
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This circular is for your information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.

If you are in any doubt as to any aspect of 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 Ultra Group Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker 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.



ULTRA GROUP HOLDINGS LIMITED
歐美集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8203)

DISCLOSEABLE TRANSACTION

This circular will remain on the GEM website at www.hkgem.com on the "Latest Company Announcement" page for at least seven days from its date of its posting.

26 July 2007

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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities trading 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 in order to obtain up-to-date information on GEM-listed issuers.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
Introduction	3
The Share Subscription Agreement	4
Information on the Challenger Group	8
Reasons for and benefits of the Share Subscription	9
Financial effect on the Share Subscription	9
Additional information	10
Appendix – General information	11

DEFINITIONS

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

“Announcement”	the announcement dated 13 July 2007 issued by the Company
“Board”	the board of directors of the Company or an authorised committee of the Board
“BVI”	British Virgin Islands
“Challenger”	Challenger Auto Services Limited
“Challenger Group”	the Seller and its subsidiaries
“Closing Date”	the date of closing of the Share Subscription
“Company”	Ultra Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose Shares are listed on GEM
“Directors”	the directors of the Company
“Encumbrance”	means any mortgage, pledge, lien, charge, interest under any pre-sale contracts, hypothecation, right of set-off or counterclaim, security interest, transfer restriction, security agreement or arrangement of any kind, purchase or option agreement or arrangement, subordination agreement or arrangement, and agreements to create or effect any of the foregoing
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	to the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, third party(ies) independent of the Company and connected person (as defined in the GEM Listing Rules) of the Company
“Latest Practicable Date”	24 July 2007, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular

DEFINITIONS

“New Shares”	the 5,100 ordinary shares of the Seller to be issued and delivered by the Seller, which represents 51% of its issued share capital as enlarged by the issue of new shares under the Share Subscription
“PRC”	mainland China (excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan, for the purposes of the Share Subscription Agreement)
“Purchaser”	High Focus Group Limited, a company incorporated in the BVI with limited liability and a wholly owned subsidiary of the Company
“Seller”	Long Capital Development Limited, a company incorporated in the BVI with limited liability and wholly and beneficially owned by Challenger Group of Companies Limited
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Share Subscription”	the subscription of the New Shares
“Share Subscription Agreement”	the agreement dated 11 July 2007 entered into between the Purchaser and the Seller in respect of the Share Subscription
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars
“US\$”	United States dollars
“%”	Percentage

LETTER FROM THE BOARD



ULTRA GROUP HOLDINGS LIMITED 歐美集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8203)

Executive Directors:

Ms. Cho Yuen Yi, Wendy (*Chairman*)
Ms. Wong Ching Ngor
Mr. Wu Kam Hung

Independent Non-executive Directors:

Mr. Liew Swee Yean
Mr. Siu Siu Ling, Robert
Dr. Wong Yun Kuen

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal
place of business:*

3rd Floor, Sunning Plaza
10 Hysan Avenue
Causeway Bay
Hong Kong

26 July 2007

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

INTRODUCTION

On 13 July 2007, the Board announced that the Purchaser (a wholly owned subsidiary of the Company) entered into the Share Subscription Agreement with the Seller, pursuant to which the Purchaser desires to subscribe and pay for the New Shares, representing 51% of the issued share capital of the Seller as enlarged by the Share Subscription, at a cash consideration of HK\$10,000,000.

According to the GEM Listing Rules, the Share Subscription constitutes a discloseable transaction of the Company pursuant to the requirements under Chapter 19 of the GEM Listing Rules. The purpose of this circular is to provide the Shareholders with further information of the Share Subscription Agreement, the Challenger Group and other information as required under the GEM Listing Rules.

