

DATED THE 24th DAY OF January 2006

**LAU CHI WAH
CHAN CHEE CHUN, CHARLES**
(collectively, as the Vendors)

and

FULLBELIEF INTERNATIONAL LIMITED
(as the Purchaser)

AGREEMENT
for the sale and purchase
of the entire issued share capital of
INFAST BROKERAGE LIMITED

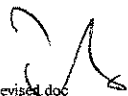
DAVID LO & PARTNERS
Suite 2502,
9 Queen's Road Central.
Hong Kong

TTC/DC/2005



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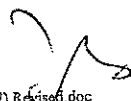
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THIS SALE AND PURCHASE AGREEMENT is made and entered into on 24th January 2006 by and between:-

- (1) **LAU CHI WAH**, holder of Hong Kong Identity Card No. E788267(3) of Flat A, 40th Floor, Block 1, Clovelly Court, 12 May Road, Mid-Levels, Hong Kong ("Mr. Lau");
- (2) **CHAN CHEE CHUN, CHARLES**, holder of Hong Kong Identity Card No. G019094(1) of House C, 11B Cambridge Road, Kowloon Tong, Kowloon, Hong Kong ("Mr. Chan"); and
- (3) **FULLBELIEF INTERNATIONAL LIMITED**, a company incorporated in British Virgin Islands and having its registered office at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands (the "**Purchaser**");

(Mr. Lau and Mr. Chan shall hereinafter be collectively referred to as the "**Vendors**" and each of them individually as a "**Vendor**").

WHEREAS :-

- (A) **INFASST BROKERAGE LIMITED** (the "Company"), is a company incorporated in Hong Kong. Details and particulars of the share capital of the Company is set out in Schedule 1.
- (B) The Company is a licensed corporation to carry on business in type 1 (dealing in securities) regulated activities under the SFO (as hereinafter defined) and is an Exchange Participant (as hereinafter defined) and a holder of the Stock Exchange Trading Right (as hereinafter defined).
- (C) Each of the Vendors is the beneficial owner of the Sale Shares (as hereinafter defined), and has the right, power and authority to sell and transfer or procure the sale and transfer of its Sale Shares free from any claims, mortgages, charges, liens, equities or other third party rights or encumbrances of any description.
- (D) Upon the terms and conditions of this Agreement, each of the Vendors agreed to sell and the Purchaser agreed to purchase the Sale Shares.

1. DEFINITION

- 1.1 In this Agreement the following expressions shall, unless the context otherwise requires, have the following respective meanings:

Expressions

Meaning

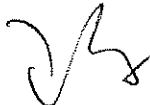
"Accounts"

the audited accounts of the Company comprising its balance sheet as at the Accounts Date and its profit and loss accounts for the year ended on the Accounts

Date and all the notes thereto, a copy of which is annexed hereto and marked "Exhibit A";

"Accounts Date"	31 March 2005;
"Agreement"	this agreement including its schedules and exhibits;
"Assets"	all tangible assets, including non-current assets and current assets of the Company, the list of which is attached hereto as "Exhibit E";
"Auditors"	K.B. Tam & Co.;
"Business"	the business of the Company as a securities company and a broker now carried on and as from time to time carried on prior to Completion;
"Business Day"	a day on which retail banks are open for business in Hong Kong (excluding Saturday);
"Companies Ordinance"	the Companies Ordinance (Chapter 32) of the Laws of Hong Kong;
"Completion"	completion of the sale and purchase of the Sale Shares pursuant to and in accordance with Schedule 2;
"Completion Accounts"	the unaudited management accounts of the Company comprising its balance sheet as at the Completion Date and its profit and loss account for the period from 1 April 2005 to the Completion Date, and all the notes thereto properly certified as a true copy by a director of the Company, to be delivered to the Purchaser in accordance with Clause 4.4;
"Completion Date"	the date falling within 5 Business Days after the date of fulfillment of the Conditions;
"Conditions"	the conditions precedent set out in Clause 2;
"Consent"	includes any licence, consent, approval, authorization, permission, waiver, order, exemption, qualification, registration, certificate, authority or other approval, including but not limiting to being an Exchange Participant;
"Consideration"	the aggregate consideration for the sale of the Sale Shares;
"Deed of Indemnity"	the deed of indemnity substantially in the form annexed hereto and marked "Exhibit B";

- “Deposit” the sum of HK\$300,000.00 to be paid by the Purchaser to the Vendors as deposit and part payment of Consideration under Clause 4.2(a);
- “Disclosed” disclosed elsewhere in this Agreement (including the Exhibits);
- “Encumbrance” any pledges, mortgages, charges, liens, claim, equities, encumbrances, or other form of securities, conditions, limitations, order, regulations, prohibitions, restrictions, pre-emptive or any other third party rights whatsoever;
- “Event” an event, act, transaction or omission and including, without limitation, a receipt or accrual of income or gains, distribution, failure to distribute, acquisition, disposal, transfer, payment, loan or advance;
- “Exchange Participant” a person: (a) who, in accordance with the Rules, may trade on or through the Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Stock Exchange as a person who may trade on or through the Stock Exchange;
- “HK\$” Hong Kong dollars;
- “Hong Kong” the Hong Kong Special Administrative Region of the People’s Republic of China;
- “Intellectual Property Rights” all intellectual property, including without limitation, patents, trade marks, service marks, trade names, designs, copyrights and the copyright in all drawings, plans, specifications, designs and computer software (including in each case application therefor) in any part of the world and whether or not registered or registrable and all know-how, inventions, formulae, trade secrets, confidential or secret processes and information, business names and domain names and any similar rights situated in any country; and the benefit (subject to the burden) of any and all licences in connection with any of the foregoing (including all documents relating thereto);
- “Liabilities” the aggregate of all liabilities and provisions as at the Completion Date including but not limited to the provisions for Taxation, bad and doubtful debts, dividends or other distributions payable, and all other liabilities including any depreciations and amortization together with bank overdraft, margin accounts payable,



- clients payable, accounts payable to Hong Kong Security Clearing Company Limited, accounts payable-severance payments and other payments due to lay-off staff, trading fee, levy & stamp payable, other deposit received, temporary receipts and accrued and other payables;
- “Licence” the type 1 (dealing in securities) regulated activities licence granted by the SFC, a copy of which is attached hereto as “Exhibit C” for the purpose of identification;
- “Long Stop Date” 1 June 2006;
- “Material Adverse Change (or Effect)” any change (or effect), the consequence of which is to materially and adversely affect the financial position, business or property, results of operations, business prospects or assets of the Company as a whole;
- “Memorandum & Articles” the memorandum and articles of association of the Company as may from time to time be amended or replaced;
- “Other Assets” admission fees paid to Hong Kong Security Clearing Company Limited, compensation fund deposit, deposit to replenish the compensation fund, fidelity fund and Central Clearing and Settlement System guarantee fund together with accounts receivable from clients, accounts receivable from Hong Kong Security Clearing Company Limited, refund of employer’s MPF contribution from The Hongkong and Shanghai Banking Corporation Limited, clients’ receivables, deposit for stamp duty placed with the Stock Exchange, rental, utility and other deposits, prepayments, cash at bank and cash in hand;
- “Proforma Completion Accounts” the unaudited proforma management accounts of the Company comprising its balance sheet as at the Completion Date and its profit and loss account for the period from 1 April 2005 to the Completion Date, and all the notes thereto properly certified as a true copy by a director of the Company; to be delivered to the Purchaser in accordance with Clause 4.3;
- “Purchaser’s Solicitors” Messrs. David Lo & Partners of Suite 2502, 9 Queen’s Road Central, Central, Hong Kong;
- “Relief” includes any loss, relief, allowance, exemption, set-off, deduction, right to repayment or credit or other relief of a similar nature granted by or available in relation to

	Tax pursuant to any legislation or otherwise;
“Rules”	the Rules of the Stock Exchange prescribed by the SEHK Board as from time to time in effect;
“Sale Shares”	20,000,000 shares of HK\$1.00 each in the issued share capital of the Company being the entire issued share capital of the Company to be sold hereunder by the Vendors to the Purchaser for the total consideration as provided in Clause 4.1;
“SFC”	Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Stock Exchange Trading Right”	the Exchange Trading Right (as defined under Rule 101 of the Rules) held by and registered in the name of the Company; a copy of the relevant Exchange Trading Right Certificate is attached hereto as “Exhibit D” for the purpose of identification;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Tax” or “Taxation”	<p>(i) any liability to any form of taxation, duties, imposts, levies or rates, and without prejudice to the generality of the foregoing, includes profits tax, interest tax, salaries tax, property tax, estate duty, stamp duty, rates, customs and excise duties and other similar liabilities and generally any tax, duty, impost, levy or rates or any amount payable to any governmental authorities; and</p> <p>(ii) all interest, penalties, costs, charges and expenses incidental or relating to the liability to all forms of taxation, duty, impost, levy or rates or the deprivation of any relief, allowance, set-off, deduction in computing profits or credit granted by or pursuant to any legislation or otherwise relating to all forms of taxation, duty, impost, levy or rates, or of a right to repayment of taxation, duty, impost, levy or rates.</p>
“Vendor’s Solicitors”	Messrs. Tang and So of Room 3201, 32nd Floor, Bank of America Tower, 12 Harcourt Road, Hong Kong;
“Warranties”	the warranties, representations and undertakings referred to in Clause 5 and <u>Schedule 3</u> .

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- 1.2 Words and phrases defined in Section 2 of the Companies Ordinance shall where the context so admits be construed as having the same meaning in this Agreement.
- 1.3 References to statutory provisions shall where the context so admits or requires be construed as reference to those provisions as respectively amended, consolidated, extended, or re-enacted from time to time, and shall, where the context so admits or requires, be construed as including reference to the corresponding provisions of any earlier legislation (whether repealed or not) directly or indirectly amended, consolidated, extended, or replaced thereby or re-enacted therein, which may be applicable to any relevant tax year or other period, and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant statute.
- 1.4 Headings in this Agreement are for convenience only and shall not affect the construction of this Agreement.
- 1.5 Unless the context otherwise requires, words importing the singular only shall include the plural and vice versa and words importing natural persons shall include corporations and un-incorporated associations; words importing the masculine gender only shall include the feminine gender and neuter gender.
- 1.6 References to Clauses are to clauses hereof and references to Sub-clauses are, unless otherwise stated, to the sub-clauses of the Clause in which the reference appears.
- 1.7 The Schedules hereto form an integral part of this Agreement and shall be construed and shall have the same full force and effect as if expressly set out in the body of this Agreement and any reference to this Agreement shall, unless the context otherwise requires, include the schedules hereto.

2. CONDITIONS PRECEDENT

- 2.1 Completion of this Agreement shall be subject to and conditional upon the following conditions being fulfilled or waived in writing by the parties hereto on or before the Completion Date:
- (a) the granting of the written approval or consent by the Stock Exchange for the change of the shareholders of the Company from the Vendors to the Purchaser and/or its nominee(s);
- (b) the granting of the written approval or consent by the SFC pursuant to section 132 of the SFO to the Purchaser becoming a substantial shareholder (as defined under the SFO) of the Company (subject to any conditions which may be imposed by the SFC, to which neither the Purchaser nor the Vendors may unreasonably object);
- (c) the Purchaser having conducted the Due Diligence Review (as defined in Clause 2.5 below) to its reasonable satisfaction;
- (d) the Vendors, with the reasonable assistance provided by the Purchaser, obtaining the release from the Company's bankers, all the Vendors' continuing personal guarantee and indemnity for the Company; and
- (e) the transfer and novation of (i) the tenancy agreement dated 6 May 2005 entered into between Foxhill Investments Limited and Infast Investment Limited in

respect of the Company's existing office at Unit 2601, 26th Floor, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong (the "Tenancy Agreement") and (ii) the licence dated 30 June 2005 entered into between Foxhill Investments Limited and Infast Investment Limited in respect of the Company's existing storeroom at the Storeroom at 26th Floor, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong (the "Licence") to the Company upon substantially the same terms and conditions as the existing terms and conditions of the Tenancy Agreement and the Licence on or before Completion to the reasonable satisfaction of the Purchaser.

