

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

The Company was incorporated in Bermuda under the Companies Act as an exempted company on 3rd March, 2000 with an authorised capital of HK\$100,000 divided into 1,000,000 shares of HK\$0.10 each, all of which were allotted and issued nil paid to Noble Class Group Limited on 6th March, 2000. All such shares were subsequently paid up in the manner described in paragraph 4 below. The Company has established a head office and principal place of business at Units 5-7, 26th Floor, Laws Commercial Plaza, 788 Cheung Sha Wan Road, Kowloon, Hong Kong and is registered in Hong Kong as an overseas company under Part XI of the Companies Ordinance. Mr. Lau has been appointed as the authorised representative of the Company for the acceptance of service of process and notices on behalf of the Company in Hong Kong. As the Company is incorporated in Bermuda, it is subject to the laws of Bermuda. Its constitution comprises its Memorandum of Association and Bye-laws. A summary of certain relevant parts of its constitution and relevant aspects of Bermuda company law is set out in Appendix III to this prospectus.

2. Changes in share capital

Pursuant to a resolution in writing of the sole shareholder of the Company passed on 1st August, 2000, the share capital of the Company was increased to HK\$100,000,000 by the creation of a further 999,000,000 Shares, part of which were on that date issued credited fully paid as described in paragraph 4 below. All Shares shall rank *pari passu* in all respects.

Immediately following the Placing and the Capitalisation Issue becoming unconditional and the issue of Shares as mentioned herein being made, the authorised share capital of the Company will be HK\$100,000,000 divided into 1,000,000,000 Shares of which 250,000,000 Shares will be issued fully paid or credited as fully paid, and 750,000,000 Shares will remain unissued. Other than pursuant to 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 the Company and, without the prior approval of the members in general meeting, no issue of Shares will be made which would effectively alter the control of the Company.

Save as disclosed herein and in paragraph 3 below, there has been no alteration in the share capital of the Company since its incorporation.

3. Resolutions in writing of the sole shareholder of the Company passed on 1st August, 2000

On 1st August, 2000, pursuant to resolutions in writing passed by the sole shareholder of the Company:

- (a) the Company adopted its current Bye-laws;
- (b) as consideration for the acquisition by the Company of Mcmanners Management Limited and capitalisation of an amount of HK\$2,310,383 due to Noble Class Group Limited from Mcmanners Management Limited, the Directors were authorised to (i) issue 26,279,980

Shares credited fully paid as to 23,551,982 Shares to Noble Class Group Limited, as to 1,363,999 Shares to Pacific Dragon Resources Limited and as to 1,363,999 Shares to Digital Capital Markets Limited and (ii) credit as fully paid at par the 1,000,000 Shares which were issued nil paid on 6th March, 2000 to Noble Class Group Limited;

- (c) conditional on the GEM Listing Committee of the Stock Exchange granting listing of and permission to deal in the shares in issue and to be issued as mentioned in this prospectus and on the obligations of the Underwriters under the Underwriting Agreement becoming unconditional and not being terminated in accordance with the terms of the Underwriting Agreement or otherwise, in each case at or before 8:45 a.m. on 16th August, 2000:—
- (i) the Placing was approved and the Directors were authorised to allot and issue the New Shares; and
 - (ii) the rules of the Share Option Scheme were approved and adopted and the Directors were authorised to grant options thereunder to allot, issue and deal with Shares pursuant thereto;
- (d) conditional on the share premium account of the Company being credited as a result of the Placing, HK\$18,522,002 of such amount was directed to be capitalised and applied in paying up in full at par 185,220,020 Shares for allotment and issue to holders of Shares on the register of members of the Company at the close of business on 1st August, 2000 (or as such holders may direct) in proportion (as nearly as possible without involving fractions) to their then respective shareholdings in the Company;
- (e) a general unconditional mandate was given to the Directors to allot, issue and deal with, otherwise than by way of rights, scrip dividend schemes or similar arrangements in accordance with the Bye-laws of the Company, or pursuant to the exercise of any options which may be granted under the Share Option Scheme or under the Placing or the Capitalisation Issue, Shares with an aggregate nominal value not exceeding (i) 20% of the aggregate nominal value of the share capital of the Company in issue immediately following completion of the Placing and the Capitalisation Issue; and (ii) the aggregate nominal value of shares repurchased under the authority granted to the Directors as referred to in sub-paragraph (f) below until the conclusion of the next annual general meeting of the Company or until the expiration of the period within which the next annual general meeting of the Company is required by law or the Bye-laws of the Company to be held, or until the passing of an ordinary resolution by the shareholders of the Company revoking or varying the authority given to the Directors thereunder, whichever is earlier;
- (f) a general unconditional mandate was given to the Directors authorising them to exercise all powers of the Company to repurchase securities of 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 such purpose, subject to and in accordance with all applicable laws and/or the requirements of the GEM Listing Rules, as referred to in the paragraph headed “Repurchase by the Company of its own securities” with an aggregate nominal value not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue or to be issued as mentioned in this prospectus until the conclusion of the next annual general meeting of the Company or until the expiration

of the period within which the next annual general meeting of the Company is required by law or the Bye-laws of the Company to be held, or until the passing of an ordinary resolution by the shareholders of the Company revoking or varying the authority given to the Directors thereunder, whichever is earlier; and

- (g) the extension of the general mandate to allot, issue and deal with the Shares to include the nominal amount of the share capital of the Company which is repurchased pursuant to sub-paragraph (f) was approved.

4. Corporate reorganisation

The companies comprising the Group underwent a reorganisation to rationalise the Group's structure in preparation for the listing on the Stock Exchange. The reorganisation involved the transfer to the Company by Noble Class Group Limited, Pacific Dragon Resources Limited and Digital Capital Markets Limited of 10,000 shares of US\$1 each, being the entire issued share capital in Mcmanners Management Limited ("Mcmanners"), the intermediate holding company of the Group, and the capitalisation of an amount of HK\$2,310,383 due from Mcmanners to Noble Class Group Limited, in consideration and in exchange for which the Company (i) allotted and issued, credited as fully paid, 26,279,980 Shares as to 23,551,982 Shares to Noble Class Group Limited, as to 1,363,999 Shares to Pacific Dragon Resources Limited and as to 1,363,999 Shares to Digital Capital Markets Limited; and (ii) credited as fully paid at par the 1,000,000 Shares allotted and issued nil paid to Noble Class Group Limited on 6th March, 2000.

