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**APPENDIX VI****STATUTORY AND GENERAL INFORMATION**

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**FURTHER INFORMATION ABOUT OUR COMPANY****1. Incorporation of our Company**

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 4 December 2007.

We have been registered in Hong Kong under Part XI of the Hong Kong Companies Ordinance as a non-Hong Kong company and our principal place of business in Hong Kong is at Room 406, Empire Centre, 68 Mody Road, Kowloon, Hong Kong. In compliance with the requirements of the Hong Kong Companies Ordinance, Mr. Shao Kwok Keung of Flat D, 6/F, Block 3, The Astoria, 198 Argyle Street, Kowloon, Hong Kong has been appointed as our agent for the acceptance of service of process and any notice required to be served on our Company in Hong Kong.

Our Company was incorporated in the Cayman Islands and is subject to Cayman Islands law. Its constitution comprises a memorandum of association and articles of association. A summary of certain relevant parts of its constitution and certain relevant aspects of Companies Law is set out in Appendix V to this document.

**2. Changes in share capital of our Company****(a) Increase in authorised share capital**

- (i) As of the date of incorporation of our Company on 4 December 2007, our authorised share capital was HK\$380,000 divided into 38,000,000 Shares having a par value of HK\$0.01 each. On the same day, one subscriber share of HK\$0.01 was transferred by its subscriber to Mr. Chan at nil consideration. The nil-paid Share referred to this paragraph was subsequently paid up in the manner described in paragraph 4 below.
- (ii) On [28 August 2009], the authorised share capital of our Company was further conditionally increased to HK\$1,000,000,000 by the creation of further 99,962,000,000 Shares pursuant to a resolution passed by our Shareholders referred to in paragraph 3 below and subject to the conditions contained therein.
- (iii) The authorised share capital of our Company will be HK\$1,000,000,000 divided into 100,000,000,000 Shares, of which 1,000,000,000 Shares will be issued fully paid or credited as fully paid, and 99,000,000,000 Shares will remain unissued.

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Other than the exercise of any options which may be granted under the Share Option Scheme, there is no present intention to issue any of the authorised but unissued share capital of our Company and, without the prior approval of our Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

Save as disclosed herein and in paragraphs headed “Resolutions in writing of our Shareholders passed on [28 August 2009]” and “Group reorganisation” of this appendix, there has been no alteration in the share capital of our Company since its incorporation.

(b) *Founder shares*

Our Company has no founder shares, management shares or deferred shares.

**3. Group reorganisation**

The companies comprising our Group underwent a reorganisation to rationalise our Group’s structure in preparation for the listing of the Shares on the Stock Exchange which involved the following:

- (a) on 4 December 2007, our Company was incorporated in the Cayman Islands as an exempted company with an authorised share capital of HK\$380,000 divided into 38,000,000 Shares having a par value of HK\$0.01 each. On the same day, one subscriber share of HK\$0.01 was transferred by its subscriber to Mr. Chan at nil consideration;
- (b) on 12 May 2006, CAA BVI was incorporated in the BVI as a BVI business company with an authorised share capital of US\$50,000 divided into 50,000 shares of US\$1.00 each. On 15 June 2006, one share of US\$1.00 was allotted and issued as fully paid by CAA BVI to Mr. Chan;
- (c) on 21 August 2006, Noter was established in the PRC as a wholly foreign owned enterprise with an initial total investment amount of US\$200,000 and a registered capital of US\$150,000. The entire equity interest in Noter was wholly-owned by CAA BVI on its establishment;
- (d) pursuant to the Business Transfer Agreement dated 31 August 2006 and as supplemented by a supplemental agreement dated 28 April 2009 entered into between Noter, Hebei SkyComm and Shanghai Skycomm, on 31 August 2006, Noter acquired from Hebei SkyComm and Shanghai SkyComm certain assets and liabilities (including, among other things, certain services contracts, accounts payable and receivables, but excluding certain equipment and facilities in respect of our Group’s ALL ACCESS platform) relating to all the Related Businesses as of 30 June 2006 for a cash consideration of RMB102,600,000 as determined by reference to the value of the businesses to be transferred to Noter from Hebei SkyComm and Shanghai SkyComm as of 30 June 2006 as appraised by an independent valuer;

