantee of an option ceases to be an employee of our Company or any of its subsidiaries on the grounds that he has been guilty of serious misconduct, or in relation to an employee of the Group (if so determined by the Board) on any other ground on which an employee would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with the Group, or has been convicted of any criminal offence involving his integrity or honesty, his option will lapse and not be exercisable after the date of termination of his employment.

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(m) *Rights on takeover*

If a general offer is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror (as defined in the Takeovers Codes)) and such offer becomes or is declared unconditional during the option period of the relevant option, the grantee of an option shall be entitled to exercise the option in full (to the extent not already exercised) at any time within 14 days after the date on which the offer becomes or is declared unconditional.

(n) *Rights on winding-up*

In the event a notice is given by our Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall forthwith give notice thereof to all grantees and thereupon, each grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his options (to the extent not already exercised) at any time not later than two business days prior to the proposed general meeting of our Company referred to above by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given, whereupon our Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting, allot the relevant Shares to the grantee credited as fully paid.

(o) *Rights on compromise or arrangement between our Company and its members or creditors*

If a compromise or arrangement between our Company and its members or creditors is proposed for the purposes of a scheme for the reconstruction of our Company or its amalgamation with any other companies pursuant to the laws of jurisdictions in which our Company was incorporated, our Company shall give notice to all the grantees of the options on the same day as it gives notice of the meeting to its members or creditors summoning the meeting to consider such a scheme or arrangement and any grantee may by notice in writing to our Company accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given (such notice to be received by our Company not later than two business days prior to the proposed meeting), exercise the option to its full extent or to the extent specified in the notice and our Company shall as soon as possible and in any event no later than the business day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the grantee which falls to be issued on such exercise of the option credited as fully paid and register the grantee as holder thereof.

With effect from the date of such meeting, the rights of all grantees to exercise their respective options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been exercised, lapse and determine. If for any reason such compromise or arrangement does not become effective and is terminated or lapses, the rights of grantees to exercise their respective options shall with effect from such termination be restored in full but only upon the extent not already exercised and shall become exercisable.

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(p) *Ranking of Shares*

The Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the grantee (or any other person) as the holder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of options will rank *pari passu* in all respects and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to the other fully-paid Shares in issue on the date of exercise.

(q) *Effect of alterations to capital*

In the event of any alteration in the capital structure of our Company whilst any option may become or remains exercisable, whether by way of capitalization issue, rights issue, open offer, consolidation, sub-division or reduction of share capital of our Company, or otherwise howsoever, such corresponding alterations (if any) shall be made in the number or nominal amount of Shares subject to any options so far as unexercised and/or the subscription price per Share of each outstanding option as the auditors of our Company or an independent financial adviser shall certify in writing to the Board to be in their/his opinion fair and reasonable in compliance with Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance issued by the Stock Exchange on September 5, 2005 and any future guidance and interpretation of the Listing Rules issued by the Stock Exchange from time to time.

Any such alterations will be made on the basis that a grantee shall have the same proportion of the issued share capital of our Company for which any grantee of an Option is entitled to subscribe pursuant to the Options held by him before such alteration and the aggregate subscription price payable on full exercise of any option is to remain as nearly as possible the same (and in any event not greater than) as it was before such event. No such alteration will be made the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations.

(r) *Expiry of option*

An option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (i) the date of expiry of the option as may be determined by the Board;
- (ii) the expiry of any of the periods referred to in paragraphs (k), (l), (m), (n) or (o);
- (iii) the date on which the scheme of arrangement of our Company referred to in paragraph (o) becomes effective;
- (iv) subject to paragraph (n), the date of commencement of the winding-up of our Company;
- (v) the date on which the grantee ceases to be an Eligible Participant by reason of such grantee's resignation from the employment of our Company or any of its subsidiaries or the termination of his or her employment or contract on any one or more of the grounds that he or she has been guilty of serious misconduct, or has been convicted of any criminal offence involving his or her integrity or honesty, or in relation to an employee of the Group (if so determined by the Board) or any other ground on which an employee would be entitled to

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terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with the Group. A resolution of the Board to the effect that the employment of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; or

- (vi) the date on which the Board shall exercise our Company's right to cancel the option at any time after the grantee commits a breach of paragraph (h) above or the options are cancelled in accordance with paragraph (t) below.
- (s) *Alteration of the Share Option Scheme*

The Share Option Scheme may be altered in any respect by resolution of the Board except that:

- (i) any alteration to the advantage of the grantees or the Eligible Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules; and
- (ii) any material alteration to the terms and conditions of the Share Option Scheme or any change to the terms of options granted,

shall first be approved by the Shareholders in general meeting provided that if the proposed alteration shall adversely affect any option granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the grantees' approval in accordance with the terms of the Share Option Scheme. The amended terms of the Share Option Scheme shall still comply with Chapter 17 of the Listing Rules and any change to the authority of the Board in relation to any alteration to the terms of the Share Option Scheme must be approved by Shareholders in general meeting.

