

IMPORTANT

If you are in any doubt about this document or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Tradeeasy Holdings Limited (the "Company"), you should at once hand this document with the enclosed form of proxy to the purchaser or other transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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TRADEEASY HOLDINGS LIMITED (易貿通集團有限公司*)

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8163)

CONNECTED TRANSACTION AND SUBSCRIPTION OF NEW SHARES BY CCT TELECOM HOLDINGS LIMITED AND THE WHITEWASH WAIVER

Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders

ALTUS CAPITAL LIMITED

A letter from the independent committee of the board of directors of the Company is set out on page 19 of this document.

A letter from Altus Capital Limited containing its advice to the independent committee of the board of directors of the Company and the independent shareholders of the Company is set out on pages 20 to 29 of this document.

A notice convening an extraordinary general meeting to be held at Millennium City Club, Level 6, Tower 1, Millennium City, 388 Kwun Tong Road, Kowloon, Hong Kong at 10:00 a.m. on Wednesday, 19 April 2006 is set out on pages 61 to 62. Whether or not you are able to attend the meeting, please complete and return the enclosed form of proxy to the Company's Hong Kong branch share registrar, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish.

This circular will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the Company's website at www.tradeeasy.com

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at www.hkgem.com in order to obtain up-to-date information on GEM-listed issuers.

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DEFINITIONS

In this document, the following expressions shall have the following meanings, unless the context requires otherwise:

“Altus”	Altus Capital Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription and the Whitewash Waiver and a licensed corporation under the SFO permitted to engage in types 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management) of the regulated activities as defined in the SFO
“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“CCT”	CCT Telecom Holdings Limited (中建電訊集團有限公司*), a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Company”	Tradeeasy Holdings Limited (易貿通集團有限公司*), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the GEM
“Completion”	completion of the Subscription Agreement in accordance with the terms therein
“Concert Parties”	in respect of a person, means parties acting in concert (as defined under the Takeovers Code) with such person in relation to the voting rights of the Shares
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held at Millennium City Club, Level 6, Tower 1, Millennium City, 388 Kwun Tong Road, Kowloon, Hong Kong on Wednesday, 19 April 2006 at 10:00 a.m. or any adjournment thereof (as the case may be), for the purpose of passing the resolutions in respect of, the Subscription Agreement and the Whitewash Waiver

* For identification purposes only

DEFINITIONS

“Executive”	the executive director of the Corporate Finance Division of the SFC and any delegate of such executive director
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Committee”	the listing sub-committee of the GEM
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the board of Directors comprising Mr. Wu Yao Hua, Terence and Mr. Lau Chi Yiu, both of whom are independent non-executive Directors, established for the purpose of advising the Independent Shareholders in relation to the Subscription and the Whitewash Waiver
“Independent Shareholder(s)”	the Shareholder(s) who are not involved nor are interested in the transactions contemplated under the Subscription Agreement other than those who are required under the GEM Listing Rules and the Takeovers Code to abstain from voting at the EGM
“Joint Announcement”	the announcement dated 9 March 2006 made jointly by CCT and the Company in relation to the Subscription and the Whitewash Waiver
“Latest Practicable Date”	28 March 2006, being the latest practicable date for ascertaining certain information for inclusion in this document
“management shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Option(s)”	option(s) to subscribe for Shares granted and to be granted under the Share Option Scheme

DEFINITIONS

“PRC” or “China”	the People’s Republic of China and for the sole purpose of this document shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Share Option Scheme”	the share option scheme of the Company adopted on 20 February 2002
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by CCT upon and subject to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 7 March 2006 entered into between CCT and the Company in relation to the Subscription
“Subscription Price”	HK\$0.04 per Subscription Share
“Subscription Share(s)”	550,000,000 new Shares to be allotted and issued by the Company to CCT in accordance with the terms and conditions of the Subscription Agreement
“substantial shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Whitewash Waiver”	a waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code of the obligations on the part of CCT and its Concert Parties to make a mandatory general offer under Rule 26 of the Takeovers Code for all the securities of the Company not already owned or agreed to be acquired by CCT and its Concert Parties as a result of the completion of the Subscription
“%”	per cent.

LETTER FROM THE BOARD OF DIRECTORS



TRADEEASY HOLDINGS LIMITED
(易買通集團有限公司*)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8163)

Executive Directors:

Mr. Yu Lup Fat, Joseph (*Chairman*)
Mr. Yip Kwok Cheung (*Chief Executive Officer*)
Mr. Wong Kai Yin, Paul
Mr. To Man Yau, Alex

Independent Non-executive Directors:

Mr. Lau Chi Yiu
Mr. Wu Yao Hua, Terence
Mr. Lau Ho Man, Edward

Registered Office:

Century Yard
Cricket Square
Hutchins Drive
P.O. Box 2681 GT
George Town
Grand Cayman
Cayman Islands
British West Indies

*Principal Place of Business
in Hong Kong:*

Units 2, 3 & 5, 19th Floor
BEA Tower
Millennium City 5
418 Kwun Tong Road
Kwun Tong
Kowloon
Hong Kong

* For identification purpose only

30 March 2006

To the Shareholders

Dear Sir and Madam,

**CONNECTED TRANSACTION AND
SUBSCRIPTION OF NEW SHARES
BY CCT TELECOM HOLDINGS LIMITED
AND
THE WHITEWASH WAIVER**

INTRODUCTION

On 9 March 2006, the Company and CCT jointly announced that the Company and CCT had entered into the Subscription Agreement pursuant to which the Company agreed to issue and CCT agreed to subscribe for the Subscription Shares at the Subscription Price.

LETTER FROM THE BOARD OF DIRECTORS

As at the Latest Practicable Date, CCT and its Concert Parties were interested in 93,364,070 Shares, representing approximately 22.18% of the issued share capital of the Company. Immediately after Completion, the shareholdings of CCT and its Concert Parties in the Company will be approximately 66.26% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares. Consequently, CCT and its Concert Parties would be required to make a mandatory general offer for all the issued Shares not already owned or agreed to be acquired by CCT and its Concert Parties under Rule 26 of the Takeovers Code. CCT has applied to the Executive for the Whitewash Waiver pursuant to Note 1 on Dispensation from Rule 26 of the Takeovers Code. The Whitewash Waiver will be subject to the approval of the Independent Shareholders by way of a poll at the EGM.

The Independent Board Committee comprising Mr. Wu Yao Hua, Terence and Mr. Lau Chi Yiu, both of whom are the independent non-executive Directors, has been established to consider and make recommendation to the Independent Shareholders regarding the Subscription and the Whitewash Waiver after taking into account the advice from Altus. Each of Mr. Wu Yao Hua, Terence and Mr. Lau Chi Yiu is not involved and does not have a direct or indirect interest, in the Subscription and is not interested in any Shares. Mr. Lau Ho Man, Edward, an independent non-executive Director was not appointed to the Independent Board Committee because he is also an independent non-executive director of CCT, as a result of which he was not considered to be sufficiently independent to advise the Independent Shareholders. Altus has been appointed by the Company in compliance with Rule 2.1 of the Takeovers Code as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness in respect of the Subscription and the Whitewash Waiver. The appointment of Altus has been approved by the Independent Board Committee.

The purpose of this document is to provide you with (i) further information regarding, among other things, the Subscription Agreement and the Whitewash Waiver; (ii) a letter of advice on the Subscription and the Whitewash Waiver from Altus to the Independent Board Committee and the Independent Shareholders; (iii) the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Subscription and the Whitewash Waiver; and (iv) notice of the EGM.

THE SUBSCRIPTION

On 7 March 2006, the Company and CCT entered into the Subscription Agreement pursuant to which the Company agreed to issue and CCT agreed to subscribe for the Subscription Shares at the Subscription Price.

Subscription Shares

The Subscription Shares represent approximately 130.64% of the existing issued share capital of the Company and approximately 56.64% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

LETTER FROM THE BOARD OF DIRECTORS

Subscription Price

The Subscription Price represents

- (i) a premium of approximately 2.56% over the closing price of HK\$0.039 per Share as quoted on the Stock Exchange on 7 March 2006, being the last trading day prior to the issue of the Joint Announcement;
- (ii) the same value as the 10-day average closing price of the Shares of HK\$0.04 per Share for the last 10 consecutive trading days up to and including 7 March 2006 as quoted on the Stock Exchange;
- (iii) a discount of approximately 2.44% to the 30-day average closing price of the Shares of approximately HK\$0.041 per Share for the last 30 consecutive trading days up to and including 7 March 2006 as quoted on the Stock Exchange;
- (iv) a discount of approximately 9.09% to the closing price of HK\$0.044 per Share as at the Latest Practicable Date;
- (v) a discount of approximately 9.09% to the 10-day average closing price of the Shares of HK\$0.044 per Share for the 10 consecutive trading days up to and including the Latest Practicable Date as quoted on the Stock Exchange;
- (vi) a premium of approximately 44.93% over the audited consolidated net asset value of the Group per Share of approximately HK\$0.0276 per Share as at 31 March 2005, the date to which the latest audited consolidated accounts of the Company was made up to; and
- (vii) a premium of approximately 37.93% over the unaudited consolidated net asset value of the Group per Share of approximately HK\$0.029 per Share as at 31 December 2005.

Ranking

The Subscription Shares will rank *pari passu* in all respects with the Shares in issue as at the date of the Completion including all dividends and distribution declared, paid or made by the Company on or after the date of the Subscription Agreement.

LETTER FROM THE BOARD OF DIRECTORS

Conditions of the Subscription

Completion of the Subscription is conditional upon:

- (a) the passing by the Independent Shareholders of resolutions at the EGM taken by way of a poll in compliance with the requirements of the GEM Listing Rules and the Takeovers Code approving, among others:
 - (i) the Subscription Agreement and the transactions contemplated thereunder and the issue and allotment of the Subscription Shares in accordance with the terms of the Subscription Agreement; and
 - (ii) the grant of the Whitewash Waiver;
- (b) the GEM Listing Committee agreeing to grant the listing of, and permission to deal in, the Subscription Shares (and such permission and listing not subsequently being revoked prior to the delivery of definitive Share certificate(s) representing the Subscription Shares);
- (c) the Executive granting to CCT and its Concert Parties the Whitewash Waiver in accordance with the Note 1 on dispensations from Rule 26 of the Takeovers Code; and
- (d) the warranties in respect of the affairs of the Group as contained in the Subscription Agreement remaining in full force and accurate and not misleading in a material respect and there has not been any change, effect, event, occurrence, state of acts or development that could be expected to be materially adverse to the business, financial conditions, property, earning, results of operations, prospects and/or assets of the Group taken as a whole between the date of the Subscription Agreement and Completion.

The conditions precedent set out in (a) to (c) above (“Conditions”) are not waivable by CCT. CCT may however at its absolute discretion waive Condition (d). In the event that any one of such Conditions is not satisfied by 5:00 p.m. on 30 June 2006 or such later date as the parties to the Subscription Agreement may agree in writing, the Subscription Agreement will be terminated.

Completion of the Subscription

Subject to the fulfillment (or waiver) of the Conditions, Completion shall take place on the second business day after fulfillment of the last of the Conditions (other than Condition (d) which shall be fulfilled or waived on the date of Completion) or such later date as CCT and the Company may agree in writing prior to Completion. In the event that all the Conditions are not fulfilled or waived (as the case may be) by 5:00 p.m. on 30 June 2006 or such later date as the parties to the Subscription Agreement may agree in writing, the Subscription Agreement shall, subject to the liability of any party to the other in respect of any breach occurring prior to the termination, be terminated and of no effect.

LETTER FROM THE BOARD OF DIRECTORS

Change in the shareholding structure of the Company

Shareholders	As at the Latest Practicable Date		Immediately after Completion	
	Number of the Shares	Approximately %	Number of the Shares	Approximately %
CCT and its Concert Parties (Note 1)	93,364,070	22.18	643,364,070	66.26
Mr. Yip Kwok Cheung (Note 2)	23,610,662	5.61	23,610,662	2.43
Mr. Wong Kai Yin, Paul (Note 2)	18,284,415	4.34	18,284,415	1.88
Mr. To Man Yau, Alex (Note 2)	8,465,462	2.01	8,465,462	0.87
Mr. Yu Lup Fat, Joseph (Note 2)	5,301,927	1.26	5,301,927	0.55
Sub-total	149,026,536	35.40	699,026,536	71.99
Other public Shareholders (Note 3)	271,973,464	64.60	271,973,464	28.01
Total	<u>421,000,000</u>	<u>100.00</u>	<u>971,000,000</u>	<u>100.00</u>
Public float (Note 3)	<u>271,973,464</u>	<u>64.60</u>	<u>304,025,268</u>	<u>31.31</u>

Notes:

- The existing interest of CCT in the Company is registered in the name of Manistar Enterprises Limited, the wholly-owned subsidiary of CCT.
- Each of Mr. Yip Kwok Cheung, Mr. Wong Kai Yin, Paul, Mr. To Man Yau, Alex and Mr. Yu Lup Fat, Joseph is an existing executive Director.
- Pursuant to the Subscription Agreement, Mr. Yu Lup Fat, Joseph, Mr. Wong Kai Yin, Paul and Mr. To Man Yau, Alex will resign as Directors with effect from the date of Completion but Mr. Wong Kai Yin, Paul and Mr. To Man Yau, Alex will continue to serve the Group as senior management staff. The public float of the Shares immediately after Completion includes the shareholding interests of Mr. Yu Lup Fat, Joseph, Mr. Wong Kai Yin, Paul and Mr. To Man Yau, Alex. The interest of Mr. Yip Kwok Cheung, who will remain as a Director, will not be included as part of the public float of the Shares immediately after Completion.

