

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 Offer Shares.

There are greater risks associated with investment in companies listed on GEM than companies listed on the Main Board. Some of the particular risks in investing in the Offer Shares are set out in the section headed “Risk factors” on pages 27 to 32 of this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

DESCRIPTION OF BUSINESS

The Group is a software application solutions provider in the property market in the PRC, and is principally engaged in (i) the design of Residential Intranet including the recommendation of network layout, advice on procurement of hardware and evaluation of software application; and (ii) the provision of e-property management software application consulting services, including the design, development, installation, maintenance and upgrade of e-property management software application.

The Residential Intranet designed by the Group is an open platform which allows household units to link up with each other within the community and in turn forms an inter-community network.

The Group's e-property management software application aims to offer tailor-made property and household management solutions to facilitate property developers to automate property management functions and to enable residents, through the Residential Intranet, to access a variety of information and services in relation to e-commerce, e-communication and e-convenience.

During the Track Record Period, the Group's turnover was entirely attributable to the provision of the design of Residential Intranet and e-property management software application design, development and installation services to the PRC property developers.

The Directors believe that the principal benefits gained from the Group's e-property management software application for the property developers include an increase in property management efficiency, a strengthened security management, quick access to the statistical and marketing information that is required to manage lodging properties and an enhancement in household to household and household to communities communications. The Group's e-property management software application will allow the property management company to analyse and monitor the environment of the community in a more effective manner.

The Directors consider that the quality of the Group's consulting service will be enhanced by the synergistic value of the Group's e-property management software application, and the Group will be able to provide a “one-stop” service for customers implementing full-fledge Intranet network.

HISTORY AND DEVELOPMENT

The Group was founded in August 1999 with an aim to provide services in relation to the design of Residential Intranet and e-property management software application consulting services to property developers in the PRC.

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At that time, the Directors anticipated that there was a potential market for the development of computerised e-property management system and the provision of related services in the PRC as broadband network had become one of the basic facilities of properties developed by the property developers. The Directors therefore conceived a strategy to integrate the Smart Home concept into its e-property management consulting services and in October 1999 the Group commenced to design and develop e-property management software application in order to seize such immense business opportunities.

On 20th December, 1999, being the commencement of its active business pursuits, the Group entered into its first consulting agreement with a property developer in Shanghai, the PRC. Pursuant to the said agreement, the Group agreed to provide consulting services such as detailed market analysis, feasibility study on e-property management system and Residential Intranet design. The Directors consider that the Group has been pursuing a focus line of business of design and consulting services to its PRC clients for the development of e-property management systems since the commencement of its business.

The Group operated with no banking accounts during the period from 23rd August, 1999 to 31st March, 2000. All receipts and payments of the Group were arranged and made by a Director on behalf of the Group and were recorded through the current account with such Director during the corresponding period. In addition, no purchase of fixed assets was made during the said period as the Group had made an arrangement with Land First Holdings Limited, a company wholly owned by Ms. YY Wong, for sharing office space and equipment at a monthly fee of \$6,000 during the corresponding period. The Directors are of the view that it is a reasonable practice to minimise the overhead of the Group at the preliminary stage of operation as its sales volume was comparatively low at that time.

Since its establishment, the Group has entered into various memoranda of understanding or agreements with software vendor, a hardware manufacturer, an ISP and a system integrator to further develop the e-property management system so as to meet its customers' ever changing needs.

BUSINESS MODEL

Residential Intranet design

The Group has been providing design services for property developers who seek to install Residential Intranet at their development projects. Given the installation of the Intranet designed by the Group, the Directors believe that the property developers could market their properties in a prestigious perception to prospective buyers.

E-property management software application consulting services

It is the Group's vision to provide a better quality lifestyle to people living in cities in the PRC. The Group designs and develops the software application of the e-property management system for the property developers in the PRC based on its Smart Home concept, with the use of broadband network infrastructure, service gateway and interactive terminal device installed by the property developers. The Group's e-property management software application will facilitate property management company to carry out routine property management functions through management platform which will enable a more direct and interactive communications between property management company and each individual household. Besides, it will help to streamline the daily operations and administration of the property management company by utilising the ERP application

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module. On the other hand, household users will be able to access a variety of information and obtain services such as reservation of club house facilities, local news headlines and weather report, shopping guide and community bulletin board.

The e-property management system will offer a solution comprising hardware, such as terminals, gateways and data operating centres, and various software applications to satisfy the requirements of the property developers and property management companies. The Group will only recommend its customers to purchase hardware from vendors whereas it will design and develop the software applications of the e-property management system to the PRC property developers.

The design and development of e-property management software application are carried out by the Group in Hong Kong. As all rights to the design and development of the e-property management software application belong to the clients of the Group and for their own use, according to the PRC law and regulations, no licence or approval is required. Details of which are set out in paragraph headed “Regulations relating to business of the Group” under the section headed “Business” of this prospectus.

During the Track Record Period, the Group had separately entered into outsourcing arrangements with two independent software vendors namely Great Asia and Shanghai Yuan Zhan on 27th July, 2001 and 21st January, 2002 respectively. Whereby the Group agreed to appoint such software vendors to carry out part of its software application design and development process. Details of which are set out in the paragraph headed “Operations of the Group” under the section headed “Business” of this prospectus.

After-sales technical support services

The after-sales technical support services provided by the Group to its clients generally include software application maintenance, upgrade, and content management. The software application maintenance activities comprise the provision of regular maintenance such as hotline and on-site supporting and troubleshooting, offsite backup, system database administration and maintenance, system stability and performance monitoring and turning so as to keep the software application running on best situation. The software application upgrade activities consist of system bug correction, module modification and feature enhancement to the software application based on the request of the Group’s clients. The content management principally involves enhancement of the content management platform, enabling the platform to manage more multimedia content from different content provider. The Directors believe that the provision of the Group’s comprehensive after-sales technical support services will allow the Group to generate steady recurrent income.

PRINCIPAL STRENGTHS

The Directors are of the view that the Group is well positioned to capture the growing demand for the Group’s products and services in the PRC and its principal competitive advantages over its competitors are as follows:

- the professional knowledge and extensive experience of the Directors and the Group’s senior management in the property management industry and information technology market;
- precise project planning and implementation; and

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- its close working relationships with technological partners, enabling it to gain access to the latest technologies and also keep abreast of market trends.