- (t) *Cancellation of Options*

Subject to paragraph (h) above, any cancellation of options granted but not exercised must be approved by the grantees of the relevant options in writing.

- (u) *Termination of the Share Option Scheme*

Our Company may by resolution in general meeting or the Board at any time terminate the Share Option Scheme and in such event no further option shall be offered but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any option granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

- (v) *Administration of the Board*

The Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Share Option Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties.

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(w) *Condition of the Share Option Scheme*

The Share Option Scheme is conditional on:

- (i) [●];
- (ii) [●];
- (iii) the approval of the rules of the Share Option Scheme by our Shareholders of [●] 2009 in general meeting; and
- (iv) [●].

(x) *Disclosure in annual and interim reports*

Our Company will disclose details of the Share Option Scheme in its annual and interim reports including the number of options, date of grant, exercise price, exercise period and vesting period during the financial year/period in the annual/interim reports in accordance with [●] in force from time to time.

(y) *Present status of the Share Option Scheme*

As at the Latest Practicable Date, no option had been granted or agreed to be granted under the Share Option Scheme.

[●]

3. Tax Indemnity

Mr. Kwok Ying Shing, Mr. Kwok Ying Chi and Mr. Kwok Chun Wai have entered into a deed of indemnity with and in favor of our Company (for itself and as trustee for each of its present subsidiaries) (being the contract referred to in paragraph (n) of the sub-section headed “Summary of material contracts” in this Appendix) to provide indemnities on a joint and several basis in respect of, among other matters, taxation resulting from income, profits or gains earned, accrued or received as well as any claim to which our Company or any member of the Group that may be subject on or before the Effective Date which might be payable by any member of the Group, and Hong Kong estate duty which might be payable by any member of the Group, by reason of any transfer of property (within the meaning of Section 35 of the Estate Duty Ordinance, Chapter 111 of the Laws of Hong Kong, as amended by the Revenue (Abolition of Estate Duty) Ordinance) to any member of our Group on or before the Effective Date.

4. Litigation

As at the [Latest Practicable Date], [save as disclosed in this document], no member of the Group was engaged in any litigation or arbitration of material importance and, so far as our Directors are aware, no litigation or claim of material importance is pending or threatened by or against any member of the Group.

5. [●]

[●]

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6. Preliminary expenses

The preliminary expenses of our Company are estimated to be approximately HK\$[20,000] and are payable by our Company.

7. [●]

[●]

8. Taxation of holders of Shares

(a) *Hong Kong*

The sale, purchase and transfer of Shares registered with our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty, the current rate charged on each of the purchaser and seller is 0.1% of the consideration of, if higher, of the fair value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax. The Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect on February 11, 2006 in Hong Kong. No Hong Kong estate duty is payable and no estate duty clearance papers are needed for a grant of representation in respect of holders of Shares whose death occurs on or after February 11, 2006.

(b) *Cayman Islands*

Under present Cayman Islands law, there is no stamp duty payable in the Cayman Islands on transfers of Shares.

(c) *Consultation with professional advisers*

Intending holders of the Shares are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in the Shares or exercise of any rights attaching to them. It is emphasized that none of our Company, our Directors or the other parties involved in [●] can accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares or exercise of any rights attaching to them.

10. 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 the penal provisions) of Sections 44A and 44B of the Companies Ordinance so far as applicable.

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11. Miscellaneous

- (a) Save as disclosed in this document, within the two years immediately preceding the date of this document:
 - (i) no share or loan capital of our Company or any of its subsidiaries has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;
 - (ii) no share or loan capital of our Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
 - (iii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries;
 - (iv) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of its subsidiaries;
- (b) save as disclosed in this document, there are no founder, management or deferred shares nor any debentures in our Company or any of its subsidiaries;
- (c) our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of the Group since June 30, 2009 (being the date to which the latest audited combined financial statements of the Group were made up);
- (d) there has not been any interruption in the business of the Group which may have or has had a significant effect on the financial position of the Group in the 12 months preceding the date of this document;
- (e) a register of members of our Company will be maintained in Hong Kong by Computershare Hong Kong Investors Services Limited. Unless our Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by our Company's share register in Hong Kong and may not be lodged in the Cayman Islands. All necessary arrangements have been made to enable the Shares to be admitted to [●];
- (f) no company within the Group is presently listed on any stock exchange or traded on any trading system; and
- (g) our Directors have been advised that, under the Companies Law, the use of a Chinese name by our Company does not contravene the Companies Law.