
SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the Placing Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Placing Shares are set out in the section headed "Risk factors" in this prospectus. You should read that section carefully before you decide to invest in the Placing Shares.

GENERAL OVERVIEW OF THE GROUP

The Group was established in 1990 and the Directors believe that the Group is one of the first mobile B2B eBusiness solutions providers using ASP approach and targeting the SMEs in the Greater China Region. The Group focuses on Internet-based B2B eBusiness solutions and mobile and wireless computing. It has been delivering business application solutions to the SME community in Hong Kong for over nine years. Over the past decade, in response to the technological advances and emerging industry standards and practices, the Group has, from time to time, developed and launched Internet-based B2B eBusiness solution, mobile and wireless solution, customised business application solutions and packaged software under its own brand names such as CyberM Business Series, CyberM Mobile Series, Magic Retail System, Magic Accounting System, Magic Trading System and Magic t-Business. The Group has sold over 4,000 user licences of such business application solutions. The Directors believe that the Group is one of the first Hong Kong-based software companies being awarded the ISO9001 certification on its products.

In view of the rapid development of the Internet, the Group has developed and expanded its in-house R & D capabilities in business application solutions over the Internet since 1998. In November 1999, the Group soft-launched its first Internet-based CyberM Business Series which enables its clients to have secured access to their back-end logistics management through the Internet. The system is being regularly enhanced with new value-added features such as interaction with Tradelink on-line system for custom declaration in Hong Kong and banking interfaces. The Directors plan to develop a B2B enterprise portal to enhance and complement its Internet-based mobile B2B eBusiness solutions.

With the development of the Internet-based CyberM Business Series, the Group has positioned itself as a mobile B2B eBusiness solutions provider for the imminent boom of the ASP market brought by the Internet and mobile and wireless computing technologies. To enhance its R & D capabilities in mobile and wireless computing, the Group entered into a collaboration agreement with Sybase HK, a wholly-owned subsidiary of Sybase Inc., in May 2000 for the development and promotion of, inter alia, Internet-based CyberM Business Series and mobile and wireless solutions. Such partnership will strengthen the Group's R & D team in applying mobile and wireless computing technologies into the Group's Internet-based B2B eBusiness solutions. On the business development side, the Group is, at present, exploring the possibility of forming strategic alliances with business partners to establish foothold in the Greater China Region in the near future.

Over the past decade, the Group has partnered with HKPC and leading international IT companies. With established clientele coupled with strategic alliances with leading company in the industry, the Group intends to expand its market share vertically through product and service enhancements and horizontally through geographical penetration into the Greater China Region.

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TRADING RECORD

The SFC has granted waiver in relation to paragraphs 27 and 31 of Part II of the Third Schedule of the Companies Ordinance so that the Group is only required to include in this prospectus its trading record, financial results and information covering the two financial years immediately preceding the issue of this prospectus - see the section headed “Companies Ordinance waiver” on page 32 of this prospectus.

The following table summarises the Group’s combined audited results for the two financial years ended 31st March, 2000. The summary has been prepared on the basis that the current structure of the Group had been in existence throughout such period — see the Accountants’ Report in Appendix I to this prospectus. Please also refer to “Statement of Active Business Pursuits” for detailed explanation of the business performance of the Group.

	1999 <i>HK\$'000</i>	2000 <i>HK\$'000</i>
Turnover	12,339	18,720
Cost of sales	<u>(3,128)</u>	<u>(7,062)</u>
Gross profit	9,211	11,658
Other revenue	30	—
Distribution and selling expenses	(299)	(612)
Software development expenditures	(2,960)	(3,020)
General and administrative expenses	<u>(4,124)</u>	<u>(5,855)</u>
Profit from operations	1,858	2,171
Interest income	—	14
Interest expense	<u>(283)</u>	<u>(256)</u>
Profit before share of loss of an associated company	1,575	1,929
Share of loss of an associated company	<u>(93)</u>	<u>—</u>
Profit before taxation	1,482	1,929
Taxation	<u>(319)</u>	<u>(387)</u>
Profit attributable to shareholders	<u>1,163</u>	<u>1,542</u>
Dividends	<u>—</u>	<u>—</u>
Earnings per share – Basic*	<u>HK0.55 cents</u>	<u>HK0.73 cents</u>