Upon Completion, CCT and its Concert Parties will hold more than 50% of the enlarged issued share capital of the Company and therefore will not incur any obligation under Rule 26 of the Takeovers Code to make a mandatory general offer if they further increase their shareholding in the Company.

USE OF PROCEEDS

The estimated net proceeds from the Subscription will be about HK\$20 million. Approximately HK\$5 million of such net proceeds will be used to invest in hardware and software development, approximately HK\$5 million as marketing expenses and the remaining balance of approximately HK\$10 million as general working capital of the Company.

LETTER FROM THE BOARD OF DIRECTORS

REASONS FOR THE SUBSCRIPTION

The Group is an international trade enabler which is principally engaged in the provision of on-line and off-line one-stop integrated marketing solutions and management automation services to assist small and medium-size enterprises mainly located in Hong Kong and the PRC to generate and transform trade leads into transactions.

The business of the Group has achieved significant progress in 2004. As disclosed in the annual report of the Company for the financial year ended 31 March 2005, the audited turnover of the Group amounted to approximately HK\$39.5 million, representing an increase of approximately 23.8% as compared with the audited turnover of approximately HK\$31.9 million for the financial year ended 31 March 2004. Furthermore, the audited net profit of the Group for the financial year ended 31 March 2005 was approximately HK\$2.8 million as compared with the audited net loss of approximately HK\$21.9 million for the financial year ended 31 March 2004. As disclosed in the third quarter report of the Company for the nine months ended 31 December 2005, the Group recorded an unaudited turnover of approximately HK\$30.9 million and an unaudited net profit of approximately HK\$0.6 million for the nine months ended 31 December 2005.

The proceeds from the Subscription will enable the Group to allocate more resources for sales and marketing expansion and development of new products to capitalise the growth in international trading and the business-to-business transactions in China as it continues to deregulate and open its door to the outside world. It is believed that this will contribute to the growth and development of the business of the Group and expansion of the customer base of the Group. In addition, the proceeds to be derived from the Subscription will not only strengthen its capital position, but will also be invested in broadening the Group's product portfolio in the fast growing online marketing and eCommerce space.

Upon Completion, CCT will become the controlling shareholder of the Company. Capitalising on the management expertise, experience in internet businesses, broad customer base, worldwide business relationships and network and marketing and sales resources of CCT in telecommunications industry, the Group will be able to further expand its principal business and broaden its business spectrum and volume in both Hong Kong and the PRC.

Although no concrete plan has been formulated as to how the Group will utilize the worldwide business relationship and network of CCT, upon completion of the Subscription, the Group can use the proceeds from the Subscription to finance its existing strategy of continue research and development and expansion of sales and marketing effort. As such, the Directors consider the terms of the Subscription Agreement to be fair and reasonable and are in the interest of the Group and the Shareholders as a whole.

LETTER FROM THE BOARD OF DIRECTORS

INFORMATION ON CCT AND ITS INTENTIONS REGARDING THE GROUP

CCT was incorporated in the Cayman Islands and continued in Bermuda as an exempted company with limited liability and the shares of which are listed on the main board of the Stock Exchange. The single largest substantial shareholder of CCT is Mr. Mak Shiu Tong, Clement, his associates, and parties acting in concert who in aggregate are interested in approximately 19.37% of the issued share capital of CCT as at the Latest Practicable Date.

CCT and its subsidiaries are principally engaged in (i) the manufacture, sale, design and development of telecom products and electronic products; (ii) the manufacture of power supply and plastic components; (iii) the manufacture and sale of baby products; and (iv) investment in properties and securities. The Subscription will enable CCT to increase its interest in the Company and at Completion, it will become a controlling shareholder of the Company. CCT is confident in the potential of the online marketing and eCommerce business of the Company.

With the injection of new capital in the Company and the strategy and support that CCT will bring to the Company, CCT considers that the Group will grow at a faster pace. As such, CCT believes that the investment in the Company will generate satisfactory return to CCT.

Following Completion, the Company will become a non wholly-owned subsidiary of CCT. CCT intends that the Group will continue to carry on and will not dispose of its existing principal business or introduce any change to the business of the Group, including any redeployment of fixed assets of the Group.

It is the intention of CCT to maintain the listing of the Company on the Stock Exchange. **The Stock Exchange has stated that it will closely monitor the dealing in the Shares on the Stock Exchange. The Stock Exchange has also stated that, if less than 25% of the issued Shares are in public hands following Completion, or if the Stock Exchange believes that a false market exists or may exist in the trading of the Shares or that there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the Shares.**

The Stock Exchange has stated that if the Company remains as a listed company, the Stock Exchange will closely monitor all future acquisitions or disposals of assets by the Company. Any acquisitions or disposals of assets by the Company will be subject to the provisions of the GEM Listing Rules. Pursuant to the GEM Listing Rules, the Stock Exchange has the discretion to require the Company to issue an announcement and/or a circular to the Shareholders irrespective of the size of any proposed transaction, particularly when such proposed transaction represents a departure from the principal activities of the Company. The Stock Exchange also has the power pursuant to the GEM Listing Rules to aggregate a series of acquisitions of assets by the Company and any such acquisitions may result in the Company being treated as if it were a new listing applicant and subject to the requirements of new listing applications as wet out in the GEM Listing Rules.

LETTER FROM THE BOARD OF DIRECTORS

PROPOSED CHANGE OF BOARD COMPOSITION

At present, the Board comprises four executive Directors and three independent non-executive Directors. Upon Completion, it is intended that besides Mr. Yip Kwok Cheung who will continue to serve the Board as an executive Director, all other Directors will resign and CCT will appoint their replacements.

It is expected that Mr. Yu Lup Fat, Joseph, Mr. Wong Kai Yin, Paul, Mr. To Man Yau, Alex, Mr. Wu Yao Hua, Terence, Mr. Lau Chi Yiu and Mr. Lau Ho Man, Edward will resign as Directors. Mr. Wong Kai Yin, Paul and Mr. To Man Yau, Alex will continue to serve the Group as senior management staff on the same terms as their current service contracts with the Company. Mr. Yu Lup Fat, Joseph will resign from the office of Chairman of the Company and will not remain as an employee of the Group. Mr. Yip Kwok Cheung will resign from the office of Chief Executive Officer of the Company and will remain as an executive Director, there will be no change to his existing service agreement which will continue to be effective upon his resignation as Chief Executive Officer of the Company.

At Completion, CCT intends to appoint Mr. Mak Shiu Tong, Clement ("Mr. Clement Mak") as the Chairman, Chief Executive Officer and an executive Director, Mr. Tam Ngai Hung, Terry ("Mr. Terry Tam"), Ms. Cheng Yuk Ching, Flora ("Ms. Flora Cheng") and Dr. William Donald Putt ("Dr. William Putt") as executive Directors, Mr. Lam Kin Kau, Mark ("Mr. Mark Lam"), Mr. Fung Hoi Wing, Henry ("Mr. Henry Fung") and Mr. Lau Ho Wai, Lucas ("Mr. Lucas Lau") as independent non-executive Directors. Such appointments and resignations will take effect from the date of Completion. Save as aforementioned, CCT intends to retain the services of the existing management and employees of the Group to continue to operate the existing business of the Group.

The brief biography of each of the proposed Directors are as follows:

Mr. Clement Mak, age 52, has served as chairman, chief executive officer and an executive director of CCT since January 1994. Mr. Clement Mak is a substantial shareholder of CCT. He is responsible for the corporate planning, overall strategic direction of CCT's group and takes a leading role in managing the business. He has over 29 years of experience in the electronics manufacturing and distribution industry, specialising in telephone and telecom products. He also has substantial experience in the telecom services and internet businesses. He holds a Diploma in Electrical Engineering.

Mr. Clement Mak is also chairman, chief executive officer and an executive director of a CCT's subsidiary, CCT Tech International Limited, a company listed on the main board of The Stock Exchange of Hong Kong Limited. He was an executive director of Haier Electronics Group Co., Ltd. (formerly known as Haier-CCT Holdings Limited), a company listed on the main board of The Stock Exchange of Hong Kong Limited, until his resignation on 28 January 2005. He is also a director of certain subsidiaries of CCT's group.

Save as disclosed above, he did not hold any directorship in any listed public company in the past three years and does not hold any other positions with CCT, the Company and any of their subsidiaries.

LETTER FROM THE BOARD OF DIRECTORS

There is no service contract entered into between the Company and Mr. Clement Mak. The amount of his remuneration, if any, will be determined by the Board. Once the amount has been determined, an announcement will be made by the Company. He is not appointed for any specified length of service with the Company and is not subject to the provisions on retirement and rotation of directors under the articles of association of the Company.

He does not have any relationship with any director, senior management or substantial or controlling shareholder of the Company and does not have any interests (within the meaning of Part XV of the SFO) in any shares, underlying shares or debentures of the Company and/or its associated corporations.

There are no information which should be disclosed under Rule 17.50(2)(h) to (v) of the GEM Listing Rules. Save as disclosed above, there are no information which should be disclosed nor is/was Mr. Clement Mak involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rule 17.50(2) of the GEM Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

Mr. Terry Tam, age 52, has served as an executive director and group finance director of CCT since March 2001. Mr. Terry Tam was appointed as deputy chairman of CCT on 9 December 2005. He is mainly responsible for the corporate finance and accounting function of CCT's group. He has more than 28 years of experience in finance and accounting management and also has extensive experience in corporate finance matters, mergers and acquisitions. He has substantial experience in the financial aspects of the telecom services and internet businesses. He is a fellow of the Association of Chartered Certified Accountants and an associate of both the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Secretaries and Administrators. He has previously held a number of senior positions in several listed companies.

Mr. Terry Tam is also an executive director of a CCT's subsidiary, CCT Tech International Limited, a company listed on the main board of The Stock Exchange of Hong Kong Limited. He was an executive director of Haier Electronics Group Co., Ltd. (formerly known as Haier-CCT Holdings Limited), a company listed on the main board of The Stock Exchange of Hong Kong Limited, until his resignation on 28 January 2005. He was a non-executive director of the Company until his resignation on 18 December 2003. He is also a director of certain subsidiaries of CCT's group.

Save as disclosed above, he did not hold any directorship in any listed public company in the past three years and does not hold any other positions with CCT, the Company and any of their subsidiaries.

There is no service contract entered into between the Company and Mr. Terry Tam. The amount of his remuneration, if any, will be determined by the Board. Once the amount has been determined, an announcement will be made by the Company. He is not appointed for any specified length of service with the Company but is subject to the provisions on retirement and rotation of directors under the articles of association of the Company.

LETTER FROM THE BOARD OF DIRECTORS

Pursuant to the articles of association of the Company, he shall hold office until the Company's next annual general meeting whereby he will be eligible for re-election at that meeting.

He does not have any relationship with any director, senior management or substantial or controlling shareholder of the Company and does not have any interests (within the meaning of Part XV of the SFO) in any shares, underlying shares or debentures of the Company and/or its associated corporations.

There are no information which should be disclosed under Rule 17.50(2)(h) to (v) of the GEM Listing Rules. Save as disclosed above, there are no information which should be disclosed nor is/was Mr. Terry Tam involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rule 17.50(2) of the GEM Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

Ms. Flora Cheng, age 52, has served as an executive director of CCT since February 1998. Ms. Flora Cheng assists the chairman/chief executive officer of CCT in overseeing the day-to-day management of the telecom product business, component and industrial product business of CCT's group. She has over 26 years of experience in the electronics industry. She also has substantial experience in the telecom services and internet businesses. She has held senior positions in various well-known electronics companies. She holds a Diploma in Business Administration.

Ms. Flora Cheng is also an executive director of a CCT's subsidiary, CCT Tech International Limited, a company listed on the main board of The Stock Exchange of Hong Kong Limited. She is also a director of certain subsidiaries of CCT's group.

Save as disclosed above, she did not hold any directorship in any listed public company in the past three years and does not hold any other positions with CCT, the Company and any of their subsidiaries.

There is no service contract entered into between the Company and Ms. Flora Cheng. The amount of her remuneration, if any, will be determined by the Board. Once the amount has been determined, an announcement will be made by the Company. She is not appointed for any specified length of service with the Company but is subject to the provisions on retirement and rotation of directors under the articles of association of the Company. Pursuant to the articles of association of the Company, she shall hold office until the Company's next annual general meeting whereby she will be eligible for re-election at that meeting.

She does not have any relationship with any director, senior management or substantial or controlling shareholder of the Company and does not have any interests (within the meaning of Part XV of the SFO) in any shares, underlying shares or debentures of the Company and/or its associated corporations.

There are no information which should be disclosed under Rule 17.50(2)(h) to (v) of the GEM Listing Rules. Save as disclosed above, there are no information which should be

LETTER FROM THE BOARD OF DIRECTORS

disclosed nor is/was Ms. Flora Cheng involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rule 17.50(2) of the GEM Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

Dr. William Putt, age 68, has served as an executive director of CCT since January 1997. Dr. William Putt is responsible for the worldwide business development and also assists the chairman/chief executive officer of CCT in setting the overall strategic direction of CCT's group. He obtained his PhD in Management from the Massachusetts Institute of Technology in the United States. He has over 33 years of experience in the telecom industry, and was the president and co-founder of TeleConcepts Corporation, which specialised in the design, production and distribution of telecom products.

