

Memorandum of Agreement

Full Raise International Limited (the "Company")

1. The following persons (together, the "**Shareholders**") have agreed that they shall invest in the Company and that Ace Glory Limited ("**Ace Glory**"), a wholly-owned subsidiary of the Company, shall own and develop, and construct, for the purpose of sale and/or leasing, properties on, the land registered in the Land Registry (New Territories) as Tai Po Town Lot No. 188 at Pak Shek Kok Reclamation Phase I, Site C, Tai Po, New Territories, Hong Kong (the "**Land**") on and subject to the terms of this memorandum of agreement:
 - (A) Nan Fung Development Limited ("**Nan Fung Development**"), a company incorporated in the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"), which is a wholly-owned subsidiary of Chen's Holdings Limited and is ultimately wholly beneficially owned by Mr. Chen Din Hwa;
 - (B) Nan Fung Resources Limited ("**Nan Fung Resources**"), a company incorporated in Hong Kong, which is a wholly-owned subsidiary of Crosby Investment Holdings Inc. and is ultimately wholly beneficially owned by Ms. Chen Wai Wai Vivien (Mr. Chen Din Hwa's daughter);
 - (C) King Chance Development Limited ("**King Chance**"), a company incorporated in Hong Kong, which is a wholly-owned subsidiary of Sino Land Company Limited;
 - (D) Wealthy Vision Limited ("**Wealthy Vision**"), a company incorporated in Hong Kong, which is a wholly-owned subsidiary of K. Wah International Holdings Limited; and
 - (E) Wideway Concept Limited ("**Wideway Concept**"), a company incorporated in Hong Kong, which is a wholly-owned subsidiary of USI Holdings Limited.
2. Nan Fung Development warrants and represents that as at the date of this memorandum of agreement and from (and including) the date of this memorandum of agreement to (and including) 10th April, 2007:
 - (A) the Company and Ace Glory (together, the "**Group**") are companies duly incorporated and validly existing under the laws of the British Virgin Islands and Hong Kong, respectively;
 - (B) until the transfers of shares of US\$1.00 each in the capital of the Company ("**Shares**") contemplated in paragraph 3, the Company is a wholly-owned subsidiary of Nan Fung Development;
 - (C) Ace Glory is a wholly-owned subsidiary of the Company;

- (D) Nan Fung Development is the sole legal and beneficial owner of 1,000 Shares, which constitute the entire issued share capital of the Company, and there is no option, right to acquire, mortgage, charge, pledge, lien or other form of security or encumbrance or equity on, over or affecting those Shares or any of them and there is no agreement or commitment to give or create any and no claim has been made by any person to be entitled to any;
- (E) the directors of the Company are Chang Hwa Ching, Wong Ken Lum and Yuen Yui Wing;
- (F) the directors of Ace Glory are Chen Wai Wai Vivien, Yip Ho Daniel, Wong Ken Lum, Chang Hwa Ching and Yuen Yui Wing; and
- (G) neither the Company nor Ace Glory has carried on any business, has entered into any agreement or has any assets or liabilities (actual or contingent) except that:
- (i) Ace Glory submitted a tender in relation to its then proposed purchase of certain units of and in Merry Terrace on 1st March, 2007 but the tender was rejected. As at the date of this memorandum of agreement and from (and including) the date of this memorandum of agreement to (and including) 10th April, 2007, there is no outstanding agreement or arrangement, and Ace Glory has no rights or obligations and has no assets or liabilities (actual or contingent), in relation to such proposed purchase.
 - (ii) Ace Glory has agreed to enter into the Conditions of Sale in respect of the Land (a copy of the final version of which has been delivered by Nan Fung Development to each of the other Shareholders) in relation to the acquisition of the Land and has the obligation to pay to the Government of Hong Kong the premium in respect of the Land in the amount of HK\$3,500,000,000, of which HK\$50,000,000 has been paid and the balance is due on 10th April, 2007;
 - (iii) the Company is the sole legal and beneficial owner of one share of HK\$1.00 in the capital of Ace Glory, which constitutes the entire issued share capital of Ace Glory;
 - (iv) Ace Glory owes to each of the Shareholders loans in the amount set opposite the name of that Shareholder in the table below, all of which have been used to pay to the Government of Hong Kong as part payment of the premium in respect of the Land:

<u>Shareholder</u>	<u>Amount of loan</u>
Nan Fung Development	HK\$15,000,000

Nan Fung Resources	HK\$2,500,000
King Chance	HK\$12,500,000
Wealthy Vision	HK\$12,500,000
Wideway Concept	HK\$7,500,000

3. On 10th April, 2007:

- (A) Nan Fung Development shall transfer to each of the other Shareholders the number of Shares set opposite the name of that Shareholder in the table below and each of those other Shareholders shall pay to Nan Fung Development the sum set opposite its name in the table below as consideration for those Shares:

<u>Shareholder</u>	<u>Number of Shares</u>	<u>Consideration</u>
Nan Fung Resources	50	US\$50
King Chance	250	US\$250
Wealthy Vision	250	US\$250
Wideway Concept	150	US\$150

- (B) Nan Fung Development shall procure that each of the other Shareholders is entered into the register of members of the Company in respect of the Shares transferred to them pursuant to paragraph (A) and that the Company issues share certificates to each of those other Shareholders in respect of those Shares;

- (C) each of the Shareholders shall advance to Ace Glory the following loans, the aggregate of which is equal to the balance of the premium in respect of the Land:

<u>Shareholder</u>	<u>Amount of loan</u>
Nan Fung Development	HK\$1,035,000,000
Nan Fung Resources	HK\$172,500,000
King Chance	HK\$862,500,000
Wealthy Vision	HK\$862,500,000
Wideway Concept	HK\$517,500,000

- (D) King Chance shall appoint two directors, Wealthy Vision shall appoint two directors and Wideway Concept shall appoint one director, in each case, as additional directors of both the Company and Ace Glory;
- (E) Nan Fung Development shall deliver to the Company resignations of each of Chang Hwa Ching, Wong Ken Lum and Yuen Yui Wing as directors of the Company acknowledging that he has no claim against the Company for any account and that no arrangement is outstanding under which the Company has or could have any obligation to him. Nan Fung Development shall appoint Chen Wai Wai Vivien, Yip Ho Daniel and Choi Wun Hing Donald as additional directors of the Company;
- (F) Nan Fung Development shall deliver to Ace Glory resignations of each of Wong Ken Lum, Chang Hwa Ching and Yuen Yui Wing as directors of Ace Glory acknowledging that he has no claim against Ace Glory for any account and that no arrangement is outstanding under which Ace Glory has or could have any obligation to him. The other two current directors of Ace Glory are deemed to have been appointed by Nan Fung Development. Nan Fung Development shall appoint Choi Wun Hing Donald as an additional director of Ace Glory; and
- (G) Fair Wind Secretarial Services Limited shall be appointed as the company secretary of both the Company and Ace Glory.
4. For the avoidance of doubt, immediately after the transfers of the Shares and the advance of the loans contemplated in paragraph 3, the Shareholders shall hold the following Shares and the Group shall owe the following loans to the Shareholders:

<u>Shareholder</u>	<u>Number of Shares held</u>	<u>Amount of loans</u>
Nan Fung Development	300	HK\$1,050,000,000
Nan Fung Resources	50	HK\$175,000,000
King Chance	250	HK\$875,000,000
Wealthy Vision	250	HK\$875,000,000
Wideway Concept	150	HK\$525,000,000

5. The business of the Company shall be to invest in Ace Glory and the business of Ace Glory shall be to own and develop the Land, construct properties on the Land and manage, lease and/or sell any properties which may be constructed on the Land (the "**Development**"). No member of the Group may carry on any other business without the consent of each of the Shareholders.

