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Hong Kong Private Company - Procedures and Fees for Transfer of Shares

1. Our Fees for Handling Share Transfer

Our fees for handling the transfer of share(s) of a private company registered in Hong Kong are USD350. Our aforementioned fees is limited to one transfer, that is, from one shareholder to another shareholder. The transfer of shares from one person to two persons or from two persons to one person are counted as two transfers.

Please note delivery charge and **stamp duty** are not included in the fees stated above.

2. Our Services

The fees quoted in Section 1 above cover the following services in particular:

- (1) Review **Articles of Memorandum and Association** of the subject company and the Register of Members;
- (2) Prepare Minutes of Directors' Meeting and Share Transfer Instrument and Bought and Sold Note;
- (3) Arrange to have the **Transfer Instrument** and **Bought and Sold Note** executed and stamped by the Hong Kong Stamp Duty Office and payment of Stamp Duty;
- (4) Arrange to cancel the old share certificate held the existing shareholder and issue new share certificate to the new shareholder (and existing shareholder);
- (5) Update the Register of Members;
- (6) Delivery of new share certificate and stamped instrument of transfer and bought and sold note.

3. Documents and Information needed to be Provided by Clients

In order to enable us to prepare the documents for transfer of shares, we need to have the following information and documents:

- (1) A copy of the Memorandum and Articles of Association of the subject company;
- (2) The latest Register of Members;
- (3) The amount of shares to be transferred and the value of consideration
- (4) The name of the seller (Transferor);
- (5) A copy of the passport or identity card and residential address of the new shareholder (transferee);
- (6) The original share transfer agreement, if any;
- (7) A copy of the latest audited financial statements (and/or latest management accounts).

If Kaizen acts as company secretary and auditor of the subject company, then client only needs to prepare items (4), (5) and (6).

4. Time Frame for Processing a Share Transfer

The transfer of share could be completed in 3-5 days, depending on the schedule of the client. The process works like this:

- (1) Client provides the information and documents required for the transfer: client schedule
- (2) Kaizen prepares the Instrument of Transfer and Bought and Sold Note and minutes and other transfer documents: 1 day
- (3) Kaizen then arranges the transferor and transferee to sign the transfer documents: client schedule
- (4) Kaizen delivers the transfer documents together with the supporting documents to the Stamp Duty Office for execution and payment of stamp duty: 1 day

- (5) Kaizen then prepares new share certificates and update the Register of Members and deliver the two set documents to client.

In any case that the client (both the transferor and transferee) could come to our Hong Kong office to sign the share transfer documents and rush service is required, the whole process could be done in 1 day. Rush service fee will be charged.

5. Calculation for Stamp Duty

The amount of stamp duty to be paid is calculated as following:

(Amount of Consideration (or net assets of the subject company x % of interest to be transferred) x 0.1%) x 2 + HKD5

For example, if the subject company has a net assets of HKD10,000, and the percentage of interest to be transferred is 50%, then the amount of stamp duty payable would be:

$$(HKD10,000 \times 50\% \times 0.1\%) \times 2 + HKD5 = HKD105$$

6. Documents to be Returned to Client after Processing

The following documents will be returned to client as proof of transfer:

- (1) Stamped Instrument of Transfer and Bought and Sold Note
- (2) Updated Register of Members
- (3) Updated Register of Transfers
- (4) Board Minutes authorizing the transfer(s)

Note:

A transfer of share(s) is not required to be registered with the Companies Registry and therefore the change of shareholder is not readily available for public inspection in the Companies Registry. Instead, any such changes are reflected in the next Annual Return.