LETTER FROM THE BOARD

THE SHARE SUBSCRIPTION AGREEMENT

Date

11 July 2007

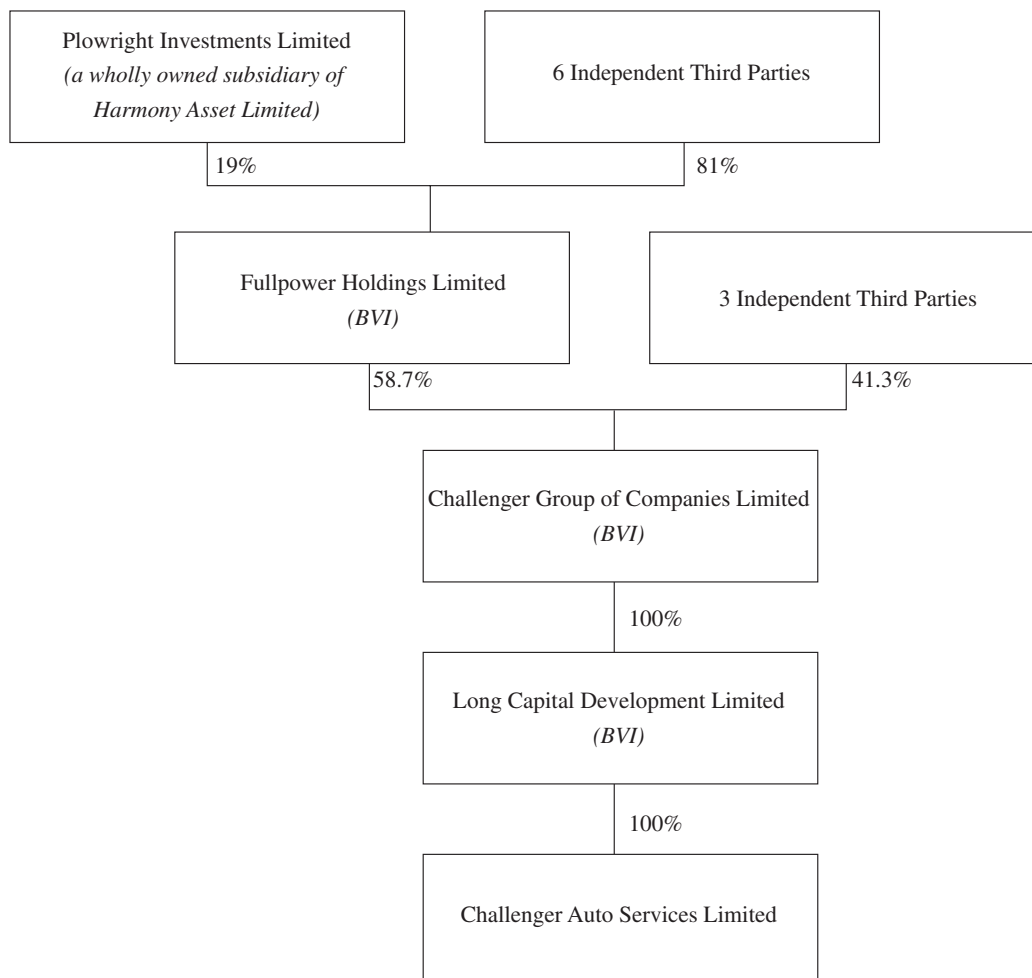
Parties

Purchaser: High Focus Group Limited, a company incorporated in the BVI with limited liability and a wholly owned subsidiary of the Company

Seller: Long Capital Development Limited, a company incorporated in the BVI with limited liability and wholly and beneficially owned by Challenger Group of Companies Limited. It is an investment holding company.

