

**A. FURTHER INFORMATION ABOUT THE COMPANY****1. Incorporation**

The Company was incorporated in Bermuda as an exempted company under the Companies Act on 9 August 2000. The Company was registered on 26 September 2000 in Hong Kong as a non-Hong Kong company in Hong Kong under Part XI of the Companies Ordinance. The authorised representative of the Company for the acceptance of service of process is Ms. Luke Wing Sheung, and the Company established a place of business in Hong Kong at 21st Floor, The Center, 99 Queen's Road Central, Hong Kong.

As the Company was incorporated in Bermuda, it operates subject to Bermuda law and to its constitution which comprises a memorandum of association and the Bye-laws. A summary of various provisions of its constitution and relevant aspects of Bermuda company law is set out in Appendix IV to this document.

**2. Changes in share capital of the Company (within two years preceding the Latest Practicable Date)****(a) Exercise of share options**

In January 2006, a total of 1,170,000 share options were exercised at an exercise price of HK\$0.34 each, resulting in the issue of 520,000 Shares and 650,000 Shares on 25 January 2006 and 26 January 2006 respectively for a total consideration (before expenses) of HK\$397,800.

In November 2006, 1,000,000 share options were exercised at an exercise price of HK\$0.296 each, resulting in the issue of 1,000,000 Shares on 14 November 2006 for a total consideration (before expenses) of HK\$296,000.

In April 2007, 1,000,000 share options were exercised at an exercise price of HK\$0.296 each, resulting in the issue of 1,000,000 Shares on 23 April 2007 for a total consideration (before expenses) of HK\$296,000.

In July 2007, a total of 62,700,000 share options were exercised at an exercise price of HK\$0.296 each, resulting in the issue of 8,600,000 Shares, 40,100,000 Shares, 5,000,000 Shares and 9,000,000 Shares on 3 July 2007, 4 July 2007, 9 July 2007 and 27 July 2007 respectively for a total consideration (before expenses) of HK\$18,559,200.

In August 2007, a total of 37,800,000 share options were exercised at an exercise price of HK\$0.296 each, resulting in the issue of 2,600,000 Shares and 35,200,000 Shares on 7 August 2007 and 13 August 2007 respectively for a total consideration (before expenses) of HK\$11,188,800.

All of these Shares issued upon exercise of share options rank *pari passu* in all respects with other Shares in issue.

***(b) Issue of placing shares and subscription shares***

Pursuant to the top up agreement dated 22 September 2005, a total of 145,000,000 Shares were issued at a price of HK\$0.40 each to CIGL following its placing of same number of Shares. The gross proceeds were HK\$58,000,000. These Shares rank *pari passu* in all respects with other Shares in issue.

Pursuant to a placing agreement dated 15 September 2005, 155,000,000 placing shares of HK\$0.10 each were issued at a placing price of HK\$0.40 each to independent third parties on 10 January 2006. Pursuant to a subscription agreement dated 15 September 2005, 120,000,000 Shares were issued to CIGL at a price of HK\$0.40 per share. The gross proceeds of the two transactions were HK\$62,000,000 and HK\$48,000,000 respectively. These Shares rank *pari passu* in all respects with other Shares in issue.

The proceeds raised from the above-mentioned issue of Shares were to partly settle the consideration payable for the acquisition of the Netfield Group (which was completed on 10 January 2006), partly for the operating capital of the Netfield Group and the balance for the general working capital of the Group.

***(c) Exercise of conversion right attaching to the Convertible Loan Note***

On 18 January 2006, convertible loan note amounting to HK\$16,200,000 was converted into 60,000,000 ordinary Shares at a conversion price of HK\$0.27 per Share.

***(d) Issue of rights shares***

On 2 October 2007, the Company proposed a 5-for-2 rights issue at the subscription price of HK\$0.40 per Share to raise approximately HK\$237.4 million capital. The rights issue has been completed and 593,420,579 rights Shares were duly issued and allotted on 21 November 2007. These Shares rank *pari passu* in all respects with other Shares in issue.

**3. Adoption of Bye-laws**

Pursuant to the written resolution passed by the sole Shareholder dated 18 August 2000, the Company adopted its existing Bye-laws. The Bye-laws were subsequently amended by a special resolution passed by the Shareholders on 17 May 2004. A special resolution for adoption of a new Bye-laws will be proposed to Shareholders for approval at the SGM.

**4. General mandates to issue new Shares and repurchase Shares**

At the annual general meeting of the Company held on 1 June 2007, the following ordinary resolutions had been passed by the Shareholders:

- (a) a general unconditional mandate was given to the Directors to allot, issue and deal with (otherwise than by way of rights issues, or any option schemes or other similar arrangements in accordance with the Bye-laws or pursuant to the exercise of any option which may be granted under the GEM Share Option Scheme), on behalf of the Company, Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal amount of the share capital of the Company as at 1 June 2007;
- (b) a general unconditional mandate was given to the Directors to exercise all the powers of and on behalf of the Company to purchase Shares on GEM or on any other stock exchange on which the Shares may be listed and which is recognised by the SFC and the Stock Exchange for this purpose with an aggregate nominal value not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue as at 1 June 2007; and
- (c) the extension of the general mandate to allot, issue and deal with Shares to include the nominal amount of the share capital of the Company which is repurchased pursuant to the resolution referred to in paragraph (b) above was approved.

Each of the general mandates referred to in paragraph (a) to (c) above will remain in effect until the conclusion of the next annual general meeting of the Company, the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Bye-laws to be held or when it is revoked or varied by an ordinary resolution by the Shareholders in general meeting, whichever is the earliest.

**5. Grant of new general mandates to issue Shares and repurchase Shares**

In light of the Proposed Introduction and the change of issued share capital of the Company after the annual general meeting held on 1 June 2007 during which the Directors were granted the existing general mandates, the Directors proposed to seek the approval of the Shareholders to grant the Directors new general mandates to issue Shares and repurchase Shares. The new general mandates have similar terms to the existing general mandates save that:

- (i) the new general mandates cater for the situation that the Shares are listed on the Main Board;
- (ii) the maximum aggregate nominal amount of the Shares that may be issued and repurchased under the new general mandates will be determined on the basis of the aggregate nominal amount of the Shares in issue as at the date of the SGM to be held on 22 February 2008 (instead of the date of the last annual general meeting held on 1 June 2007); and
- (iii) the new general mandates will supersede the existing general mandates.

