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

*(Incorporated in the Cayman Islands with limited liability)*

**DISCLOSEABLE TRANSACTION**

**PLACING OF NEW SHARES  
AND GRANTING OF OPTION**

**Summary**

The Board announces that on 25 February 2004, the Company has entered into the Subscription Agreement, whereby it has conditionally agreed to place 21,000,000 new Shares to the Placee at a price of HK\$0.05 per Share. Immediately before and after the Completion, 600,000 Shares and 21,600,000 Shares were held by the Placee respectively, representing approximately 0.15% and 5.13% of the equity interest of the Company respectively.

The Placing Shares represent 5.25% of the existing issued share capital of the Company of 400,000,000 Shares and approximately 4.99% of the issued share capital of the Company as enlarged by the Placing Shares. The Placing Shares will be allotted and issued pursuant to the general mandate granted to the Directors at the annual general meeting of the Company held on 29 July 2003. No equity fund raising exercise has been done by the Company in the past 12 months.

Pursuant to the Subscription Agreement, the Placee has also been granted the Option, which is exercisable in whole (but not in part) at any time during the Option Period, to require the Company to allot and issue the Option Shares which constitute 5.4% of the issued share capital of the Company as at the

exercise date of the Option. The aggregate issue price of the Option Shares shall be the cash sum of HK\$2,700,000.

The aggregate value of the Placing Shares and the Option Shares pursuant to the Subscription Agreement exceeds 15% but not more than 50% of the unaudited consolidated net tangible asset value of the Company as at 30 September 2003 and as such constitutes a discloseable transaction under the GEM Listing Rules. A circular containing details of, inter alia, the Subscription Agreement will be despatched to the shareholders of the Company as soon as possible.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 26 February 2004 pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 27 February 2004.

## **THE PLACING**

### **Subscription Agreement dated 25 February 2004**

#### **Parties**

Issuer : The Company

Placee : Bay2Peak Strategies Limited, owned as to 50% by Mr. Dennis Kam Thai Leong and 50% by the Guarantor, is principally engaged in strategic advisory activities including services of corporate restructuring, venture capital, funding presentation, merger and acquisition, due diligence, valuations, financial engineering and institutional investor relations. The Guarantor has extensive experience in the securities or investment banking industry and having experience in launching software products, management restructuring, corporate funding and securing strategic partners in the United States of America and in Asia.

As at the date hereof, 600,000 Shares were held by the Placee. The Placee together with its shareholders, are not connected with any of the Directors, chief executive, substantial shareholders or management shareholders of the Company or any of its subsidiaries or their respective associates (as defined in the GEM Listing Rules).

**Guarantor:** Mr. Brent Yee Suen, who is the beneficial owner of 50% of the issued share capital of the Placee, agrees to guarantee and procure the performance by the Placee of its obligations in the Subscription Agreement.

### **Placing Shares**

21,000,000 new Shares are to be placed, representing 5.25% of the existing issued share capital of the Company of 400,000,000 Shares and approximately 4.99% of the issued share capital of the Company as enlarged by the Placing Shares. On Completion, the Placee will deliver a bank draft of HK\$1,050,000, being the aggregate Placing Price of the Placing Shares, to the Company. The Placing Shares will be allotted and issued, subject to the fulfillment of the conditions of the Subscription Agreement, under the general mandate granted to the Directors at the annual general meeting of the Company held on 29 July 2003.

### **Placing Price**

The Placing Price of HK\$0.05 per Placing Share was arrived at after arm's length negotiations between the Company and the Placee. It represents a premium of approximately 38.89% to the closing price of HK\$0.036 per Share as quoted on the Stock Exchange on 25 February 2004, being the date of the Subscription Agreement and a premium of approximately 47.06% to the average closing price of approximately HK\$0.034 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including 25 February 2004.

### **Conditions of the Placing**

The Completion is conditional upon the Stock Exchange granting listing of and permission to deal in the Placing Shares on GEM. Application will be made by the Company to the Stock Exchange for the grant of listing of and permission to deal in the Placing Shares.

If any of the conditions of the Subscription Agreement is not fulfilled at or before 5:00 p.m. on 31 March 2004 (or on such later date as the parties to the Subscription Agreement may agree in writing), the Subscription Agreement shall forthwith terminate. The termination of the Subscription Agreement shall not affect or prejudice any rights and obligations which have accrued to any of the parties to the Subscription Agreement prior to such termination.

## **Completion**

The Completion Date is expected to fall on the second Business Day following the date on which conditions of the Subscription Agreement have been fulfilled, or such later date as may be agreed by the parties to the Subscription Agreement in writing.