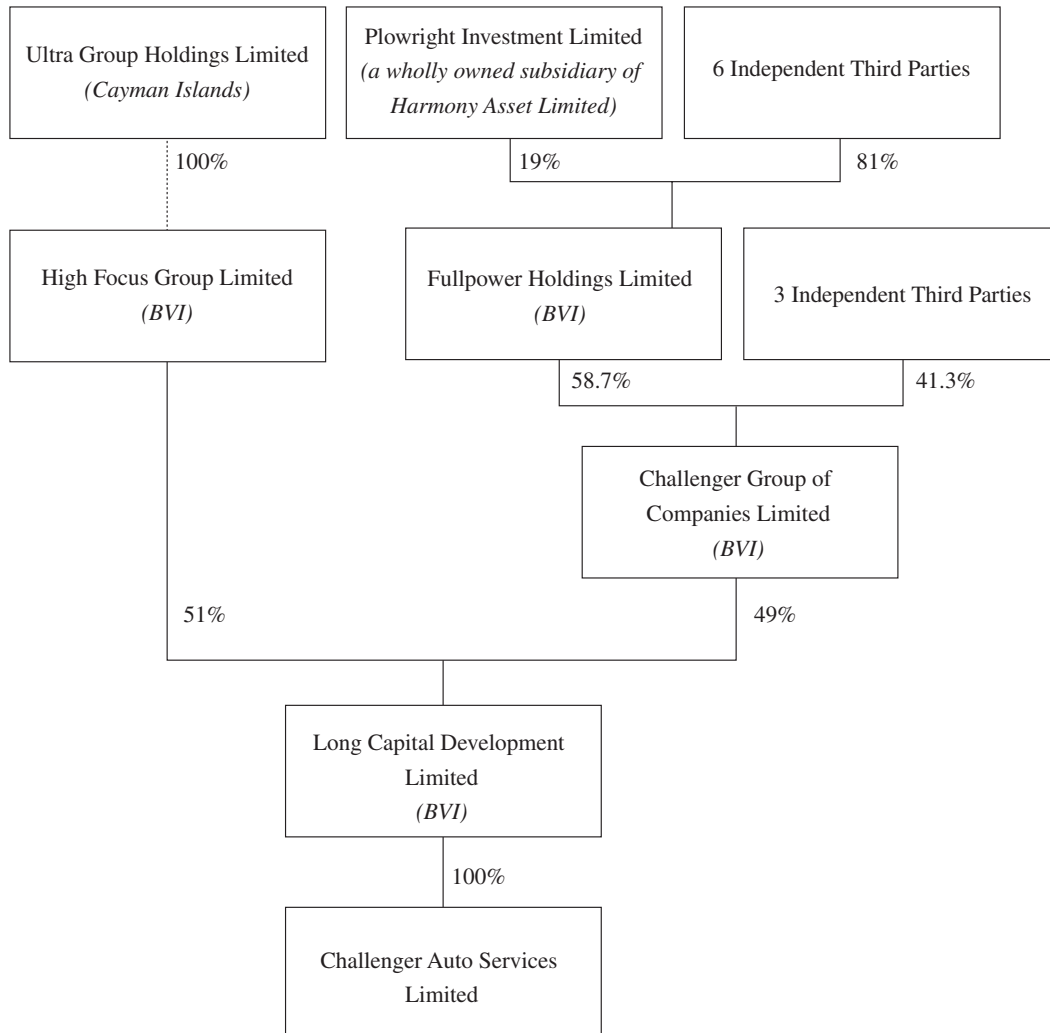
Set out below are the shareholding structures of the Seller immediately before and after the Share Subscription:

Shareholding structure immediately before the Share Subscription



LETTER FROM THE BOARD

Shareholding structure immediately after the Share Subscription



LETTER FROM THE BOARD

Plowright Investments Limited, a substantial Shareholder, has an effective interest of approximately 11.15% in the Seller. Save as disclosed above and to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Seller and its ultimate beneficial owners are the Independent Third Parties. As Plowright Investments Limited is neither interested in 30% or more of the voting power at the general meetings of the Seller nor controls the composition of a majority of the board of directors of the Sellers, the Seller is not an associate of Plowright Investments Limited under the GEM Listing Rules. As Plowright Investments Limited is not, and is not proposed to be, a controller of the Company and is not (or will not become as a result of the Share Subscription) an associate of a controller of the Company, the Share Subscription does not constitute a connected transaction pursuant to GEM Listing Rule 20.13(1)(b)(i).

Subscription of New Shares

Pursuant to the Share Subscription Agreement, the Purchaser desires to subscribe and pay for the New Shares.

Consideration:

The consideration for the Share Subscription is HK\$10,000,000, which was determined after arm's length negotiations between the Purchaser and the Seller, having taken into account (i) the market value of the 100% equity interest in Challenger of HK\$15,000,000 as at 30 June 2007 as appraised by BMI Appraisals Limited, an independent qualified valuer appointed by the Company based on the market approach which provides indications of value by comparing the subject to similar businesses that have been sold in the market; and (ii) the growth potential of Challenger and other factors set out in more detail in the section headed "Reasons for and benefits of the Share Subscription" below.

