

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

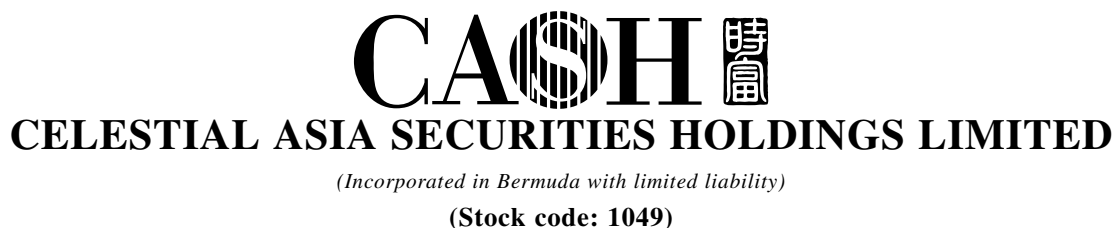
---

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

**If you have sold or transferred** all your shares in Celestial Asia Securities Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



**DISCLOSEABLE TRANSACTION  
DEEMED DISPOSAL UPON DILUTION OF INTEREST OF THE COMPANY  
IN A SUBSIDIARY RESULTING FROM THE PROPOSED ISSUE OF  
NEW SHARES BY THIS SUBSIDIARY**

---

## CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b>	
Introduction .....	3
Agreement .....	4
Framework Agreement .....	6
The Game Group .....	6
Reasons for the proposed issue of Subscription Shares and use of proceeds .....	7
Information on the Group .....	7
Financial information of the Game Group .....	8
Effects of the Agreement on the earnings, assets and liabilities of the Group .....	8
General .....	8
Additional information .....	8
<b>Appendix – General information</b> .....	9

---

## DEFINITIONS

---

*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

“Agreement”	the agreement entered into between Netfield and the Subscriber on 7 December 2007 in relation to the proposed issue of the Subscription Shares
“Announcement”	the announcement made by the Company on 10 December 2007 in respect of, among other things, the proposed issue of new Netfield Shares
“Associate(s)”	has the meaning ascribed in the Listing Rules
“Board”	the board of the Directors
“CFSG”	CASH Financial Services Group Limited (stock code: 8122), a company incorporated in Bermuda, whose shares are listed on the Growth Enterprise Market of the Stock Exchange, and is a non-wholly-owned subsidiary of the Company
“CFSG Group”	CFSG and its subsidiaries
“Company”	Celestial Asia Securities Holdings Limited (stock code: 1049), a company incorporated in Bermuda, whose shares are listed on the main board of the Stock Exchange
“Completion”	completion of the Agreement
“Conditions”	the conditions of the Agreement as set out in the sub-section headed “Conditions” in this circular
“Consideration”	the consideration for the Subscription Shares of US\$6 million in total
“Directors”	directors of the Company
“Framework Agreement”	a framework agreement entered into between Netfield and another potential subscriber in relation to proposed subscription of new Netfield Shares at the same Subscription Price, which is not legally binding and is subject to the execution of a formal subscription agreement
“Game Group”	Netfield and its subsidiaries, which the group is engaged in online game business, details of the business is set out in the section headed “The Game Group”
“Group”	the Company and its subsidiaries

---

## DEFINITIONS

---

“Independent Third Party(ies)”	to the best of the knowledge, information and belief of the Board having made all reasonable enquiry, such company(ies) and its/their ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company (as defined under the Listing Rules)
“Latest Practicable Date”	21 December 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Netfield”	Netfield Technology Limited, a wholly-owned subsidiary of the Company, and is the holding company of the Game Group
“Netfield Existing Share Capital”	1,680,000 Netfield Shares of US\$1.00 each in the existing issued share capital of Netfield before the issue of the Subscription Shares as at the Latest Practicable Date
“Netfield Group”	Netfield and its subsidiaries
“Netfield Share(s)”	share(s) of US\$1.00 each in the share capital of Netfield
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Proteus Growth Fund Limited who is an Independent Third Party
“Subscription Price”	US\$100 (equivalent to HK\$780) per Subscription Share
“Subscription Shares”	60,000 new Netfield Shares to be subscribed by the Subscriber, which are to be issued upon Completion
“HK\$”	Hong Kong dollar(s), the currency of Hong Kong
“US\$”	United States dollars, the currency of the United States