- 2.2 The Vendors and the Purchaser hereby agree to use all reasonable endeavours and to give to the other party such reasonable assistance as shall be reasonably necessary to procure that the Conditions are satisfied as early as practicable. Each party hereto shall notify the other party in writing (such notification to be accompanied by copies of such documentation as shall be sufficient evidence that the relevant condition has been satisfied) as soon as possible following the fulfillment of such conditions.
- 2.3 In the event that any of the Conditions has not been fulfilled (or waived by the parties thereto) by 5:00 p.m. on the Long Stop Date (or such other date as the parties hereto may agree in writing), the Deposit shall forthwith be repaid by the Vendors to the Purchaser and thereafter this Agreement shall lapse and be terminated in accordance with Clause 9 and thereafter all rights, obligations and liabilities of all parties hereunder shall cease and determine and no party shall have any claim against the others under this Agreement.
- 2.4 The Conditions in Clause 2.1 may be waived by the Purchaser at its sole absolute discretion by sending a notice in writing to the Vendors.
- 2.5 The Purchaser shall be entitled (but not obliged) to carry out a due diligence review and investigation on the Company including without limitation to their assets, liabilities, contracts, commitments and business and financial and legal and taxation aspects ("Due Diligence Review"). In order to facilitate the Due Diligence Review, the Company shall use its reasonable endeavours to procure that the Purchaser and/or any persons authorised by it shall be given such information, data and documents relating to the Company and such access to the premises and all books, title deeds, records, accounts and other documentation of the Company as the Purchaser and/or its authorised persons may reasonably request.

3. SALE AND PURCHASE

- 3.1 Subject to the provisions of this Agreement and for the Consideration, the Vendors shall sell as legal and beneficial owner and the Purchaser shall purchase the Sale Shares free from all claims, charges, mortgages, liens, encumbrances, equities and other third party rights whatsoever and together with all rights attached, accrued or accruing thereto including the right to all dividends and distributions declared, made or paid or agreed to be made or paid thereon or in respect thereof after the date hereof. The number of Sale Shares to be sold by the Vendors to the Purchaser shall be in the following proportions:

<u>Name of Vendor</u>	<u>Nos. of shares of the Company</u>
Lau Chi Wah	19,000,000



Chan Chee Chun, Charles

1,000,000

- 3.2 The Purchaser shall not be obliged to complete the purchase of any of the Sale Shares unless the purchase of all of the Sale Shares is completed simultaneously.

4. CONSIDERATION

- 4.1 The Consideration payable for the Sale Shares by the Purchaser to the Vendors shall be the aggregate sum of (i) HK\$1,350,000.00 and (ii) the Net Asset Value. The Net Asset Value (to be adjusted (if necessary) in accordance with the provisions of Clause 4.5(a)) means (i) cash of the Company as at the Completion Date and (ii) Other Assets as at the Completion Date minus (iii) Liabilities and always subject to the maximum amount of Consideration in the amount of HK\$10,500,000.00, such sum shall be apportioned to each of Mr. Lau and Mr. Chan as to 95% and 5% of the Consideration respectively.
- 4.2 The Consideration for the sale and purchase of the Sale Shares shall be paid as follows:-
- (a) upon signing of this Agreement, a sum of HK\$300,000.00 shall be paid as deposit and in part payment of the Consideration payable for the Sale Shares of which as to HK\$285,000.00 and HK\$15,000.00 shall be payable to Mr. Lau and Mr. Chan respectively; and
- (b) on Completion, the Purchaser shall pay (i) one-third of the balance of the Consideration payable for the Sale Shares ("Stakeholders' Money") by way of a cheque drawn on a licensed bank in Hong Kong in favour of the Vendors' Solicitors as stakeholder for the Vendors and the Purchaser for adjustment of the Net Asset Value (if necessary) in accordance with the provisions of Clause 4.5(a) and (ii) the remaining balance of the Consideration of which as to 95% and 5% of the remaining balance of the Consideration shall be payable to Mr. Lau and Mr. Chan respectively.
- 4.3 The Vendors shall procure the Company to draw up and deliver to the Purchaser not less than 2 Business Days prior to the Completion Date the Proforma Completion Accounts.
- 4.4 Within 5 Business Days after Completion, the Vendors shall procure the Company to draw up and deliver to the Purchaser the Completion Accounts, the amount of the Consideration for the Sale Shares shall be adjusted (if necessary) in accordance with the provisions of Clause 4.5(a).
- 4.5 (a) In the event that Net Asset Value as appeared in the Completion Accounts differ from Net Asset Value as appeared in the Proforma Completion Accounts, then, in the event of a shortfall or a surplus in the amounts paid or received, the Vendors or the Purchaser shall within 5 Business Days after the delivery of the Completion Accounts and of agreement or determination of any amount due by one party to the other (as the case may be) pay to the other an amount equal to such shortfall or surplus as the case may be. In the case where the Vendors shall be required to pay the Purchaser, the Vendors shall first procure the Vendors' Solicitors to pay such amount from the

Stakeholders' Money to the Purchaser and the remaining balance payable by the Vendors to the Purchaser (if any) shall be paid by the Vendors to the Purchaser direct.

- (b) The basis and policy of accounting adopted in preparing the Proforma Completion Accounts and the Completion Accounts shall be in accordance with the generally accepted accounting practices of Hong Kong.
- (c) In the event of a dispute between the parties as to the amount of the Net Asset Value and the amounts (if any) still to be paid or repaid, the determination of the same by the Auditors on the application of either the Vendors or the Purchaser shall be final and conclusive and their costs shall be borne by both parties equally.

5. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS OF THE VENDORS

- 5.1 Subject to matters referred to in this Agreement or Disclosed, each of the Vendors hereby jointly and severally represents, warrants and undertakes to the Purchaser that the representations, warranties and undertakings set out in this Clause 5 and Schedule 3 are given as at the date hereof and shall be deemed to be repeated by each of the Vendors at all times up to and as at Completion. Each of the Vendors acknowledges that the Purchaser in entering into this Agreement is relying on such representations, warranties and undertakings.
- 5.2 Each of the Warranties shall be separate and independent to the intent that the Purchaser shall have a separate claim and right of action in respect of any breach thereof and, save as expressly provided in this Agreement and save as Disclosed, shall not be limited by reference to anything else in this Agreement.
- 5.3 Unless provided otherwise in this Agreement, the Warranties are qualified by, and by reference to those matters Disclosed and all references in this Agreement to the Warranties shall be to the Warranties as so qualified.
- 5.4 Each of the Vendors jointly and severally undertakes to disclose to the Purchaser in writing any matter occurring prior to Completion which constitutes a breach of or is inconsistent with any of the Warranties or which renders any of the Warranties inaccurate or misleading (or which would constitute a breach of or be inconsistent with any of the Warranties, or render any of them inaccurate or misleading, if the Warranties were given at the time of such occurrence) and which would have a Material Adverse Effect on the Company immediately upon becoming aware of the same.
- 5.5 Each of the Vendors hereby jointly and severally undertakes to indemnify and keep indemnified the Purchaser (for itself and/or as trustee for the Company) at all times on a full indemnity basis and hold it harmless from and against:
 - (a) any loss or liability suffered by the Purchaser and/or the Company as a result of or in connection with any breach of any of the Warranties including, but not limited to, any diminution in the value of the assets of and any payment made

or required to be made by the Purchaser and/or the Company and any reasonable costs and expenses properly incurred as a result of such breach.

- (b) any loss or liability suffered by the Company as a result of or in connection with, at any time prior to Completion, any creditor making a valid demand for repayment or payment of any indebtedness of the Company or in respect of which the Company is liable prior to its stated maturity which demand can be expected to have a Material Adverse Change (or Effect) ;
- (c) any loss or liability suffered by the Purchaser or the Company as a result of or in connection with any facts or circumstances subsisting on or prior to Completion which give rise to any litigation, proceeding, investigation, hearing of the Company taking place whether before or after Completion.

5.6 The rights and remedies of the Purchaser in respect of any breach of the Warranties shall only take effect upon the Purchaser having completed the purchase of the Sale Shares pursuant to this Agreement.

6. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS OF THE PURCHASER

6.1. The Purchaser hereby represents, warrants and undertakes to the Vendors that the representations, warranties and undertakings set out in this Clause 6 are given as at the date hereof and shall be deemed to be repeated by the Purchaser at all times up to and as at Completion that:

- (a) it has full power to enter into this Agreement and to exercise its rights and perform its obligations hereunder and all corporate and other actions required to authorise its execution of this Agreement and its performance of its obligation hereunder have been duly taken and this Agreement will, when executed by it, be a legal, valid and binding agreement on it and enforceable in accordance with the terms hereof; and
- (b) the execution, delivery and performance of this Agreement by it does not and will not violate in any respect any provisions of any law or regulation or any order or decree of any government authority, agency or court of Hong Kong or any part thereof prevailing as at the date of this Agreement.

7. COMPLETION

7.1 Completion shall take place on the Completion Date at the office of the Company at Unit 2601, 26th Floor, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong or such other place as shall be agreed between the parties hereto, in accordance with the Completion requirements as set out in Schedule 2 and each party hereto shall perform its respective obligations at Completion.

7.2 All warranties and representations hereunder are given as at the date hereof and shall be deemed to be repeated at all times up to Completion.

8 **CONDUCT OF BUSINESS, EMPLOYEES AND TENANCY**

- 8.1 Each of the Vendors hereby jointly and severally undertakes to procure that the Business will continue to be operated in a normal and prudent basis and in the ordinary course of day-to-day operations consistent with its past practice and it will not do or omit to do (or allow to be done) or to be omitted to be done any act or thing not in the ordinary course of day-to-day operations which has a Material Adverse Effect and in particular (but without limiting the generality of the foregoing) will use its best endeavours to procure that save as provided in this Agreement the Company shall not prior to Completion, do, allow, or procure any act or permit any omission which would or might constitute a breach of any of the Warranties or any of its undertakings set out in this Agreement which has a Material Adverse Effect, save with the Purchaser's prior written consent.
- 8.2 Each of the Vendors hereby jointly and severally undertakes to procure that the Company is carrying on its business in the ordinary and normal course during the period from (i) the date of the written approval or consent by the Stock Exchange as mentioned in Clause 2.1(a) above or (ii) the date of the written approval or consent by the SFC as mentioned in Clause 2.1(b) above is obtained, whichever is the earlier, up to the Completion Date.
- 8.3 Each of the Vendors hereby jointly and severally undertakes that should there be any accounts receivable by the Company from clients as at the Completion Date which remains outstanding as at the 5th Business Day after Completion, the Vendors shall, upon receiving written notification from the Purchaser, forthwith inject such outstanding amounts into the Company as compensation to the Company in full. In the event that the Company subsequently receives such outstanding amount or any part thereof from such clients after receipt of payment by the Company from the Vendors as aforesaid, the Purchaser shall within 2 Business Days procure the Company to repay the Vendors such amount so recovered by the Company.
- 8.4 The Vendors shall prior to Completion procure the Company to terminate the employment of all the Company's employees and to pay all the salaries, benefits, long service payments, severance payments and other entitlements up to the date of termination of employment.

9. **TERMINATION**

9.1 If at any time prior to Completion:-

- (a) either of the Vendors commits any breach of or omits to observe any of its material obligations or undertakings expressed to be assumed by it under this Agreement in any aspect; or
- (b) there is breach of any of the representations, warranties and undertakings in any respect,

then, in any such case, the Purchaser may on or prior to Completion Date in its absolute discretion without any liability on its part, by notice in writing to the Vendor, to forthwith terminate this Agreement.

9.2 Upon the giving of notice pursuant to Clause 9.1 by the Purchaser, all obligations of the Purchaser hereunder shall cease and determine and no party shall have any claim against the other parties in respect of any matter or thing arising out of or in connection with this Agreement, save and except that the Deposit shall forthwith be refunded without interest by the Vendors to the Purchaser.

10. NOTICE

10.1 Any notice or other communication given or to be given to each party pursuant to this Agreement shall be in writing and sent or delivered to the following address or facsimile number :-

to the Vendors : Address: Flat A, 40th Floor, Block 1, Clovelly Court, 12 May Road, Mid-Levels, Hong Kong
Fax number : 2521 1778
Attention : Mr. Lau

Address: House C, 11B Cambridge Road, Kowloon Tong, Kowloon, Hong Kong
Fax number : 2521 1778
Attention : Mr. Chan

to the Purchaser : Address: Suite 2401A, Great Eagle Centre, 23 Harbour Road, Wan Chai, Hong Kong
Fax number : 3104 2801
Attention : Mr. Chan Wai Ming

or such other address or facsimile number as may be notified by such party to the others.

10.2 Any notice or other communication shall be deemed to have been received if sent by facsimile, on the date of transmission; or if delivered personally, when delivered; or if sent by post, 7 days if overseas and 48 hours if local after the date of posting.

10.3 Reference in Clause 10.1 above to writing shall include a notice or communication by facsimile.

10.4 The dates on which notices shall be deemed to be effectively given shall be determined as follows :

(a) notices given by personal delivery shall be deemed effectively given on the date of personal delivery; and

(b) notices sent by mail shall be deemed effectively given on the second business day after the date mailed (as indicated by the official registration receipt) by registered mail, postage prepaid.