In addition to the transfer of shares in Mcmanners referred to above, the Group also underwent the following corporate restructuring:

- (a) the transfer to Noble Class Group Limited by CyberM Holdings Limited ("CyberM Holdings") of 80,000 shares of HK\$1 each in Msoft Systems Limited for a consideration of HK\$78,000 on 30th December, 1999;
- (b) the transfer to Mcmanners by CyberM Holdings of 250,000 shares of HK\$1 each in CyberM E-commerce Limited for a consideration of HK\$2,500 on 31st March, 2000;
- (c) the transfer to Mcmanners by CyberM Holdings of 70,000 shares of HK\$10 each in CyberM Information Technology Limited for a consideration of HK\$1,341,900 on 31st March, 2000;
- (d) the transfer to Mcmanners by CyberM Mobile Computing Limited of 10,000 shares of HK\$1 each in CyberM Holdings for a consideration of HK\$1,374,300 on 31st March, 2000.

5. Changes in the share capital of subsidiaries

The subsidiaries of the Company are referred to in the accountants' report, the text of which is set out in Appendix 1 to this prospectus.

The following alterations in the share capital of the subsidiaries of the Company have taken place within the two years preceding the date of this prospectus:—

1. On 31st July, 1999, 500 shares of US\$1 each in McManners were transferred by Westiche Capital Ltd. to Pacific Dragon Resources Limited in consideration of HK\$4,000,000.
2. On 30th September, 1999, 500 shares of US\$1 each in McManners were transferred by Westiche Capital Ltd. to Digital Capital Markets Limited in consideration of HK\$4,000,000.
3. On 2nd May, 2000, 800 shares of US\$1 each in McManners were transferred by Westiche Capital Ltd. to Noble Class Group Limited for nil consideration.
4. On 2nd May, 2000, 300 shares of US\$1 each in McManners were transferred by Westiche Capital Ltd. to Mr. Yip for nil consideration.
5. On 2nd May, 2000, 300 shares of US\$1 each in McManners were transferred by Westiche Capital Ltd. to Mr. Lai for nil consideration.
6. On 2nd May, 2000, 300 shares of US\$1 each in McManners were transferred by Westiche Capital Ltd. to Mr. Wong for nil consideration.
7. On 2nd May, 2000, 300 shares of US\$1 each in McManners were transferred by Westiche Capital Ltd. to Mr. Fung for nil consideration.
8. On 16th May, 2000, 300 shares of US\$1 each in McManners were transferred by Mr. Yip to Noble Class Group Limited in consideration of US\$300.
9. On 16th May, 2000, 300 shares of US\$1 each in McManners were transferred by Mr. Lai to Noble Class Group Limited in consideration of US\$300.
10. On 16th May, 2000, 300 shares of US\$1 each in McManners were transferred by Mr. Wong to Noble Class Group Limited in consideration of US\$300.
11. On 16th May, 2000, 300 shares of US\$1 each in McManners were transferred by Mr. Fung to Noble Class Group Limited in consideration of US\$300.

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

6. Repurchase by the Company of its own securities

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

(a) *GEM Listing Rules*

The GEM Listing Rules permit companies whose primary listings are on 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

The GEM Listing Rules provide that all repurchases of securities on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval in relation to specific transactions.

Note: Pursuant to a resolution in writing passed by the sole shareholder of the Company on 1st August, 2000, a general unconditional mandate ("Buyback Mandate") was given to the Directors authorising repurchase by the Company on the Stock Exchange, or 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 of up to 10% of its Shares immediately following completion of the Placing at any time until the conclusion of the next annual general meeting of the Company or the expiration of the period within the next annual general meeting of the Company is required by the Bye-laws of the Company or the Companies Act or any other applicable laws of Bermuda to be held or the passing of an ordinary resolution of shareholders of the Company in general meeting revoking, varying or renewing such mandate, whichever occurs first.

(ii) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Company's Memorandum of Association and Bye-laws and the Companies Act. A listed company may not repurchase its own shares 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 Bermuda law, any repurchases by a company may only be paid out of the capital paid up on the relevant shares or the funds of the company which would otherwise be available for dividend or distribution or the proceeds of a fresh issue of shares made for this purpose. The amount of premium (if any) payable on a repurchase may only be paid out of the funds of the company which would otherwise be available for dividend or distribution or out of the share premium account of the Company.

(iii) Trading restrictions

The shares proposed to be repurchased by a company must be fully paid up. The total number of shares which a company is authorised to repurchase on the Stock Exchange is shares representing up to a maximum of 10% of the existing issued share capital of the company as at the date of the resolution approving the repurchase and the company may not issue without the prior approval of the Stock Exchange or announce an issue of new shares for a period of 30 days immediately following a repurchase of securities (other than an issue of securities pursuant to an exercise of share options or similar instruments requiring the

company to issue securities, which were outstanding prior to such repurchase). A company may only purchase shares on the Stock Exchange if (1) the purchase price is not higher than the latest (or current) independent bid price or the last independent sale (contract) price quoted or reported on the system (as defined in the Rules of the Stock Exchange), whichever is higher; and (2) the company has not made the opening bid nor any bid in the last 30 minutes before the close of normal trading hours as stipulated in the Rules of the Stock Exchange. The GEM Listing Rules also prohibit a company from making repurchases of its securities on the Stock Exchange if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange.

(iv) Status of repurchased securities

The GEM Listing Rules provide that all repurchased securities are automatically delisted and the certificates for the securities must be cancelled and destroyed. Under Bermuda law, the Company's repurchased Shares will be cancelled and the amount of the Company's issued shares capital shall be diminished by the aggregate nominal value of the repurchased shares accordingly.