*For illustration purposes, amounts in US\$ have been translated into HK\$ at US\$1.00 = HK\$7.8.*

---

## LETTER FROM THE BOARD

---



# CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 1049)**

*Board of Directors*

*Executive:*

KWAN Pak Hoo Bankee  
LIN Che Chu George  
LAW Ping Wah Bernard  
WONG Kin Yick Kenneth

*Independent non-executive:*

LEUNG Ka Kui Johnny  
WONG Chuk Yan  
CHAN Hak Sin

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Principal place of business  
in Hong Kong:*

21/F The Center  
99 Queen's Road Central  
Hong Kong

31 December 2007

*To Shareholders*

Dear Sir/Madam,

**DISCLOSEABLE TRANSACTION  
DEEMED DISPOSAL UPON DILUTION OF INTEREST OF THE COMPANY  
IN A SUBSIDIARY RESULTING FROM THE PROPOSED ISSUE OF  
NEW SHARES BY THIS SUBSIDIARY**

**INTRODUCTION**

On 10 December 2007, the Board made the Announcement that, among other things, (i) Netfield (a wholly-owned subsidiary of the Company) and the Subscriber (Independent Third Party) entered into the Agreement under which, Netfield shall issue to the Subscriber the Subscription Shares at the Consideration in cash; and (ii) Netfield entered into the non-legally binding Framework Agreement with another potential subscriber (Independent Third Party) pursuant to which Netfield will further issue new Netfield Shares at approximately US\$10 million (equivalent to approximately HK\$78 million) at the same Subscription Price.

---

## LETTER FROM THE BOARD

---

After the issue of the Subscription Shares, the shareholding interest of the Company in Netfield will be diluted from existing 100% to 96.6%. Under the Listing Rules, the dilution of shareholding interest in Netfield is regarded as a deemed disposal by the Company of shareholding interest in Netfield and constitutes a discloseable transaction of the Company.

The purpose of this circular is to give you further information regarding the Agreement.

### AGREEMENT

- Date : 7 December 2007
- Parties : (i) Netfield (a wholly-owned subsidiary of the Company) as the issuer
- (ii) the Subscriber, an Independent Third Party, as the subscriber
- The principal activity of the Subscriber is management and investment of professional mutual funds.
- Subscription Shares : A total of 60,000 new Netfield Shares to be subscribed by the Subscriber, representing approximately 3.4% of the Netfield Existing Share Capital as enlarged by the issue of the Subscription Shares.
- When allotted and issued as fully paid, the Subscription Shares will rank pari passu in all respects with the then existing Netfield Shares as at the date of allotment. The Subscriber will be entitled to receive all dividends and distributions, which are declared, made or paid after the allotment of the Subscription Shares.
- Subscription Price : US\$100 (equivalent to HK\$780) per Subscription Share, determined on an arm's length negotiation between Netfield and the Subscriber, being:–
- equivalent to the pre-money valuation value of US\$100 per Netfield Share as at 31 October 2007; and
  - represents a substantial premium over the unaudited consolidated net asset value of deficit of HK\$16.8 per Netfield Share as at 31 October 2007.

---

## LETTER FROM THE BOARD

---

The pre-money valuation of the Game Group was agreed by the parties to the Agreement based on the business operation, the research and development capabilities and overseas distribution network, and the market response to the new games of the Game Group, and with reference to the market valuation of other similar online game business. The valuation also reflects the investors' confidence in the prospects of the business of the Game Group.

As the Subscription Price is equivalent to the pre-money valuation of each Netfield Share and represents a substantial premium over the unaudited consolidated net asset value per Netfield Share, the Board is of opinion that the terms of the Agreement and of the transactions contemplated thereunder including the Subscription Price are fair and reasonable and in the interests of the Company and Shareholders as a whole.

