This summary aims to give you an overview of the information contained in this prospectus. Since it is a summary, it does not contain all information that may be important to you. You should read the whole document before you decide to invest in the Placing Shares.

There are risks associated with any investment. Some of the particular risks of investing in the Placing Shares are set out in the section headed "Risk factors" in this prospectus. You should read that section carefully before you decide to invest in the Placing Shares.

INTRODUCTION

The Group is principally engaged in the development and sale of enterprise software products in Hong Kong, the PRC and other Asian countries. The Group has been providing its enterprise software products to commercial organizations for over 13 years. The Directors consider the Group as a leading developer and distributor of enterprise software products in Hong Kong. Having established a broad client base and a well-recognised brandname in the packaged enterprise software market in Hong Kong, the Group is building up its ASP business to provide enterprise software on-line using its proprietary Internet enabling technology, **Soma*AI**.

The Group's enterprise software products, promoted under the brandname of "FlexAccount" since 1987, are designed to improve the efficiency of operations and to reduce the operating costs of businesses. The Directors believe that the Group's enterprise software products are widely used by a large group of corporate users in Hong Kong. The Group's existing client base comprises over 20% of the companies (including their respective subsidiaries) listed on the Main Board as at 30th April 2000. The Group has completed more than 1,200 installations in Hong Kong and the PRC since its inception for its clients which range from small to medium sized enterprises (SMEs) to multi-national corporations and which are engaged in a wide spectrum of industries.

In addition to Hong Kong, the Directors believe that the Group has also built a strong foundation for its enterprise software business in the PRC. In 1997, the Group's finance and accounting application software was certified by 上海市財政局會計事務管理處 (Shanghai Municipal Finance Bureau) to be in compliance with the PRC accounting standards and for its capability to fulfil the requirements of various PRC government units. Since then, the Group's software products have been distributed to more than 10 provinces covering over 20 cities in the PRC. In April 2000, the Group was recognized by the Shanghai Municipal Finance Bureau, 上海計算機軟件技術開發中心 (Shanghai Computing Software Technology Development Center) and 上海市軟件行業協會 (Shanghai Software Business Association) as the only Hong Kong-based finance and accounting software company in Shanghai. The Directors believe that these recognition and certification are the prerequisites for a foreign software company to distribute its products extensively in the PRC.

The Directors consider the Group as one of the early entrants in the ASP market in Hong Kong and the PRC. The Directors believe that the Group possesses four fundamental elements of a successful ASP business, namely (i) an efficient and cost-effective proprietary Internet enabling technology, (ii) an extensive range of well-developed application software, (iii) an established and broad client base for its application software, and (iv) a long established brandname. By leveraging on these advantages, the Directors are confident that the Group is ready to deliver enterprise software on-line in Asia.

BUSINESS

Enterprise software

The Group develops, markets and supports a series of enterprise software products that operate on multiple computing platforms. The Group also provides related implementation and maintenance services. All of the FlexAccount products, except the FlexAccount Garment Trading/Manufacturing System, are Internet-enabled.

FlexAccount products are able to support accounting, finance, logistics and distribution, manufacturing, payroll and other administrative functions of companies of various sizes in different industries. Some of the FlexAccount products have been specifically designed for certain industries which rely heavily on the control of material procurement and real time update of information input from diverse locations of operation, such as trading and retailing.

The FlexAccount product suite currently consists of eight application software modules. A summary of their respective features is as follow:

Application software modules	**Features**
FlexAccount Financial Management System	Accounting system with full range of functions, including management of general ledgers, accounts receivable, accounts payable and various forms of financial analysis.
FlexAccount Financial Information ON-line	Executive information system comprising component-based financial reporting and analysis tools and information retrieval application running on commonly used office software application such as Excel and allowing global access in Internet environment.
FlexAccount Distribution and Logistics System	Inventory management system consisting of sales order management, purchase order management and inventory control functions, to provide up-to-date stock valuation information and other inventory management information.
FlexAccount MFG System	Production control system with functions for control of sales order, purchase order, inventory levels, manufacturing order as well as material order to assist users to schedule and monitor production cycles.
FlexAccount Payroll & MPF System	Payroll and mandatory provident fund contribution management system for maintaining employees' payroll records, calculating tax payments, effecting autopayment via banking system and preparing customised payroll forms and reports.
FlexAccount Online Point-of-Sales System	Cash and inventory management system for linking point-of-sales to the company's central database through the Internet, preparing management reports and conducting sales and stock analysis.

