
SUMMARY OF THIS PROSPECTUS

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

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

Business

The Group is a leading business application solutions provider in the banking and finance sector in Hong Kong, and is principally engaged in (i) the development, sale and implementation of enterprise software, (ii) the operation of the ASP Business through a joint venture in which the Group owns a 37.5 per cent. interest and a wholly-owned subsidiary of iBusiness Corporation (whose shareholders, in turn, include Cheung Kong, Hutchison Whampoa Limited, HSBC and Hang Seng Bank) owns the remaining 62.5 per cent., (iii) IT consultancy (including the provision of e-business solutions) and customised application system development, and (iv) systems integration and resale and maintenance of IT products, all with a principal focus on providing solutions to the banking and finance sector. The Group also has a strategic investment (being a 10 per cent. shareholding interest) in Net Fun Limited, a company which owns and operates a multi-lingual portal offering on-line interactive games and on-line Internet services.

The Group's enterprise software are capable of providing integration and interface with the legacy and operation systems of its customers, and have been sold to major banks and financial institutions in Hong Kong and elsewhere. The Group's enterprise software are multi-lingual and a majority of the enterprise software are already Internet-enabled. The Directors believe that the Group's management team has extensive experience in the IT industry and an in-depth understanding and knowledge of the banking and finance sector. As such, the Directors believe that the Group is well-positioned to become a leading solutions provider to facilitate the growth and expansion of e-business in the Asia Pacific region.

Business model

The Group has a focused business model comprising three inter-related and synergistic components, namely, enterprise software, the ASP Business (through i21 Limited, the joint venture with a wholly-owned subsidiary of iBusiness Corporation) and the provision of IT consultancy services and e-business solutions. In addition, the Group will continue to provide systems integration services and engage in the resale of IT products as part of its solutions offering. Through this model, the Group aims to become the leading business application solutions provider in the Asia Pacific region.

Enterprise software

The enterprise software business of the Group involves the development of business software applications that can be licensed to and (with minor customisation) implemented for different enterprises. The Group has developed a suite of nine software applications that distinguishes the Group as a provider of enterprise software primarily servicing the banking

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and finance sector in Hong Kong. The Group will seek to maintain and build upon this position through product development and enhancement, aggressive marketing and geographical expansion into the PRC and other countries in Southeast Asia. The Group will continue to focus on developing new software applications which facilitate B2B and B2C transactions and provide e-commerce solutions over the Internet, in particular, for the banking and finance sector. The Group also intends to continue to harness its proprietary enterprise software to develop the ASP Business and other e-business initiatives.

The ASP Business

In March, 2000, the Group and iBusiness Corporation formed a joint venture, i21 Limited, to operate the ASP Business under the brandname "i21". i21 Limited is owned as to 37.5 per cent. by the Group, and a wholly-owned subsidiary of iBusiness Corporation holds the remaining interest in i21 Limited. i21 Limited is one of the early entrants in the ASP market in Hong Kong. The ASP Business provides enterprises with use of application functionality and data which are managed centrally and are delivered through the Internet and other means including leased lines and mobile phones. The Group possesses proprietary technology in the form of its enterprise software and a track record of providing ancillary services to its customers, which the Directors believe will benefit the ASP Business. i21 Limited has formed strategic alliance with hardware vendors (Sun Microsystems and Cisco) and networking products and facilities management provider (Hutchison Global Crossing), all of whom are leading players in their respective fields, and the Directors expect that the i21 Limited will continue to form other strategic partnerships.

iStock 21, a stock trading software and the first application implemented through the ASP Business, was first deployed for customer use in June, 2000. The ASP Business will seek to offer an increasing number of software applications with the aim of capturing the Hong Kong and Southeast Asian ASP market for:

- specific sectors within the banking and finance industry, such as insurance; and
- specific functions within businesses such as human resource management and accounting.

IT consulting and e-business solutions

The Group provides IT strategic consulting and planning services and develops customised IT solutions for customers.

Since early 1999, the Group has expanded its consulting and planning services to cover e-business strategy and solutions (including maintenance and support services) for customers who are seeking to develop e-businesses. As an extension of its IT consultancy business, the Group is continuing looking into taking on a more active role in helping its customers implement their e-business plans. The services offered by the Group will be expanded to include the provision of consulting services, software solutions, business connections and day-to-day operational support to the customers' e-business on an on-going basis.

The Directors believe that the quality of the Group's services will be enhanced by the synergistic value of the Group's enterprise software and the ASP Business, and the Group will be able to provide a "one-stop" service for customers implementing e-business strategies.