Dr. William Putt is also an executive director of a CCT's subsidiary, CCT Tech International Limited, a company listed on the main board of The Stock Exchange of Hong Kong Limited.

Save as disclosed above, he did not hold any directorship in any listed public company in the past three years and does not hold any other positions with CCT, the Company and any of their subsidiaries.

There is no service contract entered into between the Company and Dr. William Putt. The amount of his remuneration, if any, will be determined by the Board. Once the amount has been determined, an announcement will be made by the Company. He is not appointed for any specified length of service with the Company but is subject to the provisions on retirement and rotation of directors under the articles of association of the Company. Pursuant to the articles of association of the Company, he shall hold office until the Company's next annual general meeting whereby he will be eligible for re-election at that meeting.

He does not have any relationship with any director, senior management or substantial or controlling shareholder of the Company and does not have any interests (within the meaning of Part XV of the SFO) in any shares, underlying shares or debentures of the Company and/or its associated corporations.

There are no information which should be disclosed under Rule 17.50(2)(h) to (v) of the GEM Listing Rules. Save as disclosed above, there are no information which should be disclosed nor is/was Dr. William Putt involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rule 17.50(2) of the GEM Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

Mr. Mark Lam, age 51, has served as an independent non-executive director and a member of the audit committee of Haier Electronics Group Co., Ltd. (formerly known as Haier-CCT Holdings Limited), a company listed on the main board of The Stock Exchange of Hong Kong Limited, since April 2000. Mr. Mark Lam is a fellow of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified

LETTER FROM THE BOARD OF DIRECTORS

Public Accountants, the Institute of Chartered Accountants in England and Wales and the Institute of Chartered Secretaries and Administrators. He has been a practising accountant for over 21 years and is a director of various private companies.

Save as disclosed above, he did not hold any directorship in any listed public company in the past three years and does not hold any other positions with CCT, the Company and any of their subsidiaries.

There is no service contract entered into between the Company and Mr. Mark Lam. He will be entitled to a director's fees of HK\$5,000 per month or such other amount as the Company may determine from time to time based on actual services provided by him. He is not appointed for any specified length of service with the Company but is subject to the provisions on retirement and rotation of directors under the articles of association of the Company. Pursuant to the articles of association of the Company, he shall hold office until the Company's next annual general meeting whereby he will be eligible for re-election at that meeting.

He does not have any relationship with any director, senior management or substantial or controlling shareholder of the Company and does not have any interests (within the meaning of Part XV of the SFO) in any shares, underlying shares or debentures of the Company and/or its associated corporations.

There are no information which should be disclosed under Rule 17.50(2)(h) to (v) of the GEM Listing Rules. Save as disclosed above, there are no information which should be disclosed nor is/was Mr. Mark Lam involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rule 17.50(2) of the GEM Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

Mr. Henry Fung, age 50, has served as an independent non-executive director and a member of the audit committee of Haier Electronics Group Co., Ltd. (formerly known as Haier-CCT Holdings Limited), a company listed on the main board of The Stock Exchange of Hong Kong Limited, since April 2000. Mr. Henry Fung is a Notary Public and Solicitor of Messrs. Fung, Wong, Ng & Lam, Solicitors and Notaries of Hong Kong. He graduated from the University of Hong Kong in 1976 with a degree in Social Sciences. He was admitted as a solicitor of the Supreme Court of Hong Kong in 1981 and has been in private practice since then. In addition, he is also admitted in England and Wales, the Australian Capital Territory and Singapore, and a China-Appointed Attesting Officer.

Save as disclosed above, he did not hold any directorship in any listed public company in the past three years and does not hold any other positions with CCT, the Company and any of their subsidiaries.

There is no service contract entered into between the Company and Mr. Henry Fung. He will be entitled to a director's fees of HK\$5,000 per month or such other amount as the Company may determine from time to time based on actual services provided by him. He is not appointed for any specified length of service with the Company but is subject to the provisions on retirement and rotation of directors under the articles of

LETTER FROM THE BOARD OF DIRECTORS

association of the Company. Pursuant to the articles of association of the Company, he shall hold office until the Company's next annual general meeting whereby he will be eligible for re-election at that meeting.

He does not have any relationship with any director, senior management or substantial or controlling shareholder of the Company and does not have any interests (within the meaning of Part XV of the SFO) in any shares, underlying shares or debentures of the Company and/or its associated corporations.

There are no information which should be disclosed under Rule 17.50(2)(h) to (v) of the GEM Listing Rules. Save as disclosed above, there are no information which should be disclosed nor is/was Mr. Henry Fung involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rule 17.50(2) of the GEM Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

Mr. Lucas Lau, age 43, has served as an independent non-executive director and a member of the audit committee of Haier Electronics Group Co., Ltd. (formerly known as Haier-CCT Holdings Limited), a company listed on the main board of The Stock Exchange of Hong Kong Limited, since September 2004. Mr. Lucas Lau is a practising Chartered Surveyor in Hong Kong. He graduated from the University of Aberdeen (with a Bachelor's degree of Land Economy) and the University of Hong Kong (with a Master's degree of Urban Design). He is a member of the Royal Institution of Chartered Surveyors and the Hong Kong Institute of Surveyors. He is also a Registered Professional Surveyor in Hong Kong. He has over 15 years of professional experience in real estate field, and extensive experience in the assets valuation.

Save as disclosed above, he did not hold any directorship in any listed public company in the past three years and does not hold any other positions with CCT, the Company and any of their subsidiaries.

There is no service contract entered into between the Company and Mr. Lucas Lau. He will be entitled to a director's fees of HK\$5,000 per month or such other amount as the Company may determine from time to time based on actual services provided by him. He is not appointed for any specified length of service with the Company but is subject to the provisions on retirement and rotation of directors under the articles of association of the Company. Pursuant to the articles of association of the Company, he shall hold office until the Company's next annual general meeting whereby he will be eligible for re-election at that meeting.

Mr. Lucas Lau is the brother of Mr. Lau Ho Man, Edward, an independent non-executive director of the Company and CCT. Save as disclosed herein, he does not have any relationship with any director, senior management or substantial or controlling shareholder of the Company and does not have any interests (within the meaning of Part XV of the SFO) in any shares, underlying shares or debentures of the Company and/or its associated corporations.

LETTER FROM THE BOARD OF DIRECTORS

There are no information which should be disclosed under Rule 17.50(2)(h) to (v) of the GEM Listing Rules. Save as disclosed above, there are no information which should be disclosed nor is/was Mr. Lucas Lau involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rule 17.50(2) of the GEM Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

None of Mr. Clement Mak, Mr. Terry Tam, Ms. Flora Cheng, Dr. William Putt, Mr. Mark Lam, Mr. Henry Fung and Mr. Lucas Lau is engaged in any competing business with the Group.

WHITEWASH WAIVER

Upon allotment and issue of the Subscription Shares, CCT and its Concert Parties will be interested in approximately 66.26% of the enlarged issued share capital of the Company. Under the Takeovers Code, CCT and its Concert Parties would be obliged under Rule 26 of the Takeovers Code to make a mandatory general offer for all the Shares not already owned or agreed to be subscribed for by them upon Completion.

CCT and its Concert Parties have applied to the Executive for the Whitewash Waiver, which if granted, would be subject to the approval of the Independent Shareholders by way of a poll at the EGM.

CCT and its Concert Parties have confirmed that they have not dealt in the Shares since six months preceding 9 March 2006, being the date of the Joint Announcement and that they will not deal in the Shares until after Completion.

The Subscription Agreement is conditional upon, inter alia, the grant of the Whitewash Waiver which cannot be waived by CCT. CCT and its Concert Parties were interested in approximately 22.18% of the existing issued share capital of the Company as at the Latest Practicable Date.

The Executive has indicated that it will, subject to the approval by the Independent Shareholders, grant the Whitewash Waiver.

APPLICATIONS

An application has been made to the Stock Exchange for listing of, and permission to deal in, the Subscription Shares.

EGM

There is set out on pages 61 to 62 of this document a notice convening the EGM at which ordinary resolutions will be proposed to:

- (1) approve the Subscription Agreement and transactions contemplated in the Subscription Agreement; and

LETTER FROM THE BOARD OF DIRECTORS

- (2) approve the Whitewash Waiver;

CCT and its Concert Parties, who together held approximately 22.18% interest in the Company at the Latest Practicable Date and are therefore connected persons of the Company. Accordingly, the transactions contemplated under the Subscription Agreement constitute connected transactions of the Company under the GEM Listing Rules. Given their interest, CCT and its Concert Parties will abstain from voting on the resolutions to approve the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver. Each of Mr. Yip Kwok Cheung, Mr. Wong Kai Yin, Paul, Mr. To Man Yau, Alex and Mr. Yu Lup Fat, Joseph, who as at the Latest Practicable Date, is interested in 5.61%, 4.34%, 2.01% and 1.26% of the issued share capital of the Company, respectively, was involved in the Subscription, and therefore each of them will abstain from voting on the resolutions to approve the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver at the EGM. The Subscription Agreement and the Whitewash Waiver are subject to the approval of the Independent Shareholders by way of a poll at the EGM.

The Independent Board Committee, comprising Mr. Wu Yao Hua, Terence and Mr. Lau Chi Yiu, has been established to advise the Independent Shareholders of the Subscription and the Whitewash Waiver. Altus has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM, please complete and return the enclosed form of proxy to the Company's Hong Kong branch share registrar, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the EGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish.

FURTHER INFORMATION

Your attention is drawn to the letter from the Independent Board Committee set out on page 19 of this document. Your attention is also drawn to the letter of advice from Altus and their advice in respect of the terms of the Subscription and the Whitewash Waiver and the principal factors and reasons held by them in arriving at such advice. The text of the letter from Altus is set out on pages 20 to 29 of this document. Your attention is further drawn to the additional information contained in the appendices to this document.

Yours faithfully,
By order of the Board of Directors
YU LUP FAT, JOSEPH
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the Subscription and the Whitewash Waiver.



TRADEEASY HOLDINGS LIMITED **(易貿通集團有限公司*)**

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8163)

30 March 2006

To the Independent Shareholders

Dear Sir and Madam,

CONNECTED TRANSACTION AND SUBSCRIPTION OF NEW SHARES BY CCT TELECOM HOLDINGS LIMITED AND THE WHITEWASH WAIVER

We refer to the document of the Company dated 30 March 2006 issued by the Company (the "Circular"), of which this letter forms part. Unless otherwise defined, terms used in this letter shall have the same meanings as defined in the Circular.

We have been appointed by the Board to advise you as to whether the Subscription Agreement and the Whitewash Waiver are fair and reasonable so far as the Independent Shareholders are concerned. Altus has been appointed the independent financial adviser to advise us in this regard. Details of the advice from Altus, together with the principal factors and reasons taken into consideration in arriving at such advice, are set out in its letter on pages 20 to 29 of the Circular.

Your attention is also drawn to the "Letter from the Board of Directors" as set out from pages 4 to 18 of the Circular.

RECOMMENDATION

Having taken into account the advice of, and the principal factors and reasons considered by Altus in relation thereto as stated in this letter, we consider the Subscription and the Whitewash Waiver is fair and reasonable as far as the interests of the Independent Shareholders is concerned, and recommend the Independent Shareholders to vote in favour of the resolutions as set out in the notice of the EGM to approve the Subscription and the Whitewash Waiver.

Yours faithfully,
WU YAO HUA, TERENCE
LAU CHI YIU

* For identification purpose only

LETTER FROM ALTUS

The following is the text of the letter of advice to the Independent Board Committee and Independent Shareholders from Altus setting out their opinion regarding the proposed subscription of new Shares and application for Whitewash Waiver for the purpose of inclusion in this circular.

ALTUS CAPITAL LIMITED

8/F, Hong Kong Diamond Exchange Building
8 Duddell Street, Central
Hong Kong

30 March 2006

*To the Independent Board Committee
and Independent Shareholders*

Tradeeasy Holdings Limited
Units 2, 3 & 5, 19/F
BEA Tower
Millennium City 5
418 Kwun Tong Road
Kwun Tong
Kowloon
Hong Kong

Dear Sirs,

**CONNECTED TRANSACTION AND
SUBSCRIPTION OF NEW SHARES
BY CCT TELECOM HOLDINGS LIMITED
AND
THE WHITEWASH WAIVER**

INTRODUCTION

We refer to our appointment as independent financial adviser to advise the Independent Board Committee in respect of the Subscription and the Whitewash Waiver, details of which are set out in a circular dated 30 March 2006 (the “**Circular**”) to the Shareholders, of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

The Company has entered into the Subscription Agreement with CCT on 7 March 2006 in relation to the subscription by CCT for a total of 550,000,000 Subscription Shares for a total consideration of HK\$22.0 million at the Subscription Price of HK\$0.04 per Subscription Share which will be satisfied by cash upon Completion. The 550,000,000 Subscription Shares represent approximately 130.64% of the existing issued share capital of the Company and approximately 56.64% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

LETTER FROM ALTUS

As at the Latest Practicable Date, CCT and its Concert Parties were interested in 93,364,070 Shares, representing approximately 22.18% of the existing issued share capital of the Company. CCT is therefore a connected person of the Company within the meaning of the GEM Listing Rules and the Subscription constitutes a connected transaction under Rule 20.13(1)(a) of the GEM Listing Rules.