(v) Suspension of repurchases

The GEM Listing Rules require any securities buyback programme to be suspended after the directors have made any decision in respect of a price sensitive development or a price sensitive development has occurred until the price sensitive information has been publicly announced. In particular, during the period of one month immediately preceding either the preliminary announcement of annual results or the publication of the half-year report or a quarterly report, a company may not purchase its shares on the Stock Exchange, unless the circumstances are exceptional. In addition, the Stock Exchange reserves the right to suspend a securities repurchase programme on the Stock Exchange if the company has breached the Listing Rules.

(vi) Reporting requirements

Under the GEM Listing Rules, repurchases of securities on the Stock Exchange must be reported to the Stock Exchange not later than 9:30a.m. (Hong Kong time) on the business day following the day a repurchase is effected. In addition, the company's annual report is required to disclose details regarding securities repurchases made during the year, including the number of securities repurchased and the aggregate prices paid.

(vii) Connected persons

The GEM Listing Rules prohibit a company from knowingly repurchasing its shares on the Stock Exchange from a "connected person", that is, a director, chief executive, substantial shareholder or management shareholder (as defined in the GEM Listing Rules) of the company or any of its subsidiaries or the associates of any of them, and a connected person shall not knowingly sell his shares to the company.

(b) *Information relevant to the Buyback Mandate*

(i) Exercise of the Buyback Mandate

Exercise in full of the Buyback Mandate, on the basis of 250,000,000 shares in issue immediately after the listing of the Placing Shares, could accordingly result in up to 25,000,000 Shares being repurchased by the Company during the period prior to the next annual general meeting or the time specified by law for the holding of the next annual general meeting, or revocation by shareholders in general meeting, whichever is earlier.

(ii) Reasons for repurchases

The Directors believe that it is in the best interests of the Company and its shareholders to have a general authority from shareholders to enable the Directors to 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 value of the Company and its assets and/or its earnings per Share and will only be made when the Directors believe that such purchases will benefit the Company and its shareholders.

(iii) Funding of repurchases

In repurchasing securities, the Company may only apply funds legally available for such purchase in accordance with its Memorandum of Association and Bye-laws, the GEM Listing Rules and the applicable laws and regulations of Bermuda and Hong Kong.

(iv) General

If the Buyback Mandate were to be exercised in full, it could have a material adverse effect on the working capital or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company. The Directors do not propose to exercise the Buyback Mandate in full in such circumstances.

None of the Directors, or to the best of their knowledge, having made all reasonable enquiries, their associates, have any present intention to sell any Shares to the Company or its subsidiaries.

No connected persons (as defined in the GEM Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so.

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 GEM Listing Rules and the applicable laws of Bermuda.

However, any repurchase of Shares which will result in the number of Shares in the hands of the public falling below the prescribed minimum for the Company, could only be implemented with the agreement of the Stock Exchange to waive the dealing restriction regarding the public shareholding referred to above. The Stock Exchange has informed the Company that a waiver of this provision would not normally be given except in extraordinary circumstances.

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 purposes of the Hong Kong Code on Takeovers and Mergers ("Code"). Accordingly, a shareholder or a group of shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code.

FURTHER INFORMATION ABOUT THE BUSINESS

7. Summary of material contracts

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

- (a) An agreement as evidenced by bought and sold notes and an instrument of transfer all dated 30th December, 1999 pursuant to which Noble Class Group Limited acquired from Magic Holdings Limited (now known as CyberM Holdings Limited) the beneficial interests in 80,000 shares in Msoft Systems Limited for a consideration of HK\$78,000.
- (b) A tenancy agreement dated 24th February, 2000 and made between Land City International Limited as the landlord and Focus Computer Store Limited (now known as CyberM E-commerce Limited) as the tenant in respect of the property situated at Unit Nos.5, 6 and 7 on 26th Floor, Laws Commercial Plaza, 788 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon, Hong Kong for a term of two years from 15th January, 2000 to 14th January, 2002 at a monthly rent of HK\$52,000.
- (c) A tenancy agreement (in Chinese) dated 28th February, 2000 and made between Magic Computer (H.K.) Limited (now known as CyberM Information Technology Limited) as the landlord and Shun Cheong Management Limited as the tenant in respect of the property situated at Workshop No.1 including the Flat Roof thereof on 5th Floor, Premier Centre, No. 20 Cheung Shun Street, Cheung Sha Wan, Kowloon, Hong Kong for a term of two years from 1st March, 2000 to 28th February, 2002 at a monthly rent of HK\$11,000.
- (d) An agreement as evidenced by bought and sold notes, an instrument of transfer and a declaration of trust all dated 31st March, 2000 pursuant to which Mcmanners acquired from Magic Holdings Limited (now known as CyberM Holdings Limited) the beneficial interests in 250,000 shares in Magic E-commerce Limited (now known as CyberM E-commerce Limited) for a consideration of HK\$2,500.
- (e) An agreement as evidenced by bought and sold notes, an instrument of transfer and a declaration of trust all dated 31st March, 2000 pursuant to which Mcmanners acquired from Magic Holdings Limited (now known as CyberM Holdings Limited) the beneficial interests in 70,000 shares in Magic Information Technology Limited (now known as CyberM Information Technology Limited) for a consideration of HK\$1,341,900.