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- (e) on 14 January 2008, CAA BVI allotted and issued, credited as fully paid at par, an aggregate of 9,999 shares to Mr. Chan, in full satisfaction of the shareholder's loan for an amount of HK\$36,600,000 payable to Mr. Chan;
- (f) on 15 January 2008, Mr. Chan sold an aggregate of 1,380 shares of US\$1.00 each in CAA BVI, as to 1,299 shares to Atlantis and 81 shares to FMG for a cash consideration of US\$8,000,000 and US\$500,000 respectively, which had been agreed among the parties on an arm's length basis by reference to the historical earnings per share of CAA BVI based on its unaudited combined net profit for the year ended 31 December 2007;
- (g) various investors have subscribed for, and CAA BVI has issued, certain convertible loans to these investors. Details of those convertible loans which remained outstanding as at the Latest Practicable Date and to be exchanged for Shares then held prior to the Listing Date in accordance with their respective terms are set out below:
  - (i) pursuant to a convertible loan agreement dated 21 September 2007 and entered into between Profit Concept as lender, CAA BVI as debtor, and Mr. Chan as guarantor, as supplemented by a supplemental agreement dated 21 July 2008 entered into between these parties, and another supplemental agreement dated 24 November 2008 and entered into between these parties and Creative Sector, Profit Concept has granted a 4%, HK\$10 million convertible loan to CAA BVI with a maturity date of 21 September 2009, with the right to settle the principal amount of such convertible loan by Mr. Chan transferring such number of shares representing 7% of the issued share capital of CAA BVI or, where the conversion takes place after our Company becoming the holding company of CAA BVI pursuant to the Reorganisation, by Creative Sector transferring such number of Shares representing 7% of the issued share capital of our Company;
  - (ii) pursuant to a convertible loan agreement dated 15 May 2008 and entered into between Even Grow as lender, CAA BVI as debtor, and Mr. Chan as guarantor, as supplemented by a supplemental agreement dated 24 November 2008 and entered into between these parties and Creative Sector, Even Grow has granted a 4%, HK\$38.56 million convertible loan to CAA BVI with a maturity date of 14 November 2009, with the right to settle the principal amount of such convertible loan by Mr. Chan transferring such number of shares representing 7% of the issued share capital of CAA BVI or, where the conversion takes place after our Company becoming the holding company of CAA BVI pursuant to the Reorganisation, by Creative Sector transferring such number of Shares representing 7% of the issued share capital of our Company;
  - (iii) on 17 November 2008, CAA BVI issued to Chengwei the Note with a maturity date of 1 October 2009. Pursuant to the Assignment Agreement, Chengwei has the right to assign the note to Mr. Chan, and Mr. Chan has the right to request Chengwei to assign the Note to him, in consideration of and in exchange for Mr. Chan transferring such number of shares representing 14.16% of the issued share capital of CAA BVI or, where the Assignment takes place after our Company becoming the holding company

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of CAA BVI pursuant to the Reorganisation, by Creative Sector transferring such number of Shares representing 14.16% of the issued share capital of our Company then in issue;

please refer to the paragraph "Convertible Loans" under the section headed "History and Development" in this document for the principal terms and conditions of these convertible loans;

- (h) on 18 June 2008, CAA HK was incorporated in Hong Kong as a limited company with an authorised share capital of HK\$10,000 divided into 10,000 shares having a par value of HK\$1 each. On the same day, one subscriber share of HK\$1.00 was issued and allotted as fully paid by CAA HK to the subscriber. On 6 January 2009, such subscriber share was transferred by the subscriber to CAA BVI at its nominal value of HK\$1.00 in cash, and an aggregate of 9,999 shares of HK\$1.00 each were allotted and issued as fully paid by CAA HK to CAA BVI; and
  
- (i) on [28 August 2009], our Company acquired from Mr. Chan, Atlantis and FMG an aggregate of 10,000 shares of US\$1.00 each in the share capital of CAA BVI, being its entire issued share capital, in consideration of and in exchange for which our Company (i) allotted and issued, credited as fully paid, an aggregate of 1,999,999 Shares, as to 1,723,999 Shares to Creative Sector at the direction of Mr. Chan, 259,800 Shares to Atlantis and 16,200 Shares to FMG; and (ii) credited as fully paid at par a nil-paid Share then held by Mr. Chan. Such Share was subsequently transferred by Mr. Chan to Creative Sector at nil consideration on the same day.

Upon completion of the Reorganisation, our Company became the holding company of our Group.

#### **4. Changes in share capital of subsidiaries**

The changes in share capital of the subsidiaries of our Company are listed in the accountants' report set out in Appendix I to this document.

In addition to the alterations described in paragraph 4 above, the following alterations in the share capital of each of our Company's subsidiaries took place within two years immediately preceding the date of this document:

- (a) in January 2007, the total investment amount of Noter was increased from US\$1,150,000 to US\$3,950,000 and its registered capital was increased from US\$1,100,000 to US\$3,900,000;

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- (b) in November 2007, the total investment amount of Noter was increased from US\$3,950,000 to US\$15,000,000 and its registered capital was increased from US\$3,900,000 to US\$8,900,000;
- (c) in February 2008, the total investment amount of Noter was increased from US\$15,000,000 to US\$30,000,000 and its registered capital was increased from US\$8,900,000 to US\$15,000,000; and
- (d) in May 2008, the registered capital of Noter was increased from US\$15,000,000 to US\$19,500,000.

Save as disclosed herein and in paragraph 4 of this Appendix, there has been no alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this document.

