

## **INFORMATION ABOUT THIS DOCUMENT AND THE INTRODUCTION**

### **DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT**

This document contains particulars given in compliance with the Listing Rules and the Securities and Futures (Stock Market Listing) Rules of Hong Kong for the purpose of giving information with regard to the Company.

The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this document misleading.

**This document is published in connection with the Introduction. It may not be used for any other purpose and, in particular, no person is authorised to use or reproduce this document or any part thereof in connection with any offering, or invitation to in respect of Shares or other securities of the Company. Accordingly, there is no, and will not be any, offer of or solicitation, or an invitation by or on behalf of the Company and the Sponsor to subscribe for or purchase any of the Shares. Neither this document nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Introduction may be used for the purpose of making, and the delivery, distribution and availability of this document or such other document or information (or any part thereof) does not constitute, any offer of or solicitation or an invitation by or on behalf of the Company and the Sponsor or any other person to subscribe for or purchase Shares.**

### **NO CHANGE IN BUSINESS**

No change in the business of the Group is contemplated following the Introduction.

### **APPLICATION FOR LISTING ON THE MAIN BOARD**

The Company has applied to the Listing Committee for the listing of, and permission to deal in, on the Main Board (i) the Shares in issue; (ii) any Shares which may be issued upon the exercise of the outstanding options which were granted under the GEM Share Option Scheme; and (iii) any Shares which may be issued upon the exercise of any options which may be granted under the Proposed Share Option Scheme.

Except that the Shares are listed on GEM prior to the Introduction, no part of the Company's share or loan capital is listed or dealt in on any other stock exchange. At present, the Company is not seeking or proposing to seek listing or permission to deal in any of its securities on any other stock exchange.

### **WAIVERS FROM STRICT COMPLIANCE WITH RULES 10.07(1)(a) AND 10.08 OF THE LISTING RULES**

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the restrictions on further issues of securities within six months from the Listing Date as required by Rule 10.08 of the Listing Rules and a consequential waiver from strict compliance with the restrictions under Rule 10.07(1)(a)

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of the Listing Rules in respect of the deemed disposal of Shares by the controlling shareholders of the Company upon the issue of securities by the Company within six months from the Listing Date, subject to the conditions below:

- (i) any issue of shares during the first six months after the Listing Date must be either for cash to fund a specific acquisition or as part or full consideration for an acquisition;
- (ii) any acquisition mentioned in (i) above must be of assets or businesses that will contribute to the growth of the operation of the Group; and
- (iii) City Apex, ER2 and Mr. Lau will not cease to be the controlling shareholder of the Company as a result of the deemed disposal of Shares within six months of the Listing Date.

Save and except for any deemed disposal of Shares by the controlling shareholders of the Company upon the issue of securities by the Company, the controlling shareholders are subject to the restrictions on the disposal of securities under Rule 10.07(1)(a) of the Listing Rules.

### **WAIVER FROM STRICT COMPLIANCE WITH RULE 9.19(3) OF THE GEM LISTING RULE**

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the minimum three-month notice of the proposed withdrawal of listing as required by Rule 9.19(3) of the GEM Listing Rules. At the SGM to be held on 13th July, 2007, a resolution will be proposed to reduce minimum three-month notice period for the proposed withdrawal. A notice of the proposed withdrawal from listing on GEM and the Introduction will be published for not less than five clear Business Days before the Listing Date. Details of the application for the waiver from strict compliance with Rule 9.19(3) of the GEM Listing Rule have been set out in the circular of the Company despatched to the Shareholders on 27th June, 2007.

### **DISCONTINUATION OF QUARTERLY REPORTING**

Under the GEM Listing Rules, the Company is required to publish its quarterly results on the Internet website operated by the Stock Exchange. Upon the listing of the Shares on the Main Board, the Company will cease the practice of quarterly reporting based on the following reasons:

- (i) publishing a quarterly report is not a requirement of the Listing Rules and it is not a practice for the vast majority of companies listed on the Main Board;

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- (ii) the Directors believe that the discontinuation of quarterly reporting will not affect transparency in the affairs of the Company as the Company will disclose price sensitive information in compliance with the relevant requirements under the Listing Rules; and
- (iii) the discontinuation of quarterly reporting will save costs and free up the Company's human resources that otherwise could be deployed to other aspects of the operation of the Group's business.

Upon cessation of quarterly reporting, the Group will follow the relevant requirements of the Listing Rules which include, among other things, publish its interim results and annual results within three months and four months from the end of the relevant period or financial year-end respectively. The Directors are of the view that following the reporting requirements under the Listing Rules is sufficient for providing investors and the Shareholders the performance of the Group during the relevant period.

### **SHARES WILL CONTINUE TO BE ELIGIBLE FOR ADMISSION INTO CCASS**

The Shares were accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from 20th July, 2000, the date on which dealings in the Shares on GEM commenced. Subject to the granting of the listing of, and permission to deal in, the Shares on the Main Board by the Stock Exchange and the continual compliance with the stock admission requirements of HKSCC, the Shares will continue to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS once dealings in the Shares on the Main Board commence.

All necessary arrangements have been made with HKSCC for (i) the Shares in issue; (ii) any Shares which may be issued upon the exercise of the outstanding options which were granted pursuant to the GEM Share Option Scheme; and (iii) any Shares which may be issued upon the exercise of any options which maybe granted pursuant to the Proposed Share Option Scheme, to continue to be accepted as eligible securities of CCASS. All activities under CCASS are subject to the general rules of CCASS and CCASS operational procedures in effect from time to time.

### **STAMP DUTY**

Dealings in Shares registered in the Hong Kong branch register of members kept by the Company are subject to Hong Kong stamp duty.

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### **PROFESSIONAL TAX ADVICE RECOMMENDED**

Shareholders are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of holding and dealing in the Shares or exercising any rights attached thereof. None of the Company, the Sponsor, any of their respective directors, agents or advisers or any other person or party involved in the Introduction accepts responsibility for any tax effects on, or liabilities of, any person resulting from the holding of or dealing in the Shares or exercising any rights attached thereof.

### **CONDITIONS OF THE INTRODUCTION**

The Introduction is subject to the fulfilment of the condition of the Listing Committee granting the listing of, and permission to deal in, on the Main Board (i) the Shares in issue; (ii) any Shares which may be issuable upon the exercise of the outstanding options which were granted pursuant to the GEM Share Option Scheme; and (iii) any Shares which may be issued upon the exercise of any options which may be granted pursuant to the Proposed Share Option Scheme.

The Shares are currently listed on GEM. Immediately prior to the Introduction, the listing of the Shares on GEM will be withdrawn in accordance with the GEM Listing Rules. The SGM will be convened to approve, among other things, the withdrawal of the listing of the Shares on GEM.

The Directors expect that dealings in the Shares on the Main Board will commence on 23rd July, 2007. Shares will continue to be traded in board lots of 6,000 Shares each.