Note:

- * The calculation of the basic earnings per share for the relevant years is based on the profit attributable to shareholders for each of the relevant years and assuming 212,500,000 shares in issue and issuable, comprising 27,279,980 shares in issue as at the date of this prospectus and 185,220,020 shares to be issued pursuant to the Capitalisation Issue as described in the paragraph headed “Resolutions in writing of the sole shareholder of the Company passed on 1st August, 2000” in Appendix IV to this prospectus.

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The profit attributable to shareholders would have been impacted as follows after adjustment for notional directors' emoluments under service agreements detailed in Section 3.f(iii) of the Accountants' Report in Appendix I to this prospectus:

	1999 <i>HK\$'000</i>	2000 <i>HK\$'000</i>
Profit attributable to shareholders	1,163	1,542
Adjustment for notional directors' emoluments	<u>(549)</u>	<u>(793)</u>
Adjusted profit attributable to shareholders	<u>614</u>	<u>749</u>

Dividends

No dividend has been declared by the Group for the two financial years ended 31st March, 2000. The Directors expect that, in the future, the amount of dividends will be approximately one third of the total earnings of the Group. However, the amount of dividends will be subject to the discretion of the Directors and will be dependent upon the Group's earnings, financial conditions, cash requirements and availability and other relevant factors.

PRINCIPAL STRENGTHS OF THE GROUP

Since its establishment, the Group's operations have been growing and the Directors believe that the principal strengths of the Group are as follows:

- its ability to provide mobile B2B eBusiness solutions which are ready for deployment to its customers;
- its established in-house R & D capabilities to develop mobile B2B eBusiness solutions of its own brand names and provide customised business application solutions;
- its flexible business and revenue models under which its business application solutions are provided in the forms of packaged software, customised business application solutions and application service;
- its in-depth knowledge of the market in Hong Kong and established customer base with over 4,000 user licences having been sold to its customers;
- its strong capabilities in delivering cost-competitive, timely, reliable and quality services to its customers;
- its established business relationships with leading international IT companies;
- its strong technical and business alliance with Sybase HK in developing mobile and wireless computing solutions and a B2B enterprise portal, and the promotion of the Group's mobile B2B eBusiness solutions through Asian Solutions Centre;
- its dedicated and forward-thinking management team which has extensive experience in and knowledge of IT and market trends; and

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- its prosperous growth opportunities to develop business into a comprehensive mobile B2B eBusiness solutions service by building on the Group's existing business application solutions and the established customer base.

STATEMENT OF BUSINESS OBJECTIVE

Overall Business Objective

The Group's overall business objective is to establish itself as a leading mobile B2B eBusiness solutions provider using ASP approach for the SMEs in the Greater China Region. With the increasing adoption of IT in the global business environment, effective use of IT has become a key factor to success, and it is important for the SMEs in Hong Kong and other parts of Asia to invest in IT application so as to increase their competitive advantages. As mentioned in the section headed "Industry Overview" in this prospectus, the Directors expect that the SMEs will be a potential market for growth. The Group aims to develop and promote comprehensive mobile B2B eBusiness solutions for business enterprises, especially for SMEs in light of the evolutionary changes of business landscape brought by the global emergence of e-commerce and mobile and wireless computing technologies. With the Group's established R & D capability, in-depth experience in the Hong Kong SME market, vision focus and forward thinking attitude, and the cost competitiveness of its products, the Directors believe that the Group will be in a strong position to capture the SME market in the Greater China Region.