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Revenue model

The Directors believe that the IT consulting and systems integration businesses will continue to be a significant contributor to the Group's revenue. The Directors also expect that an increasing portion of its revenue will come from its enterprise software, the ASP Business and the provision of e-business solutions. Set out below is a summary of the expected development of the revenue profile of the Group. In line with the market trend in the IT sector, the Group will explore new revenue models such as charging periodic subscription fees and participating in equity and revenue sharing arrangements.

(i) *Enterprise software*

The Group's enterprise software business has relied on up-front "one-off" licence fees as a principal revenue source. While the Directors expect that this will continue to be the case, the Directors also expect that the Group may charge some of its future customers on the basis of an initial licence fee coupled with on-going periodic subscription payments.

(ii) *ASP*

It is expected that different revenue models will be implemented for the different i21 applications offered by the ASP Business depending on the nature of the software and services provided. The Directors expect that the ASP Business will use a combination of one or more of the following charging schemes: initial joining fee, periodic subscription fees, access charges and transaction fees calculated based on volume of usage.

i21 Limited has entered into revenue sharing arrangements with two business partners in connection with iStock21, and the Directors anticipate that it may enter into additional revenue sharing arrangements with other business and technology partners of the i21 applications.

(iii) *IT consulting and e-business solutions*

The Group charges its customers for services provided either on a per project basis or on a time and material basis. In relation to the provision of IT consulting services and e-business solutions, the Group may also participate in revenue and commission sharing arrangements, and may also be paid in the form of equity interests in the relevant projects.

Target customers and geographical expansion

The Group intends to position itself as a leading business application solutions provider in the banking and finance sector in the Asia Pacific region. At present, the Group's customer base comprises some of the leading financial institutions in the Asia Pacific region. The Group intends to expand aggressively to target the banking and finance sector in the PRC and Southeast Asia.

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Principal strengths

The Directors attribute the Group's successful growth and development to the following principal factors:

- **Market focus on the banking and finance sector**

Since its establishment in 1988, the Group has targeted customers in the banking and finance sector, and the Directors believe that the Group's focus on building up its image as a leader in this sector will help the Group increase its market share in the future.

- **Strong and dedicated management team**

All of the executive Directors, with the exception of one, have more than 15 years of IT experience and have been working together since 1996 and have accumulated in-depth knowledge through their previous project engagements with major multinational banks and financial institutions in Hong Kong and overseas.

- **Reputable customer base**

Having served the banking and finance sector in Hong Kong for more than 10 years, the Group has built up a customer base which includes many large multinational and financial institutions in Hong Kong. This has generated repeated business, and has become a source of new business for the Group through referrals and references by such customers.

- **Established reputation and product recognition**

The Group has been established for over 10 years and has built a reputation in Hong Kong for delivering high quality enterprise software.

- **Technical expertise on the Internet**

The Group has developed technical expertise in a number of Internet-related technologies in the areas of software development, on-line security and e-commerce. Such skills and knowledge have enabled the Group to benefit from the growth of e-businesses in the Asia Pacific region.

- **A portfolio of valuable software assets**

Through research and development, the Group has developed a set of software frameworks which can be re-used from one software development project to another. This set of reusable frameworks will effectively shorten the development time of future enterprise software, and improve the quality of products developed. The enterprise software developed by the Group are multi-lingual, and a number of the enterprise software are also multi-channel (accessible through the Internet and mobile phones).

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- **Strategic alliance and partnership with reputable organisations**

The Group's Strategic Investors comprise the UOB Investors and wholly-owned subsidiaries of Cheung Kong and ChinaVest. The Group has entered into a joint venture with iBusiness Corporation to set up the ASP Business under the brandname "i21". The Group has also fostered close business relationships with many reputable corporations in the IT industry. The Directors believe that the Group will benefit from such close on-going relationships with shareholders and business partners since the Group can leverage off their industry expertise, market coverage and brand recognition in implementing its future business strategies.

Future business objectives

The Group's overall business objective is to be a leading business application solutions provider in the banking and finance sector in the Asia Pacific region. The Group has identified the following key strategies to achieve this goal:

- to continue its commitment to research and development in order to expand its range of products for the banking and finance sector and other sectors;
- to continue to form alliances with leading strategic and technology partners to aggressively implement the ASP and e-business solutions initiatives;
- to expand geographically by establishing regional operations, and in particular, to establish software development centres and distribution channels and networks for its products and services in the PRC and in Southeast Asia; and
- to strengthen its sales and marketing capabilities and organise and conduct joint marketing with branded computer product suppliers.