**5. Further information about our Group’s PRC establishment**

Our Group has interest in the registered capital of Noter, a wholly foreign owned enterprise in the PRC. A summary of the corporate information of Noter as at the Latest Practicable Date is set out as follows:

- (i) Name of the enterprise : 河北諾特通信技術有限公司 (Hebei Noter Communication Technology Co., Ltd.)
- (ii) Registered address : No. 60, West Avenue, Shijiazhuang City, Hebei Province, the PRC
- (iii) Date of its establishment : 21 August 2006
- (iv) Economic nature : Wholly foreign owned enterprise
- (v) Registered owner : CAA BVI
- (vi) Total investment amount : US\$30,000,000
- (vii) Registered capital : US\$19,500,000
- (viii) Attributable interest to our Group : 100%
- (ix) Term of operation : 21 August 2006 to 20 August 2036

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- (x) Scope of business : Research, development and consultation services on communication technology; development of communication software; sales of in-house products; maintenance of communication equipment and related technical support services; hire and rental services for communication equipment; import, export and wholesale of communication equipment (application for the relevant licences according to the relevant regulations for dealing in commodities which require a quota permit and/or specific licences); design, installation and provision of related labour services for integration of communication system.

**6. Securities repurchase mandate**

This paragraph includes information required by the Stock Exchange to be included in this document concerning the repurchase by our Company of its own securities.

**(a) *Shareholders' approval***

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company listed on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholder, either by way of general mandate or by specific approval of a particular transaction.

**(b) *Source of funds***

Repurchases must be paid out of funds legally available for the purpose in accordance with the Articles of Association and the Companies Law. 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. Under the Cayman Islands laws, any repurchases by our Company may be made out of profits of our Company or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if so authorised by the Articles of Association and subject to the provisions of the Companies Law, out of capital. Any premium payable on a redemption or purchase over the par value of the Shares to be purchased must be provided for out of the profits of our Company or from sums standing to the credit of the share premium account of our Company or, if authorised by the Articles of Association and subject to the provisions of the Companies Law, out of capital.

**(c) *Reasons for repurchases***

The Directors believe that it is in the best interest of our Company and the Shareholders for the Directors to have general authority from the Shareholders to enable our Company to

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repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made if the Directors believe that such repurchases will benefit our Company and the Shareholders.

(d) *Funding of repurchases*

In repurchasing securities, our Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands.

On the basis of the current financial position of our Group as disclosed in this document and taking into account the current working capital position of our Group, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of our Group as compared with the position disclosed in this document. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Group or the gearing levels which in the opinion of the Directors are from time to time appropriate for our Group.

The exercise in full of the Repurchase Mandate, on the basis of 1,000,000,000 Shares in issue immediately after the Listing, would result in up to 100,000,000 Shares being repurchased by our Company during the period in which the Repurchase Mandate remains in force.

(e) *General*

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates currently intends to sell any Shares to our Company or our subsidiaries.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws of the Cayman Islands.

If, as a result of a securities repurchase, a Shareholder’s proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers (“**Takeovers Code**”). Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

The Directors will not exercise the Repurchase Mandate if the repurchase would result in the number of Shares which are in the hands of the public falling below 25% of the total number of Shares in issue (or such other percentage as may be prescribed as the minimum public shareholding under the Listing Rules).



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

**FURTHER INFORMATION ABOUT THE BUSINESS OF OUR COMPANY****7. Summary of material contracts**

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

- (a) the Shareholders' Agreement dated 21 January 2008 and entered into between Mr. Chan, CAA BVI, Atlantis and FMG for governing the business and management of CAA BVI;
- (b) the Deed of Assignment and Novation dated [28 August 2009] and entered into between Mr. Chan, CAA BVI, Atlantis, FMG, Creative Sector and our Company to supplement certain provisions in the shareholders' agreement as referred to in paragraph (a) above, and to assign and novate all the respective rights and obligations of Mr. Chan and CAA BVI under the Shareholders' Agreement (as supplemented) to Creative Sector and our Company, respectively;
- (c) a convertible loan agreement dated 13 September 2007 and entered into between (i) Smart King Group Limited as lender; (ii) CAA BVI as debtor; and (iii) Mr. Chan as guarantor, pursuant to which Smart King Group Limited granted a loan in the principal amount of HK\$10 million to CAA BVI bearing interest at the rate of 4% per annum, with the right to convert such principal amount of the loan into such number of shares representing 7% of the issued share capital of CAA BVI or, as the case may be, such number of Shares representing 7% of the issued share capital of our Company;
- (d) a supplemental agreement dated 1 February 2008 and entered into between Smart King Group Limited, CAA BVI and Mr. Chan pursuant to which CAA BVI has agreed to prepay HK\$4,285,714 of the principal amount of the loan under the convertible loan agreement as referred to in paragraph (c) above, together with the interest accrued thereon in advance of its maturity date;
- (e) a supplemental agreement made between Smart King Group Limited, CAA BVI and Mr. Chan in June 2008 pursuant to which CAA BVI has agreed to prepay HK\$5,714,286 of the principal amount of the loan under the convertible loan agreement as referred to in paragraph (b) above, being the balance of the principal amount of the loan then outstanding, together with the interest accrued thereon in advance of its maturity date;
- (f) a convertible loan agreement dated 21 September 2007 and entered into between (i) Profit Concept as lender; (ii) CAA BVI as debtor; and (iii) Mr. Chan as guarantor, pursuant to which Profit Concept granted a loan in the principal amount of HK\$10 million to CAA BVI