Details of the new general mandates are set out in the Circular dated the same date of this document.

**6. Changes in share capital of the Company's subsidiaries (within the two years preceding the Latest Practicable Date)****(a) *Agostini Limited***

- (i) On 13 February 2006, Bosco Nominees Limited subscribed for 1 share of HK\$1.00 each in the capital of Agostini Limited;
- (ii) On 24 April 2006, Bosco Nominees Limited transferred 1 share of HK\$1.00 each in the capital of Agostini Limited to the Company at par for cash.

**(b) *CASH (China) Financial Services Limited***

On 19 November 2007, Willtime Investments Limited (now known as CFSG (China) Limited) subscribed for 1 share of US\$1.00 each in the capital of CASH (China) Financial Services Limited at par for cash.

***(c) Celestial (China) Asset Management Limited***

On 23 March 2007, the Company subscribed for 1 share of US\$1.00 each in the capital of Celestial (China) Asset Management Limited at par for cash.

***(d) Celestial Investments (HK) Limited***

- (i) On 4 May 2006, the authorised share capital was increased from HK\$10,000 to HK\$20,000,000 by the creation of an additional 19,990,000 ordinary shares of HK\$1.00 each;
- (ii) On 4 May 2006, 9,999,998 shares of HK\$1.00 each were allotted to Celestial Financial Services Limited at par for cash.

***(e) CFSG (China) Limited***

On 23 November 2006, the Company subscribed for 1 share of US\$1.00 each in the capital of Willtime Investments Limited (now known as CFSG (China) Limited) at par for cash.

***(f) Golden Riverside Industrial Limited***

On 3 November 2006, CASH Retail Management (HK) Limited transferred 102 shares of HK\$1.00 each in the capital of Golden Riverside Industrial Limited to the Company at a total consideration of HK\$852,052.

***(g) Hui Hua (China) Limited***

On 5 December 2007, Willtime Investments Limited (now known as CFSG (China) Limited) subscribed for 1 share of US\$1.00 each in the capital of Hui Hua (China) Limited at par for cash.

***(h) Marvel Champ Investments Limited***

On 1 June 2007, Vantage Giant Limited subscribed for 65 shares of US\$1.00 each in the capital of Marvel Champ Investments Limited at par for cash.

***(i) Max Luck Associates Limited***

On 3 November 2006, Celestial Investment Group Limited transferred 1 share of US\$1.00 each in the capital of Max Luck Associates Limited to the Company at par for cash.

(j) ***RACCA Capital Inc.***

- (i) On 24 April 2006, Interleader Partnerships Inc. subscribed for 1 share of US\$1.00 each in the capital of RACCA Capital Inc. at par for cash;
- (ii) On 20 May 2006, ARTAR International Limited subscribed for 1 share of US\$1.00 each in the capital of RACCA Capital Inc. at par for cash;
- (iii) On 20 May 2006, Confident Profits Limited subscribed for 1 share of US\$1.00 each in the capital of RACCA Capital Inc. at par for cash;
- (iv) On 25 July 2007, Interleader Partnerships Inc. transferred 1 share of US\$1.00 each in the capital of RACCA Capital Inc. to Confident Profits Limited; and
- (v) On 25 July 2007, ARTAR International Limited transferred 1 share of US\$1.00 each in the capital of RACCA Capital Inc. to Confident Profits Limited.

(k) ***RACCA Capital Limited***

- (i) On 17 May 2006, Clarson Services Limited subscribed for 1 share of HK\$1.00 each in the capital of RACCA Capital Limited; and
- (ii) On 20 May 2006, Clarson Services Limited transferred 1 share of HK\$1.00 each in the capital of RACCA Capital Limited to RACCA Capital Inc..

(l) ***Sky Rich Investments Limited***

- (i) On 19 July 2006, Bosco Nominees Limited subscribed for 1 share of HK\$1.00 each in the capital of Sky Rich Investments Limited;
- (ii) On 27 August 2007, Bosco Nominees Limited transferred 1 share of HK\$1.00 each in the capital of Sky Rich Investments Limited to CASH Retail Management (HK) Limited; and
- (iii) On 25 September 2007, CASH Retail Management (HK) Limited transferred 1 share of HK\$1.00 each in the capital of Sky Rich Investments Limited to Willtime Investments Limited (now known as CFSG (China) Limited).

(m) ***Worldwide Luck Limited***

On 6 January 2006, CASH Retail Management (HK) Limited transferred 2 shares of HK\$1.00 each in the capital of Worldwide Luck Limited to Max Luck Associates Limited at par for cash.

## 7. Repurchase by the Company of Shares

### (a) *Provisions of the Listing Rules*

The Listing Rules permit companies whose primary listing is on the Main Board of the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

#### (i) *Shareholders' approval*

All proposed repurchases of securities on the Stock Exchange by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of its shareholders, either by way of general mandate or by specific approval of a particular transaction.

*(Note:* Pursuant to an ordinary resolution to be passed by the Shareholders at the SGM, a general unconditional mandate (“Buyback Mandate”) will be granted to the Directors authorising the repurchase by the Company on the Stock Exchange, or on any other stock exchange on which the securities of the Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, of Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue and to be issued as mentioned herein, at any time until the conclusion of the next annual general meeting of the Company, the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Bye-laws to be held or when such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever is the earliest.)

#### (ii) *Source of funds*

Repurchases must be funded out of funds legally available for the purpose in accordance with the Bye-laws and the laws of Bermuda. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

**(b) *Reasons for repurchases***

The Directors believe that it is in the best interests of the Company and its Shareholders for the Directors to have a general authority from Shareholders to enable the Company to repurchase Shares in the market. Repurchases of Shares will only be made when the Directors believe that such repurchases will benefit the Company and its members. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share.

**(c) *Funding of repurchases***

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with the Bye-laws and the applicable laws of Bermuda.

Any repurchase of Shares will be made out of the profits of the Company or the proceeds of a fresh issue of Shares made for the purpose of the purchase or, if authorised by the Bye-laws and subject to the Companies Law, out of capital and, in the case of any premium payable on the purchase, out of the profits of the Company or from sums standing to the credit of the share premium account of the Company or, if authorised by the Bye-laws and subject to the Companies Law, out of capital.