- (f) An agreement as evidenced by bought and sold notes, an instrument of transfer and a declaration of trust all dated 31st March, 2000 pursuant to which Mcmanners acquired from Magic Mobile Computing Limited (now known as CyberM Mobile Computing Limited) the beneficial interests in 10,000 shares in Magic Holdings Limited (now known as CyberM Holdings Limited) for a consideration of HK\$1,374,300.
- (g) A collaboration agreement dated 2nd May, 2000 and made between Sybase HK and CyberM Information Technology Limited in relation to the business alliance referred to on page 66 of this prospectus.
- (h) A cooperation agreement dated 14th May, 2000 and made between Corp2net.com Limited and Magic E-Commerce Limited (now known as CyberM E-commerce Limited) in relation to the business cooperation between the Group and Corp2net.com Limited referred to on page 75 of this prospectus.
- (i) An assignment of indebtedness dated 30th June, 2000 and made between Mr. Lau and Noble Class Group Limited with the consent and acknowledgement of Mcmanners pursuant to which Mr. Lau assigned to Noble Class Group Limited the amount of HK\$2,310,383 due to Mr. Lau from Mcmanners.
- (j) The Asian Solutions Center Partner Agreement dated 10th July, 2000 and made between Sybase HK and CyberM Information Technology Limited in relation to the Group's participation in the activities of the Asian Solutions Center as described on page 67 of this prospectus.
- (k) A guarantee dated 26th July, 2000 executed by the Company in favour of Hang Seng Finance Limited in relation to the general credit facilities granted to CyberM Information Technology Limited pursuant to the mortgage as described on page 134 of this prospectus.
- (l) A supplementary agreement dated 19th July, 2000 and made between Corp2net.com Limited and CyberM E-commerce Limited in relation to the business cooperation between the Group and Corp2net.com Limited referred to on page 75 of this prospectus.
- (m) The Share Exchange Agreement dated 1st August, 2000 between the Company, Noble Class Group Limited, Pacific Dragon Resources Limited, Digital Capital Markets Limited and Mr. Lau pursuant to which the Company acquired the entire issued share capital of Mcmanners in consideration of the allotment and issue of Shares credited as fully paid to Noble Class Group Limited, Pacific Dragon Resources Limited and Digital Capital Markets Limited as described in paragraph 3 on page 161 of this prospectus.
- (n) The Sponsor Agreement dated 11th August, 2000 between the Company and Core Pacific - Yamaichi Capital Limited.
- (o) A deed of indemnity dated 11th August, 2000 executed by Noble Class Group Limited, Sunrise International (Holdings) Limited and Mr. Lau, in favour of the Group in relation to taxation and estate duty referred to in the sub-paragraph headed "Estate duty and tax indemnity" under the paragraph headed "Other information" in this Appendix.
- (p) An underwriting agreement dated 11th August, 2000 referred to in the paragraph headed "Underwriting arrangements and expenses" under the section headed "Underwriting" of this prospectus.

8. Intellectual property rights

The Group has applied for registration of the following marks in Hong Kong in respect of the classes of goods specified below:—

| Trademark | Class No. | Name of applicant | Application number | Date of application |
|---|-----------|---|--------------------|---------------------|
|  | 9 | CyberM International (Holdings) Limited | 2000 10731 | 17th May, 2000 |
| CyberM Business | 9 | CyberM International (Holdings) Limited | 2000 10732 | 17th May, 2000 |
| CyberM Mobile | 9 | CyberM International (Holdings) Limited | 2000 10733 | 17th May, 2000 |
| CyberM Retail | 9 | CyberM International (Holdings) Limited | 2000 10734 | 17th May, 2000 |
| CyberM | 35 | CyberM International (Holdings) Limited | 2000 10735 | 17th May, 2000 |
| CyberM | 38 | CyberM International (Holdings) Limited | 2000 10736 | 17th May, 2000 |
| CyberM | 42 | CyberM International (Holdings) Limited | 2000 10737 | 17th May, 2000 |

The Trade Marks Registry has, by letters dated 31st July 2000, indicated to the Group that “CyberM Business”, “CyberM Mobile”, “CyberM Retail” and the “CyberM” trademarks are indistinctive and are therefore prima facie unacceptable for registration subject to the right of the Group to lodge appeals against the prima facie objections. The Group will review the prima facie objections of the Trade Marks Registry with its legal advisers and will file appeals within the statutory period allowed, being 6 months from the date of the letters of the Trade Marks Registry.

FURTHER INFORMATION ABOUT DIRECTORS, MANAGEMENT AND STAFF

9. Disclosure of interests

(a) *Disclosure of interests of the Directors*

Immediately following completion of the Placing and the Capitalisation Issue (but without taking into consideration the Shares which may be taken up under the Placing and the exercise of the Over-allocation Option by which up to 7,500,000 existing Shares are to be sold by Noble Class Group Limited), the interests of the Directors in the Shares or securities of any associated corporation (within the meaning of the SDI Ordinance) which will have to be notified to the Company and the Stock Exchange pursuant to Section 28 of the SDI Ordinance (including

interests which they are deemed or taken to have under Section 31 of, or Part 1 of the Schedule to, the SDI Ordinance) or which will be required, pursuant to Section 29 of the SDI Ordinance, to be entered in the register referred to therein once the Shares are listed or which will be required to be notified to the Company and the Stock Exchange pursuant to Rules 5.40 to 5.59 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company once the Shares are listed will be as follows:—

The Company

| Name of Directors | Type of Interest | Holding of Shares | Approximate percentage of Shareholding (%) |
|-------------------|-------------------------------------|-------------------|--|
| Mr. Lau | Discretionary trust (<i>Note</i>) | 191,250,000 | 76.5* |
| Mr. Yip | Discretionary trust (<i>Note</i>) | 191,250,000 | 76.5* |
| Mr. Lai | Discretionary trust (<i>Note</i>) | 191,250,000 | 76.5* |
| Mr. Wong | Discretionary trust (<i>Note</i>) | 191,250,000 | 76.5* |
| Mr. Fung | Discretionary trust (<i>Note</i>) | 191,250,000 | 76.5* |

* Assuming the Over-allocation Option referred to on page 111 of this prospectus is not exercised

Note:

Subject to the Over-allocation Option by which up to 7,500,000 existing Shares are to be sold by Noble Class Group Limited to the Underwriters, 191,250,000 Shares representing 76.5% shareholding (assuming the Over-allocation Option referred to on page 111 of this prospectus is not exercised) in the Company will be beneficially owned by and registered in the name of Noble Class Group Limited. The entire issued share capital in Noble Class Group Limited is in turn held by Sunrise International (Holdings) Limited (“Sunrise”), a company incorporated in Cayman Islands. Mr. Lau and his spouse, Mr. Yip, Mr. Lai, Mr. Wong and Mr. Fung are the holders of all the issued non-voting redeemable and retractable preferred shares of Sunrise with the rights to a fixed 5% cumulative dividend and redemption at fixed redemption prices in the aggregate amount of HK\$9 million only. All the issued ordinary shares of Sunrise are held by Arawak Trust Company Limited, a corporate trustee of a discretionary trust, the discretionary objects of which include:—