11. ENTIRE AGREEMENT

11.1 This Agreement constitutes the entire understanding and agreement between the parties hereto and supersedes any previous or contemporaneous discussions, negotiations, agreements or understandings relating thereto whether written or oral,

and no representations or warranties express or implied or otherwise, made by or on behalf of any party to the other or others in connection with or arising out of the acquisition of the Sale Shares and which are not contained or referred to in this Agreement or any exhibits, shall give rise to any liability on the part of the maker or makers thereto.

- 11.2 This Agreement shall not be altered or supplemented except by written instruments signed by all the parties hereto.

12. SEVERABILITY

- 12.1 If any provision of this Agreement shall be held unenforceable or invalid by any court of competent jurisdiction, such holding, if not inconsistent with the parties' principal understanding, shall not affect the enforceability or validity of the remainder of the provisions of this Agreement. To the extent permitted by applicable law, each party hereby waives any provision of law which would otherwise render any provision of this Agreement unenforceable or invalid.

13. FURTHER ASSURANCE

- 13.1 Each of the parties hereto hereby undertakes to the others that it will do all such further acts and things and execute all such further deeds and documents as may be necessary or desirable to carry into or to give legal effect to the provisions of this Agreement and the transactions hereby contemplated.

14. COUNTERPARTS

- 14.1 This Agreement may be executed in any number of copies or counterparts, each of which shall be deemed an original but all of which shall constitute one and the same agreement.

15. COSTS AND EXPENSES


- 15.1 Save as expressly provided herein each party shall bear its own legal, accountancy and other costs and expenses incurred in connection with this Agreement.
- 15.2 Any stamp duty payable in respect of the sale and purchase of the Sale Shares shall be borne by the Purchaser as to half share and by the Vendors as to half share.

16. TIME

- 16.1 Any date or period mentioned in any Clause may be extended by mutual agreement between the parties hereto, but, as regards any date or period so varied or extended as aforesaid, or not having been so varied or extended, time shall be of the essence to this Agreement.

17. SUCCESSORS AND ASSIGNS

- 17.1 This Agreement shall be binding upon and enure for the benefit of successors of the respective parties hereto but shall not be assignable unless with the written consent of the other party.



18. **GOVERNING LAW AND JURISDICTION**

18.1 This Agreement shall be construed in accordance with the laws of Hong Kong.

18.2 Each party hereto irrevocably agrees that the courts of Hong Kong shall have jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes which may arise out of or in connection with this Agreement and for such purposes irrevocably submits to the non-exclusive jurisdiction of such courts.


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Handwritten signature


IN WITNESS WHEREOF, this Agreement was duly executed on the date first above written.

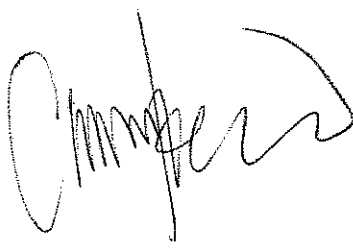
SIGNED by
LAU CHI WAH
in the presence of :-


Kenneth Hop Shing So
Solicitor
Tung and So, Solicitors & Notaries
Room 3201, 32/F
Bank of America Tower
12 Harcourt Road
Hong Kong SAR




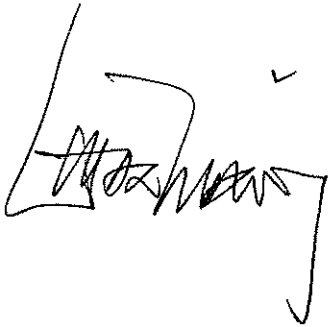
SIGNED by
CHAN CHEE CHUN, CHARLES
in the presence of :-


Kenneth Hop Shing So
Solicitor
Tung and So, Solicitors & Notaries
Room 3201, 32/F
Bank of America Tower
12 Harcourt Road
Hong Kong SAR



SIGNED by
CHAN WAI MING
for and on behalf of
FULLBELIEF INTERNATIONAL
LIMITED
in the presence of :-


TUNG TAT CHIU MICHAEL
DAVID LO & PARTNERS
SOLICITORS HONG KONG SAR









SCHEDULE 1

Particulars of the Company

1. Name of the Company : Infast Brokerage Limited
(進匯證券有限公司)
2. Registered Office : Unit 2601, 26th Floor,
Vicwood Plaza,
199 Des Voeux Road Central,
Hong Kong
3. Date of Incorporation : 28 April 1989
Certificate of Incorporation No. : 250537
Place of Incorporation : Hong Kong
4. Business : Securities Company and Broker
5. Directors : Lau Chi Wah
Chan Chee Chun, Charles
Chan Yau Kit, Eric
Lee Ka Yin
6. Share Capital : Authorised : HK\$20,000,000
Issued : HK\$20,000,000
7. Share held as follows :-
- | <u>Registered Shareholders</u> | <u>Beneficial Shareholders</u> | <u>Number of shares</u> |
|--------------------------------|--------------------------------|-------------------------|
| Lau Chi Wah | Lau Chi Wah | 19,000,000 |
| Chan Chee Chun, Charles | Chan Chee Chun, Charles | 1,000,000 |
8. Secretary : Ma Yuk Fat
9. Auditors : K.B. Tam & Co.
10. Financial year end : 31 March

SCHEDULE 2

Completion Requirements

1. Obligations of the Vendors

1.1 At Completion, the Vendors shall deliver to the Purchaser :-

- (a) valid share certificates for the Sale Shares in the name of each of the Vendors or valid share certificates for the Sale Shares in a name other than that of the Vendors provided that the Vendors shall also deliver to the Purchaser evidence that the Sale Shares are beneficially owned by the Vendors free from encumbrances;
- (b) the relevant sold note in relation to the Sale Shares signed by each of the Vendors as appropriate;
- (c) duly executed and valid instruments of transfer in relation to the Sale Shares in favour of the Purchaser and/or its nominee;
- (d) all the statutory records, share certificates and minute books of the Company and its common seal, chop, certificate of incorporation, certificate of business registration, copies of its Memorandum and Articles, cheque books and books of account and all other documents and records (if any);
- (e) all other licences, insurance policies, premium receipts, books, records, documents accounts and correspondence relating to the affairs of the Company as are in the possession of the Company or the Vendors (if any);
- (f) a letter from each director and the secretary of the Company resigning as a director or the secretary of the Company and from all other executive offices or appointments with the Company with effect from the close of the business to be transacted at Completion and acknowledging that such person has no claim outstanding for compensation for loss of office or otherwise;
- (g) the Assets;
- (h) the Deed of Indemnity duly executed by each of the Vendors; and
- (i) a cheque drawn in favour of the Government of Hong Kong SAR in the sum equal to the Vendors' portion of the stamp duty payable by the Vendor in respect of the Sale Shares.

1.2 At Completion, the Vendors shall procure that :-

- (a) the registered office of the Company shall be changed to such address as the Purchaser may direct in writing; and
- (b) all signatories relating to the mandates to operate bank accounts of the Company be amended in such manner as the Purchaser shall direct and



authority shall be given to such persons as the Purchaser shall nominate to operate such bank accounts with effect from the Completion Date.

1.3 At Completion, the Vendors shall procure that a board meeting of the Company be held at which it shall be resolved that :-

- (a) the instruments of transfer mentioned in sub-paragraph (c) of Clause 1.1 of this Schedule 2 be duly approved and passed for registration by the directors of the Company who shall also resolve that new certificate(s) comprising the Sale Shares made out in the name of the Purchaser and/or its nominee(s) be sealed with the Common Seal of the Company and issued as required by the Purchaser and/or its nominee(s);
- (b) the persons nominated by the Purchaser be appointed directors and secretary of the Company and such appointments to take effect on the Completion Date;
- (c) the resignations of the directors and secretary of the Company referred to in sub-paragraph (f) of Clause 1.1 of this Schedule 2 be approved;
- (d) the registered office of the Company shall be changed to such address as the Purchaser may direct in writing;
- (e) all mandates to operate bank accounts of the Company direct be amended in such manner as the Purchaser shall and authority shall be given to such persons as the Purchaser shall nominate to operate such bank accounts with effect from the Completion Date; and
- (f) such other matters shall be dealt with and resolved upon as the Purchaser shall reasonably require for the purposes of giving effect to this Agreement.

2. Obligations of the Purchaser

2.1 At Completion, the Purchaser shall deliver to the Vendors :-

- (a) a certified copy of board resolution of the Purchaser approving all transactions contemplated in this Agreement and the signing of this Agreement and the Deed of Indemnity and all documents relating thereto;
- (b) the Deed of Indemnity duly executed by the Purchaser; and
- (c) a cheque drawn in favour of the Government of the Hong Kong SAR being the stamp duty payable by the Purchaser in respect of the Sale Shares respectively.
- (d) 2 bank drafts drawn on a licensed bank in Hong Kong for the balance of the Consideration payable respectively to the Vendors hereunder.

SCHEDULE 3

Representations, Warranties and Undertakings

Subject to the matters referred to herein or Disclosed to the Purchaser, each of the Vendors jointly and severally represents and warrants and undertakes to the Purchaser that all representations and statements of the facts set out in this Schedule 3 or otherwise contained in this Agreement are and will be true and accurate in all respects as at the date hereof and at all times up to and as at Completion.

1. General Information

- (A) The information set out in Schedule 1 is true, accurate and complete.
- (B) The Company has no subsidiary or other joint venture interests whatsoever. The Company has no other interest in or other security of or is directly or indirectly interested in any body corporate, partnership, joint venture or any form of equity wherever incorporated or established. The Company does not own nor has it agreed to acquire any shares or debentures in any other undertaking or any other securities nor has it agreed to become, a member of any partnership, joint venture or consortium (whether incorporated or not incorporated).
- (C) The information set out in the Recitals (A) to (C) to this Agreement is complete and accurate in all respects.
- (D) The Company is duly incorporated or established and validly existing under the laws of Hong Kong and has at all times comply with the applicable laws, rules and regulations and has complied with all consents, filing and registration and all other legal or other corporate requirements in all material respects including without limitation to the keeping of its books and records, the issues of securities and its assets, employment and retirement benefit, Taxation and prevention of corruption, contracts and in connection with the operation of its Business and there have been no breach or contravention of the same in any material respects.
- (E) The statutory books and minute books of the Company have been properly written up in all respects and compliance has been made with all legal requirements concerning the Company and all issues of shares, debentures or other securities thereof.
- (F) The register of members/shareholders of the Company is correct and the Company has not received any application or request for rectification of its register of members/shareholders and there is no circumstances which might lead to any such application or request for rectification of such register to be made have arisen or occurred.
- (G) The Company has complied with all relevant legal or regulatory requirements in all respects and obtained and complied with all necessary consents required to carry on its business in Hong Kong and have complied with all legal or regulatory requirements in relation to any transactions to which it is or has been a party prior to Completion.

- (H) All returns, particulars, resolutions and documents required by the Companies Ordinance or any other legislation to be filed with the Registrar of Companies or any other authority in Hong Kong or elsewhere in respect of the Company has been duly filed and were correct.
- (I) There is no option, right to acquire, mortgage, charge, pledge, lien or other form of security, encumbrance or third party rights on, over or affecting any part of the unissued share capital, securities or debentures or loan capital of the Company and there is no agreement or commitment to give or create any of the foregoing and in particular no further option will be granted prior to Completion and no claim has been made by any person to be entitled to any of the foregoing which has not been waived in its entirety or satisfied in full.
- (J) The Memorandum and Articles provided to the Purchaser are true, accurate and complete and no alteration has been or will be made to such document since the date hereof.
- (K) Each of the Vendors has full power to enter into this Agreement and the Deed of Indemnity and to exercise its rights and perform its obligations hereunder and (where relevant) all corporate and other actions required to authorise its execution of this Agreement and the Deed of Indemnity and the performance of its obligations hereunder have been duly taken and this Agreement and the Deed of Indemnity will, when executed by it, be a legal, valid and binding agreement on it and enforceable in accordance with the terms hereof.
- (L) The execution, delivery and performance of this Agreement and the Deed of Indemnity by it does not and will not violate in any respect any provision of (i) any law or regulation or any order or decree of any governmental authority, agency or court of Hong Kong or any part thereof prevailing as at the date of this Agreement and as at Completion; or (ii) any mortgage, contract or other undertaking or instrument to which either of the Vendors is a party or which is binding upon it or any of its assets, and does not and will not result in the creation or imposition of any encumbrance on any of its assets pursuant to the provisions of any such mortgage, contract or other undertaking or instrument.
- (M) No consent of or filing or registration with or other requirement of any governmental department authority or agency in Hong Kong or elsewhere is required by it in relation to the valid execution, delivery or performance of this Agreement and the Deed of Indemnity (or to ensure the validity or enforceability thereof) and the sale by it of the Sale Shares.