MAJOR CHANGES IN SHAREHOLDINGS PRIOR TO THE REORGANISATION

Prior to the Reorganisation as described in Appendix IV to this prospectus, Mcmanners Management Limited ("Mcmanners") was the holding company of the Group. Mcmanners was incorporated in March 1997 and was held as to 70% by Noble Class Group Limited and as to 30% by Westiche Capital Ltd. in trust for Noble Class Group Limited, Mr. Yip, Mr. Lai and Mr. Wong. In July 1999, Westiche Capital Ltd., as instructed by Mr. Yip, Mr. Lai and Mr. Wong, transferred to Pacific Dragon Resources Limited 5% shareholding in Mcmanners for a consideration of HK\$4,000,000 which was shared among Mr. Yip, Mr. Lai and Mr. Wong. In September 1999, Westiche Capital Ltd., as instructed by Mr. Yip, Mr. Lai and Mr. Wong, transferred to Digital Capital Markets Limited 5% shareholding in Mcmanners for a consideration of HK\$4,000,000 which was shared among Mr. Yip, Mr. Lai and Mr. Wong. In January 2000, Mr. Yip, Mr. Lai and Mr. Wong assigned to Mr. Fung the beneficial interest, in aggregate, of 3% shareholding in Mcmanners at nil consideration as an inducement to Mr. Fung's joining the Group.

Mr. Yip, Mr. Lai, Mr. Wong and Mr. Fung transferred all their interests in Mcmanners to Noble Class Group Limited in May 2000 at par value in preparation for the Reorganisation.

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The acquisition costs of each executive Director in acquiring their respective beneficial interests in the Group prior to the Reorganisation are as follows:—

Executive Director	Beneficial interests acquired	Consideration	Date
Mr. Lau	7,800 shares in McManners	US\$7,800.00	October 1997
Mr. Yip	300 shares in McManners	US\$300.00	October 1997
Mr. Lai	300 shares in McManners	US\$300.00	October 1997
Mr. Wong	300 shares in McManners	US\$300.00	October 1997
Mr. Fung	300 shares in McManners	Nil	January 2000

CORPORATE REORGANISATION

The Reorganisation of the Group is set out in detail in Appendix IV to this prospectus. As a result of the Reorganisation, the Existing Shareholders' interests in the Company are summarised as follows:—

Name of shareholders	Date of entry (Note 1)	Number of Shares held (immediately after listing)	Percentage of shareholding (immediately after listing)	Cost Per Share HK\$	Total cost for the Shares held (immediately after listing) (Note 2) HK\$
Noble Class Group Limited (Note 3)	(Note 6)	191,250,000	76.5%*	(Note 6)	(Note 6)
Pacific Dragon Resources Limited (Note 4)	July 1999	4,375,000	1.75%	0.3765	1,647,187.5 (Note 4)
Digital Capital Markets Limited (Note 5)	September 1999	4,375,000	1.75%	0.3765	1,647,187.5 (Note 5)

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

Notes:

1. This represents the actual date on which each of the Existing Shareholders became shareholders of the Group prior to the Reorganisation.
2. This represents the actual amount of consideration paid by each of the Existing Shareholders for their respective interests (immediately after listing) in the Group.
3. If the Over-allocation Option is exercised in full, the beneficial interest of Noble Class Group Limited in the Group will be reduced to approximately 73.5%. 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**

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- (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.