BUSINESS OBJECTIVES

The Group intends to achieve an objective of becoming one of the active e-property management software application providers in the PRC by exploiting the advanced information technology through the implementation of the following strategies:

- Promoting Smart Home concept: the Directors consider that, as intelligent network and related applications are still at a preliminary stage of development, the Group will pursue to disseminate the benefits and advantages of Smart Home concept to both property developers and the public.
- Enlarging the Group's clientele: while maintaining its relationships with its existing clients, the Group will also develop new business opportunities with other property developers to broaden its coverage in other major cities in the PRC.
- Enhancing and expanding the functionality of the Group's existing e-property management software application and i-Panel: with a view of satisfying the ever-changing requirements of its customers, the Group will continue to enhance and expand the functionality of its existing e-property management software application by accommodating a wide range of e-commerce applications. The Group will also upgrade its existing ERP application software for property management companies to automate and integrate their back-end operations in a reliable and efficient manner. Besides, new versions of i-Panel will be designed and released to equip with advanced and user-friendly interactive features.
- Upgrading infrastructure: in order to manage the connectivity of the Residential Intranet, the Group will continuously acquire additional server and computers to upgrade its data operating centre in Hong Kong.
- Establishing alliances and partnerships: in order to dedicate itself to enhancing and improving the design of its Residential Intranet as well as the design and development of its e-property management software application, the Group will appoint local partners in the PRC as agents to implement the function of network installation and hardware manufacturing.

USE OF PROCEEDS

The Company intends to raise funds by way of the Share Offer in order to pursue its business objectives as set out in the paragraph headed "Business plans" under the section headed "Statement of business objectives".

The net proceeds of the Share Offer, after deducting related expenses and based on the Offer Price of \$0.28 per Share, are estimated to amount to about \$18.2 million. The Directors currently intend to apply such net proceeds as follows:

- as to about \$3.0 million for acquiring additional servers and computers to enhance the Group's data operating centres in Hong Kong;

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- as to about \$3.0 million for upgrading the design and features of the Group’s i-Panel terminal;
- as to about \$5.7 million for engaging software house(s) to further develop the Group’s Residential Intranet and e-property management software application;
- as to about \$5.0 million for the promotion of the Group’s business and awareness in the PRC; and
- as to about \$1.5 million for relocating the Group’s head office for accommodating additional staff and computer equipment.

In summary, the implementation of the Group’s business plans for the period from the Latest Practicable Date to 31st March, 2005 will be funded as follows:

	From the Latest Practicable Date to 30.9.2002 \$'million	6 months ending 31.3.2003 \$'million	6 months ending 30.9.2003 \$'million	6 months ending 31.3.2004 \$'million	6 months ending 30.9.2004 \$'million	6 months ending 31.3.2005 \$'million	Total \$'million
Data operating centre	1.00	1.00	0.50	0.50	–	–	3.00
i-Panel design and prototyping	1.00	1.00	0.50	0.50	–	–	3.00
Research and development and software development	2.00	2.20	1.00	0.50	–	–	5.70
Sales and marketing	1.20	1.20	1.10	1.00	0.50	–	5.00
Human resources deployment and office relocation	0.50	1.00	–	–	–	–	1.50
Total	<u>5.70</u>	<u>6.40</u>	<u>3.10</u>	<u>2.50</u>	<u>0.50</u>	<u>–</u>	<u>18.20</u>

To the extent that the net proceeds of the Share Offer are not immediately required for the above purposes, it is the present intention of the Directors that such proceeds will be placed on short-term interest-bearing deposits with licensed banks and/or financial institutions in Hong Kong.

In the event that any of the Group’s business objectives do not materialise or proceed as planned, the Directors will conscientiously evaluate the situation and may reallocate the proceeds for other business purposes so long as they represent the best interests of the Company and its shareholders and comply with the GEM Listing Rules. In the event that there is to be any material modification to the use of proceeds as described above, the Company will issue an announcement accordingly.

According to current estimate, the Directors expect that the net proceeds from the Share Offer of about \$18.2 million will be sufficient to finance the implementation of the Group’s business plans up to 31st March, 2005. The Group’s detailed business implementation plans for the period up to 31st March, 2005 are set out in the section headed “Statement of business objectives” in this prospectus.

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TRADING RECORD

The following table summarises the Group's combined turnover and results for the two years ended 31st March, 2002 prepared on the assumption that the current structure of the Group had been in place throughout the period under review. The summary should be read in conjunction with the Accountants' Report set out in Appendix I to this prospectus on pages 131 to 146.

		Year ended 31st March, 2001 \$'000	Year ended 31st March, 2002 \$'000
	<i>Note</i>		
Turnover	1, 2	1,252	19,461
Cost of services		(287)	(2,161)
Gross profit		965	17,300
Other revenue		42	1
Research and development costs		(1,347)	(240)
Marketing and promotion expenses		(1,380)	(1,013)
Administrative expenses		(2,941)	(3,059)
(Loss)/profit from operations		(4,661)	12,989
Finance cost		–	(33)
(Loss)/profit from ordinary activities before taxation		(4,661)	12,956
Taxation		753	(2,074)
(Loss)/profit attributable to shareholders		(3,908)	10,882
Accumulated losses brought forward		(341)	(4,249)
(Accumulated losses)/retained profits carried forward		(4,249)	6,633
Dividend			
Final dividend proposed after the balance sheet date		–	4,000
(Loss)/earnings per share	3	(1.02) cents	2.83 cents
Diluted (loss)/earnings per share	4	(0.90) cents	2.52 cents

Notes:

- The Group's turnover represents the amount received and receivable for the provision of the design of Residential Intranet and e-property management software application design, development and installation services.
- The Group's turnover and operating profit are entirely derived from the design of Residential Intranet and e-property management software application design, development and installation services rendered in and derived from Hong Kong. Accordingly, no analyses by business and geographical segments are provided.

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3. The calculation of the basic (loss)/earnings per Share for each year is based on the Group's combined (loss)/profit attributable to shareholders during the respective year and on the assumption that 384,000,000 Shares had been in issue throughout the Track Record Period and the Pre-IPO Share Option had not been exercised.
4. The calculation of the diluted (loss)/earnings per share is based on the Group's combined (loss)/profit attributable to shareholders for the Track Record Period and on the assumption that 432,000,000 Shares had been in issue throughout the Track Record Period and the Pre-IPO Share Option had been exercised in full at the beginning of the Track Record Period.