The Directors do not propose to exercise the Buyback Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

**(d) *Share capital***

Exercise in full of the Buyback Mandate, on the basis of 2,076,972,027 Shares in issue immediately after the listing of the Shares on the Main Board, could accordingly result in up to 207,697,202 Shares being repurchased by the Company during the period until:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Bye-laws to be held; or



- (iii) the date on which the Buyback Mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting,

whichever occurs first.

*(e) Share repurchases by the Company*

No purchase has been made by the Company of its Shares in the six months prior to the Latest Practicable Date.

*(f) Share prices*

The highest and lowest prices at which the Shares traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Price per Share	
	Highest HK\$	Lowest HK\$
<b>2007</b>		
January	0.429	0.364
February	0.382	0.343
March	0.371	0.311
April	0.396	0.354
May	0.557	0.371
June	0.793	0.479
July	0.743	0.536
August	0.686	0.429
September	0.700	0.557
October	0.770	0.536
November	0.790	0.620
December	0.680	0.590
<b>2008</b>		
January (up to the Latest Practicable Date)	0.650	0.470

(g) *General*

None of the Directors or, to the best of their knowledge, having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules), has any present intention to sell any Shares to the Company or its subsidiaries.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Buyback Mandate in accordance with the Listing Rules and the applicable laws of Bermuda. The Company has not repurchased any Shares in the previous six months.

No connected person (as defined in the Listing Rules) has notified the Company that he/she or it has a present intention to sell Shares to the Company, or has undertaken not to do so, if the Buyback Mandate is exercised.

If as a result of a securities repurchase pursuant to the Buyback Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code as a result of any such increase. The Directors are not aware of any consequences which may arise under the Code if the Buyback Mandate is exercised.

If the Buyback Mandate is fully exercised immediately after listing of the Shares on the Main Board but taking no account of any Shares which may be allotted and issued pursuant to the exercise of the options which was granted under the GEM Share Option Scheme or may be granted under the Proposed Share Option Scheme, the total number of Shares which will be repurchased pursuant to the Buyback Mandate shall be 207,697,202 Shares (being 10% of the issued share capital of the Company based on the aforesaid assumptions). The percentage shareholding of CIGL (the controlling shareholder of the Company) and the parties acting in concert with it (has the meaning ascribed thereto under the Takeovers Code) which include Cash Guardian Limited, Mr. Law Ping Wah, Mr. Wong Kin Yick Kenneth, Mr. Lin Che Chu George and Mr. Kwan Pak Leung Horace and his wife will be increased from approximately 51.99% to approximately 57.77% of the issued share capital of the Company immediately following the full exercise of the Buyback Mandate. In the event that the Buyback Mandate is exercised in full, the number of Shares held by the public would be still maintained at above 25% of the total number of Shares in issue. Any repurchase of Shares which results in the number of Shares held by the public being reduced to less than the prescribed percentage of the Shares then in issue could only be implemented with the approval of the Stock Exchange to waive the Listing Rules requirements regarding the public float under Rule 8.08 of the Listing Rules. However, the Directors have no present intention to exercise the Buyback Mandate to such an extent that, in the circumstances, there is insufficient public float as prescribed under the Listing Rules.


**B. FURTHER INFORMATION ABOUT THE BUSINESS****1. Summary of material contracts**

The following contracts are contracts that are or may be material, not being contracts entered into during the ordinary course of business, and have been entered into by the Company or its subsidiaries within two years preceding the Latest Practicable Date:

- (a) the underwriting agreement dated 10 October 2006 entered into between CASH and Celestial Capital, a wholly-owned subsidiary of the Company, in relation to the underwriting for a 2-for-1 rights issue of CASH at a subscription price of HK\$0.28 per share of CASH (details of the said underwriting agreement are set out in the CASH's prospectus dated 31 October 2006);
- (b) the sale and purchase agreement dated 9 January 2007 entered into between CIGL as purchaser and Vantage Giant Limited as vendor in relation to the acquisition by the CASH Group of 100% interest in Netfield including all the outstanding loans due from Netfield at a consideration of the higher of HK\$120 million or the valuation of the online game business operated by the Netfield Group as at 31 December 2006 (details of the said sale and purchase agreement are set out in the Company's circular dated 4 April 2007);
- (c) the shareholders' agreement dated 27 June 2007 entered into between Marvel Champ Investments Limited, a subsidiary of the Company, Nanyang Industrial (China) Limited, Fit Team Holdings Limited, China Able Limited and Van Shung Chong Holdings Limited in relation to the formation of joint venture to acquire, own and hold the property in the PRC (details of the said shareholders' agreement are set out in the Company's circular dated 18 July 2007); and
- (d) the underwriting agreement dated 27 September 2007 entered into between CASH and the Company in relation to the rights issue of the Company (details of the said underwriting agreement are set out in the Company's prospectus dated 31 October 2007.)

## 2. Intellectual property

As at the Latest Practicable Date, the Group owned the following trademark and domain names:

Trade/Service Mark	Place of registration	Class	Registration number	Date of registration
	Hong Kong	36 (Note)	B16906 of 1999	24 December 1999

*Note:* The registration of this trademark relating to services are classified in class 36 which includes online financial trading services via the Internet, securities brokerage services, financial analysis, financial information and payment services.

Company name	Domain names
CASH E-Trade Limited	cashon-line.com cashon-line.hk cashon-line.com.cn cfsg.com.hk cfsg.hk 時富金融.cn 時富金融.中國 時富金融.公司 時富金融.公司.cn
Celestial Commodities	ccash.com.hk
Celestial Securities	cashonline.com.hk e-finance.com.hk
CASH Frederick Taylor	cash-ft.com

Company name	Trademarks
CASH on-line Limited	INTRADE (Part B, Class 36)

Further, CASH has granted the Group the right to use the “CASH” mark in English (CASH) or “時富” in Chinese (時富) as the case may be, the terms of which are summarised in the section headed “Relationship with the CASH Group” of this document.

**C. FURTHER INFORMATION ABOUT DIRECTORS, SENIOR MANAGEMENT, STAFF AND EXPERTS****1. Disclosure of interests**

None of the Directors is interested in any material contracts disclosed in the paragraph headed "Summary of material contracts" in this appendix.

**2. Particulars of service contracts**

None of the Directors has entered into any service agreement with the Group (excluding contracts expiring or determinable by the Company within one year without payment of compensation (other than statutory compensation)).