The Purchaser shall pay the Seller the cash consideration for the Share Subscription of HK\$10,000,000 in the following manner:

- (i) HK\$1,000,000 on the Closing Date,
- (ii) HK\$4,500,000 on or before 31 December 2007; and
- (iii) HK\$4,500,000 on or before 31 March 2008,

The amount of consideration shall be paid by the Purchaser from its internal resources to the Seller pursuant to the terms of the Share Subscription Agreement.

Conditions

Completion of the Share Subscription Agreement shall be conditional, inter alia, upon:

- (a) on the Closing Date, (i) the representations and warranties given by the Seller herein, shall be true, accurate and correct in all respects at, and as if made on such date, (ii) the Seller shall have performed all of its obligations hereunder expressed to be performed on or before such date, and (iii) there shall have been delivered to the Purchaser a certificate, (confirming (i) and (ii) above, and in the form set out in Schedule 1 to the Share Subscription Agreement), dated as of such date, signed by a director or duly authorised officer of the Seller; and

LETTER FROM THE BOARD

- (b) the Purchaser shall have been satisfied with the results of the due diligence investigations on the Challenger Group, and the Seller shall provide all necessary support and assistance to the Purchaser in its due diligence investigations.

If the conditions contained in the Share Subscription Agreement have not been fulfilled or waived by the Purchaser on or before the Closing Date, the Share Subscription Agreement shall automatically terminate and the obligation of the Purchaser to subscribe and pay for the New Shares shall cease. In such event, any amount paid by the Purchaser to the Seller hereunder will be repaid to the Purchaser and each of the parties to the Share Subscription Agreement shall cease to have any rights or obligations under Share Subscription Agreement, save for the accrued rights or liabilities of any party to the other party in respect of the terms herein at or before such termination.

Closing Date

Subject to the fulfilment of the conditions set out in the Share Subscription Agreement, the closing shall take place on or before 31 August 2007, or such other time and/or date as the parties may agree.

Without prejudice to any other remedies available to the Seller or the Purchaser and unless expressly waived by the other party to the Share Subscription Agreement, if the Seller cannot deliver the relevant completion documents or the Purchaser cannot make the payment of the partial consideration on the Closing Date, the non-defaulting party may:

- (a) defer closing of the Share Subscription Agreement to a day not more than 28 days after the Closing Date;
- (b) proceed to closing so far as practicable, without prejudice to its rights hereunder; or
- (c) treat the Share Subscription Agreement as terminated, and discharge itself of any further obligations hereunder, without prejudice to its rights to sue for damages.

Closing of the Share Subscription Agreement took place on 24 July 2007.

Option

Pursuant to the Share Subscription Agreement, the Seller also grants the Purchaser an option (the "Option") at no premium to require the Seller to purchase (within a period of 90 days after its receipt of a written notice (the "Option Notice"), or procure an Independent Third Party to purchase the New Shares (within a period of 30 days after its receipt of the Option Notice) at the amount of consideration already paid by the Purchaser (the "Option Price"), in accordance with the terms of the Share Subscription Agreement.

In the event that any of the following conditions is not satisfied on or before 31 December 2007:

- (a) (i) all license agreements necessary for the operation of the business of Challenger, as presently conducted or proposed to be conducted, shall have been assigned, transferred or novated, as appropriate, to Challenger, (ii) each of such license agreements is valid and

LETTER FROM THE BOARD

subsisting, and (iii) there are no facts or circumstances existing by reason of any breach by any member of the Challenger Group why any of such license agreements will be terminated;

- (b) (i) all trademarks material for the operation of the business of Challenger, as presently conducted or proposed to be conducted, shall have been assigned or transferred, as appropriate, to Challenger, (ii) Challenger owns or has the right to use, free from any Encumbrances, such trademarks, and (iii) Challenger does not have any knowledge that any such trademarks is being infringed by third parties; or
- (c) (i) all policies of insurance relating to the business of Challenger, as presently conducted or proposed to be conducted, shall be in the name of Challenger, be in full force and effect, and are not subject to any special or unusual terms or restrictions or to the payment of any premium in excess of the normal rate for policies of the same kind, (ii) all premiums due thereon have been paid, and (iii) the insurance coverage provided by such policies is adequate and suitable for the business of Challenger,

the Purchaser may, at its discretion, exercise the Option at any time on or after 31 December 2007. The Option may be exercised only in whole, and not in part, by delivery by the Purchaser to the Seller of the Option Notice.