## **Reasons for the Placing and the use of proceeds**

The Placing will bring a strategic investor to the Group and will enhance the cash position and the financing flexibility of the Company, which the Directors consider to be beneficial to the Company. The Placee is principally engaged in strategic advisory services such as corporate restructuring, funding presentation, financial engineering and institutional investor relations. Together with the knowledge of its shareholders in information technology, the Directors believe that the Placee may identify and introduce appropriate strategic partners/investors to the Company and identify and introduce opportunities to enhance the business of the Group. The Directors believe that the terms of the Placing are fair and reasonable and in the interests of the shareholders as a whole.

The net proceeds of the Placing is expected to be approximately HK\$1,000,000, which will be used by the Group solely as general working capital for the daily operations of the Group.

## **OPTION GRANTED TO THE PLACEE**

Pursuant to the Subscription Agreement, the Company has granted to the Placee the right and option, which is exercisable in whole (but not in part) at any time during the Option Period, to require the Company to issue and allot the Option Shares to the Placee, on and subject to the terms and conditions of the Subscription Agreement.

**Option Price** : the aggregate issue price of the Option Shares payable to the Company shall be the cash sum of HK\$2,700,000 which is based on arm's length negotiation between the Company and the Placee.

**Option Period** : the period commencing from the date on Completion and ending on (and including) 30 September 2005.

Option Shares : such number of ordinary Shares in the issued share capital of the Company constituting 5.4% of the entire issued share capital of the Company as at the date which the Option exercises.

Exercise of the Option shall be effected by the delivery of a written notice by the Placee to the Company, which shall specify the number of Option Shares to be issued and allotted to the Placee.

For reference and illustration purposes only, based on the issued share capital of the Company of 421,000,000 Shares as enlarged by the Placing and the aggregate Option Shares constitute 5.4% of the issued share capital of the Company as at the exercise date of the Option, assuming that no other new Shares will be issued and allotted after the Placing and no outstanding options will be exercised during the Option Period, if the Option is exercised, the aggregate number of Option Shares will be 22,734,000 Shares, representing approximately 5.1% of the issued share capital of the Company as enlarged by the Placing and the Option.

### **Reasons for granting the Option and conditions of the Option**

It is the intention of the Company and the Placee that after Completion, the Placee may identify and introduce appropriate strategic partners/investors to the Company and identify and introduce opportunities to enhance the business of the Group. The right to exercise the Option by the Placee is therefore conditional upon the occurrence, on or before the expiry of the Option Period, of the events set out in any one of paragraph (a), (b) or (c) below:

- (a) all the matters set out below having been achieved and fulfilled by the Placee:
  - i). the Placee having identified and introduced not less than one strategic partner/investor to the Company, such partner/investor as may be approved by the Company;
  - ii). the Placee having identified enhancements to the business and/or revenue model of the Group and having assisted the Group in performing such enhancements, in each case to the reasonable satisfaction of the Company;

- iii). the Placee having introduced and secured investments in the share capital of the Company by not less than one strategic partner/investor, such partner/investor as may be approved by the Company, with a total investment amount of not less than US\$2 million having been received by the Company; and
- iv). the Placee having introduced the Company to investors in the United States of America and Europe as well as individual and institutional investors;

or

- (b) the shares of the Company having been listed and traded on such stock exchange (other than GEM) as may be approved by the Company; or
- (c) the Company having completed any merger with another company or group of companies or having acquired or sold all or a substantial portion of its assets and/or businesses, and such merger, acquisition or sale is principally attributable to the introduction or other efforts of the Placee and/or the Guarantor.

The Directors believe that the granting of the Option with the conditions set out above will encourage the Placee to introduce appropriate strategic investors to the Company and identify and introduce opportunities to enhance the business of the Group. The Directors believe that the terms of the Option are fair and reasonable and in the interests of the shareholders as a whole. Upon the exercise of the Option, application will be made by the Company to the Stock Exchange for the grant of listing of and permission to deal in the Option Shares. In the event that the number of Option Shares to be allotted and issued pursuant to the Subscription Agreement exceeds the general mandate maximum granted to the Directors from time to time, the issuance of the Option Shares will require approval from the shareholders of the Company in an extraordinary general meeting.

### **Use of proceeds from exercise of the Option**

The net proceeds from exercise of the Option is expected to be approximately HK\$2,700,000, of which approximately HK\$1,400,000 will be used by the Company for the product enrichment and enhancement including but not limited to enrichment of the content and the variety of features on the Company's website, expand the Company's web-base application and its research and development team; and the balance of the net proceeds of approximately HK\$1,300,000 will be used by the Company as general working capital for the daily operations.