Subscription amount : a total of US\$6 million (equivalent to approximately HK\$46.8 million) in cash will be paid by the Subscriber to Netfield on the date of Completion.

### Conditions

Completion is conditional upon fulfilment of the following Conditions in full:-

- (a) Completion and execution of all relevant investment documentation for the transaction, in form and substance mutually acceptable to the Subscriber and Netfield;
- (b) the obtaining of all relevant consents and approvals for the transaction, including the internal approvals of Netfield, investment committee approvals of the Subscriber and all relevant regulatory bodies and government approvals; and
- (c) completion of business, financial and legal due diligence reasonably satisfactory to the Subscriber.

If the Conditions have not been fulfilled or otherwise waived by Netfield on or before Completion and the non-fulfillment is not attributable to the default of any of the parties to the Agreement, the Agreement shall become null and void and of no legal effect and neither of the parties to the Agreement shall have any claim and/or recourse against the other save and except any antecedent breach of the terms of the Agreement.

---

## LETTER FROM THE BOARD

---

### **Completion**

Completion of the Agreement will take place on or before 31 January 2008 (or any extended period as agreed by Netfield and the Subscriber) after the fulfilment of the Conditions pursuant to the Agreement. The Subscriber shall at Completion pay the aggregate issue price for the Subscription Shares of US\$6 million to Netfield and Netfield shall issue and allot the Subscription Shares to the Subscriber or its nominee(s).

### **FRAMEWORK AGREEMENT**

Pursuant to the Framework Agreement, Netfield will further issue new Netfield Shares to another potential subscriber (an Independent Third Party) at approximately US\$10 million (equivalent to approximately HK\$78 million) at the same Subscription Price with reference to the aforesaid pre-money valuation of the Game Group of US\$168 million (equivalent to approximately HK\$1,310.4 million). The formal subscription agreement with this new potential subscriber is scheduled to be signed in February 2008 upon the completion of the legal due diligence on the Game Group. The new Netfield Shares to be issued (subject to the formal subscription agreement) under the Framework Agreement represents about 5.4% of the Netfield Existing Share Capital as enlarged by the Subscription Shares and this proposed new issue. There is no relationship between the potential subscriber under the Framework Agreement and the Subscriber. The Company will make a further announcement, if necessary, to update the progress in accordance with the requirement of the Listing Rules.

### **THE GAME GROUP**

The Game Group commenced online game business in January 2005 and was acquired by the Group from the CFSG Group on 1 June 2007 at a final consideration of HK\$120 million. Since 2006, the Game Group has been evolving from an online game developer into a fully-fledged provider of online entertainment contents, with strong research and development (R&D) capabilities and a proprietary international distribution network.

During the first half of 2007, the Game Group officially launched its exclusive distribution of CABAL Online in Mainland China and Taiwan, receiving an enthusiastic reception from the market. To maintain the leading position of its popular online games, the Game Group carried out constant content upgrades for well-received games such as King of Pirate (KOP) and Dragon Tiger Gate. New games were confirmed, including an in-house developed MMORPG Zero of the World (天上人間) and a Korean developed casual game Gun Bound (寶貝坦克). These games are in their beta testing phases and are scheduled to be launched in the first quarter of 2008. So far, the games have been met with positive market responses, providing further support for the launch of new games in the market. There are still three games under developing: RUN, Glarsir, DUNK which will be commercially launched from the second quarter of 2008.



---

## LETTER FROM THE BOARD

---

In addition to enriching its range of games, the Game Group continued to distribute its popular games in overseas markets. KOP was launched in North America and Russia, generating great excitement. The Game Group had been appointed as an exclusive global distributor for games developed by independent Chinese developers such as GDS Online (時空之淚) and Bobo online (爆爆Online). The first game is due to be launched in overseas markets in the second half of 2008 and the other game is in the final confirmation status.

The Game Group had taken steps to further reinforce its research and development capabilities through merger and acquisition activities. In 2007, the Game Group has acquired majority stakes in three research and development companies. Through this acquisition, the Game Group had built strength in development talent, research capabilities and also enriches our product pipeline. Furthermore, the Game Group has become the majority stakeholder in a joint venture with a technology team to develop Moli P2P, a P-to-P technology that would enable large number of users to share entertainment content effectively.