Upon the exercise of the Option, the Share Subscription Agreement shall automatically terminate and the obligation of the Purchaser to make any outstanding payments for the consideration of the Share Subscription shall cease. In such event, each of the parties to the Share Subscription Agreement shall cease to have any rights or obligations under the Share Subscription Agreement, save for the accrued rights or liabilities of any party to the other party in respect of the terms herein at or before such termination.

INFORMATION ON THE CHALLENGER GROUP

The Seller is an investment holding company incorporated in the BVI on 24 October 2005 with limited liability. As at the date of this announcement, the Seller has an authorised share capital of US\$50,000 divided into 50,000 ordinary shares of US\$1.00 each and an issued share capital of US\$4,900 divided into 4,900 ordinary shares of US\$1.00 which are directly held by Challenger Group of Companies Limited. Other than its equity interest in Challenger, the Seller has no material assets or liabilities as at the date of the Share Subscription Agreement.

Pursuant to the Share Subscription Agreement, the Purchaser will subscribe 5,100 New Shares, representing approximately 104.08% of the existing issued share capital of the Seller and 51% of the issued share capital of the Seller as enlarged by the issue of the New Shares. Upon completion of the Share Subscription Agreement, the Purchaser will own 51% of the entire issued share capital of the Seller, whereas Challenger Group of Companies Limited will own 49% of the entire issued share capital of the Seller and the accounts of the Challenger Group will be consolidated into that of the Company.

The Seller is the legal and beneficial owner of the entire issued share capital of Challenger which is principally engaged in auto servicing businesses which include provision of professional auto detailing service, comprehensive auto repairing and organised membership service, well-established and organised

LETTER FROM THE BOARD

membership service, 24-hour towing service and auto detailing franchise operation services under its own brand name "CHALLENGER". As at the date of this announcement, Challenger has an authorised share capital of HK\$4,200,000 divided into 4,200,000 ordinary shares of HK\$1.00 each and an issued share capital of HK\$4,090,000 in the form of 4,090,000 ordinary shares, all of which are owned by the Seller.

The audited net profit after extraordinary items and (i) before and (ii) after taxation of Challenger for the year ended 31 March 2007 were approximately (i) HK\$586,310 and (ii) HK\$586,310 respectively. The audited net loss after extraordinary items and (i) before and (ii) after taxation of Challenger for the year ended 31 March 2006 were approximately (i) HK\$1,313,855 and (ii) HK\$1,313,855 respectively. As at 31 March 2007, the audited total assets and net asset value of Challenger were approximately HK\$12,561,377 and HK\$1,906,953 respectively.

REASONS FOR AND BENEFITS OF THE SHARE SUBSCRIPTION

The Company and its subsidiaries are principally engaged in the business of designing, manufacturing and selling office furniture and related products and services primarily in Hong Kong and the PRC, but also in other Asian countries including but not limited to Philippines, Taiwan, India, Singapore and Thailand.

As mentioned in the annual report of the Company for the year ended 31 March 2007, the Company has been facing keen competition in the office furniture industry. In this regard and as mentioned in the announcements of the Company 8 May 2007, 9 May 2007, 14 May 2007 and 31 May 2007, the Company has been contemplating various corporate exercises involving possible acquisition of new businesses and disposal of certain business operations of the Group for the purpose of diversifying the business portfolio of the Group. On 18 June 2007, the Company announced that it has entered into a share subscription agreement, pursuant to which the Company will subscribe for new shares, representing 51% of the issued share capital, of Global On-line Distribution Limited which is an on-line distributor of office supplies and equipments providing multi-channel and cross-border trade solutions to both corporation and individual on-line buyers. The Board is of the view that the Share Subscription is in line with the business strategy of the Group and represents an excellent opportunity for the Company to expand the existing automobile services business of the Challenger Group into the PRC. The Directors believe and consider the terms and conditions of the Share Subscription Agreement are fair and reasonable and the Share Subscription is in the interests of the Company and the Shareholders on a whole.