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bearing interest at the rate of 4% per annum, with the right to convert such principal amount of the loan into such number of shares representing 7% of the issued share capital of CAA BVI or, as the case may be, such number of Shares representing 7% of the issued share capital of our Company;

- (g) a supplemental agreement dated 21 July 2008 and entered into between Profit Concept, CAA BVI and Mr. Chan in relation to the extension of the maturity date of the loan under the convertible loan agreement as referred to in paragraph (f) above;
- (h) a supplemental agreement dated 24 November 2008 and entered into between Profit Concept, CAA BVI, Mr. Chan and Creative Sector to supplement certain provisions in relation to the conversion mechanism of the loan under the convertible loan agreement as referred to in paragraph (f) above;
- (i) a convertible loan agreement dated 13 November 2007 and entered into between (i) Guofu (Hong Kong) Holdings Limited as lender; (ii) CAA BVI as debtor; and (iii) Mr. Chan as guarantor, pursuant to which Guofu (Hong Kong) Holdings Limited granted a loan in the principal amount of HK\$10 million to CAA BVI bearing interest at the rate of 4% per annum, with the right to convert such principal amount of the loan into such number of shares representing 3.8% of the issued share capital of CAA BVI or, as the case may be, such number of Shares representing 3.8% of the issued share capital of our Company immediately;
- (j) a supplemental agreement dated 21 July 2008 and entered into between Guofu (Hong Kong) Holdings Limited, CAA BVI and Mr. Chan in relation to the extension of the maturity date of the loan under the convertible loan agreement as referred to in paragraph (i) above;
- (k) a termination agreement dated 2 April 2009 and entered into between Guofu (Hong Kong) Holdings Limited, CAA BVI, and Mr. Chan pursuant to which the convertible loan agreement as referred to in paragraph (i) above was terminated and CAA BVI has agreed to repay the principal amount of HK\$10 million together with the interests accrued thereon under such convertible loan agreement;
- (l) a convertible loan agreement dated 15 May 2008 and entered into between (i) Even Grow as lender; (ii) CAA BVI as debtor; and (iii) Mr. Chan as guarantor, pursuant to which Even Grow granted a loan for the principal amount of HK\$38,560,000 to CAA BVI bearing interest at the rate of 4% per annum, with the right to convert such principal amount of the loan into such number of shares representing 7% of the issued share capital of CAA BVI or, as the case may be, such number of Shares representing 7% of the issued share capital of our Company;
- (m) a supplemental agreement dated 24 November 2008 and entered into between Even Grow, CAA BVI, Mr. Chan and Creative Sector to supplement certain provisions in relation to the conversion mechanism of the loan under the convertible loan agreement as referred to in paragraph (l) above;

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- (n) the Note Purchase Agreement dated 7 November 2008 and entered into between CAA BVI, Noter, Mr. Chan and Chengwei, pursuant to which Chengwei purchased the senior secured promissory note in the principal amount of US\$10 million issued by CAA BVI, bearing interest at the rate of 4% per annum, at the cash consideration of US\$10 million;
- (o) the Investors' Right Agreement dated 17 November 2008 and entered into between CAA BVI, Mr. Chan, our Company, Creative Sector and Chengwei, for governing the relationship between these parties;
- (p) a side letter agreement dated 17 November 2008 and entered into between CAA BVI, Mr. Chan and Creative Sector in relation to the waiver of all Mr. Chan's rights under the note issued by CAA BVI to Chengwei pursuant to the senior secured promissory note purchase agreement as referred to in paragraph (n) above and to be assigned to Mr. Chan pursuant to an assignment agreement dated 17 November 2008 and entered into between Chengwei, Mr. Chan and Creative Sector, and the cancellation of the note;
- (q) the Business Transfer Agreement dated 31 August 2006 and entered into between Hebei SkyComm and Shanghai SkyComm as transferors and Noter as transferee, pursuant to which Hebei SkyComm and Shanghai Skycomm agreed to transfer and has transferred their entire non-licensed telecommunications business and related assets to Noter as at 30 June 2006 for a consideration of RMB102,600,000;
- (r) a supplemental agreement dated 28 April 2009 and entered into between Hebei SkyComm, Shanghai SkyComm and Noter for further delineating the scope of Business Transfer under the Business Transfer Agreement as referred to in paragraph (q) above;
- (s) the Long Term Co-operation Agreement dated 28 February 2008 and entered into between SkyComm and Noter, pursuant to which for a period of five years until December 2012, SkyComm and all its subsidiaries will act as agents for Noter for entering into contracts for provision of telecommunication solutions (to the extent that no special telecommunication or related value-added licence or permit is required from the PRC government for provision of such services) with end customers and on behalf of Noter and Noter will substantially perform these contracts;
- (t) a supplemental agreement dated 14 April 2009 and entered into between SkyComm and Noter for clarification of the business cooperation among the parties under the Long Term Co-operation Agreement as referred to in paragraph (s) above;
- (u) a share purchase agreement dated [28 August 2009] and entered into between (i) Mr. Chan, Atlantis and FMG as vendors; and (ii) our Company as purchaser, pursuant to which our Company acquired the entire issued share capital of CAA BVI in consideration of and in exchange for which our Company (i) allotted and issued, credited as fully paid, an aggregate of 1,999,999 Shares, as to 1,723,999 Shares to Creative Sector at the direction of Mr. Chan, 259,800 Shares to Atlantis and 16,200 Shares to FMG; and (ii) credited as fully paid at par a nil-paid Share then held by Mr. Chan;