2. Sale Shares

- (A) Each of the Vendors is the sole beneficial owner of the Sale Shares and is entitled to sell and transfer the full beneficial ownership of the same free from any and all Encumbrance of whatsoever nature to the Purchaser or its nominees.
- (B) The Sale Shares were allotted and issued fully paid in accordance with the Memorandum and Articles and in compliance with all relevant laws of Hong Kong and rank pari passu in all respects inter se and with all other Shares in the issued share

capital of the Company.

- (C) The Sale Shares are free from all claims, charges, liens, encumbrances, options, adverse interests and equities whatsoever (and there is no agreement or commitment to give or create any of the foregoing and no claim has been made by any person to be entitled to any of the foregoing) and together with all rights attached, accrued or accruing thereto including the right to all dividends and distributions declared, made or paid on or after the date hereof.

3. Stock Exchange Trading Right

- (A) The Company is the beneficial owner and the holder member of the Stock Exchange Trading Right and has good title to the Stock Exchange Trading Right.
- (B) There is no previous sale or transfer of the Stock Exchange Trading Right to any person whatsoever.
- (C) There is no encumbrance on, over or affecting the Stock Exchange Trading Right and there is no agreement or commitment to give or create any of the foregoing, and no claim has been made by any person claiming to be entitled to any of the foregoing, and the Vendor shall sell and transfer the full beneficial ownership in the Stock Exchange Trading Right to the Purchaser free from all encumbrances, mortgages, charges, pledges, liens or other securities or encumbrances or any third parties right but together with all rights now or hereafter attaching thereto.
- (D) There are no options or other agreements outstanding which provide for the sale or transfer to any person of or the right to require the creation of any mortgages, charges, pledges, liens or other securities or encumbrances or any third parties right over the Stock Exchange Trading Right or any part thereof.
- (E) There is no order decree judgment decision or finding of any court or any governmental or quasi-judicial agency in Hong Kong outstanding which may have a material adverse effect upon the Stock Exchange Trading Right.
- (F) Each of the Vendors shall provide and shall procure the Company to provide all such information as may be reasonably required by the Purchaser for the purpose of complying with any requirements of law and any requests for information by the SFC or the Stock Exchange.
- (G) The Vendors shall not and shall procure that the Company not to sell or transfer the Stock Exchange Trading Right or agree to sell or transfer the Stock Exchange Trading Right to any person whatsoever other than the Purchaser unless and until this transaction has been terminated pursuant to the terms of this Agreement.
- (H) The Vendors had paid and shall pay all monies due (if any) to the Stock Exchange up to the date of Completion.

4. Accounts

(A) The Accounts and the Proforma Completion Accounts :-

- (i) were prepared in accordance with applicable laws (including the Companies Ordinance) and with generally accepted accounting principles, standards and practices in Hong Kong (including all applicable Statements of Standard Accounting Practice) at the time they were prepared;
- (ii) are true, accurate and complete in all material respects, correctly make or include adequate provision for any bad and doubtful debts and all established liabilities (including dividends or other distributions), make proper and adequate provision for (or contain a note in accordance with good accounting practice respecting) all deferred, disputed or contingent liabilities (whether liquidated or unliquidated) and all capital commitments of the Company as at the Accounts Date and the reserves and provisions (if any) made therein for all Taxation relating to any period on or before the Accounts Date and other transactions up to and including the Completion Date are proper and adequate;
- (iii) give a true and fair view of the state of affairs and financial and trading positions of the Company for the period ended on the Accounts Date or the Completion Date (as the case may be);
- (iv) correctly include all the assets of the Company as at the Accounts Date or the Completion Date (as the case may be) and the rate of depreciation adopted therein is appropriate for each of the fixed assets of the Company to be written down to nil by the end of their estimated lives;
- (v) are not adversely affected by any unusual, exceptional, extraordinary or non-recurring items which are not disclosed in the Accounts or the Proforma Completion Accounts (as the case may be).

(B) The Completion Accounts :-

- (i) will be prepared in accordance with applicable laws (including the Companies Ordinance) and with generally accepted accounting principles, standards and practices in Hong Kong (including all applicable Statements of Standard Accounting Practice);
- (ii) will be true, accurate and complete in all material respects, correctly make or include adequate provision for any bad and doubtful debts and all established liabilities (including dividends or other distributions), make proper and adequate provision for (or contain a note in accordance with good accounting practice respecting) all deferred, disputed or contingent liabilities (whether liquidated or unliquidated) and all capital commitments of the Company as at the Completion Date and the reserves and provisions (if any) made therein for all Taxation relating to any period on or before the Completion Date and other transactions up to and including the Completion Date are proper and adequate;

- (iii) will give a true and fair view of the state of affairs and financial and trading positions of the Company for the period ended on the Completion Date;
- (iv) will correctly include all the assets of the Company as at the Completion Date and the rate of depreciation adopted therein is appropriate for each of the fixed assets of the Company to be written down to nil by the end of their estimated lives;
- (v) will not adversely affected by any unusual, exceptional, extraordinary or non-recurring items which are not disclosed in the the Completion Accounts.

(C) Save as Disclosed and since the Accounts Date:-

- (i) the business of the Company has been carried on in the ordinary and usual course and in the same manner (including nature and scope) as in the past in all material respects and no unusual or abnormal activities or businesses has been carried on; no fixed asset or stock has been written up nor any debt written off, the Company has not entered into any unusual or abnormal contracts, mortgages, charges or granted any security or incur any indebtedness, financial facilities, finance leases or hire purchase commitments or any guarantee or contingent liabilities or other long term or onerous commitments binding on them or any material capital commitment or is engaged in any scheme or project requiring the expenditure of capital of a significant amount and none of its assets has been depleted by any unlawful act of any person and there has not been any acquisition or disposal by the Company of fixed or capital assets or any agreement to effect the same;
- (ii) no event has occurred as regards the Company which would entitle any third party to terminate any contract or any benefit enjoyed by the Company or call in any amount of money before the normal due date therefor or indebtedness;
- (iii) no fixed asset or stock has been written up nor any debt written off, and none of the assets of the Company has been depleted by any unlawful act of any person;
- (iv) the Company has been paying its creditors in respect of all of its debts in accordance with credit terms which have become due and payable in its ordinary course of business and in accordance with the normal trading practice generally accepted in the markets in which the Company carries on its business and the Company has not granted or agreed to grant any loans, financial facilities, finance leases or hire purchase commitments or any guarantee in favour of any other party;
- (v) there is no Material Adverse Change (or Effect) to the trading prospects, financial position or businesses of the Company as a result of any event or circumstances arising since the Accounts Date and no such Material Adverse Effect is expected by the Company and the Vendor within the immediate future; and

- (vi) no dividend has been declared or paid or other distributions of capital made in respect of any share capital of the Company.
- (D) All the Accounts, the management accounts, ledgers and other financial records (including but not limited to statutory and accounting records), of whatsoever kind of the Company:
- (i) are in its possession or access;
 - (ii) have been properly and accurately kept in all material respects;
 - (iii) do not contain any material inaccuracies or discrepancies of any kind;
 - (iv) give and reflect a true and fair view of its trading transactions, and its financial, contractual and trading position and of its assets and liabilities, debtors and creditors; and
 - (v) have been properly kept and maintained in all material respects in accordance with relevant laws and generally accepted accounting principles applicable thereto.

5. Business

- (A) The Company carries on its business intra vires, solely under its corporate name, without infringement of any proprietary right or proprietary interest of any other person, without liability to pay any royalty or similar sum and such business and activities are not and have not been in breach of any legislation, regulation or third party rights in Hong Kong or elsewhere.
- (B) All dividends or distributions (if any) declared, made or paid by the Company has been declared, made or paid in accordance with its articles of association or other similar constitutional documents and the applicable provisions of the Companies Ordinance or other relevant legislations in Hong Kong.
- (C) The Company has obtained all Consents, the Licence, the Stock Exchange Trading Right necessary to carry on its Business effectively in the manner and in the place in which its Business is now carried on and such Consents and Licence and Stock Exchange Trading Right are in full force and effect and their terms are valid and binding. There are no circumstances which might lead to the breach of any of the terms and conditions of any such Consents and Licence and Stock Exchange Trading Right and nothing has been done by the Company which will result in, or will give rise to or which might lead to the suspension, termination, revocation or cancellation of any such Consents and Licence and Stock Exchange Trading Right or which might prejudice their continuation, renewal or re-grant nor are there any amendments, alterations or changes to be made or proposed to be made to the Consents, Licence and Stock Exchange Trading Right.
- (D) In respect of the Business :-
- (i) the Company has requisite corporate powers for the conduct of its Business,

all applicable legislation, rules and regulations in Hong Kong and other relevant place of business have been complied with and observed in all material respects and there have been no material breach or contravention of the same;

- (ii) all qualifications, registrations, licences, know-how or other approvals necessary for the proper conduct of business in Hong Kong and other relevant place of business have been obtained and maintained and no event or omission has occurred whereby any of the same or the renewal thereof is or likely to be thereby materially and adversely affected, suspended or revoked;
 - (iii) the Business and all such Consents or the Licence or the Stock Exchange Trading Right may continue to be carried on and held by the Company after and notwithstanding Completion; and
 - (iv) the carrying on of such Business in no way contravenes or infringes any third party intellectual property rights including but not limited to patents, industrial designs, copyrights and trademarks.
- (E) Each of the Consents, the Licence and the Stock Exchange Trading Right referred to in paragraph 5(D)(iii) is valid and in force; the Company is not in breach of any terms of any such Consent, Licence and Stock Exchange Trading Right (including breach of any requirement relating to such Consent, Licence and Stock Exchange Trading Right to make returns or reports or supply information) and there are no circumstances which are known, or would on reasonable enquiry be known, to the Vendors which might invalidate any such Consent or the Licence or the Stock Exchange Trading Right or render it liable to forfeiture or modification or (in the case of a renewable Consent, Licence and Stock Exchange Trading Right) affect its renewal.
- (F) All tradings and businesses carried on under the name of the Company up to and as at Completion has been fully and fairly disclosed in all material respects.
- (G) All defaults made by the clients of the Company in respect of dealing in securities or otherwise has been fully and fairly disclosed in all material respects.

6. Financial Matters

As at the Completion Date, the Company will have no other Liabilities or borrowed moneys save and except those set out in the Completion Accounts.

7. Assets, plant, equipment and stocks

- (A) Save as Disclosed in the Accounts, the Company has no other assets whatsoever. The assets included in the Accounts or acquired since the Accounts Date comprises all assets, property and rights which the Company owns or which it uses or requires for the purpose of carrying on its Business free from any and all Encumbrance, any hire-purchase agreement or agreement for payment on deferred terms or bills of sale and all such assets are in reasonably good and safe condition and in working order (fair wear and tear excepted) in all material respects and have been regularly and properly maintained.

8. Insurance

- (A) The Company has effected all insurances required by law to be effected by it for a substantial part of its value and covering third party liability of the Company and all premiums due on the said policies have been paid, all the conditions of the said policies have been performed and observed in all respects and nothing has been done or has been omitted to be done whereby any of the said policies has or may become void or voidable.
- (B) No claim is outstanding either by the insurer or the insured under any of the said policies and no material claim against the Company by any third party is outstanding in respect of any risk covered by any of the policies or by any policy previously held by the Company and each of the Vendors is not aware of any circumstances which would or might entitle the Company to make a material claim under any of the said policies or which would or might be required under any of the said policies to be notified to the insurers.

9. Taxation

- (A) The Company has complied with all relevant legal requirements relating to registration or notification for Taxation purposes in all material respects.
- (B) The Company has:-
- (i) paid all Taxation (if any) due to be paid as at the Completion Date; and
 - (ii) taken all necessary steps to obtain any repayment of or relief from Taxation available to it.
- (C) All returns, notifications, documents, computations and payments for Taxation purposes which ought to have been made by or in respect of the Company in Hong Kong and in any other part of the world, have been duly made and all such returns, notifications, documents or computations are up to date, correct and on a proper basis and are not the subject of any dispute with the relevant Taxation, revenue or other appropriate authorities.
- (D) The provisions (if any) included in the Accounts are adequate to cover all Taxation in respect of all periods ending on or before the Accounts Date (as the case may be) for which the Company was then or might at any time thereafter become or have become liable.
- (E) The Company is not in dispute with any Taxation or revenue authority and no such dispute is pending or threatened.