### **REASONS FOR THE PROPOSED ISSUE OF SUBSCRIPTION SHARES AND USE OF PROCEEDS**

The Board believes that the abovementioned in-house developed games, together with the other licensed games, will generate a scaleable income for the Group in the year to come, and funding is needed to develop and expand the online game business. The Board intends to apply the net proceed of approximately US\$6 million from the Agreement to develop and expand the online game business, including acquiring and developing new equipments and technology, acquiring new games, expanding and strengthening our network of distribution channels.

### **INFORMATION ON THE GROUP**

The current principal activities of the Group consist of (a) financial services provided via CFSG including online and traditional brokerage of securities, options, futures and leveraged foreign exchange contracts as well as mutual funds and insurance-linked investment products, margin financing, corporate finance and other financial services; (b) retailing of furniture and household items and trendy digital products; (c) provision of online game services, sales of online game auxiliary products and licensing services; and (d) investment holding.

---

## LETTER FROM THE BOARD

---

### FINANCIAL INFORMATION OF THE GAME GROUP

The Game Group commenced online game business in January 2005 and commercially launched its online game products and services in late December 2005. The audited consolidated net losses before and after taxation of the Game Group prepared in accordance with the Hong Kong generally acceptable accounting principles for the year ended 31 December 2006 both were about HK\$23.4 million and HK\$23.8 million respectively, and the audited consolidated net losses before and after taxation of the Game Group prepared in accordance with the Hong Kong generally acceptable accounting principles for the year ended 31 December 2005 both were about HK\$27.4 million. The audited consolidated net assets value of the Game Group as at 31 December 2006 was about HK\$50.6 million in deficit and the audited consolidated net assets of the Game Group as at 31 December 2005 was about HK\$27.1 million in deficit.

### EFFECTS OF THE AGREEMENT ON THE EARNINGS, ASSETS AND LIABILITIES OF THE GROUP

The deemed disposal resulting from the proposed issue of Subscription Shares under the Agreement is expected to accrue to the Company a gain of approximately HK\$46.2 million calculated by reference to the net asset value of the Game Group of deficit of approximately HK\$28.2 million in the management accounts of Netfield as at 31 October 2007, and the assets of the Group would increase by US\$6 million, being the Consideration received in cash upon Completion. Netfield will continue to remain as a subsidiary of the Company following the Completion.

### GENERAL

Under the Listing Rules, the dilution of interest held by the Company in Netfield from existing 100% to 96.6% after the issue of the Subscription Shares is regarded as a deemed disposal by the Company of shareholding interest in Netfield and constitutes a discloseable transaction of the Company.

The Company will make a further announcement, if necessary, to update the progress of the Framework Agreement in accordance with the requirement of the Listing Rules.

### ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the appendix to this circular.

Yours faithfully,  
On behalf of the Board  
**Bankee P Kwan**  
*Chairman*

## 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

## 2. DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) 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 and short positions which they were taken or deemed to have under such provisions of the SFO), or (b) were recorded in the register required to be kept under section 352 of the SFO, or (c) were otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") were as follows:

### A. The Company

#### 1. Long positions in the ordinary Shares

Name	Capacity	Number of Shares		Shareholding (%)
		Personal	Other interest	
Kwan Pak Hoo Bankee	Founder of a discretionary trust	–	314,042,564*	34.80
Lin Che Chu George	Beneficial owner	20,000,000	–	2.22
Law Ping Wah Bernard	Beneficial owner	27,644,300	–	3.06
		<u>47,644,300</u>	<u>314,042,564</u>	<u>40.08</u>

\* *The Shares were held by Cash Guardian Limited ("Cash Guardian"). Mr Kwan Pak Hoo Bankee was deemed to be interested in all the Shares as a result of his interests in Cash Guardian as disclosed in the section headed "substantial Shareholders" below.*