SHARE OFFER STATISTICS

Offer Price (per Share)\$0.28

Market capitalisation at the Offer Price (*Note 1*)\$134.4 million

Adjusted net tangible asset value per Share (*Note 2*)5.29 cents

Notes:

1. The market capitalisation of the Shares takes no account of any Shares which may be issued upon the exercise of any options which may be granted under the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme or which may be allotted or issued or purchased by the Company under the general mandate for the allotment and issue or repurchase of Shares granted to the Directors referred to in the paragraph headed "Further information about the Company" in Appendix IV to this prospectus.
2. The adjusted net tangible asset value per Share has been arrived at after making the adjustments referred to in the subsection headed "Adjusted net tangible assets" under the section headed "Financial information" of this prospectus and on the basis of 480,000,000 Shares in issue and to be issued as mentioned in this prospectus, but takes no account of any Shares which may fall to be allotted and issued pursuant to the exercise of options that may be granted under the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme or which may be allotted and issued or repurchased by the Company pursuant to the general mandate for the allotment and issue or repurchase of Shares referred to in the paragraph headed "Written resolutions of the sole shareholder of the Company dated 5th July, 2002" in Appendix IV to this prospectus.

OFFERING OF SALE SHARES BY THE VENDOR

The Vendor are offering 24,000,000 Shares for sale pursuant to the Placing at the Offer Price. The gross proceeds to be received by the Vendor from the sale of the Sale Shares amount to approximately \$6.72 million. The Directors consider the offering of the Sale Shares by the Vendor as a mean to partly recapitalise the Vendor's initial investment in the Company.

RISK FACTORS

The Directors consider that the business of the Group is subject to a number of risk factors, which can be summarised as follows:

Risks relating to the Group on pages 27 to 30

- Tax liabilities of the Group;
- Dependence on the property market in the PRC;
- Lack of long term contracts;

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- Pre-IPO Share Option Scheme;
- The Group does not have a proven track record in deriving income from other sources;
- Reliance on software vendors;
- Reliance on the Group's largest customers;
- Change in dividend policies;
- The Group's business objectives may not be materialised;
- Reliance on key personnel; and
- Changes in licensing laws and regulations in the PRC.

Risks relating to the industry on page 30

- Risk related to better technology competition; and
- Competition.

Risk relating to regulations, economics and politics on pages 31 to 32

- Legal framework governing the industry;
- Risks associated with doing business in the PRC;
- Risks associated with doing business in Hong Kong; and
- Possible impact arising from the terrorist attacks in the US on 11th September, 2001.

PRE-IPO SHARE OPTION SCHEME

As at the Latest Practicable Date, options to subscribe for an aggregate of 48,000,000 Shares, representing 10% of the issued share capital of the Company as at the date on which dealings in the Shares on GEM commence (taking no account of any Shares which may be issued upon the exercise of the Over-allotment Option and the options which may be granted under the Post-IPO Share Option Scheme) at an exercise price for each Share equivalent to 50% of the Offer Price have been conditionally granted by the Company under the Pre-IPO Share Option Scheme to (i) four executive Directors for an aggregate of 19,200,000 Shares and (ii) seven full-time employees (including two senior management staff of the Group) of the Group for an aggregate of 28,800,000 Shares. The granting of share options under the Pre-IPO Share Option Scheme with a discount to the Offer Price represents recognition of the contribution of certain Directors and employees of the Group to its growth. All of these share options have a duration of 10 years commencing from the date of the grant of the options on 5th July, 2002, but each shall lapse in accordance with the terms of the Pre-IPO Share Option Scheme if the relevant grantee ceases to be a director or an employee of the Group on any ground set forth in the Pre-IPO Share Option

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Scheme. Particulars of the outstanding share options conditionally granted under the Pre-IPO Share Option Scheme to the four executive Directors and seven full-time employees of the Group to subscribe for an aggregate of 48,000,000 Shares are set forth below:–

Name of grantee <i>(Position in the Group)</i>	Residential address	Date of joining the Group	Number of underlying Shares	Exercise price for each Share
<i>Executive Directors</i>				
Ms. YY Wong	Flat 2403 Harbour View Garden Tower 1, 1B Sands Street Hong Kong	23rd August, 1999	4,800,000	<i>(Note 1)</i>
Mr. Wong	Room 2304, 23rd Floor Harbour View Garden Tower 1, 1B Sands Street Hong Kong	23rd August, 1999	4,800,000	<i>(Note 1)</i>
Mr. Wong Yao Wing, Robert	Flat 27D, Block 4 The Tolo Place Ma On Shan Shatin New Territories Hong Kong	2nd January, 2001	4,800,000	<i>(Note 1)</i>
Mr. Lam	Flat D, 33rd Floor Block 9, Kenswood Court Kingswood Villas Tin Shui Wai New Territories Hong Kong	1st July, 2000	4,800,000	<i>(Note 1)</i>
<i>Senior management of the Group</i>				
<i>Others</i>				
Mr. Chow <i>(Consultant)</i>	28A, Hoi Sing Mansion Taikoo Shing Hong Kong	1st July, 2000	4,800,000	<i>(Note 1)</i>
Ms. Wong Yuen Man, Alice <i>(Director of Human Resources and Communications)</i>	Room 301 South Terrace Ka Wai Man Road Kennedy Town Hong Kong	1st September, 2000	4,800,000	<i>(Note 1)</i>

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Name of grantee <i>(Position in the Group)</i>	Residential address	Date of joining the Group	Number of underlying Shares	Exercise price for each Share
Staff of the Group				
Mr. Lei Sau Ian <i>(Project Manager)</i>	Ground Floor 117 Sai Yee Street Mong Kok Kowloon Hong Kong	3rd December, 2001	3,360,000	<i>(Note 1)</i>
Mr. Leung Siu Fai <i>(Sales Manager)</i>	5A, Tower 21 Parc Oasis Tat Chee Avenue Kowloon Tong Kowloon Hong Kong	1st August, 2000	4,800,000	<i>(Note 1)</i>
Ms. Tong Kam Ip <i>(Executive Secretary)</i>	Room 1504 Chu Fung House Fung Tak Estate Diamond Hill Kowloon Hong Kong	1st September, 1999	3,840,000	<i>(Note 1)</i>
Ms. Leung Ka Shing <i>(Project Design Officer)</i>	Flat A, 1st Floor Tak Fook Building 28 Factory Street Shaukeiwan Hong Kong	16th September, 2000	3,840,000	<i>(Note 1)</i>
Ms. Ng Sze Wan <i>(Executive Assistant)</i>	Room 1809 Cheuk Wah House Hing Wah Estate Chai Wan, Hong Kong	17th October, 2000	3,360,000	<i>(Note 1)</i>

Note:

1. The exercise price for each Share equals to 50% of the Offer Price. The Directors consider that the granting of share options under the Pre-IPO Share Option Scheme with a discount of 50% to the Offer Price represents a reward and recognition of the contributions of certain Directors and employees of the Group to its growth.