- (i) Prophecy Associates Limited*
- (ii) Mr. Yip, his spouse, their issue and the spouses of their issue**
- (iii) Mr. Lai, his spouse, their issue and the spouses of their issue**
- (iv) Mr. Wong, his spouse, their issue and the spouses of their issue**
- (v) Mr. Fung, his spouse, their issue and the spouses of their issue**
- (vi) Mr. Chan Wing Fuk, his spouse, their issue and the spouses of their issue.**

The discretionary trust described above is subject to a non-binding arrangement that any distribution of trust funds will be in the following proportions:—

| Discretionary objects | Proportion |
|---|------------|
| Prophecy Associates Limited* | 86.68% |
| Mr. Yip (upon his death, his spouse, and upon the death of both Mr. Yip and his spouse, their children) | 3.33% |
| Mr. Lai (upon his death, his spouse, and upon the death of Mr. Lai and his spouse, their children) | 3.33% |
| Mr. Wong (upon his death, his spouse, and upon the death of Mr. Wong and his spouse, their children) | 3.33% |
| Mr. Fung (upon his death, his spouse, and upon the death of Mr. Fung and his spouse, their children) | 3.33% |

* All the issued ordinary shares of Prophecy Associates Limited are held by AMS Trustees Limited, a corporate trustee of a discretionary trust, the discretionary objects of which are the lineal descendants of the paternal and maternal grandfathers of Mr. Lau and his spouse and their respective spouses but exclude, *inter alia*, residents of Canada.

** The families of Mr. Lau, Mr. Yip, Mr. Lai, Mr. Wong, Mr. Fung and Mr. Chan Wing Fuk as described above are not relatives of each other. Mr. Chan Wing Fuk is the godfather of Mr. Lau's spouse.

Each of Mr. Lau, Mr. Yip, Mr. Lai, Mr. Wong and Mr. Fung is therefore taken to have an interest in the 191,250,000 Shares held by Noble Class Group Limited under the SDI Ordinance.

- (b) Immediately following the completion of the Placing and the Capitalisation Issue, so far as the Directors are aware and taking no account of Shares which may be taken up pursuant to the Placing the persons, other than a director or a chief executive of the Company, who will be directly or indirectly interested in 10% or more of the Shares then in issue will be as follows:—

| Name | Number of Shares | Approximate percentage of shareholding (%) |
|--|------------------|--|
| Noble Class Group Limited (<i>see Note above</i>) | 191,250,000 | 76.5* |
| Sunrise International (Holdings) Limited (<i>see Note above</i>) | 191,250,000 | 76.5* |
| Arawak Trust Company Limited (<i>see Note above</i>) | 191,250,000 | 76.5* |

* Assuming the Over-allocation Option referred to on page 111 of this prospectus is not exercised

- (c) *Particulars of service agreements*

- (i) Each of the executive Directors has entered into a service agreement with the Company for a term of two years commencing from the date on which dealings in the Shares on GEM commence and shall continue thereafter until terminated by either party thereto giving to the other at least three months' notice in writing to determine the same.

- (ii) Each of these executive Directors is entitled to the basic annual salary set out below (subject to review as described below):—

| | <i>HK\$</i> |
|-----------|-------------|
| Mr. Lau | 520,000 |
| Mr. Yip | 294,840 |
| Mr. Lai | 280,800 |
| Mr. Wong | 262,080 |
| Mr. Fung* | 222,000 |

* In addition to the above basic salary, Mr. Fung is entitled to a housing allowance of up to HK\$168,000 per annum.

- (iii) Save as disclosed herein, there are no existing or proposed service agreements (excluding contracts expiring or terminable by the employer within one year without payment of compensation (other than statutory compensation)) between any member of the Group and any of the Directors.

(d) *Directors' remuneration*

- (i) Under the existing arrangements, it is estimated that an aggregate of approximately HK\$1,545,000 will be paid to the executive Directors pursuant to the service agreements referred to above in respect of the year ending 31st March, 2001 by way of salary and, if applicable, the housing allowance (including a fixed sum bonus of each executive Director equal to one month's salary or pro rata thereof in case of an incomplete year). Each executive Director's basic salary and, if applicable, the housing allowance will be reviewed by the board of Directors annually Provided that any increment shall not exceed 30% of the current basic salary and, if applicable, the housing allowance of the Director.
- (ii) Each of the executive Directors is further entitled to a discretionary bonus in such sum and payable at such time or times as the Directors may determine provided that the aggregate of the discretionary bonuses paid to all the executive Directors of the Group in a particular financial year shall not exceed 10% of the audited consolidated net profit of the Group (after tax and minority interests but before extraordinary items and payment of such bonuses.)
- (iii) Each of the executive Directors is further entitled to all reasonable travelling, entertainment and other expenses reasonably incurred by the executive Director in the proper performance of his duties under the service agreement, and such medical schemes, insurance cover, pension or retirement schemes adopted or taken out by the Company from time to time.

It is the policy of the Company to remunerate its executive Directors by means of basic salaries and, if applicable, the housing allowance at rates that reflect their anticipated relative contributions to the day to day operations of the Group and to divide any performance related bonuses, as outlined above, in accordance with the relative contributions, status and responsibilities of the executive Directors.

- (iv) An aggregate of approximately HK\$804,000 was paid to the Directors as remuneration (including bonuses and benefits in kind) in respect of the twelve months ended 31st March, 2000.

(e) *Amount in cash or in kind received by director as an inducement to join the Group*

In January 2000, Mr. Yip, Mr. Lai and Mr. Wong assigned to Mr. Fung the beneficial interest, in aggregate, of 3% shareholding in Mcmanners Management Limited at nil consideration - see also the section headed "Directors' and senior executives' emoluments" in Appendix I to this prospectus.

(f) *Agency fees or commissions received*

Save as disclosed herein, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of the Company or any of its subsidiaries within the two years preceding the date of this prospectus.