Assuming that there is no change in the issued share capital of the Company during the period from the Latest Practicable Date to the date of Completion, CCT and its Concert Parties' interest in the Company will increase from approximately 22.18% of the existing issued share capital of the Company to approximately 66.26% of its issued share capital as enlarged by the issue of the Subscription Shares. Under Rule 26 of the Takeovers Code, CCT and its Concert Parties would therefore be obliged to make a mandatory general offer to acquire all the Shares other than those already owned or agreed to be acquired by CCT and its Concert Parties, unless the Whitewash Waiver is obtained.

CCT has made an application to the Executive for the Whitewash Waiver. If granted by the Executive, the Whitewash Waiver will be subject to, among other things, the approval of the Independent Shareholders by way of a poll at the EGM in accordance with Note 1 on dispensations from Rule 26 of the Takeovers Code.

Mr. Yu Lup Fat, Joseph, Mr. Yip Kwok Cheung, Mr. Wong Kai Yin, Paul and Mr. To Man Yau, Alex are salaried executive Directors and therefore are not eligible to be members of the Independent Board Committee. Mr. Lau Ho Man, Edward, an independent non-executive Director, is also an independent non-executive director of CCT and is therefore not eligible to be a member of the Independent Board Committee. The Independent Board Committee therefore comprises Mr. Wu Yao Hua, Terence and Mr. Lau Chi Yiu, both of whom are independent non-executive Directors.

BASIS OF OUR OPINION

In formulating our opinion, we have relied on the information, facts and representations contained or referred to in the Circular and the information, facts and representations provided by, and the opinions expressed by the Directors, the Company and its management. We have assumed that all statements, information, facts, opinions and representations made or referred to in the Circular were true, accurate and complete at the time they were made and continued to be true, accurate and complete as at the date of the Circular. We have no reason to doubt the truth, accuracy and completeness of the statements, information, facts, opinions and representations provided to us by the Directors, the Company and its management. The Directors have confirmed to us that no material facts have been omitted from the information supplied and opinions expressed and we have no reason to doubt that any relevant material facts have been withheld or omitted from the information provided and referred to in the Circular, or the reasonableness of the opinions and representations provided to us by the Group.

All the Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that, to the best of their knowledge, opinions expressed in the Circular have

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been arrived at after due and careful consideration and that there are no other facts not contained in the Circular the omission of which would make any statement in the Circular misleading. We have relied on such information and opinions and have not however, conducted any independent investigation into the business, financial conditions and affairs or the future prospects of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation in relation to the Subscription and the Whitewash Waiver, we have considered the following principal factors and reasons:

1. Background of the Group and reasons for the Subscription

The Group is an international trade enabler which is principally engaged in the provision of (i) on-line and off-line one-stop integrated marketing solutions; and (ii) management automation services to assist small and medium-size enterprises, mainly in Hong Kong and the PRC, to generate and transform trade leads into transactions. The audited consolidated turnover and profit after tax of the Group for each of the financial years ended 31 March 2004 (“FY2003”) and 31 March 2005 (“FY2004”) and the unaudited consolidated turnover and profit after tax of the Group for the six months ended 30 September 2005 and the nine months ended 31 December 2005 were summarised as follows:

	For FY 2003 (Audited) HK\$'000	For FY2004 (Audited) HK\$'000	For the six months ended 30 September 2005 (Unaudited) HK\$'000	For the nine months ended 31 December 2005 (Unaudited) HK\$'000
Turnover	31,862	39,476	21,145	30,946
Consolidated profit/(loss) after tax	(21,944)	2,757	1,276	606
Net profit margin	Not applicable	7.0%	6.0%	2.0%

The Group recorded turnover of approximately HK\$39.5 million in FY2004, representing an increase of approximately 23.8% from the prior year. Performance of the Group also turned around from a loss of approximately HK\$21.9 million in FY 2003 to a profit of approximately HK\$2.8 million in FY2004.

For the six months ended 30 September 2005, the Group recorded profit of approximately HK\$1.3 million. However, due mainly to the development of a business-to-business (“B2B”) online transaction model which included research and development efforts and expansion of the sales and marketing teams, the Group has incurred additional expenses during the third quarter of the financial year ending 31 March 2006 (“FY2005”) which resulted in a loss of approximately HK\$0.7 million during the quarter. Consequently, the profit for the nine-month period of FY2005 was lower as compared with the six-month period of FY2005.

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To remain competitive in the fast growing online marketing and eCommerce markets, the Group has to continue to develop new products to broaden its product portfolio for its customers and end users. The Subscription will enable the Group to allocate more resources for sales and marketing expansion and the development of new products to capitalise on the growth in international trading and the B2B online transactions in the PRC as it continues to deregulate and open its doors to the outside world.

To this end, the Group has deployed substantial resources in (i) the development of a new venture site to facilitate B2B online transactions between the small and medium-size international buyers and the manufacturers in the PRC and Hong Kong; (ii) the research and development to upgrade the sophistication and functionality of its search engine; and (iii) the publication of an apparel and accessories trade magazine for commercial buyers. The management are of the view that to pursue the strategies outlined above so as to enable the Group to remain competitive and to capture business opportunities, it is important that the Group has additional funding to invest in the initial stages of research and development as well as for general marketing expenses.

According to the Directors, the Group's current resources, where cash and cash equivalents amounted to approximately HK\$6.0 million as at the Latest Practicable Date, cannot fully cater to the Group's future development. In such event, the upgrade and development plans may be impeded in the competitive environment and the profitability of the Group may be affected in the longer term.

2. Financing methods

The Directors have considered various commercial financing, through bank borrowing and equity financing. However, given that the amount of funds required by the Group is relatively large as compared to the Group's existing net asset value and earnings and the interest expenses from borrowings may result in unfavourable financial and debt positions, debt financing is not practical or beneficial to the Group.

Equity financing such as placing of new Shares under the general mandate granted to Directors and rights issue of Shares are considered inadequate given the relatively small market capitalization of the Company. A large scale rights issue of Shares is not feasible as the Company has difficulty in securing an underwriter for such an issue. Large discounts to current prices may also be necessary to attract potential investors and existing Shareholders in view of the low liquidity of Shares. In the past 12 months, except for a few trading days, the daily trading volume of the Shares was typically less than 1% of the total number of issued Shares.

The Group has also been exploring other fund raising possibilities with current or potential business partners and for which, details were announced by the Company between March 2005 and December 2005 concerning placing of new Shares to an independent third party investor which may result in possible change of control of the Company. These negotiations however did not materialise.

LETTER FROM ALTUS

3. Information on CCT

CCT is currently the single largest shareholder of the Company with shareholding interest of approximately 22.18%. In view of the Group's funding needs as described in the paragraph headed "Background of the Group" above, the management have approached CCT to discuss possibilities of fund raising exercise and the Subscription is proposed.

Net proceeds from the Subscription are expected to be approximately HK\$20.0 million and will be applied as to (i) approximately HK\$5.0 million to invest in hardware and software for continued development of the projects mentioned above, (ii) approximately HK\$5.0 million for sales and marketing expenses to promote these products; and (iii) the remaining balance of approximately HK\$10.0 million as general working capital.

Upon Completion, CCT and its Concert Parties will become the controlling shareholder of the Company. In addition to financial contribution through the Subscription, the Directors believe the Group can also leverage on the management expertise, business network and resources of CCT in the course of its business development and expansion. CCT does not however have any concrete plan in this respect currently.

4. The Subscription Agreement

Subscription Shares

Under the Subscription Agreement, the Company has conditionally agreed to allot and issue to CCT a total of 550,000,000 Subscription Shares at the Subscription Price of HK\$0.04 per Subscription Share. This consideration of HK\$22.0 million will be settled by cash at Completion.

Detailed terms and conditions of the Subscription Agreement, which is negotiated on an arm's length basis and on normal commercial terms between the parties involved, are set out in letter from the Board ("**Board's letter**").

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Subscription Price

The Subscription Price of HK\$0.04 per Subscription Share represents:

		Price/ Value per Share approximately (HK\$)	Premium/ (discount) approximately %
(i)	Closing price as quoted on the Stock Exchange as at 7 March 2006, being the last trading day of the Shares on the Stock Exchange prior to the issue of the Joint Announcement	0.039	2.56
(ii)	Average closing price per Share for the last 10 consecutive trading days up to and including 7 March 2006 as quoted on the Stock Exchange	0.04	same
(iii)	Average closing price per Share for the last 30 consecutive trading days up to and including 7 March 2006 as quoted on the Stock Exchange	0.041	(2.4)
(iv)	The audited consolidated net asset value of the Group per Share as at 31 March 2005	0.028	44.9
(v)	The unaudited consolidated net asset value of the Group per Share as at 31 December 2005	0.029	37.9
(vi)	Closing price quoted on the Stock Exchange as at the Latest Practicable Date	0.044	(9.1)
(vii)	Average closing price over the last 10 trading days up to and including the Latest Practicable Date	0.044	(9.1)

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As shown above, the Subscription Price is similar to the above references of price of the Shares and is at substantial premium to the net asset value per Share. Prices of the Shares have been on a declining trend in the past 12 months where average closing price per Share declined from high levels of approximately HK\$0.068 in April and May 2005 to approximately HK\$0.044 in March 2006. Set out below are the average monthly closing prices of the Shares from 1 March 2005 to the Latest Practicable Date:

	Month/period end closing price	Average daily closing price
	<i>HK\$</i>	<i>HK\$</i>
2005		
March	0.079	0.054
April	0.073	0.068
May	0.050	0.068
June	0.060	0.060
July	0.061	0.064
August	0.055	0.059
September	0.040	0.046
October	0.060	0.046
November	0.049	0.050
December	0.043	0.045
2006		
January	0.041	0.041
February	0.042	0.041
March (up to the Latest Practicable Date)	0.044	0.044

Source: website of the Stock Exchange

Based on the above, we are of the view that the Subscription Price is fairly determined.

5. Possible financial effects

The capital base of the Group will strengthen after the Subscription and its working capital position will improve as a result of the increase in its cash and cash equivalents from net proceeds of the Subscription.

Based on the unaudited financial report of the Group for the six months ended 30 September 2005, the Group had working capital of approximately HK\$4.1 million, comprising current assets of approximately HK\$11.5 million, including cash and cash equivalents of approximately HK\$6.7 million, and current liabilities of approximately HK\$7.4 million. Assuming other factors which may affect working capital position remain unchanged, working capital of the Group will increase to approximately HK\$24.1 million after the Subscription, representing an improvement. As at the Latest Practicable Date, the Group had cash and cash equivalents of approximately HK\$6.0 million, which are expected to increase to approximately HK\$ 26.0 million after Completion, as a result of estimated net proceeds of approximately HK\$20.0 million from the Subscription.

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While there is no immediate impact on earnings, the proceeds will enable the Group to increase the development pace of current projects which include the B2B online transactions website, the upgrading of its search engine and the publication of its apparel and accessories trade magazine. It also allows the Group to pursue its business plans of continuing to broaden its product portfolio with a view to enhance the profitability and growth of the Group in the future.

6. Shareholding dilution

Based on the shareholding structure of the Company set out in the Board's Letter, CCT and its Concert Parties were interested in 93,364,070 Shares or approximately 22.18% of the issued share capital of the Company as at the Latest Practicable Date. Assuming there is no change in the issued share capital during the period from the Latest Practicable Date to the date of Completion, CCT's shareholding will increase to approximately 66.26% of the enlarged issued share capital of the Company after the Completion.

As at the Latest Practicable Date, 271,973,464 Shares, representing approximately 64.6% of the issued share capital of the Company, were held by public Shareholders, i.e. excluding CCT and the current Directors. After Completion, such corresponding shareholding will be diluted to approximately 28.01%.

The Subscription will strengthen the financial position of the Group and the proceeds enable the Group to pursue its business development plans which otherwise may have to be stalled. On a per Share basis, the share of net asset value of public Shareholders will increase after the Completion. Based on the unaudited financial information of the Group as at 31 December 2005, net asset value per Share was approximately HK\$0.029. Taking into account the estimated net proceeds of HK\$20.0 million from the Subscription and based on the enlarged share capital of 971,000,000 Shares upon Completion, the net asset value per Share will increase to approximately HK\$0.033, representing an improvement of approximately 13.8%. Having considered these benefits, we are of the view that the aforesaid dilution of public Shareholders, excluding CCT and the current Directors, from approximately 64.6% currently to approximately 28.01% after the Completion, while on its own is not favourable, is acceptable after taking into account of the increase in net asset value per Share after the Completion.

7. Intention of CCT

After the Completion, CCT and its Concert Parties will own approximately 66.26% of the Company, which will become its non wholly-owned subsidiary. CCT intends that the Group will continue to carry on and will not dispose of its existing principal businesses.

While there will be changes to the Board as described below, Mr. Yip Kwok Cheung, the current chief executive officer of the Company, will remain on the Board as an executive Director. Together with Mr. Wong Kai Yin, Paul and Mr. To Man Yau, Alex, who will remain as managers, they will oversee the business operations of the Group. The Subscription therefore will not have substantial effects on the existing business operations and day-to-day management of the Group.