The principal terms of the Pre-IPO Share Option Scheme are summarised under the paragraph headed “Pre-IPO Share Option Scheme” in Appendix IV to this prospectus. Under the terms of the Pre-IPO Share Option Scheme, these options shall not be exercised during the first six-month period after listing.

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Each of Ms. Y Y Wong, Mr. Wong, Mr. Wong Yao Wing, Robert, Mr. Lam, Mr. Chow and Ms. Wong Yuen Man, Alice has undertaken to the Company, the Sponsor (for itself and on behalf of the Underwriters) and the Stock Exchange that in the event that he/she exercises the options granted to him/her under the Pre-IPO Share Option Scheme, he/she will not, save as provided in Rule 13.18 of the GEM Listing Rules, dispose of (or enter into any agreement to dispose of) any of his/her interests in the Shares issued pursuant to the exercise of the options granted to him/her under the Pre-IPO Share Option Scheme for a period from the date he/she becomes a beneficial owner of the Relevant Securities to the expiry of a period of 12 months from the Listing Date.

Save as disclosed in this prospectus, no other share options have been granted or agreed to be granted by the Company under the Pre-IPO Share Option Scheme or the Post-IPO Share Option Scheme.

INITIAL MANAGEMENT SHAREHOLDERS AND OTHER EXISTING SHAREHOLDERS OF THE COMPANY

Details of the corporate reorganisation of the Group are set out in the paragraph headed “Corporate reorganisation” in Appendix IV to this prospectus. Set out below are the respective shareholdings in the Company of each of the Initial Management Shareholders, the Substantial Shareholders and other individual and corporate shareholders in the share capital of the Company immediately after the Share Offer and the Capitalisation Issue (assuming that the Over-allotment Option and the options under the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme are not exercised and taking no account of Shares which may be taken up under the Share Offer):

Name of Shareholder	Date of becoming shareholder of the Company	Number of Shares or attributable or held immediately before the Share Offer and the Capitalisation Issue	Approximate Percentage or attributable percentage of shareholding before the Share Offer and the Capitalisation Issue	Number of Shares held immediately after the Share Offer and the Capitalisation Issue (assuming that the Over-allotment Option is not exercised)	Percentage of shareholding immediately after the Share Offer and the Capitalisation Issue (assuming that the Over-allotment Option is not exercised)	Approximate cost per Share	Total cost	Moratorium Period	Period of services to the Group up to the Latest Practicable Date
<i>Initial Management Shareholders</i>									
Multiturn Trading Limited (Notes 1 and 14)	22nd July 2000	15,069,000	50.23%	168,864,000	35.18%	\$0.0003	\$54,845	12 months	Not applicable
Winy Group Ltd. (Notes 5, 8 and 14)	15th May 2001	279,000	0.93%	3,600,000	0.75%	\$0.0003	\$1,014	6 months	Not applicable
Ms. Chow Wai Man, Grace (Note 5)	2nd May 2001	72,000	0.24%	912,000	0.19%	\$0.44	\$400,000	6 months	Not applicable
Sub-total		15,420,000	51.40%	173,376,000	36.12%				