6. The Shareholders agree to provide, by way of loans (or, subject to the consent of each of the Shareholders, by way of subscription for new Shares), in proportion to their shareholdings in the Company, such funds as the directors of the Company may determine by unanimous resolution are needed from time to time by the Group in order to undertake the business of the Group if and to the extent that external financing contemplated in paragraph 7 is not available or is not sufficient.
7. The Shareholders agree that the Group shall obtain reasonable external financing on reasonable commercial terms from banks and any other financial institutions if and to the extent that it is reasonably practicable to do so for the purposes of refinancing the loans advanced by the Shareholders to the Group and financing the Development. If any such banks or other financial institutions require, the Shareholders shall provide (and shall, if required by any such banks or other financial institutions, procure their respective holding companies or, subject to the consent of the relevant Shareholder, such other persons as may be acceptable to such banks or other financial institutions to provide) guarantees and any other forms of collateral as security for any such external financing. Any such guarantees and other forms of collateral shall be provided on a several basis (and not on a joint basis or a joint and several basis) in proportion to the shareholdings of the Shareholders in the Company. (For the purpose of the immediately preceding sentence, Nan Fung Development and Nan Fung Resources shall be deemed to be a single Shareholder whose shareholding in the Company shall be the aggregate of the shareholdings of Nan Fung Development and Nan Fung Resources in the Company.)
8. (A) Notwithstanding any other provisions of this memorandum of agreement, none of the actions listed below in this paragraph (A) shall be taken by any member of the Group, and the Shareholders shall not vote in favour of any resolution in respect of any of such actions, without approval by each of the Shareholders:
 - (i) the entering into of any transaction with a Shareholder or any of its associates;
 - (ii) the repayment of any amount owing to a Shareholder or any of its associates except where loans owed by the Group to the Shareholders are repaid on a pro-rata basis and the loans are refinanced by external financing approved by each of the Shareholders for the purpose of such repayment;
 - (iii) the appointment or any change of the auditors of any member of the Group;
 - (iv) the incurring or securing of any indebtedness or the issue of any share capital (or securities carrying rights of conversion into or exchange for or to subscribe for share capital);
 - (v) the lending of money to any third party;

- (vi) any amendment to any constitutional documents of any member of the Group;
- (vii) any merger, amalgamation, restructuring or winding-up of any member of the Group; and
- (viii) any transfer of any share in any member of the Group or any interest therein to any person which is not a party to this memorandum of agreement or any shareholders' agreement contemplated in paragraph 14.

(B) Without prejudice to paragraphs (A)(ii) and (A)(iv), the loans which have been or will, on 10th April, 2007, be advanced by the Shareholders to the Group shall be refinanced by a bank loan. When such bank loan is advanced to the Group, the Group shall forthwith apply it in the repayment of the loans so advanced by the Shareholders to the Group.

(C) For the purposes of this paragraph 8, "**associate**" has the meaning given to it in Rule 1.01 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

9. The board of directors of each member of the Group shall be responsible for the management of the business of that member. Each member of the Group shall have eight directors. On the basis that the Shareholders' shareholdings in the Company remain the same as those set out in paragraph 4, each Shareholder shall be entitled, by notice in writing to the Company and each other Shareholder, to appoint the number of directors set opposite its name in the table below to the board of each member of the Group and to remove any director appointed by it from time to time (and no Shareholder shall be entitled to remove any director appointed by any of the other Shareholders):

<u>Shareholder</u>	<u>Number of directors</u>
Nan Fung Development	3
Nan Fung Resources	0
King Chance	2
Wealthy Vision	2
Wideway Concept	1

10. (A) A quorum shall exist at any meeting of the directors of any member of the Group if at least one director appointed by each Shareholder who is entitled to appoint a director are present or represented by an alternate.

- (B) If a quorum is not present at a meeting of the directors of any member of the Group, any director may require that the meeting be reconvened. At least seven days' notice of the reconvened meeting shall be given to all the directors unless all the directors agree. At the reconvened meeting, a quorum shall exist with respect of those matters on the agenda of the original meeting which were not disposed of at the original meeting if at least (i) one director appointed by any of the Shareholders and (ii) one director appointed by another Shareholder are present or represented by an alternate. (Since Nan Fung Resources shall not be entitled to appoint any director, for the purpose of the immediately preceding sentence, Nan Fung Development and Nan Fung Resources shall be deemed to be a single Shareholder.)
 - (C) Resolutions of the directors of any member of the Group shall be decided by majority of the votes cast and each director shall have one vote. In the case of an equality of votes, the chairman of the meeting shall not have a casting vote. A resolution in writing signed by all the directors of any member of the Group shall be as valid and effective for all purposes as a resolution passed by the directors of that member of the Group at a meeting duly convened, held and constituted.
 - (D) A meeting of the shareholders of the Company is duly constituted if each of the Shareholder is present in person or by proxy throughout the meeting. For the avoidance of doubt, no person shall have a casting vote at any meeting of the shareholders of the Company.
11. (A) The directors of Ace Glory shall establish an executive committee which shall be responsible for overseeing and monitoring the Development, including the day-to-day administration and management of the Development (the "**Executive Committee**").
- (B) The Executive Committee shall report to the board of directors of Ace Glory.
 - (C) If a proposal is made but is not approved or rejected by the Executive Committee, it shall be submitted to the board of directors of Ace Glory for approval.
 - (D) The Executive Committee shall comprise four members. Nan Fung Development and Nan Fung Resources together shall be entitled to appoint one member to the Executive Committee and each of the other Shareholders shall be entitled to appoint one member to the Executive Committee. Each of the Shareholders is entitled to remove any member of the Executive Committee appointed by it from time to time (and no Shareholder shall be entitled to remove any member of the Executive Committee appointed by any of the other Shareholders).