4. Pacific Dragon Resources Limited, a company incorporated in British Virgin Islands and its entire issued share capital is owned by two third parties independent of the Directors, the substantial shareholder or initial management shareholder of the Group. Pacific Dragon Resources Limited intends to offer 6,250,000 Sale Shares, representing 2.5% per cent. of the enlarged share capital of the Company. Therefore, the shareholding of Pacific Dragon Resources Limited will be reduced to 1.75 per cent.. The acquisition cost for the 6,250,000 Sale Shares to be disposed by Pacific Dragon Resources Limited was arrived at by adjusting the aggregate cost of HK\$4,000,000 (before the offering of Sale Shares) to account for the cost of the 6,250,000 Sale Shares. After the adjustment, the total cost of the Sale Shares attributable to Pacific Dragon Resources Limited is HK\$2,352,812.5.
5. Digital Capital Markets Limited, a company incorporated in British Virgin Islands and its entire issued share capital is owned by a third party independent of the Directors, the substantial shareholder or initial management shareholder of the Group. Digital Capital Markets Limited intends to offer 6,250,000 Sale Shares, representing 2.5% per cent. of the enlarged share capital of the Company. Therefore, the shareholding of Digital Capital Markets Limited will be reduced to 1.75 per cent.. The acquisition cost for the 6,250,000 Sale Shares to be disposed by Digital Capital Markets Limited was arrived at by adjusting the aggregate cost of HK\$4,000,000 (before the offering of Sale Shares) to account for the cost of the 6,250,000 Sale Shares. After the adjustment, the total cost of the Sale Shares attributable to Digital Capital Markets Limited is HK\$2,352,812.5.
6. Please refer to the sections headed "Major Changes in Shareholdings Prior to the Reorganisation" and "Corporate Reorganisation" on pages 4 and 163 respectively.

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RESTRICTION ON DISPOSAL OF SHARES

Substantial and Initial Management Shareholder	Number of Shares held immediately after the Placing and the Capitalisation Issue	Percentage of Shares held immediately after the Placing and the Capitalisation Issue	Lock-up period commencing from the date of listing <i>(Note)</i>
Noble Class Group Limited <i>(see Note 3 above)</i>	191,250,000	76.5%*	24 months

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

Note:

Noble Class Group Limited has undertaken to the Company, Core Pacific - Yamaichi (in its capacity as sponsor and international coordinator of the Placing), the Underwriters and the Stock Exchange that it will comply with the requirements of Rule 13.16 and 13.20 of the GEM Listing Rules.

Noble Class Group Limited, Sunrise International (Holdings) Limited, Arawak Trust Company Limited, AMS Trustees Limited, Mr. Lau, Mr. Yip, Mr. Lai, Mr. Wong and Mr. Fung have undertaken to the Company, Core Pacific - Yamaichi (in its capacity as the international coordinator and sponsor of the Placing), the Underwriters and the Stock Exchange that within the Management Relevant Period they will not, save as provided in Rule 13.17 of the GEM Listing Rules, dispose of (or enter into an agreement to dispose of), distribute any interest nor permit the registered holder to dispose of (or enter into any agreement to dispose of) any of their respective direct or indirect interests in the Company.

Noble Class Group Limited has undertaken to the Company, Core Pacific - Yamaichi (in its capacity as the international coordinator and sponsor of the Placing), the Underwriters and the Stock Exchange that within the Management Relevant Period it will not dispose of its 76.5% shareholding (assuming the Over-allocation Option referred to on page 111 of this prospectus is not exercised) in the Company.

Sunrise International (Holdings) Limited has undertaken to the Company, Core Pacific - Yamaichi (in its capacity as the international coordinator and sponsor of the Placing), the Underwriters and the Stock Exchange that it will not dispose of its direct interest in Noble Class Group Limited within the Management Relevant Period.

Arawak Trust Company Limited has further undertaken to the Company, Core Pacific - Yamaichi (in its capacity as the international coordinator and sponsor of the Placing), the Underwriters and the Stock Exchange that they will not accept additional beneficiary nor remove any of the existing beneficiaries, and will not distribute nor dispose of (or enter into any agreement to dispose of) any trust property under the relevant trust during the Management Relevant Period pursuant to the relevant GEM Listing Rules.

AMS Trustees Limited has further undertaken to the Company, Core Pacific - Yamaichi (in its capacity as the international coordinator and sponsor of the Placing), the Underwriters and the Stock Exchange that they will not accept additional beneficiary nor remove any of the existing beneficiaries, and will not distribute nor dispose of (or enter into any agreement to dispose of) any trust property under the relevant trust during the Management Relevant Period pursuant to the relevant GEM Listing Rules.