10. Litigation

The Company is not a party to any litigation, arbitration or prosecutions or to any other legal or contractual proceedings or hearings before any statutory, regulatory or governmental body, department, board or agency or to any disputes or to or the

subject of any investigation by any authority in the place where the business of the Company is conducted and no litigation, arbitration, prosecution or other legal or contractual proceedings or investigations are threatened or pending either by or against the Company and there are no facts or circumstances, subsisting which might give rise to any such proceeding, investigation, hearing or to any dispute or to any payment and there are no unfulfilled or unsatisfied judgement or court orders against the Company.

11. Contracts and Commitments

- (A) All agreements or contracts of the Company are valid and legally binding on the parties thereto and are enforceable in accordance with its terms.
- (B) The Company has not entered into any transaction or incurred any material liabilities except in the ordinary course of its day-to-day business on normal commercial terms and on an arm's length basis for full value and the Company is not under any obligation, or party to any contract, which cannot readily be fulfilled or performed by it on time and without undue or unusual expenditure of money or effort and which has a Material Adverse Effect and there is no outstanding contracts, engagements or liabilities, whether quantified or disputed, save for entered into in the ordinary course of the Company's day to day business operations on normal commercial terms.
- (C) There has not been any breach or circumstances which may give rise to a breach of any contract, arrangement or commitments by or against the Company and the Company is not in default of any agreement or obligation to which it is a party or in respect of any other obligations or restrictions binding upon it or liable in respect of any representation or warranty (express or implied) which may have a Material Adverse Effect or are there any contractual arrangements between the Company and any party which will or may be legally terminated as a result of the execution or completion of this Agreement or may be unenforceable by reason of the transaction being voidable at the instance of any other party or ultra vires, void or illegal.

12. Intellectual Property

The Company has no Intellectual Property Rights whatsoever and there is no licences or assignments under or in respect of any Intellectual Property Rights. There has not been any infringement of any Intellectual Property Rights of any third party nor is there any infringement which will give rise to any commission, royalty or like fee of a material amount or require any consent to be obtained which may have a Material Adverse Effect on the Company.

13. Insolvency

- (A) No order has been made or resolution passed for the winding up of the Company and there is not outstanding :-
- (i) any petition or order for the winding up of the Company;
- (ii) any receivership of the whole or any part of the undertaking or assets of the Company;

- (iii) any petition or order for the administration of the Company; or
 - (iv) any voluntary arrangement between the Company and any of its creditors.
- (B) There are no circumstances which are known, or would on reasonable enquiry be known, to each of the Vendor and which would entitle any person to present a petition for the winding up or administration of the Company or to appoint a receiver of the whole or any part of its undertaking or assets.
- (C) No distress, execution or other process has been levied against the Company or action taken to repossess goods in the possession of the Company.
- (D) No floating charge has been created by the Company.
- (E) The Company is not or has not been a party to any transaction which may be avoided in a winding up of the Company.

14. Miscellaneous

- (A) All representations, warranties and undertakings contained in the foregoing provisions of this Schedule shall be deemed to be repeated on each day up to and immediately before Completion and relate to the facts then existing.
- (B) The Company has neither itself nor vicariously :-
- (i) committed any breach of any statutory provision, order, bye-law or regulation binding upon it or of any provision of the Memorandum and Articles or bye-laws as of any trust deed, agreement or licence to which it is party or of any covenant, mortgage, charge or debenture given by it;
 - (ii) entered into any transaction is still executory and which is or may be unenforceable by reason of the transaction being voidable at the instance of any other party or ultra vires, void or illegal; or
 - (iii) omitted to do anything required or permitted to be done by it necessary for the protection of its respective title to or for the enforcement or the preservation of any order or priority of any properties or rights owned by it.
- (C) All information contained in this Agreement was when given true and accurate in all material respects and there is no fact or matter which has not been Disclosed, which may render any such information or documents untrue, inaccurate or misleading in any material respects at the date of this Agreement or which if Disclosed might reasonably be expected to influence adversely the Purchaser's decision to purchase the Sale Shares on the terms of this Agreement.
- (D) All matters Disclosed are true, complete and accurate in all material respects.
- (E) All outstanding enquiries and/or investigations, and all enquiries and/or investigations for at least the last seven years, by the SFC or other governmental or regulatory bodies

in relation to the Business, the Company and staff, directors and clients of the Company have been disclosed to the Purchaser and all relevant documentation and information in relation to such enquiries and/or investigations have been provided to the Purchaser.



EXHIBIT A

Accounts of the Company

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進滙證券有限公司
INFAST BROKERAGE LIMITED

Reports and Financial Statements
For the year ended 31 March, 2005

譚鑑標會計師事務所
K. B. TAM & CO.
Certified Public Accountants
HONG KONG



INFAST BROKERAGE LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH, 2005

The directors have pleasure in submitting their report for the year ended 31 March, 2005.

Accounts

2. The results of the company for the financial year ended 31 March, 2005 are set out in the annexed income statement.

Principal activities

3. The principal activities of the company during the year were dealer and broker of securities.

Fixed assets

4. The movements in fixed assets during the year are set out in the annexed note 2 to the accounts.

Reserves

5. The directors do not propose any transfers to reserves.

Dividends

6. The directors do not recommend the payment of any dividend.

Directors

7. The directors who held office during the year were:

Lau Chi Wah
Chan Chee Chun, Charles
Chan Yau Kit, Eric – appointed on 23/12/2004
Lee Ka Yin – appointed on 17/12/2004
Hui Shan Shan – appointed on 3/8/2004 but resigned on 29/11/2004
Wong Kin Chun, Gilbert – resigned on 3/1/2005

In accordance with article 7 of the company's articles of association, the above directors, except Hui Shan Shan and Wong Kin Chun, Gilbert shall retire and being eligible, offer themselves for re-election.

Interest in contracts

8. No contracts of significance to which the company was a party and in which a director had a material interest subsisted at the end of the year or at any time during the year.

Management contracts

9. No contracts concerning the management and administration of the whole or any substantial part of the business of the company were entered into or existed during the year.

Arrangements to purchase shares or debentures

10. At no time during the year was the company a party to any arrangements to enable the directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.


Other matters

11. At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the annexed financial statements which would render any amount stated in the financial statements misleading.

Auditors

12. The auditors, Messrs. K. B. Tam & Co., retire and, being eligible, offer themselves for re-appointment.

By order of the Board


Chairman

Hong Kong, 12 JUL 2005

譚鑑標會計師事務所

K. B. TAM & CO. *Certified Public Accountants*

ROOMS C-F, 5TH FLOOR,
SHING LEE COMMERCIAL BUILDING,
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K. B. TAM 譚鑑標執業會計師
C.P.A. (Practising), F.C.P.A. (Aust.)

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AUDITORS' REPORT

TO THE SHAREHOLDERS OF INFASST BROKERAGE LIMITED (Incorporated in Hong Kong with limited liability)

We have audited the financial statements on pages 5 to 25 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

Respective responsibilities of directors and auditors

The Companies Ordinance requires the directors to prepare financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently. In addition, the directors also have a responsibility to ensure that the financial statements are in accordance with the records kept under the Securities and Futures (Keeping of Records) Rules and satisfy the requirements of the Securities and Futures (Accounts and Audit) Rules.

It is our responsibility to form an independent opinion on the above, based on our audit, and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Statements of Auditing Standards and with reference to Practice Note 820 "The audit of licensed corporations and associated entities of intermediaries" issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We have planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, and whether the financial statements are in accordance with the records kept under the Securities and Futures (Keeping of Records) Rules and satisfy the requirements of the Securities and Futures (Accounts and Audit) Rules. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

譚鑑標會計師事務所

K. B. TAM & CO. *Certified Public Accountants*

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Opinion

In our opinion:

- (a) the financial statements are in accordance with the records kept under the Securities and Futures (Keeping of Records) Rules and satisfy the requirements of the Securities and Futures (Accounts and Audit) Rules; and
- (b) the financial statements give a true and fair view of the state of the company's affairs as at 31 March, 2005 and of its loss and cash flows for the year then ended and have been properly prepared in accordance with the Companies Ordinance.


K. B. Tam & Co.
Certified Public Accountants

Hong Kong, 12 JUL 2005

INFAST BROKERAGE LIMITED
BALANCE SHEET AS AT 31 MARCH, 2005

	<u>Note</u>	<u>2005</u> <u>HK\$</u>	<u>2004</u> <u>HK\$</u>
ASSETS			
Non-current assets			
Fixed assets	2	12,567.67	2,044.33
Other assets	3	201,745.00	202,192.21
Deferred tax assets	4	2,784,996.00	2,612,964.00
		<u>2,999,308.67</u>	<u>2,817,200.54</u>
Current assets	5	13,212,246.88	22,492,680.39
Deduct:-			
Current liabilities	6	<u>4,091,826.32</u>	<u>12,396,588.21</u>
Net current assets		9,120,420.56	10,096,092.18
NET ASSETS		<u>12,119,729.23</u>	<u>12,913,292.72</u>

CAPITAL AND RESERVES

Share capital

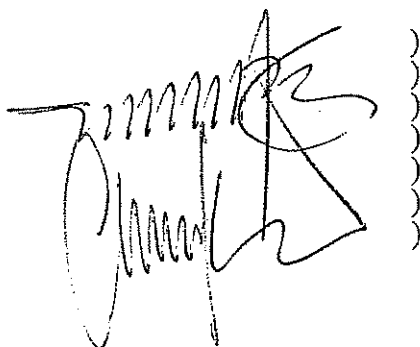
Authorized, issued and fully paid

20,000,000.00 shares of HK\$1.00 each

20,000,000.00 20,000,000.00

Accumulated losses

(7,880,270.77) (7,086,707.28)

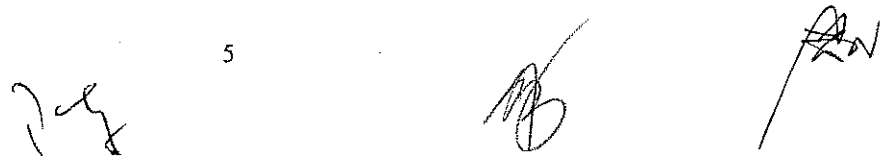


} Directors

12,119,729.23

12,913,292.72

The annexed notes form an integral part of this balance sheet.



INFAST BROKERAGE LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2005

	Note	2005 HK\$	2004 HK\$
Turnover	7	<u>1,240,561,949.15</u>	<u>1,571,320,334.80</u>
Revenues	8	3,125,731.25	4,783,551.11
Gain on exchange		<u>2,375.23</u> 3,128,106.48	<u>-</u> 4,783,551.11
Less: Administrative expenses	9	<u>3,976,090.39</u>	<u>4,282,779.71</u>
Other operating expenses			
Bad debts written off – specific		36,423.84	321,129.85
Depreciation on:			
Furniture and fixtures		-	965.67
Office equipments		<u>8,326.66</u>	<u>272,463.00</u>
		44,750.50	594,558.52
		<u>4,020,840.89</u>	<u>4,877,338.23</u>
Loss from operations		<u>(892,734.41)</u>	<u>(93,787.12)</u>
Less: Finance costs			
Bank overdraft interest		72,861.08	217,844.31
Other interest paid		-	10,403.28
		<u>72,861.08</u>	<u>228,247.59</u>
Loss for the year before taxation		<u>(965,595.49)</u>	<u>(322,034.71)</u>
Less: Taxation	10	<u>(172,032.00)</u>	<u>(2,612,964.00)</u>
Profit/(loss) for the year		<u>(793,563.49)</u>	<u>2,290,929.29</u>

The annexed notes form an integral part of this income statement.