**3. Directors' remuneration\***

- a. The Group's principal policies concerning remuneration of executive Directors are determined on the relevant Director's duties, responsibilities, skills, experiences and market influences.
- b. The aggregate remuneration (other than bonuses and contributions to pension schemes) paid to the Directors by the Group in respect of each of the three years ended 31 December 2006 and the seven months ended 31 July 2007 were approximately HK\$3.3 million, HK\$2.9 million, HK\$3.5 million and HK\$2.1 million respectively. Further information in respect of the Directors' remuneration is set out in the Accountants' Report of the Group set out in Appendix I to this document.
- c. The aggregate of contributions to retirement benefits schemes for other directors or past directors for each of the three years ended 31 December 2006 and the seven months ended 31 July 2007 were approximately HK\$139,000, HK\$121,000, HK\$132,000 and HK\$113,000 respectively.
- d. Under the arrangements currently in force, the aggregate remuneration payable to the Directors for the year ended 31 December 2007 are estimated to be approximately HK\$5,538,000.
- e. No bonus has been paid to the Directors for each of the years ended 31 December 2004 and 2005 respectively. Discretionary bonuses of HK\$1 million and HK\$511,000 have been paid to the Directors for the year ended 31 December 2006 and the seven months ended 31 July 2007 respectively.

- f. None of the Directors or any past Directors of any member of the Group was paid any sum of money (i) as an inducement to join the Group, or upon joining the Group; or (ii) for the loss of office as a director of any member of the Group or of any other notice in connection with the management of the affairs of any member of the Group.
- g. There is no arrangement under which a Director has waived or agreed to waive any emoluments during the three years ended 31 December 2006 and the seven months ended 31 July 2007.
- h. Save for the Director's fees, none of the independent non-executive Directors is expected to receive any other remuneration for holding their office as independent non-executive Directors.

\* *remuneration includes basic salaries, bonuses and contributions to pensions schemes.*

#### 4. Interests of Directors and experts in the share capital of the Company immediately upon listing of the Shares on the Main Board

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register required to be kept therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Main Board Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

##### A. *The Company*

###### (a) *Long positions in the Shares*

Name	Capacity	Number of Shares		Shareholding (%)
		Personal	Other interest	
Kwan Pak Hoo Bankee	Founder of a discretionary trust	8,400,000	996,769,998*	48.40
Wong Kin Yick Kenneth	Beneficial owner	22,204,000	–	1.07
Law Ping Wah	Beneficial owner	32,569,600	–	1.57
Cheng Man Pan	Beneficial owner	1,111,200	–	0.05
Cheng Shu Shing Raymond	Beneficial owner	1,540,000	–	0.07
Lo Kwok Hung John	Beneficial owner	1,011,009	–	0.05
		<u>66,835,809</u>	<u>996,769,998</u>	<u>51.21</u>

\* *The shares were held as to 940,221,198 shares by CIGL, a wholly-owned subsidiary of CASH, and as to 56,548,800 shares by Cash Guardian Limited (“Cash Guardian”). Pursuant to the SFO, CASH was owned as to approximately 34.80% by Cash Guardian. Jeffnet Inc held these shares as trustee of The Jeffnet Unit Trust, units of which were held by a discretionary trust established for the benefit of the family members of Mr. Kwan. Mr. Kwan was deemed to be interested in all these shares as a result of his interests in CASH through Cash Guardian.*

(b) *Aggregate long positions in the Shares and the underlying shares*

Name	Number of shares	Aggregate in number	Percentage to issued Shares as the Latest Practicable Date (%)
Kwan Pak Hoo Bankee	1,005,169,998	1,005,169,998	48.40
Wong Kin Yick Kenneth	22,204,000	22,204,000	1.07
Law Ping Wah	32,569,600	32,569,600	1.57
Cheng Man Pan	1,111,200	1,111,200	0.05
Cheng Shu Shing Raymond	1,540,000	1,540,000	0.07
Lo Kwok Hung John	1,011,009	1,011,009	0.05
	<u>1,062,065,807</u>	<u>1,062,065,807</u>	<u>51.21</u>

**B. Associated corporations (within the meaning of the SFO)**

*CASH*

(a) *Long positions in the shares*

Name	Capacity	Number of shares		Shareholding (%)
		Personal	Other interest	
Kwan Pak Hoo Bankee	Founder of a discretionary trust	–	314,042,564*	34.80
Law Ping Wah	Beneficial owner	27,644,300	–	3.06
Cheng Man Pan	Beneficial owner	63,500	–	0.01
		<u>27,707,800</u>	<u>314,042,564</u>	<u>37.87</u>

\* *The shares were held by Cash Guardian. Mr. Kwan Pak Hoo Bankee was deemed to be interested in all these shares as a result of his interests in Cash Guardian as disclosed in the note to 4.A. above in this section.*

## (b) Long positions in the underlying shares – options under share option schemes

Name	Date of grant	Exercise period	Exercise price per share (HK\$)	Number of options outstanding	Percentage to issued share (%)
Kwan Pak Hoo Bankee	13/11/2006	13/11/2006 – 12/11/2008	0.323	4,000,000	0.44
	6/6/2007	6/6/2007 – 31/5/2009	0.490	2,500,000	0.28
Wong Kin Yick Kenneth	13/11/2006	13/11/2006 – 12/11/2008	0.323	4,000,000	0.44
	6/6/2007	6/6/2007 – 31/5/2009	0.490	2,500,000	0.28
Law Ping Wah	13/11/2006	13/11/2006 – 12/11/2008	0.323	4,000,000	0.44
	6/6/2007	6/6/2007 – 31/5/2009	0.490	2,500,000	0.28
Cheng Man Pan	6/6/2007	6/6/2007 – 31/5/2009	0.490	6,500,000	0.72
				26,000,000	2.88

## (c) Aggregate long positions in the shares and the underlying shares

Name	Number of shares	Number of underlying shares	Aggregate in number	Percentage to issued shares (%)
Kwan Pak Hoo Bankee	314,042,564	6,500,000	320,542,564	35.52
Wong Kin Yick Kenneth	–	6,500,000	6,500,000	0.72
Law Ping Wah	27,644,300	6,500,000	34,144,300	3.78
Cheng Man Pan	63,500	6,500,000	6,563,500	0.73
	341,750,364	26,000,000	367,750,364	40.75

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, chief executive or their associates had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (b) were recorded in the register required to be kept under section 352 of the SFO, or (c) were otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.