Following the Share Subscription, the Company will continue to seek other investment opportunities and pursue the disposal of the certain business operations of the Group.

FINANCIAL EFFECT ON THE SHARE SUBSCRIPTION

Upon completion of the Share Subscription, it is expected that the Group's total assets and total liabilities will be increased by approximately HK\$12.4 million and HK\$10.9 million respectively and the Share Subscription will not have any material impact on the earnings of the Group.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

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

Yours faithfully,
By order of the Board
Ultra Group Holdings Limited
Cho Yuen Yi, Wendy
Chairman

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this circular is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this circular misleading; and (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

DISCLOSURE OF INTERESTS**(i) Interests and Short Positions of Directors and Chief Executives in Shares, Underlying Shares and Debentures**

As at the Latest Practicable date, the interests and short positions of the Directors and the chief executives in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules were as follows:

Name of Director	Capacity	No. of Shares	Notes	Percentage of shareholding
Ms. Cho Yuen Yi, Wendy	Interest of controlled corporations	83,826,500 (Long Position)	1, 2 & 3	15.52%

Notes:

1. These Shares are held as to 22,882,500 Shares by Huge Mars International Limited and 60,944,000 Shares by Excel Formation Limited.
2. Huge Mars International Limited is wholly-owned by Ms. Cho Yuen Yi, Wendy, who is deemed to be interested in the 22,882,500 Shares held by Huge Mars International Limited under the SFO.
3. Excel Formation Limited is wholly-owned by Ms. Cho Yuen Yi, Wendy, who is deemed to be interested in the 60,944,000 Shares held by Excel Formation Limited under the SFO.

Save as disclosed above, none of the Directors or the chief executives of the Company had any interests or short positions in the Shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules as at the Latest Practicable Date.

(ii) Interests and Short Positions of Substantial Shareholders in Shares and Underlying Shares

As at the Latest Practicable Date, the interests and short positions of substantial shareholders (other than the Directors and chief executives of the Company) in the Shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name of Director	Capacity	No. of Shares	Notes	Percentage of shareholding
Plowright Investments Limited	Beneficial owner	115,231,000 (Long position)	1	21.34%
Harmony Asset Limited	Interest of a controlled corporation	115,231,000 (Long position)	1	21.34%
Gold Master Business Limited	Beneficial owner	81,000,000 (Long position)	2	15.00%
Mr. Wong Wai Keung, Dennis	Interest of a controlled corporation	81,000,000 (Long position)	2	15.00%
Ms. Cho Yuen Yi, Wendy	Interest of a controlled corporation	83,826,500 (Long position)	3, 4 & 5	15.52%
Excel Formation Limited	Beneficial owner	60,944,000 (Long position)	5	11.29%

Notes:

1. Plowright Investments Limited is a wholly-owned subsidiary of Harmony Asset Limited, the shares of which are listed on the Main Board of the Stock Exchange. Harmony Asset Limited is deemed to be interested in the 115,231,000 Shares held by Plowright Investments Limited under the SFO.
2. Gold Master Business Limited is wholly-owned by Mr Wong Wai Keung, Dennis. Mr Wong Wai Keung, Dennis is deemed to be interested in 81,000,000 Shares held by Gold Master Business Limited under the SFO.
3. These Shares are held as to 22,882,500 Shares by Huge Mars International Limited and 60,944,000 Shares by Excel Formation Limited.
4. Huge Mars International Limited is wholly-owned by Ms. Cho Yuen Yi, Wendy who is deemed to be interested in the 22,882,500 Shares held by Huge Mars International Limited under the SFO.
5. Excel Formation Limited is wholly-owned by Ms. Cho Yuen Yi, Wendy, who is deemed to be interested in the 60,944,000 Shares held by Excel Formation Limited under the SFO.

Save as disclosed above, as at the Latest Practicable Date, no person had registered an interest or short position in the Shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Each of the existing executive Directors namely, Ms. Cho Yuen Yi, Wendy and Ms. Wong Ching Ngor, has entered into a Director's Service Contract with the Company with no fixed term beginning on 1 January 2004. Mr. Wu Kam Hung, who became an executive Director on 6 July 2007, has entered into a Director's Service Contract with the Company with no fixed term commencing from 6 July 2007. The contracts may be terminated by either party thereto giving to the other not less than three months' prior notice in writing.