INFAST BROKERAGE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH, 2005

	Share capital HK\$	Accumulated losses HK\$	Total HK\$
Balance at 1/4/2003	20,000,000.00	(9,377,636.57)	10,622,363.43
Profit for the year ended 31/3/2004	-	2,290,929.29	2,290,929.29
Balance at 31/3/2004	20,000,000.00	(7,086,707.28)	12,913,292.72
Loss for the year ended 31/3/2005	-	(793,563.49)	(793,563.49)
Balance at 31/3/2005	20,000,000.00	(7,880,270.77)	12,119,729.23

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INFAST BROKERAGE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2005

	<u>2005</u>	<u>2004</u>
	HK\$	HK\$
Cash flows from operating activities		
Loss before tax	(965,595.49)	(322,034.71)
Adjustment for:		
Depreciation charges	8,326.66	273,428.67
Interest income	(350,453.74)	(862,971.79)
Interest paid	72,861.08	228,247.59
Dividend received	(2,100.00)	(610.00)
Profit on trading in securities listed on the exchange	(15,331.73)	-
Operating loss before working capital changes	(1,252,293.22)	(683,940.24)
Decrease in debtors	7,636,950.33	3,893,242.58
(Increase)/decrease in other debtors and prepayment	(297,816.05)	27,271.55
Decrease in creditors	(2,297,781.17)	(3,108,323.15)
Increase/(decrease) in other creditors	54,989.47	(49,950.29)
Cash generated from operations	3,844,049.36	78,300.45
Interest paid	(72,861.08)	(228,247.59)
Net cash from/(used in) operating activities	3,771,188.28	(149,947.14)
Cash flow from investing activities		
Acquisition of investment securities	-	50,000.00
Refund of CCASS guarantee fund	-	30,000.00
Sales proceeds of investment securities	15,778.94	-
Purchase of fixed assets	(18,850.00)	-
Loan to a related company	-	(1,335,483.87)
Interest received	350,453.74	862,971.79
Dividend received	2,100.00	610.00
Net cash from/(used in) investing activities	349,482.68	(391,902.08)
Net increase/(decrease) in cash and cash equivalents	4,120,670.96	(541,849.22)
Cash and cash equivalents at 1/4/2004	2,944,876.49	3,486,725.71
Cash and cash equivalents at 31/3/2005	7,065,547.45	2,944,876.49
Cash and cash equivalents at 31/3/2005		
Cash in hand and balance with banks	7,065,547.45	2,944,876.49

INFAST BROKERAGE LIMITED
ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2005
NOTES TO THE ACCOUNTS

1. **Principal accounting policies**

(a) **Basis of preparation**

The accounts have been prepared in accordance with generally accepted accounting principles in Hong Kong and comply with accounting standards issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). The accounts are prepared under the historical cost convention.

The HKICPA has recently issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards ("new HKFRSs") which are effective for accounting periods beginning on or after 1 January, 2005. The company has not early adopted these new HKFRSs in the financial statements for the year ended 31 March, 2005. The company has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

(b) **Revenue**

Revenue comprises gross commission and brokerage, securities handling charges and interest received and profit or loss on trading in securities.

(c) **Revenue Recognition**

Service income including securities dealing, commission and brokerage and handling charges is recognized when services are rendered.

Interest income is recognized on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

Profit on trading in securities and gain on disposal of investment securities are recognized when the significant risks and rewards of ownership of the securities have been transferred to the buyer.

Dividend income is recognized when the right to receive is established.

INFAST BROKERAGE LIMITED
ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2005
NOTES TO THE ACCOUNTS

1. **Principal accounting policies**

(d) **Fixed assets**

Fixed assets are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition and location for its intention to use.

Depreciation is provided in the accounts to charge the cost of depreciable assets to operation over their estimated economic useful lives at the rate of 33 $\frac{1}{3}$ % per annum on straight line method.

Major costs incurred in restoring fixed assets to their normal condition are charged to the income statement. Improvements are capitalized and depreciated over their expected useful lives to the company.

Gain or losses arising from the retirement or disposal of a fixed asset are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognized as income or expenses in the income statement on the date of retirement or disposal.

(e) **Investment securities**

Investment securities, which are securities held for an identified strategic purpose, are stated at cost less any provision for diminution in value, other than temporary, if any. The carrying amount of the investment securities is reviewed at each balance sheet date to assess whether the fair value has declined below the carrying amount. When a decline other than temporary has occurred, the carrying amount of such securities should be reduced to its fair value. The amount of the reduction is recognized as expenses in the income statement.

(f) **Impairment of assets**

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the tangible assets may be impaired or an impairment loss previously recognized no longer exists or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its net selling price and value in use. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognized in prior years. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognized.

INFAST BROKERAGE LIMITED

ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2005

NOTES TO THE ACCOUNTS

1. Principal accounting policies

(g) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years, and it further excludes income statement items that are never taxable and deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

(h) Turnover

Turnover means the total value of transactions arising out of the business of dealing in securities other than underwriting of securities undertaken by the member or dealing partnership.

(i) Translation of foreign currencies

Transactions in foreign currencies are translated at the rates ruling on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling on the balance sheet date. Profits and losses arising on exchange are dealt with in the income statement.

INFASST BROKERAGE LIMITED
ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2005
NOTES TO THE ACCOUNTS

1. **Principal accounting policies**

(j) **Operating leases**

Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Rentals receivable or payable under operating leases are credited or charged to the income statement on a straight line basis over the lease terms.

(k) **Borrowing costs**

Borrowing costs include interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are charged to the income statement in the year in which they are incurred except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessary takes a substantial year of time to complete.

(l) **Employee benefits**

(i) **Employee benefit entitlements**

Salaries, annual bonuses, paid annual leave, leave passage and the cost to the company of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the company. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) **Retirement benefits costs**

The company operates an approved defined contribution retirement benefits scheme for employees under the Mandatory Provident Fund Schemes Ordinance. The contributions payable to the scheme are charged to the income statement as incurred.

(m) **Related company**

A related company is a company in which one or more of the directors have a beneficial interest or over which they are in a position to exercise significant influence on its commercial and financial decision.

INFAST BROKERAGE LIMITED
ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2005
NOTES TO THE ACCOUNTS

1. **Principal accounting policies**

(n) **Related parties**

Related parties are individuals and companies, where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

(o) **Cash equivalents**

Cash equivalents represent short term highly liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity when acquired; less advances from banks repayable within three months from the date of the advances.

INFASST BROKERAGE LIMITED
ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2005
NOTES TO THE ACCOUNTS

2. Fixed assets

	Furniture and fixtures HK\$	Office equipment HK\$	Total HK\$
At cost			
Balance at 1/4/2004	1,375,550.00	1,271,331.20	2,646,881.20
Addition during the year	-	18,850.00	18,850.00
Balance at 31/3/2005	<u>1,375,550.00</u>	<u>1,290,181.20</u>	<u>2,665,731.20</u>
Accumulated depreciation			
Balance at 1/4/2004	1,375,549.00	1,269,287.87	2,644,836.87
Charges for the year	-	8,326.66	8,326.66
Balance at 31/3/2005	<u>1,375,549.00</u>	<u>1,277,614.53</u>	<u>2,653,163.53</u>
Net book value at 31/3/2005	<u>1.00</u>	<u>12,566.67</u>	<u>12,567.67</u>
Net book value at 31/3/2004	<u>1.00</u>	<u>2,043.33</u>	<u>2,044.33</u>

3. Other assets

	2005 HK\$	2004 HK\$
Investment securities – note 11	-	447.21
Admission fees paid to HKSCC	50,000.00	50,000.00
Compensation fund deposit	50,000.00	50,000.00
Deposit to replenish the compensation fund	1,745.00	1,745.00
Fidelity fund	50,000.00	50,000.00
CCASS guarantee fund	50,000.00	50,000.00
	<u>201,745.00</u>	<u>202,192.21</u>

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INFAST BROKERAGE LIMITED
ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2005
NOTES TO THE ACCOUNTS

4. Deferred tax assets/(liabilities)

The components of deferred tax assets and liabilities recognized in the balance sheet and the movements thereon during the current and prior year:-

	Accelerated tax depreciation HK\$	Tax losses HK\$	Total HK\$
Balance at 1/4/2003	-	-	-
Credited to income statement	155,296.00	2,457,668.00	2,612,964.00
Balance at 31/3/2004	155,296.00	2,457,668.00	2,612,964.00
Credited/(charged) to income statement	(10,572.00)	182,604.00	172,032.00
Balance at 31/3/2005	<u>144,724.00</u>	<u>2,640,272.00</u>	<u>2,784,996.00</u>

The following is the analysis of the deferred tax balances for financial reporting purposes:-

	2005 HK\$	2004 HK\$
Deferred tax assets	2,784,996.00	2,612,964.00
Deferred tax liabilities	-	-
	<u>2,784,996.00</u>	<u>2,612,964.00</u>

5. Current assets

	2005 HK\$	2004 HK\$
Margin accounts receivable – note 12	-	2,535,316.59
Clients receivable – note 13	2,455,905.72	7,987,604.59
Accounts receivable	22,231.35	19,776.22
Amounts receivable from HKSCC	427,610.00	-
Amount due from a related company	1,335,483.87	1,335,483.87
Deposit for stamp duty placed with the stock exchange	5,000.00	30,000.00
Utility and other deposits	309,564.00	-
Prepayment	86,198.29	72,946.24
Cash at banks:		
General account – note 14	8,311,928.21	10,152,066.14
Trust account	253,847.28	355,307.15
Cash in hand	4,478.16	4,179.59
	<u>13,212,246.88</u>	<u>22,492,680.39</u>

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INFAST BROKERAGE LIMITED

ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2005

NOTES TO THE ACCOUNTS

	2005 HK\$	2004 HK\$
6. Current liabilities		
Bank overdraft – secured – note 14	1,504,706.20	7,566,676.39
Margin accounts payable	31,378.71	129,546.03
Clients payable – note 15	1,997,238.80	3,991,572.65
Amounts payable to HKSCC	-	205,280.00
Trading fee, levy and stamp payable	21,100.76	17,790.99
Deposits received	1,000.00	1,000.00
Temporary receipt	162,957.31	163,590.05
Accrued charges	373,444.54	321,132.10
	4,091,826.32	12,396,588.21
 7. Turnover		
Turnover in relation to dealing in securities:-		
(i) for own account, directors' accounts and the accounts of related companies		
(a) on the exchange	15,778.94	128,544.00
(b) on Overseas Exchange	-	-
(ii) for clients		
(a) on the Exchange	1,240,333,241.91	1,571,191,790.80
(b) on Overseas Exchange	212,928.30	-
	1,240,561,949.15	1,571,320,334.80
 8. Revenues		
Commission and brokerage from securities dealing		
(i) on the exchange	2,447,804.42	3,562,274.52
(ii) on overseas exchange	2,171.44	-
(iii) on others	9,073.00	13,509.10
Profit on trading in securities listed on the exchange	-	78,373.86
Handling charges received	187,827.33	265,010.03
Interest income from clients on securities margin financing	39,009.67	334,510.14
Interest income from clients on securities dealing	293,036.20	448,405.08
Bank interest income	18,405.63	78,440.86
Other interest income	2.24	1,615.71
Gain on disposal of investment securities	15,331.73	-
Dividend income	2,100.00	610.00
Sundry income	110,969.59	801.81
	3,125,731.25	4,783,551.11

INFAST BROKERAGE LIMITED

ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2005

NOTES TO THE ACCOUNTS

9. Administrative expenses

	2005 HK\$	2004 HK\$
Directors' remuneration	374,010.73	125,443.20
Staff salaries and allowances	838,449.24	1,087,259.71
Mandatory provident fund contribution	61,639.00	57,372.37
Staff welfare	5,518.20	5,487.10
Rent and rates	492,153.01	329,476.10
Building management fee	252,126.00	129,168.00
Telephone and fax	86,846.00	92,709.94
Market information and communication services	199,224.97	219,307.00
Entertainment	128,773.60	209,497.50
Dealer and dealer's representative fee	28,019.00	33,279.00
Subscription fee	34,800.00	34,800.00
Printing and stationery	27,733.40	34,419.50
Repairs and maintenance	59,538.48	62,815.68
Travelling expenses	2,683.40	655.40
Insurance	27,352.00	50,864.05
Advertising and promotion	997.50	997.50
Postage and stamp	18,362.60	24,253.30
Cleaning	24,036.90	26,428.40
Motor car running expenses	2,175.00	285,471.70
Water and electricity	52,218.60	54,694.00
Business registration fee	2,600.00	2,600.00
CCASS electronic money settlement fee	79,446.30	101,138.24
Shares trading tariff	10,344.00	14,350.00
Bank charges	7,551.84	5,680.40
Compensation paid	-	1,000.00
Commission paid	975,928.77	1,085,034.62
Legal and professional fee		
- Legal	101,070.00	95,832.00
- Others	10,438.00	25,000.00
Auditor's remuneration	65,660.00	81,184.00
Sundry expenses	6,393.85	6,561.00
	<u>3,976,090.39</u>	<u>4,282,779.71</u>

INFASST BROKERAGE LIMITED

ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2005

NOTES TO THE ACCOUNTS

10. Taxation

(a) The operation of the company for the year resulted in a loss and in this connection, the company is not liable to Hong Kong profits tax for the year of assessment 2004/05.