Further details of the Group's business strategies for the period until the end of 2002 are set out under "Statement of business objectives and strategies".

Use of proceeds of the Share Offer

The proceeds of the Share Offer, after deduction of underwriting fees and estimated expenses payable by the Company in relation to the Share Offer, are estimated to be approximately HK\$188 million (on the basis that the Over-allotment Option is not exercised) based on an Offer Price of HK\$1.40. If the Over-allotment Option is exercised in full, the net proceeds based on such Offer Price will increase to approximately HK\$30 million. The Company currently intends to use the net proceeds of the Share Offer as follows:

- approximately HK\$40 million for the development of the ASP Business for the period until the end of year 2002;
- approximately HK\$20 million for the research and development of new enterprise software for the period until the end of year 2002;

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- approximately HK\$20 million for the geographical expansion of the Group into the PRC and Southeast Asia for the period until the end of year 2002;
- approximately HK\$10 million for setting up the e-Centre for the period until the end of year 2001;
- approximately HK\$10 million for marketing and promotional activities for the period until the end of year 2002;
- approximately HK\$50 million for acquisitions of and investments in companies and businesses which fit into the Group's business strategy for the period until the end of year 2000;
- the balance of approximately HK\$38 million for general working capital; and
- in the event the Over-allotment Option is exercised in full, the additional net proceeds (based on an Offer Price of HK\$1.40) of approximately HK\$30 million will be applied by the Group as additional general working capital.

To the extent that the net proceeds of the Share Offer are not immediately applied for the above purposes, it is the present intention of the Directors that such net proceeds will be placed in interest-bearing deposits with financial institutions. In the event there is to be any material modification to the use of proceeds as described above, the Company will issue an announcement of the change.

In the event the Offer Price is less than HK\$1.40, the net proceeds allocated in respect of working capital shall be reduced accordingly.

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Trading record

Summary of combined results of the Group

The table below sets out a summary of the combined results of the Company and its subsidiaries for each of the three years ended 31st December, 1999 as if the current Group structure had been in existence throughout such periods, based on the information included in the Accountants' Report as set out in Appendix I to this prospectus.

	Year ended 31st December,		
	1997	1998	1999
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(except per Share data)</i>		
Turnover (<i>Note 1</i>)			
Fixed price projects	25,477	26,438	39,097
Hardware and software resale	22,982	15,506	35,699
Time and material projects	27,723	30,988	20,575
Maintenance services	944	2,052	2,700
Total Turnover	77,126	74,984	98,071
Cost of computer hardware and software	(18,373)	(17,773)	(43,623)
	58,753	57,211	54,448
Other revenue	1,282	1,007	847
Other net income	11	—	108
Staff costs	(42,673)	(43,093)	(52,359)
Depreciation	(1,560)	(1,582)	(2,614)
Other operating expenses	(13,722)	(10,485)	(10,749)
Profit/(Loss) from operations	2,091	3,058	(10,319)
Finance costs	(529)	(569)	(566)
Profit/(Loss) from ordinary activities before taxation	1,562	2,489	(10,885)
Taxation	(382)	(764)	227
Profit/(Loss) for the year	1,180	1,725	(10,658)
Dividends	—	—	(5,000)
Basic and diluted earnings/ (loss) per Share (<i>Note 2</i>)	HK\$0.59	HK\$0.86	HK\$(5.33)

Notes:

1. Turnover represents income from computer software sales, hardware and software resales and computer services rendered to customers during the year, net of returns and discounts allowed, after eliminating intra-Group transactions.
2. Based on 2,000,000 Shares (being the number of Shares in issue and outstanding prior to the conversion of the Convertible Notes), as if those Shares had been outstanding for each year presented.