LETTER FROM ALTUS

There will be changes to the Board's composition where Mr. Yu Lup Fat, Joseph, Mr. Wong Kai Yin, Paul, Mr. To Man Yau, Alex, Mr. Wu Yao Hua, Terence, Mr. Lau Chi Yiu and Mr. Lau Ho Man, Edward will resign as Directors. At Completion, CCT intends to appoint Mr. Clement Mak, Mr. Terry Tam, Ms. Flora Cheng and Dr. William Putt to the Board. It is intended that Mr. Mark Lam, Mr. Henry Fung and Mr. Lucas Lau will be appointed as independent non-executive Directors. Details of their biographies are set out in the Circular. The persons to be appointed as Directors have diverse experience in finance, manufacturing, international business relation and telecom and internet services. We are of the view that they can contribute in the areas of strategic corporate planning and devising business directions in the future.

8. The Whitewash Waiver

The shareholding of CCT and its Concert Parties in the Company will increase from approximately 22.18% to approximately 66.26% after the Completion. Under Rule 26 of the Takeovers Code, CCT and its Concert Parties would be obliged to make a mandatory general offer to acquire all the Shares other than those already owned or agreed to be acquired by CCT and its Concert Parties. CCT and its Concert Parties do not intend to make such a general offer and have made an application to the Executive for the Whitewash Waiver.

The Whitewash Waiver, if granted by the Executive, will be subject to, inter alia, the approval of the Independent Shareholders to be taken by poll at the EGM in accordance with Note 1 on dispensations from Rule 26 of the Takeovers Code. If the Whitewash Waiver is not approved by the Independent Shareholders, the Subscription Agreement will lapse. The Subscription Agreement is conditional upon, inter alia, the grant of the Whitewash Waiver, which cannot be waived.

After Completion, CCT and its Concert Parties will hold more than 50% of the enlarged issued share capital of the Company and therefore will not incur any obligation under Rule 26 of the Takeovers Code to make a mandatory general offer if they further increases their shareholding in the Company.

CONCLUSION AND RECOMMENDATION

Based on current competitive operation environment, it is important that the Group continues with its effort in research and development and new product development while at the same time expands its marketing effort to broaden its customer base. To remain competitive, the Group would therefore require further funding to pursue these plans. The Group's previous fund raising efforts, however, had not been successful. Having taken into account the benefits of the Subscription to the Group and that the terms of the Subscription are fair and reasonable notwithstanding the dilution effect it has on shareholding of Independent Shareholders, we are of the opinion that the Subscription is in the interest of the Group and the Shareholders as a whole. We therefore recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolution to approve the Subscription at the EGM.

LETTER FROM ALTUS

For the Subscription to proceed, the Whitewash Waiver is necessary. Accordingly, we would recommend the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the ordinary resolution to also approve the Whitewash Waiver at the EGM.

Yours faithfully,
For and on behalf of
Altus Capital Limited
Arnold Ip **Sean Pey, Chang**
Executive Director *Executive Director*

I. SUMMARY OF FINANCIAL RESULTS FOR THE THREE YEARS ENDED 31 MARCH 2005

The financial information set out in this appendix has been extracted from the audited financial statements of the Group for each of the three years ended 31 March 2005. The auditors of the Company for the three years was Ernst & Young.

Audited consolidated income statement

For the three years ended 31 March 2005

	Notes	2005 HK\$'000	2004 HK\$'000	2003 HK\$'000
TURNOVER	3	39,476	31,862	34,163
Cost of sales		<u>(20,654)</u>	<u>(21,534)</u>	<u>(21,681)</u>
Gross profit		18,822	10,328	12,482
Other revenue		18	34	301
Selling and distribution costs		(1,996)	(1,745)	(2,869)
General and administrative expenses		(9,996)	(13,433)	(13,423)
Advertising and promotion expenses		(3,232)	(2,882)	(3,197)
Write-off of deferred development expenditure		–	(13,657)	–
Other operating expenses		<u>(827)</u>	<u>(589)</u>	<u>(1,647)</u>
PROFIT/(LOSS) FROM OPERATING ACTIVITIES	4	2,789	(21,944)	(8,353)
Finance costs		<u>–</u>	<u>–</u>	<u>(174)</u>
PROFIT/(LOSS) BEFORE TAX		2,789	(21,944)	(8,527)
Tax	7	<u>(32)</u>	<u>–</u>	<u>–</u>
NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS	8	<u>2,757</u>	<u>(21,944)</u>	<u>(8,527)</u>
DIVIDEND	9	<u>–</u>	<u>–</u>	<u>–</u>
EARNINGS/(LOSS) PER SHARE (HK cents)				
Basic	10	<u>0.7</u>	<u>(5.5)</u>	<u>(2.1)</u>
Diluted		<u>0.7</u>	<u>N/A</u>	<u>N/A</u>

There were no minority interests, extraordinary or exceptional items during the years ended 31 March 2003, 2004 and 2005.

Audited consolidated balance sheet*As at 31 March 2005*

	<i>Notes</i>	2005 <i>HK\$'000</i>	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
NON-CURRENT ASSETS				
Fixed assets	11	2,756	3,039	4,509
Deferred development expenditure	12	5,263	3,549	20,684
		<u>8,019</u>	<u>6,588</u>	<u>25,193</u>
CURRENT ASSETS				
Trade receivables	14	3,218	1,209	1,599
Prepayments, deposits and other receivables		1,880	1,125	1,749
Cash and cash equivalents	15	6,448	8,430	7,590
		<u>11,546</u>	<u>10,764</u>	<u>10,938</u>
CURRENT LIABILITIES				
Trade payables	16	203	147	51
Tax payable		32	–	–
Deferred service fees received in advance		3,611	4,001	3,928
Accruals and other payables		4,085	5,325	2,329
		<u>7,931</u>	<u>9,473</u>	<u>6,308</u>
NET CURRENT ASSETS		<u>3,615</u>	<u>1,291</u>	<u>4,630</u>
		<u>11,634</u>	<u>7,879</u>	<u>29,823</u>
CAPITAL AND RESERVES				
Issued capital	18	4,210	4,000	4,000
Reserves	19(a)	7,424	3,879	25,823
		<u>11,634</u>	<u>7,879</u>	<u>29,823</u>

II. THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

The following information has been extracted from the annual report of the Company for the year ended 31 March 2005.

Consolidated statement of changes in equity

For the year ended 31 March 2005

	Note	Issued share capital HK\$'000	Share premium account HK\$'000	Contri- buted surplus HK\$'000	Exchange fluctuation reserve HK\$'000	Accumu- lated losses HK\$'000	Total HK\$'000
At 1 April 2003		4,000	16,337	66,710	11	(57,235)	29,823
Net loss for the year		–	–	–	–	(21,944)	(21,944)
At 31 March 2004 and 1 April 2004		4,000	16,337*	66,710*	11*	(79,179)*	7,879
Issue of shares, net of share issue expenses	19(b)	210	788	–	–	–	998
Net profit for the year		–	–	–	–	2,757	2,757
At 31 March 2005		<u>4,210</u>	<u>17,125*</u>	<u>66,710*</u>	<u>11*</u>	<u>(76,422)*</u>	<u>11,634</u>

* These reserve accounts comprise the consolidated reserves of HK\$7,424,000 (2004: HK\$3,879,000) in the consolidated balance sheet.

Consolidated cash flow statement*For the year ended 31 March 2005*

	<i>Notes</i>	2005 <i>HK\$'000</i>	2004 <i>HK\$'000</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		2,789	(21,944)
Adjustments for:			
Interest income	4	(18)	(26)
Depreciation	4	1,538	2,438
Amortisation of deferred development expenditure	4	887	3,478
Write-off of deferred development expenditure		–	13,657
Loss on disposal and write-off of fixed assets	4	369	19
Provisions for bad and doubtful debts on trade receivables	4	458	453
		<hr/>	<hr/>
Operating profit/(loss) before working capital changes		6,023	(1,925)
Increase in trade receivables		(2,467)	(63)
Decrease/(increase) in prepayments, deposits and other receivables		(755)	624
Increase in trade payables		56	96
Increase/(decrease) in deferred service fees received in advance		(390)	73
Increase/(decrease) in accruals and other payables		(1,240)	2,996
		<hr/>	<hr/>
Net cash inflow from operating activities		1,227	1,801
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		18	26
Purchases of fixed assets	11	(1,625)	(994)
Proceeds from disposal of fixed assets		1	7
Additions to deferred development expenditure	12	(2,601)	–
		<hr/>	<hr/>
Net cash outflow from investing activities		(4,207)	(961)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares, net of share issue expenses		998	–
		<hr/>	<hr/>
Net cash inflow from financing activities		998	–
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		(1,982)	840
Cash and cash equivalents at beginning of year		8,430	7,590
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF YEAR		6,448	8,430
		<hr/> <hr/>	<hr/> <hr/>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	15	6,448	8,430
		<hr/> <hr/>	<hr/> <hr/>

Notes to the Financial Statements

For the year ended 31 March 2005

1. IMPACT OF RECENTLY ISSUED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The Hong Kong Institute of Certified Public Accountants has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards, herein collectively referred to as the new HKFRSs, which are generally effective for accounting periods beginning on or after 1 January 2005. The Group has not early adopted these new HKFRSs in the financial statements for the year ended 31 March 2005. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these HKFRSs would have a significant impact on its results of operations and financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Basis of preparation**

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (which also include Statements of Standard Accounting Practice and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2005. The results of subsidiaries acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal, respectively. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Subsidiaries

A subsidiary is a company whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company’s profit and loss account to the extent of dividends received and receivable. The Company’s interests in subsidiaries are stated at cost less any impairment losses.

Related parties

Parties are considered to be related if one party 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. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Impairment of assets

An assessment is made at each balance sheet date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset’s recoverable amount is estimated. An asset’s recoverable amount is calculated as the higher of the asset’s value in use and its net selling price.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the profit and loss account in the period in which it arises.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation), had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is credited to the profit and loss account in the period in which it arises.

Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after fixed assets have been put into operation, such as repairs and maintenance, is normally charged to the profit and loss account in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the fixed asset, the expenditure is capitalised as an additional cost of that asset.

Depreciation is calculated on the straight-line basis to write-off the cost of each asset over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	20%
Furniture and fixtures	20%
Computer and office equipment	20% – 33%

The gain or loss on disposal or retirement of a fixed asset recognised in the profit and loss account is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Research and development expenditure

All research expenditure is charged to the profit and loss account as incurred.

Development expenditure incurred on the development of software products is capitalised and deferred only when the products are clearly defined, the expenditure is separately identifiable and can be measured reliably, and there is reasonable certainty that the products are technically feasible and have commercial value. Development expenditure which does not meet these criteria is expensed when incurred.

Deferred development expenditure is stated at cost less accumulated amortisation and any impairment losses. Amortisation is calculated on the straight-line basis over a period of five years, which represents the expected economic useful lives of the products, commencing from the date of sale.

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Rentals payable under operating leases are charged to the profit and loss account on the straight-line basis over the lease terms.

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the balance sheet, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the profit and loss account or in equity if it relates to items that are recognised in the same or a different period directly in equity.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences:

- except where the deferred tax liability arises from the initial recognition of an asset or liability and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax assets and unused tax losses can be utilised:

- except where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (i) integrated marketing solution service income, including the development and hosting of web sites, is recognised evenly over the terms of contracts;
- (ii) ASP service income, is recognised based on the percentage of completion of the services rendered;
- (iii) technical consultancy service income, when the services are rendered; and
- (iv) interest income, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable.

Deferred service fees

Deferred service fees represent integrated marketing solution service and ASP service income, which have been invoiced, but the related services have not been rendered. Deferred service fees for integrated marketing solution and ASP service income are recognised evenly over the terms of the contracts and based on the percentage of completion of the services rendered, respectively.

Advertising and promotion expenses

Advertising and promotion expenses are expensed as incurred.

Employee benefits*Employment Ordinance long service payments*

Certain of the Group's employees have completed the required number of years of service to the Group in order to be eligible for long service payments under the Hong Kong Employment Ordinance in the event of the termination of their employment. The Group is liable to make such payments in the event that such a termination of employment meets the circumstances specified in the Employment Ordinance.

A contingent liability is disclosed in respect of possible future long service payments to employees, as a number of current employees have achieved the required number of years of service to the Group, to the balance sheet date, in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated in the circumstances specified. A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

Pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the profit and loss account as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a percentage of their payroll costs to the central pension scheme. The contributions are charged to the profit and loss account as they become payable in accordance with the rules of the central pension scheme.

Share option scheme

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants for their contribution to the Group. The financial impact of share options granted under the share option scheme is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recorded in the profit and loss account or balance sheet for their cost. Upon the exercise of share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which are cancelled prior to their exercise date, or which lapse, are deleted from the register of outstanding options.

Foreign currencies

Foreign currency transactions are recorded at the applicable exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the applicable exchange rates ruling at that date. Exchange differences are dealt with in the profit and loss account.

On consolidation, the financial statements of overseas subsidiaries are translated into Hong Kong dollars using the net investment method. The profit and loss accounts of overseas subsidiaries are translated into Hong Kong dollars at the weighted average exchange rates for the year, and their balance sheets are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. The resulting translation differences are included in the exchange fluctuation reserve.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. **TURNOVER**

Turnover represents the value of services rendered during the year.