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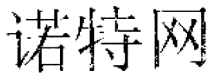


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- (v) a deed of indemnity dated [3 September 2009] and executed by Mr. Chan and Creative Sector in favour of our Company (for ourselves and as trustee for our subsidiaries stated therein) containing the indemnities more particularly referred to in paragraph 15 of this Appendix; and

### 8. Intellectual property rights of our Group

#### (a) Trade marks

As at the Latest Practicable Date, our Group is the registered proprietor and beneficial owner of the following trademarks:

No.	Trademark	Place of registration	Class	Registration number	Duration of validity
1.		PRC	38 (note 1)	3095686	21 May 2003 - 20 May 2013
2.		PRC	38	3095687	21 May 2003 - 20 May 2013
3.		Hong Kong	9 (note 2)	301285001	11 February 2009 - 10 February 2019

Notes:

- The specific services under class 38 in respect of which the trademark was registered are telecommunications.
- The specific goods under class 9 in respect of which the trademark was registered are scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus; cash registers; calculating machines, data processing equipment and computers; fire-extinguishing apparatus.

#### (b) Patents

As at the Latest Practicable Date, our Group is the registered proprietor and beneficial owner of the following patents:

Title of patent	Place of registration	Patent number	Duration of validity
利用無線網絡實現交通違章信息處理的系統及方法	PRC	ZL 2004 1 0000646.6	15 January 2004 - 14 January 2024

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### (c) *Software product registration*

We have registered the following software products under the Software Administration Measures:

No.	Name of software product	Registration number	Date of registration	Duration of validity
1.	諾特非現場執法處理系統	冀DGY-2008-315	26 December 2008	26 December 2008 - 25 December 2013
2.	諾特交通違法自助處理系統	冀DGY-2008-316	26 December 2008	26 December 2008 - 25 December 2013
3.	諾特移動保險助理系統 (Web查詢系統)	冀DGY-2008-317	26 December 2008	26 December 2008 - 25 December 2013
4.	諾特稽征信息處理系統	冀DGY-2008-318	26 December 2008	26 December 2008 - 25 December 2013
5.	諾特運管信息處理系統	冀DGY-2008-319	26 December 2008	26 December 2008 - 25 December 2013
6.	諾特河北省高速公路報警 服務中心客服系統	冀DGY-2008-320	26 December 2008	26 December 2008 - 25 December 2013
7.	諾特警務通(Java版)	冀DGY-2008-321	26 December 2008	26 December 2008 - 25 December 2013
8.	諾特GPRS熱網監測系統	冀DGY-2008-322	26 December 2008	26 December 2008 - 25 December 2013
9.	諾特中國銀行河北省分行 95566電話銀行人工客服系統	冀DGY-2008-323	26 December 2008	26 December 2008 - 25 December 2013
10.	諾特道路交通違法信息 綜合處理系統	冀DGY-2008-324	26 December 2008	26 December 2008 - 25 December 2013
11.	諾特道路交通違法處罰電子化 繳款和異地代收系統	冀DGY-2008-325	26 December 2008	26 December 2008 - 25 December 2013
12.	諾特靜態停車違法信息處理系統	冀DGY-2008-326	26 December 2008	26 December 2008 - 25 December 2013
13.	諾特警務通(Windows版)	冀DGY-2008-327	26 December 2008	26 December 2008 - 25 December 2013
14.	諾特華電供熱集團熱網 遠程監控系統	冀DGY-2008-328	26 December 2008	26 December 2008 - 25 December 2013
15.	諾特取水監控管理系統	冀DGY-2008-329	26 December 2008	26 December 2008 - 25 December 2013
16.	諾特SP短信平臺系統	冀DGY-2008-330	26 December 2008	26 December 2008 - 25 December 2013
17.	諾特河北省廣電96888客服系統	冀DGY-2008-331	26 December 2008	26 December 2008 - 25 December 2013

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**9. Connected transactions and related party transactions**

Save as disclosed in the sections headed “Business” and “Our relationship with SkyComm Group and our Controlling Shareholders” and in note 23 to the accountants’ report, the text of which is set out in appendix I to this document, during the two years immediately preceding the date of this document, our Company has not engaged in any other material connected transactions or related party transactions.