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Profit forecast for the year ending 31st December, 2000

Forecast combined profit after taxation but
before extraordinary items (*Note 1*) not less than HK\$13 million

	Based on an Offer Price of HK\$1.35	Based on an Offer Price of HK\$1.40
Forecast earnings per Share		
(a) pro forma fully diluted (<i>Note 2</i>)	HK\$0.018	HK\$0.018
(b) weighted average (<i>Note 3</i>)	HK\$0.015	HK\$0.015

Share Offer statistics

	Based on an Offer Price of HK\$1.35	Based on an Offer Price of HK\$1.40
Market capitalisation (<i>Note 4</i>)	HK\$1,350 million	HK\$1,400 million
Estimated price/earnings multiple		
(a) pro forma fully diluted (<i>Note 5</i>)	75 times	78 times
(b) weighted average (<i>Note 6</i>)	90 times	93 times
Adjusted net tangible asset value per Share (<i>Note 7</i>)	HK\$0.29	HK\$0.30

Notes:

1. The bases and assumptions on which the forecast combined profit after taxation but before extraordinary items of the Group and forecast earnings per Share for the year ending 31st December, 2000 have been prepared are set out in Part 1 of Appendix II to this prospectus. The forecast combined profit after taxation but before extraordinary items includes the share of forecast loss in an associated company.
2. The calculation of the forecast earnings per Share on a pro forma fully diluted basis is based on the forecast combined profit after taxation but before extraordinary items of the Group for the year ending 31st December, 2000 assuming that the Company had been listed since 1st January, 2000 and had a total of 1,000,000,000 Shares in issue during the year and which does not take into account potential Shares which would be in issue upon the issue and conversion of the Additional Convertible Note, any Shares which may be issued upon the exercise of the Over-allotment Option or any options which may be granted under the Share Option Scheme, or which may be allotted and issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchase of Shares described under "Shareholders' resolutions of the Company passed on 16th June, 2000" in Appendix VI to this prospectus. The forecast combined profit after taxation but before extraordinary items of the Group for the year ending 31st December, 2000 for the purposes of this calculation has been adjusted to take into account the interest income that would have been earned if the net proceeds from the Share Offer had been received on 1st January, 2000 and interest had been earned thereon at a rate of 5 per cent. per annum for the whole of the year.

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3. The calculation of the forecast earnings per Share on a weighted average basis is based on the forecast combined profit after taxation but before extraordinary items of the Group for the year ending 31st December, 2000 and the weighted average number of approximately 858,557,892 Shares expected to be in issue during the year, but takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option or of any options which may be granted under the Share Option Scheme or upon conversion of the Additional Convertible Note or which may be allotted and issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchase of Shares described under "Shareholders' resolutions of the Company passed on 16th June, 2000" in Appendix VI to this prospectus.
4. The market capitalisation of the Shares is based on 1,000,000,000 Shares in issue immediately after the completion of the Share Offer and the Capitalisation Issue but takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option or of any options which may be granted under the Share Option Scheme or upon conversion of the Additional Convertible Note or which may be allotted and issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchase of Shares described under "Shareholders' resolutions of the Company passed on 16th June, 2000" in Appendix VI to this prospectus.
5. The forecast price/earnings multiple on a pro forma fully diluted basis is based on the forecast earnings per Share on a pro forma fully diluted basis for the year ending 31st December, 2000 of HK\$0.018 (based on an Offer Price of HK\$1.35) and HK\$0.018 (based on an Offer Price of HK\$1.40).
6. The forecast price/earnings multiple on a weighted average basis is based on the forecast earnings per Share on a weighted average basis for the year ending 31st December, 2000 of HK\$0.015 (based on an Offer Price of HK\$1.35) and HK\$0.015 (based on an Offer Price of HK\$1.40).
7. The adjusted net tangible asset value per Share has been arrived at after making the adjustments referred to under "Financial information — Adjusted net tangible assets" and on the basis of an aggregate of 1,000,000,000 Shares in issue and to be issued as mentioned herein but takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option or of any options which may be granted under the Share Option Scheme or upon conversion of the Additional Convertible Note or which may be allotted and issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchase of Shares described under "Shareholders' resolutions of the Company passed on 16th June, 2000" in Appendix VI to this prospectus. If the Over-allotment Option is exercised in full, the adjusted net tangible asset value per Share and the pro forma fully diluted earnings per Share would be increased, while the weighted average earnings per Share would be decreased.