**5. Agency fees or commissions received**

None of the Directors or the Joint Sponsors has received any agency fee or commission from the Group within the two years immediately preceding the date of this document. Save for usual professional fees in connection with the Introduction, none of the experts named in the section headed “Consents of experts” in this appendix had received any agency fees and commission from the Group in the two years immediately preceding the date of this document.

**6. Related party transactions**

Other than those related party transactions already disclosed in the sub-section headed “Connected Transactions with CASH and its associates” of the section headed “Relationship with the CASH Group” of this document and note 44 in the Accountants’ Report set out in Appendix I to this document, the Group has not engaged in any transactions with any connected persons as defined under the Main Board Listing Rules.

**7. Disclaimers**

Save as disclosed in this document, as at the Latest Practicable Date:

- a. save as the disposal of the Netfield Group by the Group to the CASH Group (Mr. Kwan Pak Hoo Bankee is a substantial shareholder of CASH) completed on 1 June 2007, none of the Directors had, or had any interest, direct or indirect, in any assets which since 31 December 2006, the date to which the latest published audited financial statements of the Company were made up, have been acquired or disposed of by or leased to the Company or any of its subsidiaries, or are proposed to be acquired or disposed of by or leased to the Company or any of its subsidiaries.
- b. none of the Directors or chief executive of the Company has any interests or short positions in any shares and underlying shares in, and debentures of, the Company or any associated corporation (within the meaning of the SFO) which will be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to in that section, or which would be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Main Board Listing Rules;

- c. none of the Directors nor any of the persons whose names are listed in the section headed “Consents of experts” in this Appendix is interested in the promotion of the Company or in any assets which have within the two years immediately preceding the issue 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;
- d. none of the Directors nor any of the persons whose names are listed in the section headed “Consents of experts” in this Appendix is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of the Group;
- e. no cash, securities or other benefit has been paid, allotted or given within the two years preceding the date of this document to any promoter of the Company nor is any such cash, securities or benefit intended to be paid, allotted or given on the basis of the Introduction or related transaction as mentioned in this document; and
- f. so far as is known to the Directors, none of the Directors, their respective associates or Shareholders who are interested in 5% or more of the issued share capital of the Company have any interests in the five largest customers of the Group.

**D. PROPOSED SHARE OPTION SCHEME****I. Summary of terms***Proposed Share Option Scheme*

The following is a summary of the principal terms of the rules of the Proposed Share Option Scheme proposed to be adopted by the Shareholders at the SGM to be held on 22 February 2008 to replace the GEM Share Option Scheme:

*1. Purpose*

The purpose of the Proposed Share Option Scheme is to enable the Company to grant options to the Participants (as defined in paragraph 2 below) as incentives and/or rewards for their contribution to the Company and/or the subsidiaries (the “Group”), and any of its associated companies, the Group’s holding company and the subsidiaries and the associated companies to the Group’s holding company (the “Members of the Group”).

*2. Who may join*

The Board may, at its discretion, offer participants (being employees (whether full time or part time), executives and officers of the Members of the Group (including executive and non-executive directors of the Members of the Group) and business consultants, agents and legal and financial advisers to the Members of the Group who the Board considers, in its sole discretion, will contribute or have contributed to the Members of the Group) (“Participants”) options to subscribe for such number of new Shares as the Board may determine at an exercise price determined in accordance with paragraph 5 below. Upon acceptance of the option, the grantee thereof shall pay HK\$1.00 to the Company by way of consideration for the grant.

*3. Maximum number of Shares*

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Proposed Share Option Scheme and any other share option scheme(s) of the Company must not exceed 10% of the total issued Shares (i.e. 207,697,202) Shares, assuming that no Shares will be issued or repurchased prior to the date of the SGM as at the date of approval and adoption of the Proposed Share Option Scheme by the Shareholders (which is expected to be 22 February 2008, being the date of the SGM). Options lapsed in accordance with the terms of such share option scheme(s) will not be counted for the purpose of the 10% limit.

Subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting and/or such other requirements prescribed under the Main Board Listing Rules from time to time, the Board may:

- (i) refresh this limit at any time up to 10% of the Shares in issue as at the date of the approval of the limit as refreshed by the Shareholders in general meeting (options previously granted under any share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with such schemes or exercised options) will not be counted for the purpose of calculating the limit as refreshed); and/or
- (ii) grant options beyond the 10% limit to Participants specifically identified by the Board whereupon the Company shall send a circular to the Shareholders containing, amongst others, a generic description of the specified 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 Participants with an explanation as to how the options serve such purpose and such other information as required under the Main Board Listing Rules.

Notwithstanding the foregoing, the Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Proposed Share Option Scheme and any other share option scheme(s) of the Company at any time shall not exceed 30% of the Shares in issue from time to time. No options shall be granted under any scheme(s) of the Company or any of its subsidiaries if this will result in the 30% limit being exceeded.

*4. 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 Proposed Share Option Scheme and any other share option scheme(s) of the Company (including exercised, cancelled and outstanding options) to each Participant in any 12-month period up to the date of grant shall not exceed one per cent of the Shares in issue as at the date of grant.

Any further grant of options in excess of this one per cent limit shall be subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting with such Participant and his associates (as defined in the Main Board Listing Rules) abstaining from voting and other requirements prescribed under the Main Board Listing Rules from time to time.

5. *Subscription Price of Shares*

The subscription price for a Share in respect of any particular option granted under the Proposed Share Option Scheme (subject to adjustments referred to in paragraph 18) shall be such price as the Board in its absolute discretion shall determine, save that such price must not be less than the highest of (a) the closing price of the Shares as stated in the Main Board's daily quotations sheet on the date of offer to grant option, (b) the average of the closing prices of the Shares as stated in the Main Board's daily quotations sheet for the five (5) business days immediately preceding the date of offer to grant option; and (c) the nominal value of a Share.

6. *Granting options to connected persons*

Any grant of options to a Director, chief executive or substantial Shareholder of the Company or any of their respective associates (as defined in the Main Board Listing Rules) is required to be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the relevant Participant).