## SHAREHOLDING STRUCTURE BEFORE AND AFTER THE COMPLETION AND THE EXERCISE OF THE OPTION

Set out below is the effect on the shareholding of the Company immediately before and after the Completion and the exercise of the Option assuming that no other new Shares will be issued during the Option Period:

	Immediately before the Completion		Immediately after the Completion but before the exercise of the Option		Immediately after the Completion and the exercise of the Option (on the basis that no new Shares will be issued during the Option Period)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
<i>Directors</i>						
Yu Lup Fat, Joseph	5,301,927	1.33	5,301,927	1.26	5,301,927	1.19
Yip Kwok Cheung (Note 1)	24,129,073	6.03	24,129,073	5.73	24,129,073	5.44
Wong Kai Yin, Paul	22,284,415	5.57	22,284,415	5.29	22,284,415	5.02
To Man Yau, Alex	10,994,162	2.75	10,994,162	2.61	10,994,162	2.48
<i>Management shareholders</i>						
CCT Telecom Holdings Limited (Note 2)	93,364,070	23.34	93,364,070	22.18	93,364,070	21.04
Ng Tung Ming	27,511,187	6.88	27,511,187	6.53	27,511,187	6.20
The Placee	600,000	0.15	21,600,000	5.13	44,334,000	9.99
Public	<u>215,815,166</u>	<u>53.95</u>	<u>215,815,166</u>	<u>51.26</u>	<u>215,815,166</u>	<u>48.64</u>
Total	<u>400,000,000</u>	<u>100.00</u>	<u>421,000,000</u>	<u>100.00</u>	<u>443,734,000</u>	<u>100.00</u>

### Notes:

- 1 The interests of Mr. Yip Kwok Cheung in the Shares include 518,411 Shares held by his wife, Ms. Choy Ching Yee, Ruby.
- 2 The interests disclosed comprises 93,364,070 Shares beneficially owned by Manistar Enterprises Limited, which is a wholly-owned subsidiary of CCT Telecom Holdings Limited.

## GENERAL

The Group 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-sized enterprises to generate and transform trade leads into transactions.

The aggregate value of Placing Shares and Option Shares exceeds 15% but not more than 50% of the unaudited consolidated net tangible asset value of the Company as at 30 September 2003 and as such the Placing and the granting of Option would constitute a discloseable transaction of the Company under the GEM Listing Rules. A circular containing, among other matters, further information on the Placing and the Option will be despatched to shareholders of the Company for their information as soon as possible.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 26 February 2004 pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 27 February 2004.

## **Definitions**

“Board”	the board of Directors
“Business Day”	a day (excluding Saturday) on which banks in Hong Kong are generally open for business for more than four hours
“Company”	Tradeeasy Holdings Limited, which is incorporated in Cayman Islands with limited liability and the Shares of which are listed on the GEM
“Completion”	completion of the Placing for, and the allotment and issuance of, the Placing Shares in accordance with the provisions of the Subscription Agreement
“Completion Date”	the date of completion of the Subscription Agreement
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries

“Guarantor”	the beneficial owner of 50% of the issued share capital of the Placee, agrees to guarantee and procure the performance by the Placee of its obligations in the Subscription Agreement
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“management shareholder(s)”	has the meaning as given to it in the GEM Listing Rules
“Option”	the option granted by the Company to the Placee to require the Company to allot and issue the Option Shares
“Option Period”	the period commencing from Completion and ending on (and including) 30 September 2005
“Option Shares”	such number of ordinary shares in the issued share capital of the Company constituting 5.4% of the entire issued share capital of the Company as at the effective date of the Option exercise
“Placing”	placing of the Placing Shares by the Placee pursuant to the Subscription Agreement
“Placing Price”	HK\$0.05 per Placing Share
“Placing Shares”	21,000,000 new Shares to be allotted and issued by the Company to the Placee pursuant to the Subscription Agreement
“Placee”	Bay2Peak Strategies Limited, a company incorporated in Hong Kong with limited liability
“Share(s)”	share(s) of HK\$0.01 each of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated 25 February 2004 entered into by the Company, the Placee and the Guarantor
“substantial shareholder(s)”	has the meaning as given to it in the GEM Listing Rules

“HK\$” Hong Kong dollar(s), the lawful currency of Hong Kong

“%” per cent.

By Order of the Board  
**Tradeeasy Holdings Limited**  
**Yu Lup Fat, Joseph**  
*Chairman*

Hong Kong, 26 February 2004

\* *for identification purpose only*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website for at least 7 days from the date of its publication and on the website of the Company at [www.tradeeasy.com](http://www.tradeeasy.com).*

*This announcement, 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 announcement 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 announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*