UNDERWRITING

Save as provided for under the Underwriting Agreement, neither Core Pacific - Yamaichi nor its associates have or may, as a result of the Placing, have any interest in any class of securities of the Company or any other company in the Group (including options or rights to subscribe for such securities).

Noble Class Group Limited has granted CPY International the Over-allocation Option, exercisable by CPY International, on behalf of the Underwriters within 30 days after the date of this prospectus, to require Noble Class Group Limited to sell up to an aggregate of 7,500,000 existing Shares which are equivalent to 15% of the Placing Shares (other than the Over-allocation Shares) or approximately 13.04% of the Placing Shares (assuming the Over-allocation Option is exercised in full), at the Placing Price solely to cover over-allocations in the Placing, if any.

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STRUCTURE OF THE PLACING AND THE SALE SHARES

The Company is initially offering 37,500,000 new Shares for subscription, and Pacific Dragon Resources Limited and Digital Capital Markets Limited are offering an aggregate of 12,500,000 existing Shares for sale with an Over-allocation Option of up to 7,500,000 existing Shares granted by Noble Class Group Limited for sale by way of the Placing, with details set out below:

Name	Description	Address	Number of Sale Shares	Percentage of shareholding (immediately after Reorganisation and Capitalisation Issue)	Percentage of shareholding (immediately after listing)
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	5.0%	1.75%
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	5.0%	1.75%
Noble Class Group Limited	a company incorporated in British Virgin Islands	The Creque Building 216 Main Street, Road Town, Tortola, British Virgin Islands	up to 7,500,000 existing Shares in the Over-allocation Option	90%	73.5% if the Over-allocation Option is exercised in full

RISK FACTORS

The Directors consider that the operations and results of the Group are subject to certain risks which can be categorised into (i) risks relating to the Group; (ii) risks relating to the industry; (iii) risks relating to Hong Kong; (iv) risks relating to the PRC; and (v) risks relating to Taiwan:

(i) Risks relating to the Group

- Competition
- Reliance on key management
- Third parties' products
- Sustainability of profit
- Reliance on other IT vendors

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- Variance of major customers
 - Intellectual property rights
 - Trademark infringement
 - Product risks
 - Credit risks
 - Decrease in SMEs
 - Acceptance of the ASP market
 - Quality of service of ASPs
 - The development of B2B Enterprise Portal
 - Security risks of unauthorised access
 - Security of proprietary information
 - Dependence on a reliable Internet infrastructure, third party telecommunications and infrastructure system
 - The Group's insurance coverage is limited
 - Dependence on business and technical alliances
 - Expansion into new markets
 - Foreign exchange exposure
 - Use of confidential information
 - Year 2000 compliance
- (ii) Risks relating to the industry
- Operating in a developing industry
 - The Group's demand for technical personnel may not be satisfied
 - The legal framework with respect to the Internet and e-commerce in Hong Kong is developing
 - Internet regulations in the PRC
 - Internet regulations in Taiwan

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(iii) Risks relating to Hong Kong