If the Board proposes to grant options to a substantial Shareholder or an independent non-executive Director of the Company or any of their respective associates which will result in the Shares issued and to be issued upon exercise of all options granted and to be granted (including options exercised, cancelled and outstanding) to such person under this Scheme and the other schemes in the 12-month period up to and including the date of the offer of such grant:

- (i) representing in aggregate over 0.1%, or such other percentage as may from time to time be specified in the Main Board Listing Rules, of the Shares in issue on the date of the offer; and
- (ii) having an aggregate value in excess of HK\$5 million, based on the closing price of the Shares as stated in the daily quotation sheets of the Main Board on the Offer Date, or such other amount as may from time to time be specified in the Main Board Listing Rules,

such further grant of options will be subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting on a poll at which all connected persons (as defined in the Main Board Listing Rules) of the Company shall abstain from voting, in favour at the general meeting such other requirements prescribed under the Main Board Listing Rules from time to time.

7. *Restrictions on the time of grant of options*

For so long as the Share are listed on the Main Board, an offer to grant option 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 announced pursuant to the requirements of the Main Board Listing Rules. In particular, no options may be offered to be granted during the period commencing one month immediately preceding the earlier of (a) the date of the Board meeting for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (b) the deadline for the Company to publish its interim or results for any year, half-year, quarterly or any other interim period (whether or not required under the Main Board Listing Rules) announcement under the listing agreement and ending on the date of actual publication of the results announcement.

8. *Rights are personal to grantee*

An option is personal to the grantee and the grantee may not in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any option or attempt to do so.

9. *Time of exercise of option*

There is no general requirement that an option must be held for any minimum period before it can be exercised but the Board is empowered to impose at its discretion any such minimum period at the time of grant of any particular option. The date of grant of any particular option is the date when the duplicate offer document constituting acceptance of the option duly signed by the grantee, together with a remittance in favour of the Company of HK\$1.00 by way of consideration is received by the Company, such date must be on or before the 28th day after the option is offered to the relevant grantee. The period during which an option may be exercised will be determined by the Board at its absolute discretion, save that no option may be exercised more than 10 years from the date of grant. No option may be granted more than 10 years after the date of approval of the Proposed Share Option Scheme. Subject to earlier termination by the Company in general meeting, the Proposed Share Option Scheme shall be valid and effective for a period of 10 years from the date of adoption of the Proposed Share Option Scheme by Shareholders by resolution at a general meeting.

*10. Performance Target*

The Board has the discretion to require a particular grantee to achieve certain performance targets specified at the time of grant before any option granted under the Proposed Share Option Scheme can be exercised.

*11. Rights on ceasing to be an Participant and death*

If the grantee of an option ceases to be an employee of the Members of the Group

- (i) by any reason other than death or termination of his employment on the grounds specified in paragraph 12 below, the option (to the extent not already exercised) will lapse on the date of 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 the Company or the relevant Members of the Group whether salary is paid in lieu of notice or not.

*12. Lapse of option on misconduct, bankruptcy or dismissal etc.*

If a grantee ceases to be an Participant by reason of the termination of his relationship with the Members of the Group on any one or more of the grounds that he has been guilty of serious misconduct, or has been convicted of any criminal offence involving his integrity or honesty or in relation to an employee of the Members of the Group (if so determined by the Board) on any other ground on which an employer 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 Company or the Members of the Group.

*13. Rights on general offer*

If a general offer by way of takeover is made to all the holders of Shares (or all such holders other than the offeror, any person controlled by the offeror and any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant option, the grantee shall be entitled to exercise the option in full (to the extent not already exercised even though the option period has not come into effect during the occurrence of the general offer) at any time within 21 days of the notice given by any such offeror to acquire the remaining Shares.

*14. Rights on compromise or arrangement between the Company and its members or creditors*

If a general offer by way of scheme of arrangement is made to all the holders of Shares with the Proposed Share Option Scheme having been approved by the necessary number of holders of Shares at the requisite meetings, the grantee may thereafter (but before such time as shall be notified by the Company) exercise the option (to the extent not already exercised even though the option period has not come into effect during the occurrence of the general offer) to its full extent or to the extent specified in such notice.

In the event of a compromise or arrangement between the Company and its members or creditors being proposed in connection with the scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all grantees on the same day as it gives notice of the meeting to its members or creditors to consider such a scheme or arrangement and the grantee may by notice in writing to the Company (such notice to be received by the Company not later than 4 trading days prior to the proposed meeting) exercise the option (to the extent not already exercised) either to its full extent or to the extent specified in such notice, and the Company shall as soon as possible and in any event no later than the 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 credited as fully paid and registered the grantee as holder thereof.



*15. Rights on winding-up*

In the event a notice is given by the Company to its Shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to the grantee and the grantee may by notice in writing to the Company (such notice to be received by the Company not later than 4 trading days prior to the proposed Shareholders' meeting) exercise the option (to the extent not already exercised) either to its full extent or to the extent specified in such notice and the Company shall as soon as possible and in any event no later than the day immediately prior to the date of the proposed Shareholders' meeting, allot and issue such number of Shares to the grantee which falls to be issued on such exercise.

*16. Lapse of the options*

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

- (i) the expiry date relevant to that option;
- (ii) the expiry of any of the periods referred to in paragraph 11;
- (iii) subject to the scheme of arrangement of the Company becoming effective, the expiry of the period referring to in paragraph 14;
- (iv) subject to the voluntary winding-up duly resolved, the expiry of the period referred to in paragraph 15;
- (v) the date of commencement of the winding-up of the Company;
- (vi) subject to the High Court of Hong Kong or Supreme Court of Bermuda not making an order prohibiting the offeror to acquire the remaining Shares in the offer, the expiry of the period referred to in paragraph 13;

- (vii) the date on which the grantee ceases to be an Participant by reason of the termination of his relationship with the Members of the Group on any one or more of the grounds that he has been guilty of serious misconduct, or has been convicted of any criminal offence involving his integrity or honesty or in relation to an employee of the Members of the Group (if so determined by the board of the Members of the Group) on any other ground on which an employer 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 Company or the relevant Members of the Group. A resolution of the Board or the board of directors of the relevant Members of the Group to the effect that the employment of a grantee has or has not been terminated on one or more of the grounds specified in paragraph 12 above shall be conclusive; or
  
- (viii) the date on which the Board shall exercise the Company's right to cancel the option at any time after the grantee commits a breach of the prohibitions specified in paragraph 12 above or the options are cancelled in accordance with paragraph 20 below.

*17. 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 such other person nominated by the grantee) as the holder thereof. Subject as aforesaid, the Shares to be allotted and issued upon the exercise of an option shall be subject to all the provisions of the constitutional documents of the Company and the Companies Act of Bermuda for the time being in force and shall rank *pari passu* in all respects with and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company as attached to the fully-paid Shares in issue on the date of issue, in particular but without prejudice to the generality of the foregoing, in respect of voting, transfer and other rights, including those arising on liquidation of the Company and rights in respect of any dividend or other distribution paid or made on or after the relevant date of issue.