**FURTHER INFORMATION ABOUT DIRECTORS AND SHAREHOLDERS****10. Directors****(a) *Disclosure of interests of the Directors***

- (i) Mr. Chan is interested in the Reorganisation and the transactions as contemplated under the material contracts as set out in the paragraph 8 of this appendix (other than the material contracts (q) to (t) referred to in paragraph 8 above).
- (ii) Save as disclosed in this document, none of the Directors or their associates were engaged in any dealings with our Group during the two years preceding the date of this document.

**(b) *Particulars of Directors’ service contracts****Executive Directors*

Each of Mr. Chan, Mr. Shao Kwok Keung and Mr. Gao Hou Ming being all the executive Directors, has entered into a service contract with our Company pursuant to which they agreed to act as executive Directors for an initial fixed term of two years with effect from [28 August 2009], which shall be renewed and extended automatically for successive terms of one year upon expiry of the then current term until terminated by either party by giving three months’ written notice to the other expiring at the end of the initial term of their appointment or any time thereafter.

Each of these executive Directors is entitled to the respective basic salary set out below (subject to an annual increment after 1 January 2010 at the discretion of the Directors of not more than 15% of the annual salary immediately prior to such increase).

Upon completion of every 12-month period of the term of the service contract, each of these executive Directors shall be entitled to a guaranteed year-end bonus for a fixed sum equivalent to his salary for one month provided that, if any such executive Director does not complete a full 12-month period of the term of the service contract at the time of payment of such bonus, he shall be entitled to a ratable proportion (apportioned on a time basis) of such bonus which he would have been received if he had completed a whole 12-month period of the term of his service contract. In addition, each of the executive Directors is also entitled to a director’s fee of HK\$120,000 per annum.

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In addition, each of the executive Directors is also entitled to a discretionary management bonus provided the aggregate amount of bonuses payable to all the executive Directors for any financial year of our Company shall not exceed 5% of the combined net results of our Group (after taxation and minority interests and payment of such bonuses but before extraordinary or exceptional items) in respect of that financial year of our Company. An executive Director may not vote on any resolution of the Directors regarding the amount of management bonus payable to him.

The current basic annual salaries of the executive Directors payable under their service contracts are as follows:

<b>Name</b>	<b>Annual salary</b> <i>(HK\$)</i>
Mr. Chan Yuen Ming	600,000
Mr. Shao Kwok Keung	1,440,000
Mr. Gao Hou Ming	360,000

*Independent non-executive Directors*

Each of the independent non-executive Directors has been appointed for an initial term of one year commencing from [28 August 2009], which shall be renewed and extended automatically for successive terms of one year upon expiry of the then current term until terminated by either party giving not less than three months' written notice to the other expiring at the end of the initial term of their appointment or any time thereafter. The appointments are subject to the provisions of the Articles of Association with regard to vacation of office of Directors, removal and retirement by rotation of Directors. Each of the independent non-executive Directors is entitled to a director's fee of HK\$120,000 per annum. Save for directors' fees, none of the independent non-executive Directors is expected to receive any other remuneration for holding their office as an independent non-executive Director.

Save as aforesaid, none of the Directors has or is proposed to have a service contract with our Company or any of our subsidiaries other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

(c) ***Directors remuneration***

- (i) The aggregate emoluments paid and benefits in kind granted by our Group to the Directors in respect of the financial year ended 31 December 2008 were approximately HK\$2.40 million.
- (ii) Under the arrangements currently in force, the aggregate emoluments (excluding discretionary bonus) payable by our Group to and benefits in kind receivable by the Directors (including the independent non-executive Directors in their respective capacity as Directors) for the year ending 31 December 2009 are expected to be approximately HK\$2.84 million.

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- (iii) None of the Directors or any past directors of any member of our Group has been paid any sum of money for each of the three years ended 31 December 2008 and the 5 months ended 31 May 2009 (i) as an inducement to join or upon joining our Company or (ii) for loss of office as a director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.
- (v) There has been no arrangement under which a Director has waived or agreed to waive any emoluments for each of the three years ended 31 December 2008 and the 5 months ended 31 May 2009.