**2. Long positions in the underlying shares – options under share option scheme**

Name	Date of grant	Exercise period	Exercise price per share (HK\$)	Number of options outstanding	Percentage to issued shares (%)
Kwan Pak Hoo Bankee	13/11/2006	13/11/2006 – 12/11/2008	0.323	4,000,000	0.44
	6/6/2007	6/6/2007 – 31/5/2009	0.490	2,500,000	0.28
Lin Che Chu George	13/11/2006	13/11/2006 – 12/11/2008	0.323	4,000,000	0.44
	6/6/2007	6/6/2007 – 31/5/2009	0.490	2,500,000	0.28
Law Ping Wah Bernard	13/11/2006	13/11/2006 – 12/11/2008	0.323	4,000,000	0.44
	6/6/2007	6/6/2007 – 31/5/2009	0.490	2,500,000	0.28
Wong Kin Yick Kenneth	13/11/2006	13/11/2006 – 12/11/2008	0.323	4,000,000	0.44
	6/6/2007	6/6/2007 – 31/5/2009	0.490	2,500,000	0.28
				26,000,000	2.88

**B. Associated corporations (within the meaning of the SFO)**

**(i) Long positions in the ordinary shares of CFSG**

Name	Capacity	Number of Shares		Shareholding (%)
		Personal	Other interest	
Kwan Pak Hoo Bankee	Founder of a discretionary trust	8,400,000	996,769,998*	48.40
Lin Che Chu George	Beneficial owner	19,712,000	–	0.95
Law Ping Wah Bernard	Beneficial owner	32,569,600	–	1.57
Wong Kin Yick Kenneth	Beneficial owner	22,204,000	–	1.07
		82,885,600	996,769,998	51.99

\* The shares were held as to 940,221,198 shares by Celestial Investment Group Limited (“CIGL”), a wholly-owned subsidiary of the Company, and as to 56,548,800 shares by Cash Guardian. Mr Kwan Pak Hoo Bankee was deemed to be interested in all these shares as a result of his interests in the Company through Cash Guardian as disclosed in disclosed in the section headed “substantial Shareholders” below.

*(ii) Long positions in the underlying shares of Netfield*

On 9 January 2007 (as amended on 22 January 2007), Mr Lin Che Chu George, an executive Director, was granted of an option to acquire from the Group such number of shares in Netfield (a wholly-owned subsidiary of the Group) as representing 10% of the issued share capital in Netfield for a cash consideration of HK\$1.2 million per share. The option is exercisable during the 12-month period immediately before and after the securities of Netfield or its holding company become listed on any recognised stock exchange, in whole or in part by Mr Lin.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, chief executive or their Associates had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) 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 and short positions which they were taken or deemed to have under such provisions of the SFO), or (b) were recorded in the register required to be kept under section 352 of the SFO, or (c) were otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

**3. SUBSTANTIAL SHAREHOLDERS**

As at the Latest Practicable Date, the persons/companies, other than a Director or chief executive of the Company, who had interests or short positions in the ordinary Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept under section 336 of the SFO were as follows:

<b>Name</b>	<b>Capacity</b>	<b>Number of Shares</b>	<b>Shareholding (%)</b>
Jeffnet Inc (“Jeffnet”) <i>(Note)</i>	Trustee of a discretionary trust	314,042,564	34.80
Cash Guardian <i>(Note)</i>	Beneficial owner	314,042,564	34.80

*Note:* This refers to the same number of Shares held by Cash Guardian (which is 100% beneficially owned by Jeffnet). Jeffnet held these Shares as trustee of The Jeffnet Unit Trust, units of which were held by a discretionary trust established for the benefit of the family members of Mr Kwan Pak Hoo Bankee. Pursuant to the SFO, Mr Kwan Pak Hoo Bankee and Jeffnet were deemed to be interested in the Shares held by Cash Guardian.

Save as disclosed above, as at the Latest Practicable Date, no other parties (other than a Director or chief executive of the Company) who had interests or short positions in the ordinary Shares and underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept under section 336 of the SFO.

#### **4. COMPETING INTEREST**

As at the Latest Practicable Date, none of the Directors or their respective Associates had any interest in a business, which competes or may compete with the business of the Group.