(b) The income tax expense/(revenue) represents the sum of the tax currently payable/(receivable) and deferred tax. The taxation charge/(credit) is made up as follows:-

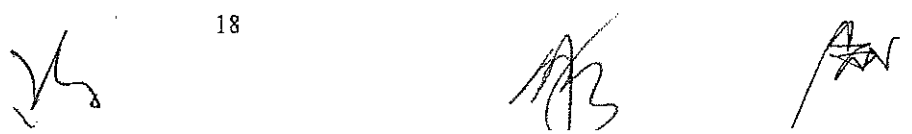
	2005 HK\$	2004 HK\$
Current tax		
Provision for current year	-	-
Deferred tax		
Provided for the year	(172,032.00)	(2,612,964.00)
	(172,032.00)	(2,612,964.00)

(c) The charge/(credit) for the year can be reconciled to the profit/(loss) before taxation per the income statement as follows:-

Loss for the year before taxation	(965,595.49)	(322,034.71)
Applicable tax rate (%)	17.5	17.5
Tax at the domestic income tax rate	(168,980.00)	(56,356.00)
Tax effect of expenses that are not deductible in determining taxable profit	-	79.00
Tax effect of income that are not taxable in determining taxable profit	(3,052.00)	(201.00)
Unprovided deferred tax assets for previous years not recognized	-	(2,556,486.00)
Tax expense/(revenue) for the year	(172,032.00)	(2,612,964.00)

11. Investment securities

	2005 HK\$	2004 HK\$
1,000 shares of HK\$1.00 on Hong Kong Exchanges and Clearing Limited, At cost and listed	-	447.21
Market value of listed investment securities at 31/3/2005	-	16,700.00



INFAST BROKERAGE LIMITED
ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2005
NOTES TO THE ACCOUNTS

	2005 HK\$	2004 HK\$
12. Margin accounts receivable		
Margin accounts receivable	-	2,037,478.72
Margin accounts receivable from directors	-	497,837.87
	-	2,535,316.59
 13. Clients receivable		
Clients receivable	2,173,502.28	4,466,411.30
Clients receivable from - Director	282,403.44	3,521,193.29
	2,455,905.72	7,987,604.59
 14. Charges for general banking facilities		
<p>As at 31 March, 2005, the company's fixed deposit of HK\$8,000,000.00 (2004 – HK\$10,000,000.00) was pledged to DBS Bank (Hong Kong) Limited for general banking facilities granted to the company.</p>		
 15. Clients payable		
Clients payable	1,466,207.04	2,668,688.37
Clients payable to - Director	-	1,322,884.28
- Related company	531,031.76	-
	531,031.76	1,322,884.28
	1,997,238.80	3,991,572.65
 16. Directors' emoluments		
Directors' remuneration	374,010.73	125,443.20
Mandatory provident fund contribution	14,060.05	6,272.19
	388,070.78	131,715.39

INFAST BROKERAGE LIMITED

ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2005

NOTES TO THE ACCOUNTS

17. Employee benefits

As at 31 March, 2005, there was unused entitlement of staff annual leave of HK\$9,610.00 (2004 – HK\$11,673.00). As the relevant amount is considered by the directors not material, no provision or accrual for such benefits is made in the accounts.

	2005 HK\$	2004 HK\$
18. Liquid capital computation		
Liquid assets – note 20	11,236,147.58	20,295,596.99
Less: Ranking liabilities – note 21	<u>3,837,979.08</u>	<u>12,699,696.38</u>
	7,398,168.50	7,595,900.61
Less: Minimum liquid assets required	<u>3,000,000.00</u>	<u>3,000,000.00</u>
Excess	<u>4,398,168.50</u>	<u>4,595,900.61</u>

19. Required liquid capital computation

Higher of		
(a) Floor requirement for exchange participant	<u>3,000,000.00</u>	<u>3,000,000.00</u>
(b) Variable required liquid capital – equal to 5% of the total liabilities – note 22	<u>191,898.95</u>	<u>602,064.05</u>
Required liquid capital	<u>3,000,000.00</u>	<u>3,000,000.00</u>

20. Liquid assets

Cash and bank balance	8,316,406.37	10,156,245.73
Deposit paid (used for the purpose of the Stamp Duty Ordinance)	5,000.00	30,000.00
Accounts receivable in the ordinary course of business of dealing in securities from		
- Non-margin clients (not more than 5 Bank trading days from settlement date)	2,426,635.96	7,890,955.44
- Margin clients	-	2,158,562.08
Amounts receivable from dealing houses		
- HKSCC	427,610.00	-
Prepayment	<u>60,495.25</u>	<u>59,833.74</u>
	<u>11,236,147.58</u>	<u>20,295,596.99</u>

INFAST BROKERAGE LIMITED
ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2005
NOTES TO THE ACCOUNTS

	2005 HK\$	2004 HK\$
21. Liabilities for liquid capital computation		
Amounts payable to clients	1,938,727.58	3,932,712.94
Amounts payable to clearing houses		
- HKSCC	-	205,280.00
Other payable and liabilities		
- loans and overdraft from authorized financial institutions	1,504,706.20	7,566,676.39
- accruals, amounts payable and other liabilities other than approved sub-ordinated loan	394,545.30	336,611.73
Ranking liabilities relating to concentration of margin clients	-	658,415.32
	<u>3,837,979.08</u>	<u>12,699,696.38</u>
 22. Total liabilities		
On balance sheet liabilities including provisions made for liabilities already incurred or for contingent liabilities	4,091,826.32	12,396,588.21
Less: Accounts payable to clients for client money held in segregated account in accordance with securities and futures (Client Money) Rules	253,847.24	355,307.15
Aggregate of adjusted liabilities	<u>3,837,979.08</u>	<u>12,041,281.06</u>

INFAST BROKERAGE LIMITED
ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2005
NOTES TO THE ACCOUNTS

23. Related party transactions

In the normal course of business, the company undertakes on an arm's length basis certain transactions with its related parties. During the year, the more significance of such transactions is described below:-

	2005 HK\$	2004 HK\$
Turnover – note (i)	373,742,681.39	448,401,032.03
Building management fee paid – note (ii)	129,168.00	129,168.00
Rent and rates – note (ii)	109,428.01	329,476.10
Other interest paid – note (iii)	-	10,403.28
Hire of motor vehicle – note (iv)	-	248,000.00

- Note: (i) Turnover means the total value of transactions arising out of the business of dealing in securities with Infast Investment Limited (IIL), a related company and directors of the company.
- (ii) Rent and rates and building management fee paid to IIL for share of office premises.
- (iii) Interest paid to IIL for amount advanced to the company.
- (iv) Hire charges paid to a related company for use of its motor vehicle.

In addition, the company also incurred financing with its related company. Such financing was unsecured, interest bearing and with no fixed term of repayment. As at 31 March, 2005, balance due from the related company is as shown in balance sheet.

INFAST BROKERAGE LIMITED
ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2005
NOTES TO THE ACCOUNTS

24. Summary of bank loans, advances, credit facilities and other financial accommodation

Name of financial institution	Type of credit facilities and limit	Amount drawn or utilized by the licensed corporation	Type of security provided	Market value of security provided	Acceptable discounted value of security provided
DBS Bank (Hong Kong) Limited	Bank Overdraft 8,000,000.00	1,504,706.20	Deposit provided by the licenced corporation	8,000,000.00	8,000,000.00
DBS Bank (Hong Kong) Limited	Drawing against uncleared effect 1,000,000.00	-	Personal guarantee from shareholders, Lau Chi Wah and Chan Chee Chun, Charles	7,000,000.00	6,000,000.00
DBS Bank (Hong Kong) Limited	Same day settlement facility 5,000,000.00	-	-	-	-
Total	14,000,000.00	1,504,706.20		15,000,000.00	14,000,000.00

INFAST BROKERAGE LIMITED
ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2005
NOTES TO THE ACCOUNTS

25. **Analysis of securities collateral as of reporting date 31 March, 2005**

	Stock Code/ sedol no.	Concentration Discounting Factor	Market Value HK\$
(A) Name of shares or warrants subject to 80% illiquid collateral haircut			
			-
(B) Name of shares or warrants whose concentration discounting factor is below 1			
			-
Sub-total			-
Other securities collateral			671.58
Total securities collateral			671.58

26. **Analysis of client assets**

Table 1 Analysis of client securities as of reporting date 31 March, 2005

	Market value HK\$
Analysis by client type	
Cash clients	48,989,666.10
Margin clients	671.58
	<u>48,990,337.68</u>
Analysis by location	
Deposited in accounts held in Central Clearing and Settlement System ("CCASS")	
- Stock clearing account	-
- Stock segregated accounts designated for cash clients	48,509,488.19
- Stock segregated accounts designated for margin clients	671.58
- Stock segregated accounts with statement service	-
	<u>48,510,159.77</u>
Total client securities deposited in accounts held in CCASS	
Held in other locations	480,177.91
	<u>48,990,337.68</u>

Note: Client securities are accounted for on settlement date basis



INFAST BROKERAGE LIMITED
ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2005
NOTES TO THE ACCOUNTS

26. **Analysis of client assets**

Table 2 Analysis of client segregated funds as of reporting date 31 March, 2005

	Computation of Ranking liabilities HK\$	Analysis of client segregated funds HK\$
	<u>Amounts payable to clients</u>	<u>Client money to be segregated under the securities and futures (client money) Rules</u>
Amounts payable to clients and client money to be segregated		
Cash clients	2,161,196.11	222,468.53
Margin clients	<u>31,378.71</u>	<u>31,378.71</u>
	2,192,574.82	253,847.24
Distribution of segregated funds		
Amounts held in segregated accounts maintained with authorized financial institution	<u>253,847.24</u>	<u>253,847.24</u>
Excess/(deficiency) in segregated funds		<u>-</u>
Amounts included in ranking liabilities per note 21 "Amounts payable to clients"	<u>1,938,727.58</u>	

27. **Approval of accounts**

The accounts were approved and authorized for issue by the board of directors on 12 March, 2005

EXHIBIT B

Deed of Indemnity

Dated the [_____] day of [_____] 2006

- (1) LAU CHI WAH
- (2) CHAN CHEE CHUN, CHARLES

in favour of

- (5) FULLBELIEF INTERNATIONAL LIMITED

and

- (6) INFAST BROKERAGE LIMITED

DAVID LO & PARTNERS
Suite 2502,
9 Queen's Road Central,
Hong Kong

TTC/DC/2005



THIS DEED OF INDEMNITY is made on the _____ day of _____, 2006.

BETWEEN

- (1) **LAU CHI WAH**, holder of Hong Kong Identity Card No. E788267(3) of Flat A, 40th Floor, Block 1, Clovelly Court, 12 May Road, Mid-Levels, Hong Kong ("Mr. Lau");
- (2) **CHAN CHEE CHUN, CHARLES**, holder of Hong Kong Identity Card No. G019094(1) of House C, 11B Cambridge Road, Kowloon Tong, Kowloon, Hong Kong ("Mr. Chan"); and

(Mr. Lau and Mr. Chan shall hereinafter be collectively referred to as the "Covenantors" and each of them individually as a "Coventantor")

- (3) **FULLBELIEF INTERNATIONAL LIMITED** a company incorporated in British Virgin Islands and having its registered office at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands (the "Purchaser"); and
- (4) **INFAST BROKERAGE LIMITED**, a company incorporated in Hong Kong and having its registered office at Unit 2601, 26th Floor, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong (the "Company").

WHEREAS :-

- (A) This Deed is made pursuant to a sale and purchase agreement dated [•] 2006 (the "Agreement") entered into between, inter alia, the Covenantors and the Purchaser in relation to the sale and purchase of the entire issued share capital in the Company by the Covenantors to the Purchaser.
- (B) The Covenantors have agreed to give indemnities in respect of taxation in favour of the Purchaser and the Company on the terms and conditions hereinafter stated.
- (C) Unless otherwise defined in this Deed, words and expressions used in the Agreement shall have the same meanings in this Deed.

NOW THIS DEED WITNESSETH as follows:

1. In this Deed where the subject and context so permit:
 - (a) References to statutory provisions shall except where the context otherwise requires be construed as references to those provisions as respectively amended or re-enacted from time to time.
 - (b) (i) "Taxation" means all forms of taxation whenever created or imposed and whether of Hong Kong or of any other part of the world and without

prejudice to the generality of the foregoing includes profits tax, provisional profits tax, interest tax, salaries tax, property tax, estate duty, death duty, capital duty, stamp duty, withholding tax, rates, customs and excise duties and generally any tax, duty, impost, levy or rates or any amount payable to the revenue, customs or fiscal authorities whether of Hong Kong or of any other part of the world.