Revenue from the following activities has been included in turnover:

	Group	
	2005	2004
	<i>HK\$'000</i>	<i>HK\$'000</i>
Integrated marketing solution services	7,913	4,837
ASP services	20,345	15,939
Technical consultancy services	11,218	11,086
	<u>39,476</u>	<u>31,862</u>

4. PROFIT/(LOSS) FROM OPERATING ACTIVITIES

The Group's profit/(loss) from operating activities is arrived at after charging/(crediting):

	<i>Notes</i>	2005 <i>HK\$'000</i>	2004 <i>HK\$'000</i>
Staff costs (including directors' remuneration – note 5):			
Salaries and related staff costs		17,101	15,582
Pension scheme contributions		900	758
		<u>18,001</u>	<u>16,340</u>
Less: Amounts capitalised in deferred development expenditure		(2,225)	–
		<u>15,776</u>	<u>16,340</u>
Auditors' remuneration		617	558
Depreciation	11	1,538	2,438
Amortisation of deferred development Expenditure*	12	887	3,478
Minimum lease payments under operating leases:			
Land and buildings		1,726	1,560
Office equipment		69	69
		<u>1,795</u>	<u>1,629</u>
Loss on disposal and write-off of fixed assets		369	19
Provisions for bad and doubtful debts on trade receivables		458	453
Exchange losses/(gains), net		4	(1)
Interest income		(18)	(26)
		<u><u>15,776</u></u>	<u><u>16,340</u></u>

* This item is included in "Cost of sales" on the face of the consolidated profit and loss account.

5. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and Section 161 of the Companies Ordinance is as follows:

	Group	
	2005 <i>HK\$'000</i>	2004 <i>HK\$'000</i>
Executive directors:		
Fees	–	–
Other emoluments:		
Salaries, housing allowances, other allowances and benefits in kind	1,975	2,386
Pension scheme contributions	42	42
	<u>2,017</u>	<u>2,428</u>
Non-executive directors:		
Fees	<u>44</u>	<u>103</u>
Independent non-executive directors:		
Fees	<u>136</u>	<u>96</u>

Each of the four (2004: four) executive directors of the Company received emoluments of HK\$126,000 (2004: HK\$126,000), HK\$648,000 (2004: HK\$769,000), HK\$646,000 (2004: HK\$769,000) and HK\$597,000 (2004: HK\$764,000) for the year ended 31 March 2005.

Each of the three (2004: three) independent non-executive directors and one (2004: one) non-executive director of the Company received emoluments of HK\$16,000 (2004: Nil), HK\$60,000 (2004: HK\$60,000), HK\$60,000 (2004: HK\$36,000) and HK\$44,000 (2004: HK\$17,000) for the year ended 31 March 2005.

One of the non-executive directors agreed to waive the director's fees totaling HK\$86,000 for the year ended 31 March 2004.

During the year, no share options were granted to the directors in respect of their services to the Group.

6. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three (2004: three) directors, details of whose remuneration are set out in note 5 above. Details of the remuneration of the remaining two (2004: two) non-director, highest paid employees for the year are as follows:

	Group	
	2005 HK\$'000	2004 HK\$'000
Salaries, housing allowances, other allowances and benefits in kind	1,468	1,255
Pension scheme contributions	24	23
	<u>1,492</u>	<u>1,278</u>

The remuneration of each of the two (2004: two) non-director, highest paid employees for the two years ended 31 March 2005 and 2004 fell within the range from nil to HK\$1,000,000.

During the year, no share options were granted to the two non-director, highest paid employees in respect of their services to the Group.

7. TAX

No provision for Hong Kong profits tax has been made as the Group either did not generate any assessable profits arising in Hong Kong during the year (2004: Nil) or had available tax losses brought forward from prior years to offset the assessable profits generated during the year (2004: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	2005	2004
	HK\$'000	HK\$'000
Group:		
Current – Hong Kong	–	–
Current – Elsewhere	32	–
	<u>32</u>	<u>–</u>
Tax charge for the year	<u>32</u>	<u>–</u>

A reconciliation of the tax expense applicable to profit/(loss) before tax using the statutory rates for the countries in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

Group – 2005

	Hong Kong		Mainland China		Total	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Profit before tax	<u>2,686</u>		<u>103</u>		<u>2,789</u>	
Tax at the applicable tax rate	470	17.5	34	33.0	504	18.1
Lower tax rate for specific provinces or local authority	–	–	(110)	(106.8)	(110)	(3.9)
Expenses not deductible for tax	306	11.4	–	–	306	10.9
Temporary differences not recognised	47	1.7	–	–	47	1.7
Tax losses utilised from previous periods	(823)	(30.6)	–	–	(823)	(29.5)
Tax losses not recognised	–	–	108	104.9	108	3.8
Tax charge at the Group's effective rate	<u>–</u>	<u>–</u>	<u>32</u>	<u>31.1</u>	<u>32</u>	<u>1.1</u>

Group – 2004

	Hong Kong		Mainland China		Total	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Profit/(loss) before tax	<u>(23,536)</u>		<u>1,592</u>		<u>(21,944)</u>	
Tax at the applicable tax rate	(4,119)	17.5	525	33.0	(3,594)	16.4
Lower tax rate for specific provinces or local authority	–	–	(430)	(27.0)	(430)	1.9
Income not subject to tax	(4)	–	–	–	(4)	–
Expenses not deductible for tax	161	(0.7)	–	–	161	(0.7)
Temporary differences not recognised	2,550	(10.8)	–	–	2,550	(11.6)
Tax losses utilised from previous periods	–	–	(127)	(8.0)	(127)	0.6
Tax losses not recognised	1,412	(6.0)	32	2.0	1,444	(6.6)
Tax charge at the Group's effective rate	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

Tradeeasy Information Technology (Guangzhou) Limited, a Sino-foreign co-operative joint venture company established and operating in Guangzhou, is subject to Mainland China enterprise income tax at a rate of 33%.

Tradeeasy Information Technology (Beijing) Limited, a wholly-foreign owned enterprise established and operating in Beijing, is subject to Mainland China enterprise income tax at a rate of 33%. Pursuant to a notice dated 8 January 2001 issued by 北京市海澱區國家稅務局, Tradeeasy Information Technology (Beijing) Limited was granted the status of a High and New Technology Enterprise and hence the applicable income tax rate was reduced to 15%. The notice also stated that Tradeeasy Information Technology (Beijing) Limited enjoys full exemption from Mainland China enterprise income tax for two years starting from its first profitable year of operations, followed by a 50% reduction in the income tax rate for the next three years.

8. NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS

The net profit from ordinary activities attributable to shareholders for the year ended 31 March 2005 dealt with in the financial statements of the Company was HK\$3,072,000 (2004: net loss of HK\$24,221,000) (note 19(b)).

9. DIVIDEND

No dividend has been paid or declared by the Company or any of its subsidiaries during the year (2004: Nil).

10. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share is based on the net profit from ordinary activities attributable to shareholders for the year of HK\$2,757,000 (2004: net loss of HK\$21,944,000) and the weighted average of 419,964,384 ordinary shares in issue (2004: 400,000,000) during the year.

The calculation of diluted earnings per share for the year ended 31 March 2005 is based on the net profit from ordinary activities attributable to shareholders for the year of HK\$2,757,000. The weighted average number of ordinary shares used in the calculation is the 419,964,384 ordinary shares in issue during the year, as used in the basic earnings per share calculation; and the weighted average of 1,158,198 ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options outstanding during the year.

A diluted loss per share amount for the year ended 31 March 2004 has not been disclosed as the share options outstanding during that year had an anti-dilutive effect on the basic loss per share for that year.

11. FIXED ASSETS

Group

	Leasehold improvements <i>HK\$'000</i>	Furniture and fixtures <i>HK\$'000</i>	Computer and office equipment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Cost:				
At beginning of year	1,532	1,017	15,424	17,973
Additions	1,000	113	512	1,625
Disposals and write-off	(572)	(6)	–	(578)
At 31 March 2005	<u>1,960</u>	<u>1,124</u>	<u>15,936</u>	<u>19,020</u>
Accumulated depreciation:				
At beginning of year	467	742	13,725	14,934
Provided during the year	326	161	1,051	1,538
Disposals and write-off	(206)	(2)	–	(208)
At 31 March 2005	<u>587</u>	<u>901</u>	<u>14,776</u>	<u>16,264</u>
Net book value:				
At 31 March 2005	<u><u>1,373</u></u>	<u><u>223</u></u>	<u><u>1,160</u></u>	<u><u>2,756</u></u>
At 31 March 2004	<u><u>1,065</u></u>	<u><u>275</u></u>	<u><u>1,699</u></u>	<u><u>3,039</u></u>

12. DEFERRED DEVELOPMENT EXPENDITURE

	Group <i>HK\$'000</i>
Cost:	
At beginning of year	4,574
Additions	<u>2,601</u>
At 31 March 2005	<u>7,175</u>
Accumulated amortisation and impairment:	
At beginning of year	1,025
Provided during the year	<u>887</u>
At 31 March 2005	<u>1,912</u>
Net book value:	
At 31 March 2005	<u><u>5,263</u></u>
At 31 March 2004	<u><u>3,549</u></u>

13. INTERESTS IN SUBSIDIARIES

	Company	
	2005	2004
	<i>HK\$'000</i>	<i>HK\$'000</i>
Unlisted shares, at cost	18,500	18,500
Due from subsidiaries	<u>17,022</u>	<u>17,296</u>
	35,522	35,796
Provision for impairment	<u>(27,158)</u>	<u>(31,288)</u>
	<u><u>8,364</u></u>	<u><u>4,508</u></u>

The amounts due from subsidiaries are unsecured, interest-free and are repayable on demand.

APPENDIX I
FINANCIAL INFORMATION ON THE GROUP

Particulars of the subsidiaries are as follows:

Name	Place of incorporation/ registration and operations	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Tradeeasy Investments Limited	British Virgin Islands/ Hong Kong	HK\$2,970,618 Ordinary	100	–	Investment holding
Datawin Limited	Hong Kong	HK\$100,000 Ordinary	–	100	Provision of integrated marketing solution and ASP services
Mega Wealth Investments Limited	Hong Kong	HK\$100 Ordinary	–	100	Investment holding
Wonderful Goal Investments Limited	Hong Kong	HK\$100 Ordinary	–	100	Investment holding
Tradeeasy Information Technology (Guangzhou) Limited (“Tradeeasy Guangzhou”) (Note 1)	Mainland China	US\$300,000	–	100	Provision of technical consultancy services
Tradeeasy Information Technology (Beijing) Limited (“Tradeeasy Beijing”) (Note 2)	Mainland China	US\$300,000	–	100	Provision of technical consultancy services
End User Technology Limited	British Virgin Islands/ Hong Kong	US\$100 Ordinary	–	100	Provision of technical consultancy services
Tradeeasy (BVI) Limited	British Virgin Islands/ Hong Kong	US\$100 Ordinary	–	100	Holding of service marks
Tradeeasy Limited	Hong Kong	HK\$100 Ordinary	–	100	Vehicle for holding a Hong Kong office licence

Note 1: Tradeeasy Guangzhou is a Sino-foreign co-operative joint venture company established in Mainland China for a period of 15 years commencing from 26 June 2000.

Note 2: Tradeeasy Beijing is a wholly-foreign owned enterprise with an operating period of 20 years commencing from 21 June 2000.

14. TRADE RECEIVABLES

An aged analysis of the trade receivables as at the balance sheet date is as follows:

	Group	
	2005 HK\$'000	2004 HK\$'000
Current to 30 days	1,271	463
31 to 60 days	322	167
61 to 90 days	442	184
Over 90 days	1,183	395
	<u>3,218</u>	<u>1,209</u>

The Group normally offers credit terms ranging from 14 to 45 days to its established customers. Overdue balances are reviewed regularly by senior management.

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2005 HK\$'000	2004 HK\$'000	2005 HK\$'000	2004 HK\$'000
Cash and bank balances	<u>6,448</u>	<u>8,430</u>	<u>156</u>	<u>638</u>

At the balance sheet date, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK\$3,400,000 (2004: HK\$3,435,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

16. TRADE PAYABLES

An aged analysis of the trade payables as at the balance sheet date, based on invoice date, is as follows:

	Group	
	2005 HK\$'000	2004 HK\$'000
Current to 30 days	83	56
31 to 60 days	99	77
61 to 90 days	2	13
Over 90 days	19	1
	<u>203</u>	<u>147</u>

17. DEFERRED TAX

The Group has tax losses arising in Hong Kong of HK\$43,916,000 (2004: HK\$48,616,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time.

At 31 March 2005, there was no unrecognised deferred tax liability (2004: Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries as the Group has no liability to additional tax should such amounts be remitted.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

18. SHARE CAPITAL

	2005 HK\$'000	2004 HK\$'000
<i>Authorised:</i>		
20,000,000,000 ordinary shares of HK\$0.01 each	<u>200,000</u>	<u>200,000</u>
<i>Issued and fully paid:</i>		
421,000,000 (2004: 400,000,000) ordinary shares of HK\$0.01 each	<u>4,210</u>	<u>4,000</u>

During the year, 21,000,000 shares of HK\$0.01 each were issued for cash at a subscription price of HK\$0.05 per share pursuant to the subscription agreement dated 25 February 2004 for a total cash consideration before expenses, of HK\$1,050,000.

19. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 19 of the annual report of the Company for the year ended 31 March 2005.

The contributed surplus of the Group represents the difference between the nominal value of the shares and the share premium accounts of the subsidiaries acquired in prior years, over the nominal value of the Company's shares issued in exchange therefor.