18. *Effect of alterations to capital*

In the event of capitalisation issue, rights issue, open offer, consolidation, subdivision or reduction of the capital of the Company, such corresponding alterations (if any) shall be made in (except on an issue of securities of the Company as consideration in a transaction which shall not be regarded as circumstances requiring alteration or adjustment) in (a) the number of Shares subject to any outstanding options and/or (b) the exercise price as the auditors or the approved independent financial adviser shall at the request of the Company or any grantee, certify in writing, to be in their opinion fair and reasonable and satisfied the requirements under the Main Board Listing Rules, provided that any such alterations shall be made on the basis that a grantee shall have the same proportion of the equity capital of the Company (as interpreted in accordance with the supplementary guidance attached to the letter from the Main Board dated 5 September 2005 to all issuers relating to share option schemes which can be found on the Main Board's website [www.hkex.com.hk](http://www.hkex.com.hk) ("Supplemental Guidance")) as that to which he or she was entitled to subscribe had he or she exercised all the options held by him immediately before such adjustments and the aggregate exercise price payable by a grantee on the full exercise of any option shall remain as nearly as possible the same as (but shall not be greater than) it was before such event and that no such alterations shall be made if the effect of such alterations would be to enable a Share to be issued at less than its nominal value. Any adjustment to be made will comply with the Main Board Listing Rules, the Supplemental Guidance and any future guidance/interpretation of the Main Board Listing Rules issued by the Main Board from time to time.

19. *Alteration of Proposed Share Option Scheme*

The terms and conditions of the Proposed Share Option Scheme and the regulations for the administration and operation of the Proposed Share Option Scheme (provided that the same are not inconsistent with the Proposed Share Option Scheme and the Main Board Listing Rules) may be altered in any respect by resolution of the Board except that:

- (i) any alteration to the advantage of the grantees or the Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Main Board Listing Rules; and

- (ii) any material alteration to the terms and conditions of the Proposed Share Option Scheme or any change to the terms of options granted (except any alterations which take effect automatically under the terms of the Proposed Share Option Scheme),

must be made with the prior approval of the Shareholders in general meeting at which any person(s) to whom or for whose benefit the Shares may be issued under the Proposed Share Option Scheme and their respective associates shall abstain from voting PROVIDED THAT the amended terms of the Proposed Share Option Scheme or the options shall remain in compliance with Chapter 17 of the Main Board Listing Rules and no alteration shall operate to affect adversely the terms of issue of any option granted or agreed to be granted prior to such alteration or to reduce the proportion of the equity capital to which any person was entitled pursuant to such option prior to such alteration except with:

- (i) the consent in writing of grantees holding in aggregate options which if exercised in full on the date immediately preceding that on which such consent is obtained would entitle them to the issue of three-fourths in nominal value of all Shares which would fall to be issued upon the exercise of all options outstanding on that date; or
- (ii) the sanction of a special resolution.

Written notice of any alterations made in accordance with this paragraph 19 shall be given to all grantees.

In respect of any meeting of grantees referred to in paragraph 19, all the provisions of the constitutional documents for the time being of the Company as to general meetings of the Company shall mutatis mutandis apply as though the options were a class of shares forming part of the capital of the Company except that:

- (a) not less than seven days' notice of such meeting shall be given;
- (b) a quorum at any such meeting shall be two grantees present in person or by proxy and holding options entitling them to the issue of one-tenth in nominal value of all Shares which would fall to be issued upon the exercise of all options then outstanding unless there is only one grantee holding all options then outstanding, in which case the quorum shall be one grantee;

- (c) every grantee present in person or by proxy at any such meeting shall be entitled on a show of hands to one vote, and on a poll, to one vote for each Share to which he or she would be entitled upon exercise in full of his options then outstanding;
- (d) any grantee present in person or by proxy may demand a poll; and
- (e) if any such meeting is adjourned for want of a quorum, such adjournment shall be to such date and time, not being less than seven or more than 14 days thereafter, and to such place as may be appointed by the chairman of the meeting. At any adjourned meeting those grantees who are then present in person or by proxy shall form a quorum and at least seven days' notice of any adjourned meeting shall be given in the same manner as for an original meeting and such notice shall state that those grantees who are then present in person or by proxy shall form a quorum.

*20. Cancellation of options*

Any cancellation of options granted but not exercised must be approved by the grantee of the relevant options in writing for the avoidance of doubt, such approval is not required in the event any option is cancelled pursuant to paragraph 12 and 16. Where the Company cancels options and issues new ones to the same grantee, the issue of such new options may only be made under the Proposed Share Option Scheme with available unissued options (excluding the cancelled options) within the limit approved by Shareholders.

*21. Termination of the Proposed Share Option Scheme*

The Company may by resolution in general meeting or the Board may at any time resolve to terminate the Proposed Share Option Scheme and in such event no further option shall be offered but the provisions of the Proposed Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any option granted prior to the termination or otherwise as may be required in accordance with the provisions of this Scheme. Details of the options granted, including options exercised or outstanding, under the Proposed Share Option Scheme shall be disclosed in the circular to Shareholders seeking approval of the new scheme established after the termination of the Proposed Share Option Scheme.

22. *Conditions of the Proposed Share Option Scheme*

The terms of the Proposed Share Option Scheme are in compliance with the Main Board Listing Rules. The Proposed Share Option Scheme is conditional on:

- (i) the approval of the Shareholders at the SGM on the termination of the GEM Share Option Scheme;
- (ii) the approval of the Shareholders at the SGM on the adoption of the Proposed Share Option Scheme by the Company and the issue of Shares pursuant to the exercise of any options which may be granted thereunder;
- (iii) the approval of the shareholders of CASH at a special general meeting of CASH on the adoption of the Proposed Share Option Scheme;
- (iv) the Main Board Listing Committee granting approval of the listing of, and permission to deal in, on the Main Board, the Shares which may fall to be issued pursuant to the exercise of any options which may be granted under the Proposed Share Option Scheme; and
- (v) the commencement of dealing in Shares on the Main Board.