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Name of Shareholder	Date of becoming shareholder of the Company	Number of Shares or attributable or held immediately before the Share Offer and the Capitalisation Issue	Approximate Percentage or attributable percentage of shareholding before the Share Offer and the Capitalisation Issue	Number of Shares held immediately after the Share Offer and the Capitalisation Issue (assuming that the Over-allotment Option is not exercised)	Percentage of shareholding immediately after the Share Offer and the Capitalisation Issue (assuming that the Over-allotment Option is not exercised)	Approximate cost per Share	Total cost	Moratorium Period	Period of services to the Group up to the Latest Practicable Date
<i>Substantial shareholders</i>									
Rexy Investment Limited <i>(Note 3)</i>	24th October 2000	4,500,000	15.00%	57,600,000	12.00%	\$0.95	\$54,750,000	6 months	Not applicable
Sub-total		4,500,000	15.00%	57,600,000	12.00%				
<i>Significant shareholders</i>									
Sinopower Profits Limited <i>(Notes 3, 9 and 14)</i>	22nd July 2000	2,142,000	7.14%	27,456,000	5.72%	\$0.20	\$5,600,000	6 months	Not applicable
Oriental Faith Technology Limited <i>(Notes 3, 9 and 14)</i>	29th May 2000	498,000	1.66%	6,336,000	1.32%	\$0.24	\$1,503,900	6 months	Not applicable
Mr. Ip Kam Hoi <i>(Notes 3, 4 and 7)</i>	22nd July, 2000	1,692,000	5.64%	21,648,000	4.51%	\$0.0003	\$6,162.00	6 months	Not applicable
Busway Profits Limited <i>(Notes 3, 10 and 14)</i>	22nd July, 2000	207,000	0.69%	2,640,000	0.55%	\$0.0003	\$764.40	6 months	Not applicable
Sub-total		4,539,000	15.13%	58,080,000	12.10%				
<i>Other existing public shareholders</i>									
Innomore Assets Limited <i>(Notes 3 and 7)</i>	2nd May 2001	792,000	2.64%	10,128,000	2.11%	\$0.44	\$4,440,000	12 months	Not applicable
East Excellence Ltd. <i>(Notes 3, 7, 11 and 14)</i>	30th November 2001	600,000	2.00%	7,680,000	1.60%	\$0.10	\$796,000	12 months	Not applicable
Best Approach Limited <i>(Notes 3, 7, 12 and 14)</i>	30th November 2001	600,000	2.00%	7,680,000	1.60%	\$0.10	\$796,000	12 months	Not applicable
Ms. Shek Wai Fong <i>(Notes 3, 7 and 12)</i>	29th May 2000	537,000	1.79%	6,864,000	1.43%	\$0.0003	\$1,950	12 months	Not applicable
Pok Sun Enterprises Limited <i>(Notes 3 and 7)</i>	2nd May 2001	423,000	1.41%	5,424,000	1.13%	\$0.43	\$2,364,000	12 months	Not applicable
Superior IT Holdings Limited <i>(Notes 3 and 7)</i>	2nd May 2001	384,000	1.28%	4,896,000	1.02%	\$0.44	\$2,160,000	12 months	Not applicable
Mr. Lai Ping Wah <i>(Notes 3 and 7)</i>	21st May 2001	288,000	0.96%	3,696,000	0.77%	\$0.48	\$1,795,000	12 months	Not applicable
Mr. Wong Shui Fun <i>(Notes 3 and 7)</i>	21st May 2001	288,000	0.96%	3,696,000	0.77%	\$0.48	\$1,795,000	12 months	Not applicable
Mr. Wong Chung Yu <i>(Notes 3 and 7)</i>	21st May 2001	288,000	0.96%	3,696,000	0.77%	\$0.48	\$1,795,000	12 months	Not applicable
Insight Finance Limited <i>(Notes 3 and 7)</i>	2nd May 2001	276,000	0.92%	3,552,000	0.74%	\$0.43	\$1,548,000	12 months	Not applicable
Ms. Chen Qi <i>(Notes 3, 6 and 7)</i>	5th December 2001	273,000	0.91%	3,504,000	0.73%	\$0.43	\$1,536,000	12 months	Not applicable
Edgehill Industrial Limited <i>(Notes 3 and 7)</i>	21st May 2001	249,000	0.83%	3,168,000	0.66%	\$0.48	\$1,540,000	12 months	Not applicable
Kai Yick Developments Limited <i>(Notes 3 and 7)</i>	2nd May 2001	237,000	0.79%	3,024,000	0.63%	\$0.44	\$1,330,000	12 months	Not applicable
Direct Up Finance Limited <i>(Notes 3 and 7)</i>	2nd May 2001	168,000	0.55%	2,160,000	0.45%	\$0.43	\$936,000	12 months	Not applicable

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Name of Shareholder	Date of becoming shareholder of the Company	Number of Shares or attributable or held immediately before the Share Offer and the Capitalisation Issue	Approximate Percentage or percentage of shareholding immediately before the Share Offer and the Capitalisation Issue	Number of Shares held immediately after the Share Offer and the Capitalisation Issue (assuming that the Over-allotment Option is not exercised)	Percentage of shareholding immediately after the Share Offer and the Capitalisation Issue (assuming that the Over-allotment Option is not exercised)	Approximate cost per Share	Total cost	Moratorium Period	Period of services to the Group up to the Latest Practicable Date
<i>Substantial shareholders</i>									
Workforce Advantage Limited (Notes 3 and 7)	2nd May 2001	90,000	0.31%	1,152,000	0.24%	\$0.43	\$500,000	12 months	Not applicable
Wide Move Finance Limited (Notes 3 and 7)	2nd May 2001	48,000	0.16%	624,000	0.13%	\$0.42	\$264,000	12 months	Not applicable
Sub-total		<u>5,541,000</u>	<u>18.47%</u>	<u>70,944,000</u>	<u>14.78%</u>				
Total		<u>30,000,000</u>	<u>100.00%</u>	<u>360,000,000</u>	<u>75.00%</u>				
<i>Public Shareholders</i>									
New Shares	Not applicable	Not applicable	Not applicable	96,000,000	20.00%	Not applicable	Not applicable		
Sale Shares	Not applicable	Not applicable	Not applicable	24,000,000	5.00%	Not applicable	Not applicable		
Grand Total				<u>480,000,000</u>	<u>100.00%</u>				

Notes:

- Multiturn Trading Limited is owned by Ms. YY Wong, Mr. Wong, Mr. Chow and Mr. Lam as to 31%, 31%, 31% and 7% respectively. Ms. YY Wong and Mr. Wong are the founders of the Group and Mr. Chow and Mr. Lam became a director of CHL since 22nd July, 2000. The respective (i) date of becoming shareholder of the Company, (ii) number of Shares held immediately after the Share Offer and the Capitalisation Issue (assuming the Over-allotment Option is not exercised), (iii) percentage of shareholding immediately after the Share Offer and the Capitalisation Issue (assuming the Over-allotment Option is not exercised), (iv) cost per Share, (v) total cost, (vi) moratorium period and (vii) period of services to the Group up to the Latest Practicable Date of Ms. YY Wong, Mr. Wong, Mr. Chow and Mr. Lam are as follows:

Name of shareholder	Date of becoming shareholder of the Company	Attributable number of Shares held immediately after the Share Offer and the Capitalisation Issue (assuming that the Over-allotment Option is not exercised)	Attributable percentage of shareholding immediately after the Share Offer and the Capitalisation Issue (assuming that the Over-allotment Option is not exercised)	Approximate cost per Share	Total cost	Moratorium Period	Period of services to the Group up to the Latest Practicable Date
Ms. YY Wong	28th October, 1999	52,320,000	10.90%	0.0003	17,001.95	12 months	2 years and 9 months
Mr. Wong	28th October, 1999	52,320,000	10.90%	0.0003	17,001.95	12 months	2 years and 9 months
Mr. Chow	22nd July, 2000	52,320,000	10.90%	0.0003	17,001.95	12 months	2 years
Mr. Lam	22nd July, 2000	11,904,000	2.48%	0.0003	3,839.15	12 months	2 years

- On 5th July, 2002, as consideration of the acquisition of the entire issued share capital of CHL by the Company from the Initial Management Shareholders, the Substantial Shareholders, the Significant Shareholders and the other existing public shareholders as set out in the table, the Company (i) allotted and issued an aggregate of 20,000,000 Shares, credited as fully paid, to the Initial Management Shareholders, the Substantial Shareholders, the Significant Shareholders and the other existing public shareholders and (ii) credited as fully paid at par the 10,000,000 Shares issued nil paid to Ms. YY Wong on 20th November, 2001.