(g) *Related party transactions*

Apart from those disclosed in the accountants' report, the text of which is set out in Appendix I to this prospectus, the Group did not enter into any other related party transactions within the two years preceding the date of this prospectus. All the related party transactions described in Appendix I to this prospectus have ceased prior to the date of this prospectus.

(h) *Disclaimers*

Save as disclosed herein:—

- (i) none of the Directors nor chief executive of the Company has an interest in any shares in, or securities of, the Company or any of its associated corporations (within the meaning of the SDI Ordinance) which will have to be notified to the Company and the Stock Exchange pursuant to Section 28 of the SDI Ordinance (including interests which they are deemed or taken to have under Section 31 of, or part 1 of the Schedule to, the SDI Ordinance) once the Shares are listed or which will be required, pursuant to Section 29 of the SDI Ordinance, to be entered in the register referred to therein, once the Shares are listed or which will be required to be notified to the Company and the Stock Exchange, pursuant to the Rules 5.40 to 5.59 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company, once the Shares are listed;
- (ii) taking no account of Shares which may be taken up under the Placing, the Directors are not aware of any person who will, immediately following completion of the Capitalisation Issue, hold or be beneficially interested in Shares representing 10% or more of the Shares then in issue, or shares of any subsidiary of the Company representing 10% or more of the shares of such subsidiary carrying rights to vote in all circumstances at any general meeting of such subsidiaries;

- (iii) none of the Directors has any direct or indirect interest in the promotion of the Company, or in the assets which have been, within the two years preceding the issue of this prospectus, acquired or disposed of by or leased to, or are proposed to be acquired or disposed of by or leased to, any member of the Group;
 - (iv) no Director is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of the Group;
 - (v) none of the Directors has entered into or has proposed to enter into any service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation); and
 - (vi) none of the Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) has any interest in the Group's five largest suppliers and five largest customers.
- (i) *Non-competition undertakings by the executive Directors*

Under the service agreements referred to in the sub-paragraphs headed "Particulars of service contracts" in this section, each of the executive Directors has undertaken to the Company that, during his employment and for a period of 18 months after the termination of his contract, he will not, inter alia, (i) engage in Hong Kong or in such other places in which or with which the Group has business operations and in any business which either directly or indirectly competes with the business of the Group, or (ii) solicit or entice away any director, manager or employee of the Group, or solicit business from the business contacts of the Group.

(j) *Non-executive Director*

Mr. Chiu Raymond Yim, a non-executive Director, is the vice president of Business Development Asia Pacific and Japan of IAnywhere Solution Inc., a subsidiary of Sybase Inc., the holding company of Sybase HK with which the Group has a business alliance as described on page 66 of this prospectus.

10. Share option scheme

Summary of terms

The following is a summary of the principal terms of the Share Option Scheme conditionally approved pursuant to resolutions in writing passed by the sole shareholder of the Company on 1st August, 2000 (the "Adoption Date"):

(a) *Who may join?*

The board of Directors (the "Board") may, at their discretion, invite any full-time employees of the Company or any of its subsidiaries ("Employees") and executive directors of the Group to take up options at HK\$1 per option to subscribe for Shares at a price calculated in accordance with paragraph (c) below.

(b) *Connected Person*

Any grant of options to a connected person (as such term is defined in the GEM Listing Rules) must be approved by the independent non-executive directors of the Company. Where options are proposed to be granted to a connected person who is also a substantial shareholder (as such term is defined in the GEM Listing Rules) or an independent non-executive director of the Company or any of their respective associates, and the proposed grant of options, when aggregated with the options already granted to that connected person in the past 12 months period, would entitle him to receive more than 0.1% of the total issued shares of the issuer for the time being and the value of which is in excess of HK\$5 million, then the proposed grant must be subject to the approval of shareholders in general meetings. Apart from the connected person involved, all other connected persons of the Company must abstain from voting in such general meeting (except where any connected person intends to vote against the proposed grant). A shareholders' circular must be prepared by the Company explaining the proposed grant, disclosing the number and terms of the options to be granted and containing a recommendation from the independent directors on whether or not to vote in favour of the proposed grant.

(c) *Price of Shares*

The subscription price for Shares under the Share Option Scheme will be a price determined by the Board and notified to each grantee and will be the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of grant, which must be a business day; (ii) average closing prices of the Shares as stated in the Stock Exchange's daily quotation sheet for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share.

(d) *Maximum number of Shares*

- (i) the total number of Shares available for issue under options which may be granted under the Share Option Scheme and any other schemes must not in aggregate exceed 10% of the issued share capital of the Company as at the date of listing of the Shares on GEM unless shareholders' approval has been obtained pursuant to paragraphs (ii) and (iii) below;
- (ii) the Company may seek approval by shareholders in general meeting to refresh the 10% limit. However, the total number of Shares available for issue under options which may be granted under the Share Option Scheme and any other schemes in these circumstances must not exceed 10% of the issued share capital of the Company from time to time;
- (iii) the Company may seek separate shareholders' approval in general meeting to grant options beyond the 10% limit provided that (i) the total number of Shares subject to the Share Option Scheme and any other schemes does not in aggregate exceed 30% of the total issued share capital of the Company and (ii) the options in excess of the 10% limit are granted only to participants specified by the Company before such approval is sought;
- (iv) any grant of options to a connected person (as defined in the GEM Listing Rules) must be approved by all independent non-executive Directors;

- (v) where options are proposed to be granted to a connected person who is also a substantial shareholder (as defined in the GEM Listing Rules) or any of his or her or its respective associates, and the proposed grant of options, when aggregated with the options already granted to such connected person in the past 12 months period, would entitle that person to receive more than 0.1% of the total issued shares of the Company for the time being and the value of which is in excess of \$5 million, then the proposed grant must be subject to the approval of shareholders in general meetings. Apart from the connected person involved, all other connected persons of the Company must abstain from voting in such general meeting (except where any connected person intends to vote against the proposed grant). A shareholders' circular must be prepared by the Company explaining the proposed grant, disclosing the number and terms of the options to be granted and containing a recommendation from the independent directors on whether or not to vote in favour of the proposed grant; and
- (vi) the following additional disclosures will be made in the annual, interim and quarterly reports of the Group:
- (i) details of options granted to the following persons: each director; and all the other participants.
 - (ii) A summary of the major terms of each share option scheme approved by shareholders.