12. Each member of the Group shall provide each Shareholder with access to and copies of such information and records of the Group as that Shareholder may reasonably require from time to time.
13. The Group shall, as soon as it is practicable and to the extent permissible under applicable laws, distribute to the Shareholders in full the proceeds from any sale or leasing of the Land, the Development or any units in the Development (net of all direct sale or leasing costs) after:
 - (A) repayment of all of its indebtedness (including but without limitation any indebtedness owing to any banks or to any Shareholders); and
 - (B) reasonable provision for any accrued liabilities having been made

in proportion to the Shareholders' shareholdings in the Company. Any units (including any car parking spaces) in the Development which have not been disposed of on a date to be agreed by all the Shareholders shall be distributed to the Shareholders in such manner as the Shareholders may agree.
14. The Shareholders shall negotiate in good faith a shareholders' agreement, which shall contain detailed provisions for the matters covered in this memorandum of agreement. This memorandum of agreement shall terminate when the Shareholders enter into such shareholders' agreement.
15. (A) Each party shall treat as confidential all information obtained as a result of entering into or performing this memorandum of agreement which relates to:
 - (i) the provisions of this memorandum of agreement;
 - (ii) the negotiations relating to this memorandum of agreement;
 - (iii) any member of the Group;
 - (iv) the Development; or
 - (v) any of the other parties.(B) Each party shall:
 - (i) not disclose any such confidential information to any person other than any of its directors or employees who needs to know such information in order to discharge his duties;
 - (ii) not use any such confidential information other than for the purpose of the Development; and

- (iii) procure that any person to whom any such confidential information is disclosed by it complies with the restrictions contained in this paragraph 15 as if such person were a party to this memorandum of agreement.
- (C) Notwithstanding the other provisions of this paragraph 15, each party may disclose any such confidential information:
- (i) if and to the extent required by law;
 - (ii) if and to the extent required by any securities exchange or regulatory or governmental body (including but without limitation any law enforcement authority) to which that party is subject, whether or not the requirement for information has the force of law;
 - (iii) if and to the extent required to vest the full benefit of this memorandum of agreement in that party;
 - (iv) to its professional advisers and auditors;
 - (v) if and to the extent the information has come into the public domain through no fault of that party; or
 - (vi) if and to the extent each of the other parties has given prior written consent to the disclosure, such consent not to be unreasonably withheld or delayed.

Any information to be disclosed pursuant to paragraph (i) or (ii) shall be disclosed only after consultation with the other parties if and to the extent that such consultation is not prohibited by law or any rule of any securities exchange or regulatory or governmental body described in paragraph (ii).

16. (A) No announcement concerning the transaction contemplated by this memorandum of agreement or any ancillary matter shall be made by any party without the prior written approval of the others, such approval not to be unreasonably withheld or delayed. This paragraph (A) does not apply in the circumstances described in paragraph (B).
- (B) Each party may, after consultation with the other parties, make an announcement concerning the transaction contemplated by this memorandum of agreement or any ancillary matter if required by:
- (i) law; or
 - (ii) any securities exchange or regulatory or governmental body (including but without limitation any law enforcement authority) to which that party is subject, whether or not the requirement for information has the force of law.