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Substantial, Initial Management and Significant Shareholders, Strategic Investors and other existing shareholders of the Company

The Company was established as an exempted company on 21st January, 2000 under the laws of Bermuda. When the Company was established, Ms. Peggy Chan, the founder of the Group, held the entire issued share capital of the Company. The shareholding structure of the Company subsequently underwent certain changes, details of which are set out under “Further information about the Company — Transfer of Shares by controlling shareholder” in Appendix VI to this prospectus. The interests of the substantial shareholders (as defined in the GEM Listing Rules) of the Company, the Initial Management Shareholders, the Significant Shareholders, the Strategic Investors and the other existing shareholders in the enlarged issued share capital of the Company immediately following completion of the Share Offer and the Capitalisation Issue (assuming the Over-allotment Option is not exercised), the cost at which they acquired their Shares and the relevant lock-up period (if any) are set out below:

Shareholders	Date of becoming a direct/indirect shareholder	Number of Shares (includes direct and indirect shareholding interest)	Approximate percentage of holding (includes direct and indirect shareholding interest)	Lock-up period	Acquisition cost per Share (Note 8) (HK\$)	Total cost of acquisition (HK\$)
			(%)			
<i>Substantial Shareholders and Initial Management Shareholders</i>						
Ms. Peggy Chan (Note 3)	24th January, 2000	579,956,044	57.99	during the first six-month period following the Listing Date for 579,956,044 Shares (Note 1)	not applicable	not applicable
				during the second six-month period following the Listing Date for 350,000,000 Shares (Note 2)		
Passion (Note 3)	15th June, 2000	579,956,044	57.99	during the first six-month period following the Listing Date for 579,956,044 Shares (Note 1)	nominal	1
				during the second six-month period following the Listing Date for 350,000,000 Shares (Note 2)		

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Shareholders	Date of becoming a direct/indirect shareholder	Number of Shares (includes direct and indirect shareholding interest)	Approximate percentage of holding (includes direct and indirect shareholding interest) (%)	Lock-up period	Acquisition cost per Share (Note 8) (HK\$)	Total cost of acquisition (HK\$)
<i>Initial Management Shareholders</i>						
Mr. Fung Din Chung, Rickie (Note 4)	15th June, 2000	24,559,498	2.46	during the six- month period following the Listing Date (Note 1)	nominal	1
Ms. Leung Lucy, Michele (Note 4)	15th June, 2000	24,559,498	2.46	during the six- month period following the Listing Date (Note 1)	not applicable (Note 4)	not applicable (Note 4)
Mossell (Note 4)	15th June, 2000	24,559,498	2.46	during the six- month period following the Listing Date (Note 1)	nominal	1
Mr. Ng Wai King, Steve (Note 4)	15th June, 2000	21,050,998	2.10	during the six- month period following the Listing Date (Note 1)	nominal	1
Mr. Ip Kim Kuen (Note 4)	15th June, 2000	1,403,400	0.14	during the six- month period following the Listing Date (Note 1)	nominal	1
<i>Significant Shareholders</i>						
Cheung Kong (Note 5)	15th June, 2000	71,969,151	7.20	during the six- month period following the Listing Date (Note 1)	not applicable (Note 5)	not applicable (Note 5)
Alps (Note 6)	15th June, 2000	71,969,151	7.20	during the six- month period following the Listing Date (Note 1)	0.71	51,282,000

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Shareholders	Date of becoming a direct/indirect shareholder	Number of Shares (includes direct and indirect shareholding interest)	Approximate percentage of holding (includes direct and indirect shareholding interest) (%)	Lock-up period	Acquisition cost per Share (Note 8) (HK\$)	Total cost of acquisition (HK\$)
<i>Strategic Investors</i>						
UOB Investors (Note 6)	15th June, 2000	43,617,668	4.36	during the six- month period following the Listing Date (Note 1)	0.71	31,080,000
ChinaVest (Note 5)	15th June, 2000	32,713,251	3.27	during the six- month period following the Listing Date (Note 1)	not applicable (Note 5)	not applicable (Note 5)
CV Software Holdings (Note 6)	15th June, 2000	32,713,251	3.27	during the six- month period following the Listing Date (Note 1)	0.71	23,310,000
<i>Other shareholders of the Company</i>						
Other existing shareholders (Note 7)	23rd February, 2000	50,170,492	5.02	—	0.71	35,742,000

Notes:

- 1 Each of the Initial Management Shareholders, Significant Shareholders and Strategic Investors has undertaken with the Company, the Stock Exchange and (in the case of the Initial Management Shareholders) HSBC Investment Bank Asia that it/he/she will not dispose of any of its/his/her respective direct or indirect interest in the Company during the first six months after the Listing Date.
- 2 Each of Ms. Peggy Chan and Passion has undertaken to the Company, HSBC Investment Bank Asia and the Stock Exchange that she/it will not dispose of any of her/its direct or indirect interest in the Company during the second six-month period following the Listing Date so that they would together hold less than 35 per cent. of the issued share capital of the Company.
- 3 The indirect shareholding interest of Ms. Peggy Chan in the Company is held through Passion, a company wholly-owned by Ms. Peggy Chan. The shareholding interest of Passion represents Shares acquired from Ms. Peggy Chan on 15th June, 2000 and Shares to be received pursuant to the Capitalisation Issue.