(e) *Maximum number of options to any one individual*

No option may be granted to any Employee which, if exercised in full, would result in the total number of Shares already issued and issuable to him under the Share Option Scheme exceeding 25% of the aggregate number of Shares for the time being issued and issuable under the Share Option Scheme.

(f) *Time of exercise of option*

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be notified by the Board to each grantee. Such period shall not be less than 3 years and not more than 10 years from the date of grant of the option but such period is subject to the provisions for early termination contained in the terms of the Share Option Scheme.

(g) *Rights are personal to grantee*

An option may not be sold, transferred, charged, mortgaged or encumbered and is personal to the grantee, nor shall any interest be created in favour of any third party over or in relation to any option. Any breach of the foregoing shall entitle the Company to cancel any outstanding option or part thereof granted to such grantee.

(h) *Rights on ceasing employment*

If the grantee of an option ceases to be an Employee for any reason (other than death and certain other grounds specified in the Share Option Scheme), the option (to the extent not already exercised) shall lapse on the date of cessation of employment and not be exercisable.

(i) *Rights on dismissal*

An option shall lapse automatically and not be exercisable (to the extent not already exercised) on the date on which the Company terminates the employment of an Employee under common law or pursuant to any applicable laws or under the Employee's service contract with the Company or the relevant subsidiary of the Company.

(j) *Rights on death*

If the grantee of an option ceases to be an Employee due to death, his legal personal representatives may exercise the option up to the grantee's entitlement (to the extent not already exercised) within the period of 12 months following his death or such longer period as the Board may determine.

(k) *Rights on winding up*

In the event of an order of the court is made for the winding-up of the Company, the grantee of an option (or his legal personal representative(s)) may by notice in writing to the Company at any time before 21 days after the order of the court elect to be treated as if the option (to the extent not already exercised) had been exercised immediately before the order either to its full extent or to the extent specified in such notice and shall accordingly be entitled to receive out of the assets available in the liquidation *pari passu* with the holders of Shares such sum (if any) as would have been received by him in respect of the Shares the subject of such election reduced by an amount equal to the relevant subscription price which would otherwise have been payable in respect thereof.

In the event that 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 to the grantee of an option and the grantee of an option may by notice in writing to the Company exercise the option (to the extent not already exercised) either in full or in part and upon passing of such resolution, the option (to the extent not exercised) shall lapse.

(l) *Rights on a compromise or arrangement*

If a compromise or arrangement between the Company and the shareholders or between the Company and its creditors is proposed for the purposes of reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all holders of options on the same date as it despatches the notice which is sent to each shareholder or creditor of the Company summoning the meeting to consider such proposal. On giving of notice each holder of an option shall forthwith and until the expiry of the period commencing with that date and ending with the earlier of the date two calendar months thereafter or the date on which such proposal is sanctioned by the court be entitled to exercise his options, but the exercise of an option as aforesaid shall be conditional upon such proposal being sanctioned by the court and becoming effective.

(m) *Effects to alterations to capital*

In the event of any alteration in the capital structure of the Company whilst any option remains exercisable (excluding any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction), such corresponding alteration (if any) certified in writing by the auditors for the time being of the Company as being fair and reasonable (except in the case of a capitalisation issue where no such certification shall be required) will be made to the number of Shares subject to the option so far as unexercised and/or the subscription price and/or the method of the exercise of the option, provided that no such alteration shall be made so that, inter alia, any Share would be issued at less than its nominal value.

(n) *Rights on general offer*

If a general offer is made to all the holders of Shares (being an offer made in the first instance on a condition such that, if it is satisfied, the offeror will have control of the Company), any person shall have obtained control of the Company or an offeror gives a notice pursuant to the Companies Act to acquire the remaining Shares, the grantee of an option shall be entitled to exercise the option in full (to the extent not already exercised) at any time within six months after the date on which control has been obtained or within six months of such notice.

(o) *Ranking of Shares*

- (i) The Shares to be allotted upon the exercise of an option will be subject to all the provisions of the Bye-laws of the Company for the time being in force and will rank *pari passu* in all respects with the then existing fully paid Shares in issue on the date of allotment of Shares to the grantee on exercise of the option or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members, and accordingly will entitle the holders to participate in all dividends or other distribution paid or made after that date or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before that date;
- (ii) unless the context otherwise requires, references to “Shares” in the Share Option Scheme include shares of HK\$0.10 each of the Company or if there has been a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company; and
- (iii) the rules of the Share Option Scheme may be altered in any respect by resolution of the board of Directors except that certain provisions of the Share Option Scheme shall not be altered to the advantages of grantees or prospective grantees except with the prior sanction of resolution of the Company in a general meeting with the grantees and their associates abstaining from voting provided that any alterations to the provisions of the Share Option Scheme which are of a material nature must be approved by the Stock Exchange except where the alterations take effect automatically under the existing provisions of the Share Option Scheme.

(p) *Cancellation of options*

Any cancellation of options granted but not exercised must be approved by the shareholders of the Company in general meeting, with grantees and their associates abstaining from voting. Any vote taken at the meeting to approve such cancellation must be taken by poll.

(q) *Termination of the Share Option Scheme*

The Company may by resolution in general meeting terminate the operation of the Share Option Scheme. In such event, no further options will be offered but the provisions of the Share Option Scheme shall remain in force in all other respects.

(r) *Price sensitive development*

Any grant of options will not be made after a price sensitive development 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 GEM Listing Rules. In particular, during the period of one month immediately preceding the preliminary announcement of annual results or the publication of interim results, no option will be granted until such information has been so announced.

(s) *Period of Share Option Scheme*

Unless terminated by the Company by resolution in general meetings, the Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date of adoption of the Share Option Scheme.

(t) *Administration of Share Option Scheme*

The Share Option Scheme will be administrated by a committee of the Board including the independent non-executive directors of the Company.