**11. Interest discloseable under the SFO and substantial shareholders**

So far as is known to the Directors, the following persons will have an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of our Group:

Name of shareholder	Company/ Name of Group member	Capacity/ nature of interest	Number and class of securities <i>(Note 1)</i>	Approximate percentage of shareholding
Creative Sector	Our Company	Beneficial owner	[435,300,000] Shares (L)	[43.53%]
Chengwei	Our Company	Beneficial owner	[106,200,000] Shares (L)	[10.62%]
Chengwei Ventures Evergreen Fund, L.P.	Our Company	Interest of a controlled corporation	[106,200,000] Shares (L)	[10.62%] <i>(Note 2)</i>
Chengwei Ventures Evergreen Management, LLC.	Our Company	Interest of a controlled corporation	[106,200,000] Shares (L)	[10.62%] <i>(Note 3)</i>
EXL Holdings LLC.	Our Company	Interest of a controlled corporation	[106,200,000] Shares (L)	[10.62%] <i>(Note 4)</i>
Mr. Li Eric Xun	Our Company	Interest of a controlled corporation	[106,200,000] Shares (L)	[10.62%] <i>(Note 4)</i>



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<b>Name of shareholder</b>	<b>Company/ Name of Group member</b>	<b>Capacity/ nature of interest</b>	<b>Number and class of securities <i>(Note 1)</i></b>	<b>Approximate percentage of shareholding <i>(Note 5)</i></b>
Ms. Li Yijing Zhu	Our Company	Interest of the spouse	[106,200,000] Shares (L)	[10.62%] <i>(Note 5)</i>
Atlantis	Our Company	Beneficial owner	[97,425,000] Shares (L)	[9.74%]
Profit Concept	Our Company	Beneficial owner	[52,500,000] Shares (L)	[5.25%]
Even Grow	Our Company	Beneficial owner	[52,500,000] Shares (L)	[5.25%]

*Notes:*

1. *The letter “L” denotes the person’s long position in the shares of our Company or the relevant Group member.*
2. *Chengwei Ventures Evergreen Fund, L.P. holds approximately 89.28% of the issued share capital in Chengwei and therefore, subject to note 3 above, Chengwei Ventures Evergreen Fund, L.P. is deemed to be interested in the shares in which Chengwei is interested by virtue of the SFO.*
3. *Chengwei Ventures Evergreen Fund, L.P. is an investment fund managed by Chengwei Ventures Evergreen Management, LLC. Therefore, subject to note 3 above, Chengwei Ventures Evergreen Management, LLC. is deemed to be interested in the Shares in which Chengwei Ventures Evergreen Fund, L.P. is interested by virtue of the SFO.*
4. *Chengwei Ventures Evergreen Management, LLC. is owned as to 37% by EXL Holdings LLC., which is in turn owned as to 50% by Mr. Li Eric Xun. Therefore, subject to note 3 above, EXL Holdings LLC. is deemed to be interested in the Shares in which Chengwei Ventures Evergreen Management, LLC. is interested by virtue of the SFO, and Mr. Li Eric Xun is deemed to be interested in the Shares in which EXL Holdings LLC. is interested by virtue of the SFO.*
5. *Ms. Li Yijing Zhu is the wife of Mr. Li Eric Xun, and therefore, subject to note 3 above, Ms. Li Yijing Zhu is deemed to be interested in the Shares in which Mr. Li Eric Xun is interested by virtue of the SFO.*

**12. Disclaimers**

Save as disclosed in this document:

- (a) and the Directors are not aware of any person (not being a Director or chief executive of our Company) will have an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who will, either directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group;
- (b) none of the Directors nor any of the parties listed in the paragraph 21 below has been interested in the promotion of, or has any direct or indirect interest in any assets which have

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been, within the two years immediately preceding the date of this document, acquired or disposed of by or leased to our Company or any of the subsidiaries of our Company, or are proposed to be acquired or disposed of by or leased to our Company or any other member of our Group nor will any Director apply for the Offer Shares either in his own name or in the name of a nominee;

- (c) none of the Directors nor any of the parties listed in the paragraph [●] below is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to business of our Group; and
- (d) save in connection with the [●], none of the parties listed in the paragraph [●] below:
  - (i) is interested legally or beneficially in any securities of any member of our Group; or
  - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

### OTHER INFORMATION

#### 13. Estate duty, tax and other indemnity

Mr. Chan and Creative Sector ( the “**Indemnifiers**”) have entered into a deed of indemnity with and in favour of our Company (for itself and as trustee for each of its present subsidiaries) (being the material contract (v) referred to in paragraph 8 above) to provide indemnities on a joint and several basis, in respect of, among other matters:

- (a) any liability for Hong Kong estate duty which might be incurred by any member of our Group by reason of any transfer of property (within the meaning of sections 35 and 43 of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong) or the equivalent thereof under the laws of any jurisdiction outside Hong Kong) to any member of our Group at any time on or before the Listing whether alone or in conjunction with any other circumstances whenever occurring and whether or not the tax liabilities are chargeable against or attributable to any other person, firm, company or corporation; and
- (b) tax liabilities (including all reasonable fines, penalties, costs, charges, expenses and interest relation to taxation) which might be payable by any member of our Group in respect of any income, profits, gains, transactions, events, matters or things earned, accrued, received, entered into or occurring on or before the Listing Date.