(b) Company

	Share premium account HK\$'000	Contributed surplus HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2003	16,337	18,203	(10,314)	24,226
Net loss for the year	<u>–</u>	<u>–</u>	<u>(24,221)</u>	<u>(24,221)</u>
At 31 March 2004 and 1 April 2004	16,337	18,203	(34,535)	5
Issue of shares, net of share issue expenses	788	–	–	788
Net profit for the year	<u>–</u>	<u>–</u>	<u>3,072</u>	<u>3,072</u>
At 31 March 2005	<u>17,125</u>	<u>18,203</u>	<u>(31,463)</u>	<u>3,865</u>

The contributed surplus of the Company represents the excess of the fair value of the shares of a subsidiary acquired in prior years, over the nominal value of the Company's shares issued in exchange therefor.

Under the Companies Law (Revised) of the Cayman Islands, the share premium account is distributable to the shareholders of the Company, provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

III. AUDITORS' OPINION

The auditors' reports for each of the three years ended 31 March 2005 have no qualification. The following are the auditors' reports extracted from the annual reports of the Company for the year ended 31 March 2005.

 **ERNST & YOUNG**

安永會計師事務所

To the members

Tradeeasy Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

We have audited the financial statements on pages 17 to 45 of the annual report of the Company for the year ended 31 March 2005 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

Respective responsibilities of directors and auditors

The Company's directors are responsible for the preparation of 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. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Basis of opinion

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Institute of Certified Public Accountants. An audit includes an 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's and the Group's circumstances, consistently applied and adequately disclosed.

We 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. 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2005 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young

Hong Kong

1 June 2005

IV. UNAUDITED RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2005 AND THE SIX MONTHS ENDED 30 SEPTEMBER 2005, RESPECTIVELY

The unaudited consolidated financial results of the Group for the three months ended 30 June 2005 and the six months ended 30 September 2005, respectively were posted on the GEM website at www.hkgem.com.

V. UNAUDITED RESULTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2005

The following is the unaudited consolidated results of the Group for the three months and the nine months ended 31 December 2005, together with the comparative unaudited figures for the corresponding periods in 2004, respectively:

	Notes	Unaudited three months ended 31 December		Unaudited nine months ended 31 December	
		2005 HK\$'000	2004 HK\$'000	2005 HK\$'000	2004 HK\$'000
TURNOVER	2	9,801	9,783	30,946	29,225
Cost of sales		<u>(6,265)</u>	<u>(5,665)</u>	<u>(17,867)</u>	<u>(15,524)</u>
Gross profit		3,536	4,118	13,079	13,701
Other revenue		29	7	52	17
Selling and distribution costs		(705)	(526)	(1,904)	(1,529)
General and administrative expenses		(3,065)	(2,423)	(8,595)	(7,676)
Advertising and promotion expenses		(462)	(696)	(1,950)	(2,374)
Other operating expenses		(3)	(375)	(3)	(405)
Finance costs		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
PROFIT/(LOSS) BEFORE TAX		(670)	105	679	1,734
Tax	3	<u>-</u>	<u>-</u>	<u>(73)</u>	<u>-</u>
PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS		<u>(670)</u>	<u>105</u>	<u>606</u>	<u>1,734</u>
EARNINGS/(LOSS) PER SHARE (HK cents)					
Basic	4	<u>(0.16)</u>	<u>0.03</u>	<u>0.14</u>	<u>0.41</u>
Diluted		<u>(0.16)</u>	<u>0.03</u>	<u>0.15</u>	<u>0.41</u>
DIVIDEND		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

There were no minority interests, extraordinary or exceptional items during the three months ended 31 December 2004 and 2005, and the nine months ended 31 December 2004 and 2005.

Notes:–

1. Basis of preparation and consolidation

The unaudited quarterly results have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) (which also include Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange. They have been prepared under the historical cost convention.

In 2004, the HKICPA issued a number of new or revised Hong Kong Accounting Standards and Hong Kong Financial Reporting Standards (“new HKFRSs”) which are effective for accounting periods beginning on or after 1 January 2005. The adoption of the new HKFRSs had no material impact on the Group’s results of operations and financial position except certain presentation and disclosure of accounts would be affected.

The accounting policies and methods of computation adopted are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2005. The accounts are unaudited but have been reviewed by the Company’s audit committee.

2. Turnover

Turnover represents the value of services rendered during the three-month and nine-month period under review.

Revenue from the following activities has been included in turnover:–

	Unaudited for the three months ended 31 December		Unaudited for the nine months ended 31 December	
	2005 HK\$'000	2004 HK\$'000	2005 HK\$'000	2004 HK\$'000
Integrated marketing solution services	1,469	2,589	4,845	6,027
Application Service Provider services	5,712	4,606	18,131	14,931
Technical consultancy services	2,620	2,588	7,970	8,267
	<u>9,801</u>	<u>9,783</u>	<u>30,946</u>	<u>29,225</u>

3. Taxation

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period (2004: Nil) or had available tax losses brought forward from prior years to offset the assessable profits generated during the period (2004: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

Tradeeasy Information Technology (Guangzhou) Limited, a Sino-foreign co-operative joint venture company established and operating in Guangzhou, is subject to Mainland China enterprise income tax at a rate of 33%.

Tradeeasy Information Technology (Beijing) Limited, a wholly foreign-owned enterprise established and operating in Beijing, is subject to Mainland China enterprise income tax at a rate of 33%. Pursuant to a notice dated 8 January 2001 issued by 北京市海澱區國家稅務局, Tradeeasy Information Technology (Beijing) Limited has granted the status as of a High and New Technology Enterprise and hence the applicable income tax rate was reduced to 15%. The notice also stated that Tradeeasy Information Technology (Beijing) Limited enjoys full exemption from Mainland China enterprise income tax for two years starting from its first profitable year of operations, followed by a 50% reduction in the income tax rate for the next three years.

4. Earnings/(loss) per share

The calculation of basic earnings/(loss) per share for the three months and the nine months ended 31 December 2005 and 2004 respectively is based on the profit/(loss) attributable to shareholders of HK\$(700,000) and HK\$600,000 respectively (2004: HK\$100,000 and HK\$1,700,000) and on the weighted average of 421,000,000 ordinary shares in issue (2004: 421,000,000 ordinary shares) during those periods.

The calculation of diluted earnings/(loss) per share for the three months and the nine months ended 31 December 2005 and 2004 is based on the profit/(loss) attributable to shareholders for the period of HK\$(700,000) and HK\$600,000 respectively. The number of ordinary shares used in the calculation is 421,000,000 ordinary shares in issue during the periods, as used in the basic earnings/(loss) per share calculation; and 429,728,929 ordinary shares and 442,432,986 ordinary shares respectively, assumed to have been issued at no consideration on the deemed exercise of all share options outstanding during the three months and the nine months ended 31 December 2005.

5. Movement in reserves

Group	Share premium account HK\$'000	Contributed surplus HK\$'000	Exchange fluctuation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2004	16,337	66,710	11	(79,179)	3,879
Net profit for the year	-	-	-	2,757	2,757
Issue of shares, net of share issue expenses	788	-	-	-	788
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2005 and 1 April 2005	17,125	66,710	11	(76,422)	7,424
Net profit for the period	-	-	-	606	606
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2005	<u>17,125</u>	<u>66,710</u>	<u>11</u>	<u>(75,816)</u>	<u>8,030</u>

VI. INDEBTEDNESS

Borrowings

Apart from intra-group liabilities, none of the companies of the Group had any loan capital issued and outstanding or agreed to be issued, any bank overdrafts, loans or other similar indebtedness, liabilities under acceptance or acceptable credits, debentures, mortgages, charges, obligations under finance leases or hire purchases, guarantees of other material contingent liabilities as at the close of business on 28 February 2006.

No material change

The Directors have confirmed that as at the Latest Practicable Date, there had not been any material change in the indebtedness and contingent liabilities of the Group since 28 February 2006.

VII. MATERIAL CHANGE

The Directors have confirmed that as at the Latest Practicable Date, save as disclosed in the first quarterly report of the Group for the three months ended 30 June 2005, the interim report of the Group for the six months ended 30 September 2005 and the third quarterly report of the Group for the nine months ended 31 December 2005, there had been no material change in the financial or trading position or outlook of the Group since 31 March 2005, the date to which the latest audited financial statements of the Company were made up.

1. RESPONSIBILITY STATEMENT

This document includes particulars given in compliance with the Takeovers Code and the GEM Listing Rules for the purpose of giving information with regard to the Company and CCT.

The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief:

- (a) the information contained in this document is accurate and complete in all material respects and not misleading;
- (b) there are no other matters the omission of which would make any statement in this document misleading; and
- (c) all opinions expressed in this document have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

The directors of CCT jointly and severally accept full responsibility for the accuracy of the information contained in this document (other than that relating to the Company) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this document (other than that relating to the Company) have been arrived at after due and careful consideration and there are no other facts not contained in this document, the omission of which would make any statement in this document misleading.

2. MARKET PRICE

The table below shows the closing price of the Shares on the Stock Exchange on (i) the end of each of the six calendar months immediately preceding the date of the Joint Announcement; (ii) 7 March 2006, being the last trading day on which the trading in Shares was suspended; and (iii) the Latest Practicable Date:

Date	Closing price per Share HK\$
2005	
30 September	0.040
31 October	0.060
30 November	0.049
31 December	0.043
2006	
31 January	0.041
28 February	0.042
7 March	0.039
Latest Practicable Date	0.044

The highest and lowest closing prices per Share recorded on the Stock Exchange between 9 September 2005, being the date six months before the date of the Joint Announcement, and the Latest Practicable Date (the "Relevant Period") were HK\$0.070 and HK\$0.035 on 11 November 2005 and 19 January 2006, respectively.

3. DISCLOSURE OF INTERESTS

A. Directors' and chief executive's interests or short positions in shares and options

As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executives of the Company in the shares and underlying shares, debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the minimum standard of dealing by the directors as referred to in Rules 5.40 to 5.58 of the GEM Listing Rules, were as follows:

	Number of Shares directly and beneficially held	Percentage of the Company's issued share capital
Yu Lup Fat, Joseph	5,301,927	1.26%
Yip Kwok Cheung	23,610,662	5.61%
Wong Kai Yin, Paul	18,284,415	4.34%
To Man Yau, Alex	8,465,462	2.01%

Save as disclosed above, none of the Directors or their associates as well as the chief executive of the Company as at the Latest Practicable Date had any direct/indirect interests or short positions in the Shares and underlying Shares or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the minimum standard of dealing by the directors as referred to in Rules 5.46 to 5.68 of the GEM Listing Rules.

B. Directors' right to acquire Shares or debentures

Save as disclosed in the paragraphs headed "Directors' and chief executive's interests or short positions in shares and options" above, none of the Directors or chief executive of the Company nor respective associates were granted or had exercised any right to subscribe for any equity securities of the Company.

C. Substantial shareholders

As at the Latest Practicable Date, the following entities (other than the Directors or the chief executive of the Company) had an interest or short position in the shares and underlying shares of the Company, which were notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, and required to be entered in the register kept by the Company pursuant to Section 336 of the SFO, and/or were directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group pursuant to Part XV of the SFO:

Name of Shareholder	Number of Shares held	Percentage of the Company's issued share capital
Manistar Enterprises Limited	93,364,070	22.18%
CCT (<i>Note</i>)	93,364,070	22.18%
Lee Dao Bon, Barton	26,314,938	6.25%

Note: The interests disclosed comprises 93,364,070 Shares beneficially owned by Manistar Enterprises Limited, which is a wholly-owned subsidiary of CCT.

Save as disclosed in the paragraphs headed "Substantial shareholders" and "Directors' and chief executive's interests or short positions in shares and options" above, as at the Latest Practicable Date, the Directors are not aware of any person (other than the Directors or the chief executive of the Company) who had an interest or short position in the shares and underlying shares of the Company, which were notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, and required to be entered in the register pursuant to Section 336 of the SFO, and/or were directly or indirectly interested in 5% or more in the issued share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group pursuant to Part XV of the SFO.

4. SHAREHOLDING AND DEALING IN THE SECURITIES OF CCT

During the period commencing 9 September 2005, being six months prior to the date of the Joint Announcement and ended on the Latest Practicable Date (the "Relevant Period"), neither the Company nor any Directors owned, controlled or had dealt for value in the securities of CCT.

5. SHAREHOLDING AND DEALINGS IN THE SECURITIES OF THE COMPANY

- (i) During the Relevant Period neither CCT nor any director of CCT owned, controlled or had dealt for value in the securities of the Company.
- (ii) During the Relevant Period and as at the Latest Practicable Date, save for Manistar Enterprises Limited, no other persons acting in concert with CCT owned or controlled any securities of the Company.
- (iii) During the Relevant Period, no person acting in concert with CCT had dealt for value in the securities of the Company.
- (iv) As at the Latest Practicable Date, no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code exists between CCT or any of its Concert Parties and any other person.
- (v) As at the Latest Practicable Date, none of (i) the subsidiaries of the Company; (ii) the pension fund of the Company or any of its subsidiaries; nor (iii) any adviser to the Company (as specified in class (2) of the definition of “associate” under the Takeovers Code), had any interest in the securities of the Company and/or had dealt in the securities of the Company during the Relevant Period.
- (vi) As at the Latest Practicable Date, no person has any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is an associate of the Company by virtue of classes (1) to (4) as defined in the Takeovers Code.
- (vii) As at the Latest Practicable Date, no securities of the Company was owned or controlled by funds managed on a discretionary basis by fund managers connected with the Company, nor did any such fund managers deal in any securities of the Company during the Relevant Period.
- (viii) None of the Directors had dealt for value in any securities of the Company during the Relevant Period.
- (ix) As at the Latest Practicable Date, each of Mr. Yip Kwok Cheung, Mr. Wong Kai Yin, Paul, Mr. To Man Yau, Alex and Mr. Yu Lup Fat, Joseph, all of whom are executive Directors, is interested in 5.61%, 4.34%, 2.01% and 1.26% of the issued share capital of the Company, respectively, will abstain from voting on the resolutions in respect of the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver at the EGM.