(u) *Present status of the Share Option Scheme*

The Share Option Scheme is conditional on the GEM Listing Committee of the Stock Exchange granting approval of the Share Option Scheme and any options which may be granted thereunder and the listing of, and permission to deal in, any Shares which may be issued pursuant to the exercise of options granted under the Share Option Scheme. Application has been made to the GEM Listing Committee of the Stock Exchange for the approval of the Share Option Scheme, the granting of the options under the Share Option Scheme and the listing of, and permission to deal in, the Shares which may be issued pursuant to the exercise of the options granted under the Share Option Scheme.

As at the date of this prospectus, no option has been granted or agreed to be granted under the Share Option Scheme.

OTHER INFORMATION**11. Estate duty and tax indemnity**

Each of the Indemnitors has, pursuant to the deed of indemnity referred to in the section headed “Further information about the business — Summary of material contracts” in this Appendix, jointly and severally given appropriate indemnities in connection with, inter alia, Hong Kong estate duty which might be payable by any member of the Group by reason of any transfer of property (within the meaning of section 35 of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong)) to any member of the Group on or before the date on which the Placing becomes unconditional. The deed of indemnity also contains indemnities in respect of taxation resulting from or by reference to any income, profits or gains earned, accrued or received on or before the date on which the Placing becomes unconditional which might be payable by any member of the Group on or before the date on which the Placing becomes unconditional save in the following circumstances:—

- (a) where provision (if any) has been made in the combined accounts of the Group up to 31st May 2000; or
- (b) taxation for which the Group is primarily liable in respect of or in consequence of any event occurring or income, profits or gains earned, accrued or received or alleged to have been earned, accrued or received in the ordinary course of business since 31st May, 2000; or
- (c) which such taxation claim arises or is incurred as a result of any retrospective change in the law or the interpretation or practice thereof by the relevant fiscal authority or an increase in rates of taxation coming into force after the date of the deed of indemnity; or
- (d) where the claim is for a penalty imposed under section 42(2) of the Estate Duty Ordinance by reason of the Group defaulting in any obligation, arising after the deed of indemnity has become unconditional, to give information to the Commissioner under section 42(1) of the Estate Duty Ordinance and which is not interest on unpaid estate duty.

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.

12. Litigation

No member of the Group 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 by or against any member of the Group.

13. Sponsor

Core Pacific - Yamaichi has made an application on behalf of the Company to the GEM Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Shares in issue and to be issued as mentioned herein and any Shares falling to be issued pursuant to the exercise of the Over-allocation Option by which up to 7,500,000 existing Shares are to be sold by Noble Class Group Limited and options granted under the Share Option Scheme.

14. Preliminary expenses

The estimated preliminary expenses of the Company are approximately US\$5,000 and are payable by the Company.

15. Promoters

The promoter of the company is Mr. Lau. Save as disclosed in this prospectus, within the two years preceding the date of this prospectus, no amount or benefit has been paid or given to the promoter in connection with the Placing or the related transactions described in this prospectus.

16. Qualifications of experts

The following are the qualifications of the experts who have given an opinion or advice which is contained in this prospectus:

| Name | Qualification |
|--------------------------------|---|
| Core Pacific - Yamaichi | Registered investment adviser and securities dealer |
| Arthur Andersen & Co | Certified public accountants |
| DTZ Debenham Tie Leung Limited | Property Advisers and valuers |
| Appleby Spurling & Kempe | Bermuda barristers and attorneys |

Save as disclosed herein:

- (a) None of the experts above has any direct or indirect interest in the promotion of the Company, or in the assets which have been, within the two years preceding the issue of this prospectus, acquired or disposed of by or leased to, or are proposed to be acquired or disposed of or leased to, any member of the Group; and
- (b) None of the experts above is interested beneficially or legally in any shares in any member of the Group nor has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any shares in any members of the Group.

17. Consents of experts

Each of Core Pacific - Yamaichi, Arthur Andersen & Co, DTZ Debenham Tie Leung Limited and Appleby Spurling & Kempe has given and has not withdrawn its written consent to the issue of this prospectus with inclusion of its report and/or letter and/or summary of valuations and/or valuation certificate and/or the references to its name in the form and context in which they are respectively included.

18. Binding effect

This document shall have the effect, if an application is made in pursuant hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies Ordinance so far as applicable.

19. Adoption of Chinese name for the Company

The Directors have been advised that, under Bermuda law, a company may have only one name and a Chinese name such as that adopted by the Company is not registrable in Bermuda as part of the official and registered name of the Company as Chinese characters are not part of the official language of Bermuda. However, the use of Chinese name by the Company for purposes of identification only (for example, on the market floor and on the computer screen at the Stock Exchange) does not contravene the provisions of Bermuda law.

20. Miscellaneous

- (a) Save as disclosed herein:
 - (i) within the two years preceding the date of this prospectus no share of 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) within the two years preceding the date of this prospectus, 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) within the two years preceding the date of this prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of the Company or any of its subsidiaries; and
 - (iv) no founders, management or deferred shares of the Company have been issued.
- (b) None of the shares or debt securities of the Company is listed or dealt in on any other stock exchanges and no such listing or permission to deal is being or is proposed to be sought by the Company as at the date of the prospectus.
- (c) There is no minimum subscription to be raised under the Placing and required to be disclosed under section 28 of the Companies Act.

(d) The particulars of the Vendors are set out below:

| Name | Description | Address | Number of Sale Shares/ Over-allocation Shares |
|-------------------------------------|---|---|--|
| Pacific Dragon Resources Limited | a company incorporated in British Virgin Islands | Sea Meadow House, Blackburne Highway, Road Town, Tortola, British Virgin Islands | 6,250,000 |
| Digital Capital Markets Limited | a company incorporated in British Virgin Islands | Sea Meadow House, Blackburne Highway, Road Town, Tortola, British Virgin Islands | 6,250,000 |
| Noble Class Group Limited | a company incorporated in British Virgin Islands | The Creque Building 216 Main Street, Road Town, Tortola, British Virgin Islands | 7,500,000 pursuant to the Over- allocation Option |

(e) All necessary arrangements have been made to enable the Shares to be admitted into CCASS for clearing and settlement.