#### **5. SERVICE CONTRACT**

As at the Latest Practicable Date, none of the Directors has any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

#### **6. LITIGATION**

- (a) During the year ended 31 December 2005, Theodore J Marr (“Marr”) filed a cross-summons with the California court in the United States of America against the Company and others alleging breaches of fiduciary duties and/or fraudulent conveyances. Marr’s claims in the cross-summons against the Company included US\$900,000 arising out of an employment contract between Marr and ILUX Corporation (“ILUX”), a subsidiary of the Company, US\$15,000,000 arising out of the dissolution of ILUX, exemplary and punitive damages of not less than US\$5,000,000 in respect of each of Marr’s causes of action against the cross-complainants, and interest. In August 2006, the Company made an application to the California court for the breach of fiduciary duties cause of action against the Company to be dismissed on the ground that Marr lacks standing to assert this cause of action, and in September 2006 the California court dismissed the breach of fiduciary duty claim against the Company. No court decision has been rendered yet in respect of Marr’s other causes of action against the Company. The Directors are of the opinion that the potential liability arisen from the case is remote, and the case will not have any material impact to the operation of the Group.

- (b) On 11 May 2006, Hallmark Cards, Incorporated (“Petitioner”) filed a petition for a winding-up order against Cosmos Global Limited (“CGL”), a subsidiary of the Company (HCCW 231/06), under which the Petitioner claimed that CGL was indebted to the Petitioner for a sum of US\$41,591.23 and interest accrued thereon. A winding up order was made by a master of the High Court on 2 August 2006. Provisional liquidator has been appointed by the court to manage the affairs of CGL on the same date and CGL is now in the process of liquidation. CGL is a dormant company and the winding up of CGL will not have any material impact to the operation of the Group.
- (c) In 2003, Ka Chee Company Limited instituted a winding-up proceedings against Celestial (International) Securities & Investment Limited (“CISI”), a non-wholly-owned subsidiary of the Company, (HCCW 317/2005) for an amount of HK\$1,662,598.31. A winding-up order was made by the court, the liquidator has been appointed to wind-up CISI, and the winding-up procedure is still in progress. Provision, which in the opinion of the Directors is adequate, has already been made for the claim. CISI is a dormant company and the winding up of CISI will not have any material impact to the operation of the Group.
- (d) On 29 August 2002, Pang Po King Cannie (“Pang”) filed a statement of claim against Celestial Securities Limited (“CSL”), a non-wholly-owned subsidiary of the Company, (HCA 3319/2002) for an amount of HK\$2,870,599.31 less the realizable value of the 1,046,000 shares of Takson Holdings Limited (which was subsequently amended to the amount of HK\$2,694,399.33 less the realisable value of the 590,000 shares of Takson Holdings Limited in October 2007), alleging that CSL, without knowledge or authority of or instructions from Pang, had misused the account opened by Pang with CSL to buy shares in Takson Holdings Limited. The Directors confirmed that the subject transactions were made with knowledge of and authority from Pang. The Directors do not envisage the claim by Pang will be held valid. The case was in progress and the date of trial is fixed from 8 to 11 and 14 January 2008.

Save as disclosed above, neither the Company nor any other company in the Group is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against either the Company or any other company in the Group.

**7. MISCELLANEOUS**

- (a) The qualified accountant of the Company is Mr Yuen Pak Lau Raymond, a fellow member of Association of Chartered Certified Accountants and a Certified Public Accountant of Hong Kong Institute of Certified Public Accountants.
- (b) The secretary of the Company is Ms Luke Wing Sheung Suzanne, a fellow member of the Institute of Chartered Secretaries and Administrators.
- (c) The head office and the principal place of business of the Company in Hong Kong are at 21/F The Center, 99 Queen's Road Central, Hong Kong. The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (d) The principal share registrars and transfer office of the Company in Bermuda are The Bank of Bermuda Limited at The Bank of Bermuda Building, 6 Front Street, Hamilton HM 11, Bermuda. The branch share registrars and transfer office of the Company in Hong Kong are Tricor Standard Limited at 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong.
- (e) The English text of this circular shall prevail over the Chinese text.