23. *Disclosure in annual and half-yearly reports*

The Company will disclose details of the options granted under the Proposed Share Option Scheme in its annual and half-yearly reports in accordance with the Main Board Listing Rules in force from time to time.

## **II. Present status of Proposed Share Option Scheme**

If the above conditions are not satisfied, the Proposed Share Option Scheme shall lapse.

Application has been made to the Main Board Listing Committee for the approval of the Proposed Share Option Scheme and the subsequent granting of options under the Proposed Share Option Scheme and for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the options granted under the Proposed Share Option Scheme.

**E. OTHER INFORMATION****1. Estate duty and tax indemnity**

The Directors have been advised that no material liability for estate duty is likely to fall on the Company or any of its subsidiaries in Bermuda or the British Virgin Islands, being jurisdictions in which one or more of the companies comprising the Group are incorporated.

**2. Litigations**

- (1) In 2003, Ka Chee Company Limited sued against Celestial (International) Securities & Investment Limited (“CISI”), a wholly owned subsidiary of the Company (Hong Kong Case no.: HCCW 317/2005) for an amount of HK\$1,662,598.31. The nature of claim is a winding-up petition. A winding-up order was made by the court, a liquidator has been appointed to wind up CISI, and the winding-up procedure is still in progress. Provision which in the opinion of the Directors is adequate has already been made for the claims.
  
- (2) On 29 August 2002, Pang Po King Cannie (“Pang”) filed a statement of claim for an amount of HK\$2,893,561.66 less the realisable value of the 1,046,000 shares of Takson Holdings Limited (stock code: 918) against Celestial Securities, alleging that Celestial Securities without knowledge or authority of or instructions from Pang, had misused the account opened by Pang with Celestial Securities to deal in shares in Takson Holdings Limited. The Directors confirmed that the subject transactions were made with the knowledge of and authority from Pang. Settlement has been reached between Pang and Celestial Securities and no admission of liability was made by either party. The date for trial fixed from 8 to 11 and 14 January 2008 was vacated under the order of the Honourable Mr. Justice A. Cheung dated 7 January 2008. The total legal costs and other related expenses incurred and to be incurred by the Group in connection with the settlement of the claim are estimated to be approximately HK\$4 million. The Directors confirmed that the settlement of the claim did and will not have material impact on the financial position of the Group.

Save as disclosed above, no member of the Group is involved in any litigation or arbitration or claims of material importance (i.e material in terms of each claim amount shall not exceed HK\$150,000 and the total claims shall not exceed HK\$500,000 and no litigation or arbitration or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group as at the Latest Practicable Date).

### **3. Joint Sponsors**

The Joint Sponsors have made an application on behalf of the Company to the Main Board Listing Committee for a listing of, and permission to deal in, all the Shares in issue and any Shares which may fall to be allotted and issued upon (i) the exercise of any options which were granted under the GEM Share Option Scheme; and (ii) the exercise of any options which may be granted under the Proposed Share Option Scheme.

Save as disclosed herein, neither the Joint Sponsors nor their respective associates is expected to have accrued any material benefit as a result of the successful outcome of the listing of the Shares on the Main Board by way of Introduction, other than the financial advisory and sponsorship fees to be paid to each of Access Capital and Celestial Capital as Joint Sponsors.

No director or employee of the Joint Sponsors who is directly involved in providing advice to the Group has any interest in any class of securities or the Company or any other company of the Group, including options or rights to subscribe for such securities.

Save as Mr. Chan Chi Ming is a Director of the Company and the subsidiaries of the Group (including Celestial Capital) and Ms. Ng Wai Suen Daphne is a director of Celestial Capital, no director or employee of the Joint Sponsors who is directly involved in providing advice to the Group holds any directorship in the Group.

Each of the Joint Sponsors have no material benefit as a result of the successful listing of the Shares, other than the respective advisory and documentation fees to be paid to the Joint Sponsors.

### **4. Registrars**

Subject to the provisions of Bermuda, the register of members of the Company will be maintained in Bermuda by The Bank of Bermuda Limited and a branch register of members of the Company will be maintained in Hong Kong by Tricor Standard Limited. Save where the Directors otherwise agree, all transfers and other document of title to Shares must be lodged for registration with, and registered by, the Company's share registrar in Hong Kong and may not be lodged in Bermuda.



**5. Taxation of holders of Shares****(a) Bermuda**

Under present Bermuda law, transfers and other depositions of Shares are exempt from Bermuda stamp duty.

**(b) Hong Kong**

Dealings in Shares registered on the Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty.

**(c) Generally**

Potential holders of Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of applying for, purchasing, holding or disposing of, or dealing in, Shares. It is emphasized that none of the Company, the Directors, the Joint Sponsors, their respective directors nor any other parties involved in the Introduction accepts responsibility for any tax effect on, or liabilities of, persons resulting from the subscription for, holding, purchase or disposal of or dealing in, Shares.

**6. Preliminary expenses**

There was no preliminary expenses of the Company.

**7. Qualifications of experts**

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

<b>Expert</b>	<b>Qualification</b>
Access Capital	Licensed under the SFO for type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as defined under the SFO
Celestial Capital	Licensed under the SFO for type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO
Deloitte Touche Tohmatsu	Certified Public Accountants
Knight Frank Petty Limited	Independent property valuers
B.I. Appraisals Limited	Independent property valuers
Conyers Dill & Pearman	Bermuda attorneys-at-law

**8. Consents of experts**

Each of Access Capital, Celestial Capital, Deloitte Touche Tohmatsu, Knight Frank Petty Limited, B.I. Appraisals Limited and Conyers Dill & Pearman has given and has not withdrawn its written consent to the issue of this document with the inclusion of its report and/or letter and/or opinion and/or the references to its name included herein in the form and context in which it is respectively included.

**9. Miscellaneous**

- (a) Save as disclosed in this document:
- (i) within the two years preceding the date of this document, no share or loan capital of the Company or any of its subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
  - (ii) no share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
  - (iii) no founders, management or deferred shares of the Company have been issued or agreed to be issued; and
  - (iv) within the two years preceding the date of this document, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share in or loan capital of the Company or any of its subsidiaries.
- (b) The Directors confirm that:
- (i) since 31 July 2007 (being the date to which the latest audited consolidated financial statements of the Group were made up), there has been no material adverse change in the financial or trading position or prospects of the Group; and
  - (ii) there has not been any interruption in the business of the Group which may have or have had a significant effect on the financial position of the Group in the 12 months preceding the date of this document.