SUMMARY

On 9th July, 2002, Ms. YY Wong transferred 10,000,000 Shares to Multiturn Trading Limited and in consideration of which, Multiturn Trading Limited, as directed by Ms. YY Wong, allotted and issued 31, 31, 31 and 7 shares of US\$1.00 each in the share capital of Multiturn Trading Limited to Ms. YY Wong, Mr. Wong, Mr. Chow and Mr. Lam respectively.

3. Each of and each of the beneficial owners of (as the case may be) (i) Remy Investment Limited, namely HyComm Wireless Limited, a company whose shares are listed on the Stock Exchange, (ii) Sinopower Profits Limited, namely Mr. Koh Tat Lee and Ms. Eva Wong, (iii) Oriental Faith Technology Limited, namely Mr. Koh Tat Lee and Ms. Eva Wong, (iv) Busyway Profits Limited, namely Ip Kam Hoi, (v) Innomore Assets Limited, namely Mr. Sy Eio Tat Eugene, (vi) East Excellence Ltd., namely Mr. Ho Yiu Ming, Mr. Lee Chiu Kang, Mr. Chan Siu Man and Mr. Chu Wai Pang, (vii) Best Approach Limited, namely Mr. Law Fung Yuen, Paul, (viii) Ms. Shek Wai Fong, (ix) Pok Sun Enterprises Limited, namely Mr. Chua Yau Kwing, (x) Superior IT Holdings Limited, namely Mr. Chan Kam Cheong, (xi) Mr. Lai Ping Wah, (xii) Mr. Wong Shui Fun, (xiii) Mr. Wong Chung Yu, (xiv) Insight Finance Limited, namely Ms. Yeung Yik, (xv) Ms. Chen Qi, (xvi) Edgehill Industrial Limited, namely Mr. Lam Wing Chung, (xvii) Kai Yick Developments Limited, namely Ms. Ho Sai Man, (xviii) Direct Up Finance Limited, namely Ms. Mok Siu Ling, (xix) Workforce Advantage Limited, namely Mr. Kang Jing and Mr. Sun Li Hua, and (xx) Wide Move Finance Limited, namely Mr. Pan Qi are independent third parties not connected with any of the Directors, the chief executive of the Company and its subsidiaries, the Significant Shareholders or other Significant Shareholders (as the case may be), the Initial Management Shareholders, the Substantial Shareholders or other Substantial Shareholders (as the case may be) of the Company or any of their respective associates and all of them are considered to be public shareholders. Each of them does not have any board representation or involvement in the management of the Company and their acquisition of Shares were not financed directly or indirectly by any connected person to the Group. Save and except that the beneficial owners of Oriental Faith Technology Limited and Sinopower Profits Limited are the same individuals, and that Mr. Ip Kam Hoi is the beneficial owner of Busyway Profits Limited, each of the aforesaid beneficial owners and individual owners is independent to each other.
4. As advised by the Directors, Mr. Ip Kam Hoi has known Ms. YY Wong personally for over five years and he has extensive experience in property investment and trading business in the PRC. One of the Group's contracted client in the Track Record Period was introduced by Mr. Ip Kam Hoi in early 2000. In light of the aforesaid contributions to the Group, Ms. YY Wong sold the then 400 shares in CHL to Mr. Ip Kam Hoi at nominal value of US\$1.00 each per share on 22nd July, 2000. In addition, Mr. Ip Kam Hoi introduced another property developer to the Group in late 2000. Subsequently, the Group has entered into a contract with such property developer in July 2001. With a view of rewarding Mr. Ip Kam Hoi's further contribution to the Group's business, Ms. YY Wong, Mr. Wong, Mr. Chow and Mr. Lam transferred the entire issued share capital of Busyway Profits Limited to Mr. Ip Kam Hoi at a consideration of US\$70 on 2nd January, 2002. As such, the cost per Share paid by Mr. Ip Kam Hoi and Busyway Profits Limited represents a significant discount to the Offer Price. Upon completion of the Capitalisation Issue and the Share Offer, Mr. Ip Kam Hoi will hold 21,648,000 Shares in his own name and 2,640,000 Shares through his 100% interests in Busyway Profits Limited. Each of Mr. Ip Kam Hoi and Busyway Profits Limited confirms that he/it is independent of and not connected with the Directors or the chief executive of the Company and its subsidiaries, the Significant Shareholders, the Initial Management Shareholders and the Substantial Shareholders and their respective beneficial owners and associates (as defined in the GEM Listing Rules).
5. Winly Group Ltd. is owned by Ms. Wu Wai Yee, Annis ("Ms. Wu"), an independent non-executive Director, and Ms. To Po Yim ("Ms. To") in equal shares. Ms. Wu and Ms. To are business partners of Annis Wu & Associates Limited, which provided financial consultancy service to the Group during the period from October 2000 to March 2001. The Directors were satisfied with their performance on advising business and strategic development of the Group during the period of engagement. In addition, the Directors consider that Ms. Wu and Ms. To possess extensive business relationship in the PRC which would assist the Group to further explore the PRC market. As such, the Directors allotted and issued 130 shares of CHL to Winly Group Ltd. at a discount as recognition of their performance rendered to the Group and the Directors consider that it would be beneficial to the Company to have strategic shareholders with sound financial knowledge and experience. Further, as such shares constitute less than 1% of the issued share capital of CHL, the Directors consider that the discount in monetary terms is therefore not significant. Each of Ms. Wu Wai Yee, Annis and Ms. To Po Yim are deemed to be interested in 3,600,000 Shares, representing approximately 0.75% interests in the Company upon completion of the Share Offer and the Capitalisation Issue under the SDI Ordinance and their respective (i) date of becoming shareholders of the Company, (ii) number of Shares held immediately after the Share Offer and the Capitalisation Issue (assuming the Over-allotment Option is not exercised), (iii) percentage of shareholding immediately after the Share Offer and the Capitalisation Issue (assuming the Over-allotment Option is not exercised), (iv) cost per

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Share, (v) total cost, (vi) moratorium period and (vii) period of services to the Group up to the Latest Practicable Date are as follows:

Name of shareholder	Date of becoming shareholder of the Company	Number of Shares held immediately after the Share Offer and the Capitalisation Issue (assuming that the Over-allotment Option is not exercised)	Percentage of shareholding immediately after the Share Offer and the Capitalisation Issue (assuming that the Over-allotment Option is not exercised)	Approximate cost per Share	Total cost	Moratorium Period	Period of services to the Group up to the Latest Practicable Date
Ms. Wu Wai Yee, Annis	15th May, 2001	3,600,000	0.75%	\$0.0002	\$507	6 months	Not applicable
Ms. To Po Yim	15th May, 2001	3,600,000	0.75%	\$0.0002	\$507	6 months	Not applicable

Apart from the financial consultancy service of Annis Wu & Associates Limited referred to in the above, Ms. Wu has not provided any other service to the Group up to the Latest Practicable Date.