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4. Each of Mr. Fung Din Chung, Rickie, Ms. Leung Lucy, Michele, Mr. Ng Wai King, Steve and Mr. Ip Kim Kuen is an executive Director. The indirect shareholding interest of Ms. Leung Lucy, Michele in the Company is held through Mossell, a company wholly-owned by her. The shareholding interest of each of these executive Directors (in the case of Ms. Leung Lucy, Michele, through Mossell) represents Shares acquired from Ms. Peggy Chan on 15th June, 2000 and Shares to be received pursuant to the Capitalisation Issue.
5. The indirect shareholding interest of Cheung Kong in the Company is held through Alps, a wholly-owned subsidiary of Cheung Kong. The indirect shareholding interest of ChinaVest in the Company is held through CV Software Holdings, a wholly-owned subsidiary of ChinaVest.
6. On 2nd March, 2000, the Company issued the Convertible Notes with principal amounts of US\$6,600,000, US\$4,000,000 and US\$3,000,000 to Alps, the UOB Investors and CV Software Holdings, respectively. The direct shareholding interests of Alps, CV Software and the UOB Investors and the indirect shareholding interests of Cheung Kong and ChinaVest represent Shares acquired upon the full conversion of the Convertible Notes on 15th June, 2000 based on a conversion price of HK\$250 per Share and Shares to be received pursuant to the Capitalisation Issue.
7. The identities of the other existing shareholders and the shareholding interest to be held by each of them immediately following the completion of the Share Offer and the Capitalisation Issue (assuming no exercise of the Over-allotment Option) are set out below:

Shareholder	Approximate percentage of holding (%)
Mr. Ting Kit Chung	0.70
Farrow Star Limited	0.70
Giant Wizard Corporation	0.70
DLS International Investment Limited	0.11
Supreme Star Holdings Limited	0.70
Suit Strong Investments Limited	1.40
Mr. So Kai Sing	0.71

The shareholding interest of each of the above-named shareholders represents Shares acquired from Ms. Peggy Chan on 23rd February, 2000 and Shares to be received pursuant to the Capitalisation Issue. Apart from their shareholding interest in the Company, each of the above-named shareholders is independent of the Company and its connected persons (as defined in the GEM Listing Rules).

8. The calculation of the acquisition cost per Share takes into account Shares which will be issued to the existing shareholders of the Company pursuant to the Capitalisation Issue.

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Risk factors

The Directors consider that there are certain risks involved in investing in the Company. They can be categorised into: (i) risks relating to the business and operations of the Group and the industry, (ii) risks relating to political and economic considerations, and (iii) risks relating to the Share Offer and information contained in this prospectus. These risks factors are set out under the section "Risk factors" in this prospectus as follows:

Risks relating to the business and operations of the Group and the industry

- Risks related to the joint venture with iBusiness Corporation and non-competition undertaking in connection with the provision of ASP services
- Limited operating history of the ASP Business and unproven e-commerce business model
- Risks related to intellectual property rights and name of the Company
- Risks related to rapid technological change
- Competition
- Risks related to rapid growth and expansion
- Lack of long term contracts and diverse customer base
- Dependence on key executives and personnel
- Potential service and product liabilities
- Unpredictability of revenue and profitability
- Failure to accurately estimate the time and resources necessary for the performance of the Group's services
- Risks associated with maintaining reputation and name recognition
- Reliance on the banking and finance sector
- Potential systems failures and disruptions
- Reliance on third party providers and business partners
- Risks associated with possible acquisitions
- Year 2000 compliance
- Reliance on Internet infrastructure
- Exposure to security risks associated with transacting business over the Internet

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- Dependence on Internet as viable mass commercial marketplace
- Uncertain government regulations over conduct of business on the Internet

Risks relating to political and economic considerations

- Risks related to geographical expansion of operations
- Potential currency exchange rate risk
- Political and economic risks of doing business in Hong Kong

Risks relating to the Share Offer and information contained in this prospectus

- Possible differing interests of the Initial Management Shareholders and other shareholders
- Certain statistics derived from unofficial publications
- Potential future dilution of shareholders' interests
- Potential Share price volatility
- Possible deviation in use of proceeds from the Share Offer from the intended use