- (ii) Where there is any loss, reduction, modification, cancellation or deprivation of any Relief from Taxation (as hereinafter defined), which Relief from Taxation would (were it not for any claim) have been available to the Company, there shall be treated as an amount of Taxation for which a liability has arisen an amount equal to the amount of Taxation that would have been payable (ignoring all other Reliefs from Taxation) but for such Relief from Taxation had the same not been so lost, reduced, modified, cancelled or deprived. Where the profits or gains in question would have been subject to Taxation at more than one rate in the period in which the loss, reduction, modification, cancellation or deprivation occurs, the Relief from Taxation shall be treated as having first reduced profits or gains so taxable at the highest rate before those at each successive lower rate.
 - (iii) "Taxation" shall include in addition and without prejudice to the foregoing, all fines, penalties, costs, charges, expenses and interest relating to any Taxation Claim or the loss, reduction, modification, cancellation or deprivation of any Relief from Taxation.
 - (c) "Taxation Claim" includes (without limitation) any claim, counterclaim, assessment, notice, demand or other documents issued or action taken by or on behalf of any fiscal, revenue or other authority or official in Hong Kong or anywhere in the world whereby the Company is liable or is sought to be made liable for any payment of any Taxation or are denied or sought to be denied any Relief of Taxation.
 - (d) "Relief from Taxation" includes any loss, relief, allowance, set-off or deduction in computing profits, right to repayment or credit granted by or available pursuant to any legislation or otherwise relating to all forms of Taxation as aforesaid.
 - (e) "event" includes (without limitation), any act, transaction or omission (whether or not the Company is a party thereto) and, but without limitation, any distribution, failure to distribute, acquisition, disposal, transfer, payment, loan or advance and reference to any event on or before any date shall be deemed to include any combination of two or more events the first of which shall have taken place on or before that date.
 - (f) References to Clauses and Schedules are to Clauses and Schedule of this Deed.
2. Subject as herein provided, the Covenantors hereby covenant with the Purchaser and the Company that they will indemnify and at all times keep the Purchaser and the Company indemnified, on a joint and several basis, against



- (a) the amount of any and all Taxation falling on the Company resulting from or by reference to any income, profits or gains transactions, events, matters or things earned, accrued, received entered into or accruing up to the date hereof, whether alone or in conjunction with any other circumstances whether or not the Taxation is chargeable against or attributable to any other person, firm or company, including any and all Taxation resulting from the receipt by the Company or the Purchaser of any amounts paid by the Covenantors under this Deed;
- (b) any Taxation Claim under or by virtue of the provision of section 35 and section 43 of the Estate Duty Ordinance (Cap.111) arising on the death of any person at any time by reason of any transfer of any property to the Company on or before the date hereof including any and all Taxation resulting from the receipt by the Company of any amounts paid by the Covenantors under this Deed.
- (c) all reasonable costs (including all legal costs), expense or other liabilities which the Purchaser or the Company or any of them may incur in connection with :-
- (i) the settlement of any claim under this Deed;
 - (ii) any legal proceedings in which the Purchaser or the Company or any of them claims under or in respect of this Deed and in which judgment is given for the Purchaser or the Company or any of them; or
 - (iii) the enforcement of any such settlement or judgment.
3. All payments required to be made by the Covenantors to the Purchaser or the Company or any of them under this Deed shall be made in full, without any set-off or counterclaim whatsoever and shall be free and clear of any deductions or withholdings (save only as may be required by law) in Hong Kong dollars and be effected in Hong Kong on the due date unless otherwise directed in writing by the Purchaser or the Company (as the case may be). If any deductions or withholdings are required by law the Covenantors shall be obliged to pay any such sum as will after such deduction or withholding has been made leave the same amount as the recipient would have been entitled to receive in the absence of any such requirement to make a deduction or withholding. If any sum payable by the Covenantors under this Deed shall otherwise be subject to Taxation in the hands of the recipient the same obligation to make an increased payment shall apply in relation to such liability as if it were a deduction or withholding required by law.
4. Notwithstanding any other provision of this Deed, the Covenantors shall not be liable for any claim under this Deed for any amount of Taxation to the extent that (i) proper provision in respect thereof was made in the Accounts relating to the Company; or (ii) such Taxation arising from the ordinary course of business of the Company from the Accounts Date to the Completion Date; or (iii) such claim arises or is incurred as a result of the imposition of Taxation as a consequence of any retrospective change in the law or practice coming into force after the date hereof or to the extent such claim arises or is increased by an increase in rates of Taxation after the date hereof with retrospective effect.

5. If the Covenantors shall pay to the Purchaser any amount claimed hereunder and the Purchaser or the Company or any of them subsequently recovers from any third party any amount relating to such claim the Purchaser or the Company as the case may be, shall forthwith repay to the Covenantors such amount previously paid by the Covenantors or so much thereof as does not exceed the amount received from the third party.
6. No delay or omission of the Purchaser or the Company in exercising any right, power or entitlement hereunder shall impair such right, power or entitlement or be construed as a waiver thereof nor shall any single or partial exercise of any such right, power or entitlement preclude any further exercise of any other right, power or entitlement. The rights and remedies of the Purchaser or the Company provided in this Deed are cumulative and not exclusive of any rights and remedies provided by law.
7. The indemnities herein contained shall bind the respective successors and assigns of the Vendor and shall enure for the benefit of each party's successors or assigns.
8. Any notice required to be given under this Deed shall be in writing and shall be delivered by hand or by registered post, postage prepaid to the other party at the address set out herein or such other address as may have been last notified in writing by or on behalf of such party to the other party hereto. Any such notice shall be deemed to be served on the date when the notice is delivered to or left at the address of the party to be served and if served by post at the time it would have been received in the normal course of post.

9. Severability

If at any time any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect, the legality, validity and enforceability of the remaining provisions of this Deed shall not be affected or impaired thereby.

10. Headings

The headings to the Clauses of this Deed are given for convenience only and shall not affect the interpretation hereof.

11. Entirety of Deed

The terms and conditions herein contained constitute the entire agreement between the parties relating to the subject matter hereof and shall supersede all previous communications, oral or written, between the parties with respect to the subject matter hereof which are inconsistent with the provisions of this Deed.

12. Amendment

This Deed may be varied, amended or modified only by agreement in writing of all parties.

13. This Deed is governed by and construed in accordance with the laws of Hong Kong and the parties hereto hereby irrevocably submit to the jurisdiction of the



non-exclusive jurisdiction of the Courts of Hong Kong in relation to any proceedings arising out of or in connection with this Deed but this Deed may be enforced in any court of competent jurisdiction.

IN WITNESS whereof this Deed has been duly executed under seal the date first above written.

SIGNED, SEALED and DELIVERED by)
LAU CHI WAH)
in the presence of :-)

SIGNED, SEALED and DELIVERED by)
CHAN CHEE CHUN, CHARLES)
in the presence of :-)

SEALED with the COMMON SEAL of)
FULLBELIEF INTERNATIONAL)
LIMITED)
and SIGNED by)
CHAN WAI MING)
in the presence of :-)

SEALED with the COMMON SEAL of)
INFAST BROKERAGE LIMITED)
and SIGNED by)
in the presence of :-)




EXHIBIT C

Licence



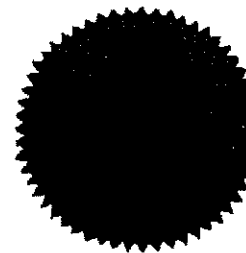
SECURITIES AND FUTURES COMMISSION

證券及期貨事務監察委員會

LICENCE UNDER THE
SECURITIES AND FUTURES ORDINANCE, CAP. 571

牌照《證券及期貨條例》(香港法例第 571 章)

Name of corporation 持牌法團	Infast Brokerage Limited 進匯證券有限公司
Central entity no. 中央編號	AAK004
Date of issue 簽發日期	21 December 2004 2004 年 12 月 21 日



The above-mentioned person is licensed to carry on the following regulated activities:
上述法團已獲發牌進行以下受規管活動:

Type 1 : Dealing in Securities	第 1 類 : 證券交易
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This licence is granted on the following conditions:
此牌照須受以下條件規限:

NIL (無)

Licence first granted on : 21 December 2004
首次發牌日期 : 2004 年 12 月 21 日

1/1

Serial No. 編號 : (F) 28642



香港聯合交易所
The Stock Exchange of Hong Kong

(香港交易及結算所有限公司的全資附屬公司)
(A wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited)

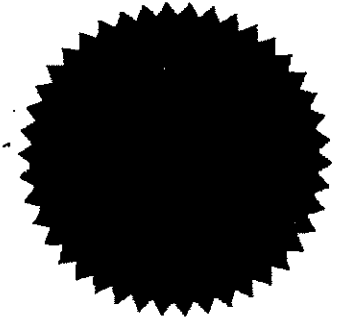
交易所交易權證明書
EXCHANGE TRADING RIGHT CERTIFICATE

茲證明 進滙證券有限公司 是壹個香港聯合交易所有限公司交易權 (編號 0439) 的註冊持有人。

This is to certify that Infast Brokerage Ltd. is the registered holder of one (1) exchange trading right (Distinctive No. 0439) of The Stock Exchange of Hong Kong Limited.

日期 二〇〇〇年三月六日
Date 6 March 2000

Isang Chiu Tam
董事 / 公司秘書
Director/Company Secretary



- 註: Notes:
- (1) 倘若未能提交此交易所證明書, 交易權的轉讓將不獲註冊。
No transfer of the above trading right can be registered unless accompanied by this trading right certificate.
 - (2) 轉讓本證明書所證的交易權的轉讓, 必須事先獲得香港聯合交易所有限公司的批准才可獲註冊。
No transfer of the above trading right can be registered without the prior approval of The Stock Exchange of Hong Kong Limited.
 - (3) 本證明書只證明註冊持有人於本證明書簽發之日起已獲得在本交易所或透過本交易所進行買賣的資格。本證明書並不能單獨構成自動授予註冊持有人在本文交易所或透過本交易所進行買賣的權利。實際在本交易所或透過本交易所進行買賣的許可, 必須以本交易所不時公佈的規則為依歸。
This certificate only certifies that the registered holder is eligible to trade on or through the Exchange as at the date hereof. This certificate alone shall not automatically confer on the holder of it the right to trade on or through the Exchange. Permission to actually trade on or through the Exchange is subject to the rules of the Exchange as promulgated from time to time.

Exchange Trading Right Certificate

EXHIBIT D

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EXHIBIT E

List of Assets

(1) BSS Trading System :-

5 pcs.	IBM Server
1 pc	OEM Server
1 pc	Intel Express 460T Standalone Switch (24 ports)
2 pcs	IBM Monitor
4 pcs	Smart-UPS
1 pc	ADI monitor

(2) Stock Broker Management System :-

1 set	Realtime Stock Broker Software
1 set	IBM SQL Server

(3) Telephone & Recording System

1 set	NEC EDK-21 Digital Key Telephone System
1 set	Multisuns Digital Recorder System (32 channels)

(4) Sales Room

4 sets	IBM PC with monitor (Trading)
4 sets	OEM PC with Hewlett Packard Monitor (ET net)
1 pc	Epson LQ-1170 printer
1 pc	Desk
1 set	Dealing Table
6 pcs	Chair

(5) Dealing Department

2 sets	IBM PC with monitor (Trading)
1 set	IBM PC
2 sets	OEM PC with monitor (ET net)
2 pcs	Desk
2 pcs	Chair

(6) Settlement Department

1 set	OEM PC with Philips monitor
1 set	OEM PC with IBM monitor
1 set	OEM NT Server
1 set	OEM PC with ADI monitor (ET Net)
1 pc	OEM PC
1 pc	Epson LQ-2170 printer
1 pc	Epson LQ-2170 printer
2 pcs	Desk

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3 pcs Chair
1 pc Fixed bench

(7) Admin. Department

1 set OEM PC with Hewlett Packard monitor
1 set OEM PC with NEC monitor
2 pcs Desk
2 pcs Chair

(8) A/C Department

1 set OEM PC with IBM monitor
1 pc Epson LQ-1170 printer
1 pc Desk
1 pc Chair

(9) Others

2 sets OEM PC with Hewlett Packard monitor-Director's Room & Public Area (ET net)
1 pc Hewlett Packard Deskjet#690C- Public Area
1 set Pitney Bowes Franker Machine #6300
1 pc Conference Table
10 pcs Chair

(10) Clients Records and Correspondence with the SFC or other governmental or regulatory bodies

- All clients' previous trading records including but not limited to tape records for the last six months and any other records whatsoever as required by law or the SFC for at least the last seven years
- All correspondence with the SFC for at least the last seven years
- All outstanding enquiries and/or investigations, and all enquiries and/or investigations for at least the last seven years, by the SFC or other governmental or regulatory bodies in relation to the Business, the Company and staff, directors and clients of the Company and all relevant documentation and information in relation to such enquiries and/or investigations