- Political factors
- Economic factors

(iv) Risks relating to the PRC

- Economic environment and political structure of the PRC
- Exchange risks

(v) Risks relating to Taiwan

- Political tension between the PRC and Taiwan
- Economic condition of Taiwan

(vi) Risks relating to investing in GEM

TRADEMARKS

In May 2000, the Group applied for trademark registration of its “CyberM” trademarks as described on page 170 of this prospectus. The Trade Marks Registry has, by letters dated 31st July 2000, indicated to the Group that “CyberM Business”, “CyberM Mobile”, “CyberM Retail” and “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. However, there is no guarantee that such appeals or the application for registration will be successful or if successful, will not be subject to disclaimers or limitations. The Directors are not aware of any risk of trademark infringement by the Group under the relevant trademark classes even if the trademark registration is unsuccessful and believe that the Group’s new products rely mainly on quality rather than on any brandname or trademark effect. The Group continues to market its traditional packaged software under the name of “Magic” whereas the Internet-based business application solutions and mobile and wireless computing will be promoted under the trademarks of CyberM Business Series and CyberM Mobile Series respectively, for the purpose of building up the Group’s proprietary intellectual property right and differentiating its product lines. According to a recent trademark search, trademark registration in respect of the names “Magic” and “CyberM” were not found under the relevant classes. Although the Directors believe that there is no likelihood of trademark infringement, as a contractual obligation, the Group relies on the written consent of Magic Software Enterprises Limited, a company incorporated in Israel, which is independent from the Group, to the use of the “Magic” brandname, the Directors believe that there will be no adverse impact on the Group even if the consent is withdrawn as the Group’s business relies mainly on the quality of its products and services rather than on any brandname or trademark effect.

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PLACING STATISTICS

No. of Placing Shares ⁽¹⁾	50,000,000 Shares
No. of Shares in issue after the Placing ⁽²⁾	250,000,000 Shares
Placing Price	HK\$0.93 per Share
Market capitalisation at the Placing Price ⁽³⁾	HK\$232.5 million
Adjusted net assets value per Share based on the Placing Price ⁽⁴⁾	HK12.45 cents

Notes:

- (1) This represents the number of Shares initially offered under the Placing without taking into account any Shares which may fall to be issued upon 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 to the Underwriters.
- (2) This represents the number of Shares expected to be in issue immediately following the completion of the Placing without taking into account any Shares which may fall to be issued upon the exercise of options granted under the Share Option Scheme or of any Shares which may fall to be issued or repurchased by the Company pursuant to the mandates referred to in Appendix IV to this prospectus.
- (3) The market capitalisation is calculated on the basis of 250,000,000 Shares as calculated in (2) above.
- (4) The adjusted net asset value per Share has been arrived at after making the adjustments referred to under the section headed "Adjusted net assets" in the section of this prospectus headed "Financial information" and 250,000,000 Shares as calculated in (2) above.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The net proceeds to the Group from the Placing (other than those derived from the sale of the 12,500,000 existing Shares by the Vendors and the sale of up to 7,500,000 existing Shares by Noble Class Group Limited pursuant to the Over-allocation Option) at HK\$0.93 per Placing Share (after deduction of underwriting fees and estimated expenses payable by the Company in relation to the Placing) are approximately HK\$28.4 million. The Directors presently intend to apply such net proceeds as follows:

- approximately HK\$1.91 million will be used for the R & D in the technology, new functions and customisation of B2B eBusiness solutions;
- approximately HK\$4.27 million will be used for the promotion of CyberM Business Series;
- approximately HK\$2.72 million will be used for the R & D in the new functions and customisation of mobile and wireless computing technologies;
- approximately HK\$2.45 million will be used for the promotion of CyberM Mobile Series;
- approximately HK\$1.65 million will be used for the R & D and promotion of a B2B enterprise portal;

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- approximately HK\$1.00 million will be used to set up and expand new offices in Hong Kong;
- approximately HK\$7.50 million will be used to expand into the Greater China Region; and
- as to the balance approximately HK\$6.9 million as additional working capital required for the anticipated increase in business volume of the Group.

To the extent that the net proceeds to the Group from the Placing (other than those derived from the sale of the 12,500,000 existing Shares by the Vendors and the sale of up to 7,500,000 existing Shares by Noble Class Group Limited pursuant to the Over-allocation Option) are not immediately applied for the above purposes, it is the present intention of the Directors that such net proceeds will be placed on short-term deposit.

For details of the various plans stated above, including the expected timing thereof, please refer to the section headed “Statement of business objectives”.

In the event that there is any material modification to the use of proceeds as stated above, the Company will issue an announcement of such modification.