6. OTHER INTERESTS

- (i) None of the Directors has any direct or indirect interest in any assets, which have been, since 31 March 2005, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

- (ii) None of the Directors is interested in any contract or arrangement subsisting as at the date of this document and which is significant to the business of the Group.
- (iii) No benefit (other than the statutory compensation) will be given to any Directors as compensation for loss of office or otherwise in connection with the Subscription Agreement or the Whitewash Waiver.
- (iv) There is no agreement, arrangement or understanding (including any compensation arrangement) between CCT and its Concert Parties and any Directors, recent Directors, Shareholders and recent Shareholders in connection with or dependent upon the Subscription Agreement and the Whitewash Waiver.
- (v) There is no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of or otherwise connected with the Subscription Agreement and the Whitewash Waiver.
- (vi) CCT and its directors have confirmed that they have no immediate intention to transfer, charge or pledge to any other persons the Shares they will acquire under the Subscription Agreement and there is no agreement, arrangement or understanding in relation to the transfer, charge or pledge of any of the Shares to be subscribed by CCT pursuant to the Subscription Agreement.
- (vii) None of the Directors are materially interested in any contracts or arrangements subsisting at the date of this document, which has been entered into by CCT or which is significant in relation to the business of the Group.
- (viii) As of the Latest Practicable Date, no Shareholder has irrevocably committed to vote for or against the Whitewash Waiver at the EGM.

7. CONSENT

The following is the qualification of the expert who has provided its advice which is contained in this document:

Name	Qualification
Altus	A corporation licensed under the SFO permitted to engage in types 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management) of the regulated activities as defined in the SFO.

Altus has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of its letter and/or reference to its name in the form and context in which it appear.

As at the Latest Practicable Date, Altus is not beneficially interested in the share capital of any member of the Group, nor did it has any rights (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it has any interest, either direct or indirect, in any assets which had been since 31 March 2005 (being the date to which the latest published audited accounts of the Company were made up) acquired or disposed of by or leased to any member of the Group or which were proposed to be acquired or disposed of by or leased to any member of the Group.

8. SHARE CAPITAL

As at the Latest Practicable Date, the share capital of the Company is as follows:

Authorised capital:

	<i>HK\$</i>
<u>20,000,000,000</u> ordinary shares of HK\$0.01 each	<u>200,000,000</u>

Issued and fully paid or credited as fully paid:

<u>421,000,000</u> ordinary shares of HK\$0.01 each	<u>4,210,000</u>
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All existing Shares rank equally in all respects, including capital, dividends and voting rights. The Shares in issue are listed on the Stock Exchange.

No Shares have been issued since 31 March 2005, being the end of the last financial year of the Company.

As at the Latest Practicable Date, there are outstanding Options granted to employees and consultants of the Group being eligible participants of the Share Option Scheme, to subscribe for an aggregate of 48,227,000 Shares, representing approximately 11.46% of the issued share capital of the Company.

The following are the particulars of the outstanding Options:

Number of Options	Subscription price <i>HK\$</i>	Date of grant	Exercise period
32,000,000 Options	0.037	22 April 2003	23 June 2003 to 22 June 2008
4,000,000 Options	0.030	6 October 2004	4 November 2004 to 3 November 2009
6,100,000 Options	0.043	2 September 2005	26 October 2005 to 25 October 2010
3,896,000 Options	0.043	20 December 2005	18 January 2006 to 19 February 2012
2,231,000 Options	0.043	20 December 2005	18 January 2007 to 19 February 2012

Save for the outstanding Options, no share or loan capital of the Company or any other member of the Group has been put under option or agreed conditionally or unconditionally be put under option and no warrant, derivative or conversion right affecting the Shares has been issued or granted or agreed conditionally, or unconditionally to be issued or granted.

9. MATERIAL CONTRACTS

Save for the Subscription Agreement, neither the Company nor any of its subsidiaries has entered into any contracts, not being contracts in the ordinary course of business, after the date two years prior to the date of the Joint Announcement and up to the Latest Practicable Date, that are or may be material.

10. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and there was no litigation, arbitration or claim of material important known by the Directors to be pending or threatened against any member of the Group.

11. SERVICE CONTRACTS

Each of the four executive Directors has entered into a service contract with the Company for an initial term of three years commenced from 1 February 2002 which is subject to termination by either party giving not less than three month's notice in writing or making payment in lieu of notice. Such Directors' service contracts have since the initial three-year period continue on existing terms.

There is no fixed term of appointment for the independent non-executive Directors. Each of the independent non-executive Director was appointed for a period commencing from his date of appointment, subject to retirement by rotation in accordance with the Company's articles of association and other early determination in accordance with the Company's articles of association and/or other applicable laws and regulations.

There is no service contract between the Company and each of the independent non-executive Director.

As at the Latest Practicable Date:

- (a) none of the Directors has entered or proposed to enter into a service contract with the Company or any of its subsidiaries or associated companies which is not determinable by the Company within one year without payment of compensation, other than statutory compensation;
- (b) none of the Directors had entered into or amended any service contracts (including both continuous and fixed term contracts) with the Company or any of its subsidiaries or any of its associated companies within six months before the date of the Announcement;

- (c) none of the Directors had any continuous service contracts with the Company or any of its subsidiaries or associated companies with a notice period of 12 months or more; and
- (d) none of the Directors had any fixed term service contracts with the Company or any of its subsidiaries or associated companies with more than 12 months to run irrespective of the notice period.

12. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and his respective associates was considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

13. PROCEDURES FOR DEMANDING POLL

In accordance with the articles of association of the Company, a resolution put to the vote of the general meeting shall be decided on a show of hands unless (before or after the declaration of the results of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (i) by the chairman of the general meeting; or
- (ii) by at least three Shareholders present in person or in case of a Shareholder being a corporation of its duly authorized representative or by proxy for the time being entitled to vote at the general meeting; or
- (iii) by a Shareholder or Shareholder present in person or in the case of a Shareholder being a corporation by its duly authorized representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the general meeting; or
- (iv) by a Shareholder or Shareholder present in person or in the case of a Shareholder being a corporation by a duly authorized representative or by proxy and holding Shares in the Company conferring a right to vote at the general meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

14. MISCELLANEOUS

- (a) The head office and principal place of business of the Company is at Units 2, 3 & 5, 19/F., BEA Tower, Millennium City 5, 418 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong. The registered office of the Company is at Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, Cayman Islands, British West Indies.

- (b) The Hong Kong branch share registrar and transfer office of the Company is Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (c) The compliance officer of the Company appointed under Rule 5.14 of the GEM Listing Rules is Mr. Yip Kwok Cheung, an executive Director.
- (d) Ms. Siu Chi Man, is the company secretary and qualified accountant of the Company. Ms. Siu is a member of the Association of Chartered Certified Accountants.
- (e) The Company has established an audit committee with written terms of reference in compliance with Rules 5.29 to 5.33 of the GEM Listing Rules. The primary duties of the audit committee are, among other matters, (i) to review the Company's annual reports and accounts, half-year reports and quarterly reports and to provide advices and comments thereon to the Board; and (ii) to review and supervise the Company's financial reporting process and internal control system. The audit committee comprises three independent non-executive Directors. Further details of each of the audit committee member are set out below:

Mr. Lau Chi Yiu, age 41, has extensive experience in the areas of investment management, consulting and finance. Mr. Lau has a Master Degree in Business Administration awarded by Chinese University of Hong Kong, a M.S. in Electrical Engineering from the National Technological University of Colorado, and a B.S. Degree in Electrical and Computer Engineering from the State University of New York at Buffalo. Mr. Lau is a member of the Society of Registered Financial Planners in Hong Kong and an associate member of Institute of Financial Accountants, United Kingdom.

Mr. Wu Yao Hua, Terence, age 54, has extensive experience in the industry of life insurance for almost 30 years. Mr. Wu is a graduate of the General Managers Program of the Harvard Business School, a Certified Financial Planner CM, a member of the Chartered Institute of Marketing and a fellow of the Life Management Institute of the United States of America.

Mr. Lau Ho Man, Edward, age 51, has more than 29 years of experience in finance, accounting management and administration, and also has extensive experience in taxation and corporate finance matters. Mr. Lau is a Certified Public Accountant (Practising), and a fellow of the Hong Kong Institute of Certified Public Accountants and an associate of the Institute of Chartered Accountants in England and Wales and the American Institute of Certified Public Accountants.

- (f) The names and addresses of CCT and its Concert Party are:

Name	Address
CCT	2208, 22nd Floor, St. George's Building, 2 Ice House Street, Central, Hong Kong
Manistar Enterprises Limited, a wholly-owned subsidiary of CCT	2208, 22nd Floor, St. George's Building, 2 Ice House Street, Central, Hong Kong

- (g) (i) As at the Latest Practicable Date, the directors of CCT are Mr. Mak Shiu Tong, Clement, Mr. Tam Ngai Hung, Terry, Ms. Cheng Yuk Ching, Flora and Dr. William Donald Putt, all of whom are executive directors; and Mr. Samuel Olenick, Mr. Tam King Ching, Kenny and Mr. Lau Ho Man, Edward, all of whom are independent non-executive directors.
- (ii) As at the Latest Practicable Date, the directors of Manistar Enterprises Limited are Mr. Mak Shiu Tong, Clement and Ms. Cheng Yuk Ching, Flora.
- (h) The English text of this document shall prevail over the Chinese text.

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Messrs. Troutman Sanders at Suite 3403, Two Exchange Square, 8 Connaught Place, Central, Hong Kong during normal business hours, the website of the Company at www.tradeeasy.com and the website of the SFC at www.sfc.hk from the date of this document up to and including the date of the EGM.

- (a) memorandum and articles of association of the Company;
- (b) memorandum of association and bye-laws of CCT;
- (c) consolidated financial statements of the Group for each of the financial year ended 31 March 2004 and 31 March 2005;
- (d) the letter from the Independent Board Committee, the text of which is set out on page 19;
- (e) the letter of advice from Altus, the text of which is set out on pages 20 to 29;
- (f) the letter of consent from Altus referred to under the section headed "Consent" in this Appendix; and
- (g) the material contract referred to in the section headed "Material contracts" in this Appendix.

NOTICE OF THE EGM



TRADEEASY HOLDINGS LIMITED (易買通集團有限公司*)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8163)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Tradeeasy Holdings Limited (the "Company") will be held at Millennium City Club, Level 6, Tower 1, Millennium City, 388 Kwun Tong Road, Kowloon, Hong Kong, on Wednesday, 19 April 2006 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions of the Company:

1. **"THAT:**

- (a) the subscription agreement dated 7 March 2006 between CCT Telecom Holdings Limited and the Company (the "**Subscription Agreement**"), information relating to which is set out in a document to the shareholders of the Company dated 30 March 2006, a copy of which has been produced to the meeting marked "A" (the "**Circular**"), and a copy of the Subscription Agreement has been produced to the meeting marked "B" and signed for the purpose of identification by the Chairman thereof, be and is hereby approved and the directors of the Company are hereby authorised to issue and allot new shares in the share capital of the Company pursuant to the Subscription Agreement in accordance with the terms and conditions set out therein; and
- (b) the directors of the Company be and are hereby authorised to implement and take all steps and do any and all acts and things as may be necessary or desirable to give effect to the Subscription Agreement (including but not limited to the allotment and issue of the subscription shares) and any other documents or matters incidental thereto and/or as contemplated thereunder."

2. **"THAT** subject to and conditional upon resolution No. 1 set out in the notice convening this meeting of which this resolution forms part, being passed, the waiver for CCT Telecom Holdings Limited and parties acting in concert with it from their obligations which may arise under Note 1 to Rule 26 of the Hong Kong Code on Takeovers and Mergers to make a mandatory general offer for all the shares of the Company not already owned by them as a result of the completion of the subscription of shares in the Company pursuant to the

* For identification purpose only

NOTICE OF THE EGM

Subscription Agreement (as defined in resolution No. 1 set out in the notice convening this meeting of which this resolution forms part) be and is hereby approved.”

By order of the Board
SIU CHI MAN
Secretary

Hong Kong, 30 March 2006

Principal Place of Business in Hong Kong:

Units 2, 3 & 5, 19/F.
BEA Tower
Millennium City 5
418 Kwun Tong Road
Kwun Tong
Kowloon
Hong Kong

Registered Office:

Century Yard
Cricket Square
Hutchins Drive
P.O. Box 2681 GT
George Town
Grand Cayman
Cayman Islands
British West Indies

Notes:

1. A member of the Company entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, the proxy form together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's Hong Kong branch share registrar, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than forty-eight hours before the time appointed for holding the EGM (or any adjournment thereof).
3. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the EGM and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. Where there are joint holders of any Shares, any one of such joint holders may vote either in person or by proxy in respect of such Shares as if he/she was solely entitled thereto; but if more than one of such joint holders be present at the EGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company.
5. Resolution nos. 1 and 2 will be put to the vote of Shareholders by poll.