Ms. Chow Wai Man, Grace is an independent non-executive Director. She has not provided any service to the Group up to the Latest Practicable Date.

6. Ms. Chen Qi initially held her interests in the Group through her 100% interests in All South Resources Limited. On 6th December, 2001, All South Resources Limited transferred its interests in the Group to Ms. Chen Qi at a consideration of \$1,280,000.
7. Each of Innomore Assets Limited, East Excellance Ltd., Best Approach Limited, Ms. Shek Wai Fong, Pok Sun Enterprises Limited, Superior IT Holdings Limited, Mr. Lai Ping Wah, Mr. Wong Shui Fun, Mr. Wong Chung Yu, Insight Finance Limited, Ms. Chen Qi, Edgehill Industrial Limited, Kai Yick Developments Limited, Direct Up Finance Limited, Workforce Advantage Limited and Wide Move Finance Limited has respectively undertaken to the Company and Hantec (for itself and on behalf of the Underwriters) that he/she/it will not dispose of (nor enter into any agreement to dispose of) any of his/her/its direct or indirect interests in the Company during the Twelve Months Lock-up Period.
8. Pursuant to an agreement dated 1st August, 2000, the Group agreed to accept and Annis Wu & Associates Limited agreed to offer financial consultant services (the “Engagement”) for a professional fee of \$280,000. The services provided including (i) to review the business model of the Group’s operations; (ii) to evaluate the financial aspect of the Group’s business; and (iii) to identify and assess risks that might affect the business of the Group. Ms. Annis Wu confirms that the Engagement was terminated around early April 2001 and that Annis Wu & Associates Limited has no claim against the Group whatsoever whether in respect of fees, remuneration or compensation for the Engagement.

Ms. Annis Wu confirms that the consideration in the amount of US\$130 which Winly Group had paid for subscribing 130 shares of US\$1.00 each in CHL was not financed by Ms. YY Wong, Mr. Wong, Mr. Chow nor Mr. Lam.

Ms. Annis Wu has also confirmed that apart from the receipt of the abovementioned service fee from the Group in respect of the service of Annis Wu & Associates Limited rendered during the period from October 2000 to March 2001 and save as disclosed above, she has no other interests, whether financial or otherwise and whether past or present, in the Group.
9. Both Sinopower Profits Limited and Oriental Faith Technology Limited are wholly-owned by Mr. Koh Tak Lee and Ms. Eva Wong in equal shares, who are independent third parties and each of them is deemed to be interested in 33,792,000 Shares, representing approximately 7.04% interests in the Company under the SDI Ordinance upon completion of the Share Offer and the Capitalisation Issue.
10. Busyway Profits Limited is wholly-owned by Mr. Ip Kam Hoi.
11. East Excellance Ltd. is a private venture capital company beneficially owned by Mr. Ho Yiu Ming, Mr. Lee Chiu Kang, Mr. Chan Siu Man and Mr. Chu Wai Pang. Each of them has extensive experience in the securities industry in relation to the fields of placing, underwriting, financial advisory and identification of prospective investors. They provided the necessary connections and professional knowledge to promote the Company to the investing public and the financial market. East Excellance Ltd. is an investor which is independent of and not connected with the Directors or the chief executive of the Company and its subsidiaries, the Significant Shareholders, the Initial Management Shareholders and the Substantial Shareholders and their respective beneficial owners and associates (as defined in the GEM Listing Rules).

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12. As advised by the Directors, Best Approach Limited invested in the Company as a passive equity investor providing risk capital at the time when working capital was required by the Company. The pricing was based on an arms-length negotiation between the parties, taking into account the business connections of Best Approach Limited which the Directors believed to be beneficial to the Company. Subsequently, Best Approach Limited introduced various potential business partners to the Company, including an environmental protection solution provider, a remote visual management systems provider and an application service provider related to property management and maintenance services. Best Approach Limited is an investor which is independent of and not connected with the Directors or the chief executive of the Company and its subsidiaries, the Significant Shareholders, the Initial Management Shareholders and the Substantial Shareholders and their respective beneficial owners and associates (as defined in the GEM Listing Rules).
13. As advised by the Directors, Ms. Shek Wai Fong has known Ms. YY Wong personally for over five years and she is currently a merchant. Ms. Shek Wai Fong has been engaged in a variety of businesses such as property investment, health care, beauty and restaurant in Hong Kong and the PRC. She had introduced the first property developer engaged by the Group on 20th December 1999. Ms. YY Wong invited Ms. Shek Wai Fong to invest in the Group and subsequently Ms. Shek Wai Fong agreed to subscribe shares in CHL at par value of US\$1.00 each. Ms. Shek Wai Fong is an investor who is independent of and not connected with the Directors or the chief executive of the Company and its subsidiaries, the Significant Shareholders, the Initial Management Shareholders and the Substantial Shareholders and their respective beneficial owners and associates (as defined in the GEM Listing Rules).
14. Under the articles of association of CHL, CHL may issue a share for a promissory note or other written obligation for payment of a debt. By 12th December 2001, CHL has received the relevant consideration from all its shareholders.

RESTRICTIONS ON DISPOSAL OF SHARES

(i) Undertakings by Initial Management Shareholders

Each of Multiturn Trading Limited, Ms. YY Wong, Mr. Wong, Mr. Chow and Mr. Lam has undertaken to the Company, the Sponsor (for itself and on behalf of the Underwriters) and the Stock Exchange that, save under the circumstances provided by rule 13.18 of the GEM Listing Rules, during the Twelve Months Lock-up Period, he/she/it will not dispose of (or enter into any agreement to dispose of) or permit the registered holder to dispose of (or enter into any agreement to dispose of) any of his/her/its direct or indirect interest in the Company.