17. No party shall assign, or declare any trust in favour of a third party over, all or any part of the benefit of, or its rights or benefits under, this memorandum of agreement.
18. (A) This memorandum of agreement constitutes the whole and only agreement between the parties as at the date of this memorandum of agreement relating to the subject matter of this memorandum of agreement. For the avoidance of doubt, this paragraph 18 shall be without prejudice to paragraph 14.
- (B) Each party acknowledges that in entering into this memorandum of agreement it is not relying upon any Pre-contractual Statement which is not set out in this memorandum of agreement.
- (C) Except in the case of fraud, no party shall have any right of action against any other party to this memorandum of agreement arising out of or in connection with any Pre-contractual Statement except to the extent that it is repeated in this memorandum of agreement.
- (D) For the purposes of this paragraph 18, "**Pre-contractual Statement**" means any draft, agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing, relating to the subject matter of this memorandum of agreement made or given by any person at any time prior to the date of this memorandum of agreement.
- (E) This memorandum of agreement may only be varied in writing signed by each of the parties.
- (F) In the event of any ambiguity or discrepancy between the provisions of this memorandum of agreement and the constitutional documents of any member of the Group, the provisions of this memorandum of agreement shall prevail as between the Shareholders for so long as this memorandum of agreement remains in force. Each of the Shareholders shall exercise all voting and other rights and powers available to it so as to give effect to the provisions of this memorandum of agreement and, if necessary, to procure (so far as it is able to do so) any required amendment to the constitutional documents of the relevant member of the Group.
19. Each party shall pay its own costs and expenses in relation to the negotiation, preparation, execution and carrying into effect of this memorandum of agreement and other agreements forming part of the transaction contemplated in this memorandum of agreement.
20. This memorandum of agreement is to be governed by and construed in accordance with the laws of Hong Kong.
21. The courts of Hong Kong are to have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this memorandum of agreement. Any proceeding,

suit or action arising out of or in connection with this memorandum of agreement may be brought in the courts of Hong Kong.

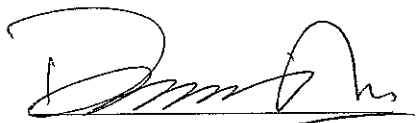
Dated this 4th day of April, 2007.

Signed by
for and on behalf of
Nan Fung Development Limited

Signed by
for and on behalf of
Nan Fung Resources Limited

Signed by
for and on behalf of
King Chance Development Limited

Signed by
for and on behalf of
Wealthy Vision Limited



Signed by **Au Hing Lun, Dennis**
for and on behalf of
Wideway Concept Limited

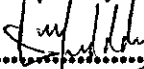
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Dated this 4th day of April, 2007.

Signed by
for and on behalf of
Nan Fung Development Limited

Signed by
for and on behalf of
Nan Fung Resources Limited

Signed by
for and on behalf of
King Chance Development Limited
For and on behalf of
WEALTHY VISION LIMITED
澤原有限公司


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Authorized Signature(s)

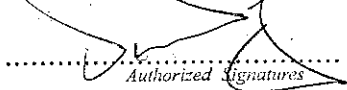
Signed by
for and on behalf of
Wealthy Vision Limited

Signed by
for and on behalf of
Wideway Concept Limited

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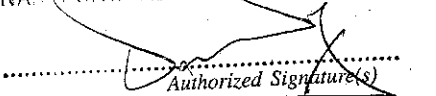
Dated this 4th day of April, 2007.

For and on behalf of
NAN FUNG DEVELOPMENT LTD.


.....
Authorized Signatures

Signed by Yip Ho, Daniel
for and on behalf of
Nan Fung Development Limited

For and on behalf of
南豐資源有限公司
NAN FUNG RESOURCES LIMITED


.....
Authorized Signature(s)

Signed by Yip Ho, Daniel
for and on behalf of
Nan Fung Resources Limited

Signed by
for and on behalf of
King Chance Development Limited

Signed by
for and on behalf of
Wealthy Vision Limited

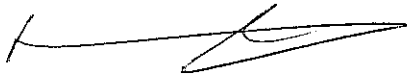
Signed by
for and on behalf of
Wideway Concept Limited

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Dated this 4th day of April, 2007.

Signed by
for and on behalf of
Nan Fung Development Limited

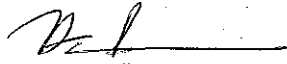
Signed by
for and on behalf of
Nan Fung Resources Limited



Signed by **DARYL NG WIN KONG**
for and on behalf of
King Chance Development Limited

Signed by
for and on behalf of
Wealthy Vision Limited

Signed by
for and on behalf of
Wideway Concept Limited



Signed by **Chang Hwa Ching**
for and on behalf of
Full Raise International Limited