The term of office for each of Mr. Liew Swee Yean, Mr. Siu Siu Ling, Robert and Dr. Wong Yun Kuen is for a term of one year and may be extended for such period as agreed in writing by the Directors concerned and the Company. Currently, Mr. Liew Swee Yean has been appointed as independent non-executive Director up to 7 November 2007, Mr. Siu Siu Ling, Robert has been appointed as independent non-executive Director up to 31 December 2007, whilst Dr. Wong Yun Kuen has been appointed as independent non-executive Director up to 29 September 2007.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors has entered into any service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

LITIGATION

A subsidiary of the Group is currently a co-defendant with a ex-driver employed by that subsidiary in a lawsuit brought by a party in a personal injury claim involving a traffic accident. The Group and its insurance company have been contesting the claim. Although the final outcome of the proceedings is still uncertain, the Directors are of the opinion that the ultimate liability of the Group arising from the claim, if any, should not have a material adverse impact on the Group's financial position.

Save as disclosed above, as at the Latest Practicable Date, so far as the Directors were aware, neither the Company nor any of its subsidiaries was engaged in any litigation or claims of material importance and there was no litigation or claims of material importance known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective associates (as defined under the GEM Listing Rules) had any interest in a business, which competed or may compete with the business of the Company or any of its subsidiaries.

GENERAL

- (a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The head office and principal place of business of the Company is at 3rd Floor, Sunning Plaza, 10 Hysan Avenue, Causeway Bay, Hong Kong.

- (c) The share registrar and transfer agent of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) The company secretary, qualified accountant and compliance officer of the Company is Ms. Wong Ching Ngor. She is an associate member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants and a Certified Public Accountant.
- (e) The Company has established an audit committee on 9 December 2003 with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group. The audit committee comprises three independent non-executive Directors, namely Mr. Liew Swee Yean, Mr. Siu Siu Ling, Robert and Dr. Wong Yun Kuen, and Mr. Liew Swee Yean is the chairman of the audit committee.

Mr. Liew Swee Yean, aged 43, joined the Group in November 2006. Mr. Liew is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. Liew holds a Master of Business Administration (Executive) Degree from the City University of Hong Kong. He is an independent non-executive director of Byford International Limited, a company listed on the GEM of the Stock Exchange. Mr. Liew is also an executive director of Autism Recovery Network Limited and a director of business development of eBroker Systems Limited.

Mr. Siu Siu Ling, Robert, aged 55, joined the Group in December 2002 and is a partner of the firm Messrs. Robert Siu & Co., Solicitors. Mr. Siu has been an executive director of Maxx Bioscience Holdings Limited until 28 June 2006 and is now an independent non-executive director of Incutech Investments Limited, both of which are listed on the Main Board of the Stock Exchange. Mr. Siu holds a bachelor degree in laws and a postgraduate certificate in laws. He has been a solicitor of Hong Kong since 1992 and has been admitted as solicitor of England and Wales since 1993. His practice is mainly in the field of commercial and corporate finance.

Dr. Wong Yun Kuen, aged 49, joined the Group in September 2004. He holds a Ph.D. degree from Harvard University and was the "Distinguished Visiting Scholar" at Wharton School of the University of Pennsylvania. Dr. Wong has worked in the financial industries in the United States and Hong Kong for many years, and has over 10 years of experience in corporate finance, investment and derivative products. He is a member of Hong Kong Securities Institute. Dr. Wong is an executive director of UBA Investments Limited, and an independent non-executive director of Grand Field Group Holdings Limited, Harmony Asset Limited, Golden Resorts Group Limited, Bauhaus International (Holdings) Limited, Tak Shun Technology Group Limited, Poly Investments Holdings Limited and Kong Sun Holdings Limited. Dr. Wong has been an independent non-executive director of Haywood Investments Limited until July 7, 2005. All the aforesaid companies are listed on the Main Board of the Stock Exchange.

- (f) In any event of inconsistency, the English language text of this circular shall prevail over the Chinese language text.