Each of Wingly Group Ltd., Ms. Wu Wai Yee, Annis, Ms. To Po Yim and Ms. Chow Wai Man, Grace has undertaken to the Company, the Sponsor (for and on behalf of the Underwriters) and the Stock Exchange that, save under the circumstances provided by rule 13.18 of the GEM Listing Rules, during the Six Months Lock-Up Period, she/it will not dispose of (or enter into any agreement to dispose of) or permit the registered holder to dispose of (or enter into any agreement to dispose of) any of her/its direct or indirect interest in the Company.

Each of Ms. YY Wong, Mr. Wong, Mr. Chow and Mr. Lam has undertaken to the Company, the Sponsor (for itself and on behalf of the Underwriters) and the Stock Exchange that during the Twelve Months Lock-up Period, he/she will not dispose of (nor enter into any agreement to dispose of) any of his/her interest in Multiturn Trading Limited.

Each of Ms. Wu Wai Yee, Annis and Ms. To Po Yim has undertaken to the Company, the Sponsor (for and on behalf of the Underwriters) and the Stock Exchange that during the Six Months Lock-Up Period, she will not dispose of (or enter into any agreement to dispose of) any of her interests in Wingly Group Ltd..

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(ii) Undertakings by Substantial and Significant Shareholders

Each of Rexy Investment Limited, Sinopower Profits Limited, Oriental Faith Technology Limited, Busyway Profits Limited and Mr. Ip Kam Hoi has undertaken to the Company and the Sponsor (for itself and on behalf of the Underwriters) and the Stock Exchange that save under the circumstances provided by rule 13.18 of the GEM Listing Rules, during the Six Months Lock-up Period, he/it will not dispose of (or enter into any agreement to dispose of) or permit the registered holder to dispose of (or enter into any agreement to dispose of) any of his/its respective direct or indirect interests in the Company.

(iii) Further undertakings by Substantial and Significant Shareholders

In addition to the above undertakings, each of (i) HyComm Wireless Limited and Plotio Limited, the ultimate beneficial shareholder and immediate holding company of Rexy Investment Limited respectively, and (ii) Mr. Koh Tat Lee and Ms. Eva Wong, the shareholders of Sinopower Profits Limited and Oriental Faith Technology Limited respectively, has given an undertaking to the Company, the Sponsor (for itself and on behalf of the Underwriters) and the Stock Exchange that:

- (i) HyComm Wireless Limited shall not and shall procure that none of its associates, nominees or trustees holding in trust for it shall, during the Six Months Lock-up Period, dispose of (nor enter into any agreement to dispose of) any of its interests in Plotio Limited, the immediate holding company of Rexy Investment Limited; and shall further procure that Plotio Limited and none of the associates, nominees or trustees holding in trust for Plotio Limited shall, during the Six Months Lock-up Period, dispose of (nor enter into any agreement to dispose of) any of Plotio Limited's interests in Rexy Investment Limited; and that Plotio Limited shall not and shall procure that none of its associates, nominees or trustees holding in trust for it shall, during the Six Months Lock-up Period, dispose of (nor enter into any agreement to dispose of) any of its interests in Rexy Investment Limited; and that
- (ii) Mr. Koh Tat Lee and Ms. Eva Wong shall not and shall procure that none of his/her associates, nominees or trustees holding in trust for him/her shall, during the Six Months Lock-up Period, dispose of (nor enter into any agreement to dispose of) any of his/her interests in Sinopower Profits Limited and Oriental Faith Technology Limited respectively; and that
- (iii) Mr. Ip Kam Hoi shall not and shall procure that none of his associates, nominees or trustees holding in trust for him shall, during the Six Months Lock-up Period, dispose of (nor enter into any agreement to dispose of) any of his interests in Busyway Profits Limited.

(iv) Undertakings by other Shareholders

Each of Innomore Assets Limited, East Excellance Ltd., Best Approach Limited, Ms. Shek Wai Fong, Pok Sun Enterprises Limited, Superior IT Holdings Limited, Mr. Lai Ping Wah, Mr. Wong Shui Fun, Mr. Wong Chung Yu, Insight Finance Limited, Ms. Chen Qi, Edgehill Industrial Limited, Kai Yick Developments Limited, Direct Up Finance Limited, Workforce Advantage Limited and Wide Move Finance Limited has respectively undertaken to the Company, the Sponsor (for itself and on behalf of the Underwriters) and the Stock Exchange that during the Twelve Months Lock-up Period, he/she/it will not dispose of (nor enter into any agreement to dispose of) any of his/her/its respective direct or indirect interests in the Company.

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In addition, each of Mr. Sy Eio Tat Eugene, the shareholder of Innomore Assets Limited, Mr. Ho Yiu Ming, Mr. Lee Chiu Kang, Mr. Chan Siu Man and Mr. Chu Wai Pang, the shareholders of East Excellance Ltd., Mr. Law Fung Yuen, Paul, the shareholder of Best Approach Limited, Mr. Chua Yau Kwing, the shareholder of Pok Sun Enterprises Limited, Mr. Chan Kam Cheong, the shareholder of Superior IT Holdings Limited, Ms. Yeung Yik, the shareholder of Insight Finance Limited, Mr. Lam Wing Chung, the shareholder of Edgehill Industrial Limited, Ms. Ho Sai Man, the shareholder of Kai Yick Developments Limited, Ms. Mok Siu Ling, the shareholder of Direct Up Finance Limited, Mr. Kang Jing and Ms. Sun Li Hua, the shareholders of Workforce Advantage Limited, and Mr. Pan Qi, the shareholder of Wide Move Finance Limited has respectively undertaken to the Company, the Sponsor (for itself and on behalf of the Underwriters) and the Stock Exchange that he/she will not dispose of (nor enter into any agreement to dispose of) any of his/her respective direct or indirect interests in the share capital of Innomore Assets Limited, East Excellance Ltd., Best Approach Limited, Pok Sun Enterprises Limited, Superior IT Holdings Limited, Insight Finance Limited, Edgehill Industrial Limited, Kai Yick Developments Limited, Direct Up Finance Limited, Workforce Advantage Limited and Wide Move Finance Limited during the Twelve Months Lock-up Period.