The Indemnifiers are under no liability under the deed of indemnity in respect of any taxation:

- (a) to the extent that provision or reserve has been made for such taxation in the audited accounts of any member of our Group for any accounting period up to 31 May 2009;
- (b) to the extent that such taxation or liability falling on any of the members of our Group in respect of any accounting period commencing on 1 June 2009 and ending on the Listing

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Date, where such taxation or liability would not have arisen but for some act or omission of, or transaction voluntarily entered into by any member of our Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) without the prior written consent or agreement of the Indemnifiers, otherwise than any such act, omission or transaction:

- (i) carried out or effected in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets after 1 June 2009; and
  - (ii) carried out, made or entered into pursuant to a legally binding commitment created on or before 31 May 2009 or pursuant to any statement of intention made in the document; or
- (c) to the extent that such taxation liabilities or claim arise or are incurred as a result of the imposition of taxation as a consequence of any retrospective change in the law, rules and regulations or the interpretation or practice thereof by the Hong Kong Inland Revenue Department or the taxation authority of the PRC, or any other relevant authority (whether in Hong Kong or the PRC or any other part of the world) coming into force after the date of the deed of indemnity or to the extent such claim arises or is increased by an increase in rates of taxation or claim after the date of the deed of indemnity with retrospective effect; or
- (d) to the extent that any provision or reserve made for taxation in the audited accounts of any member of our Group up to 31 May 2009 which is finally established to be an over-provision or an excessive reserve in which case the Indemnifiers' liability (if any) in respect of taxation shall be reduced by an amount not exceeding such provision or reserve, provided that the amount of any such provision or reserve applied referred to in this paragraph to reduce the Indemnifiers' liability in respect of taxation shall not be available in respect of any such liability arising thereafter.

Under the deed of indemnity, each of the Indemnifiers has also undertaken to us that he/it will indemnify and at all times keeps us fully indemnified, on a joint and several basis, from any depletion in or reduction in value of its assets or any loss (including all legal costs and suspension of operation), cost, expenses, damages or other liabilities which any member of our Group may incur or suffer arising from or in connection with the implementation of the Reorganisation.

**14. Litigation**

Neither our Company nor any of our subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against our Company or any of our subsidiaries, that would have a material adverse effect on the results of operations or financial condition of our Company.

**15. Preliminary expenses**

The preliminary expenses of our Company are estimated to be approximately US\$7,400 (equivalent to approximately HK\$57,000) and are payable by our Company.

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### 16. Promoters

- (a) The promoter of our Company is Mr. Chan.
- (b) Save as disclosed in this document, within the two years preceding the date of this document, no amount or benefit has been paid or given to the promoter named in sub-paragraph (a) above in connection the related transactions described in this document.

### 17. Qualifications of experts

The qualifications of the experts who have given opinions and/or whose names are included in this document are as follows:

<b>Name</b>	<b>Qualification</b>
KPMG	Certified public accountants
Conyers Dill & Pearman	Cayman Islands barristers and attorneys
Commerce & Finance Law Offices	Qualified PRC lawyers
BMI Appraisals Limited	Professional property surveyors and valuers

### 18. Consents of experts

Each of KPMG, Conyers Dill & Pearman, Commerce & Finance Law Offices and BMI Appraisals Limited has given and has not withdrawn its written consent to the issue of this document with copies of its reports, valuation, letters or opinions (as the case may be) and the references to its names or summaries of opinions included herein in the form and context in which they respectively appear.

### 19. Taxation of holders of Shares

#### (a) *Hong Kong*

Dealings in Shares registered on our Company’s Hong Kong branch register of members will be subject to Hong Kong stamp duty. The sale, purchase and transfer of Shares are subject to Hong Kong stamp duty, the current rate of which is 0.2% of the consideration or, if higher, the value of the Shares being sold or transferred.

Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

#### (b) *The Cayman Islands*

Under the present Cayman Islands law, transfers and other dispositions of Shares are exempt from Cayman Islands stamp duty.

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(c) *Consultation with professional advisers*

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

**20. Miscellaneous**

(a) Save as disclosed herein:

(i) within two years preceding the date of this document:

(aa) no share or loan capital of our Company or of any of our subsidiaries has been issued, agreed to be issued or is proposed to be issued fully or partly paid either for cash or for a consideration other than cash; and

(bb) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and

(cc) no commission has been paid or payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions, for any shares in our Company or any of our subsidiaries;

(ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option; and

(b) The Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since 31 May 2009 (being the date to which the latest combined financial statements of our Group were made up).