Application software modules	Features
FlexAccount Property Management System	Rental related settlement system for automated billing and maintaining information about lease, property, tenants, and utilities requirements and effecting settlement through the banking system.
FlexAccount Garment Trading/ Manufacturing System	Integrated control system for operation cycle of the garment, apparel, shoe and leather industry.

ASP Business

The Group's ASP business principally involves the provision of FlexAccount products via the Internet to users on a subscription basis and the provision of related support services. The mission of the Group's ASP services is to allow users to outsource application deployment and IT infrastructure which results in lower investment required in hardware, software upgrades and system maintenance as well as enhanced operation efficiency. The Directors believe that by using the Group's ASP services, users can save significant resources for building up their own application software as well as reduce the risk of implementation failure and the cost of retaining qualified technical personnel.

In March 2000, the Group launched its ASP services under the service name of "FlexAccount Data Center". The "FlexAccount Data Center" currently offers three services packages, namely SME Data Center, Trusted Data Center and Enterprise Data Center. Further details of the respective models are set out in pages 58 to 62 of this prospectus. In addition, the Group is exploring the immense potential of the ASP business by developing its ASP business through strategic alliances with value-added business partners which have a substantial client base and thus allow the Group to reach a wide range of potential users of its ASP services in a relatively short period of time. The Group will form strategic partnerships with various business partners (including Deloitte & Touche Management Consulting Co., Limited, Taiwan) and will continue to do so in order to facilitate its expansion into the ASP market in Hong Kong as well as other selected Asian markets, including but not limited to, the PRC and Taiwan.

Technology

The Group utilises its proprietary Internet enabling technology, **Soma*AI**, to deliver services for its ASP business. **Soma*AI** is specifically designed to enable massive data transmission and interactive business application under a limited bandwidth environment. The Directors believe that **Soma*AI** is more suitable for business applications as compared to commonly used Internet browsers, particularly in terms of speed, bandwidth consumption and security.

According to an assessment report issued by 國家科學技術委員會 (National Science and Technology Committee) of the PRC, **Soma*AI** exhibits, among others, the following features: (i) a reduced bandwidth requirement as a result of its data compression technology and task-focused design for business applications; (ii) an encryption method, which avoids reliance on commonly used browsers and thereby allows security levels of 128 bits, 1024 bits or even higher; (iii) an enhanced data transmission speed via the Internet; and (iv) an ability to operate satisfactorily even at a low bandwidth level of 9.6kbps.

Based on the findings of the NSTC as stated above, the Directors are of the view that **Soma*AI** has significant advantages over Internet browsers commonly used for supporting ASP services. Furthermore, the Directors believe that the Group is able to offer its ASP services at a lower cost as compared to other ASPs using Internet browsers and broadband communication channels to support their services due to:

(i) the low bandwidth requirement of **Soma*AI**, which reduces communication costs, such as usage cost of broadband networks;

(ii) the low host server resources requirement of the Group's data compression technology, which reduces the required hardware investment; and

(iii) the Group's proprietary Internet enabling technology, which eliminates the need to pay licensing fees for using Internet enabling technology provided by other technology providers.

The Directors consider that **Soma*AI** is technologically advanced and is relatively too complicated for replication without the source code. The source code of **Soma*AI** is safe-kept by the Group in a proprietary system controlled by the Company's research and development department. The design of **Soma*AI** has also incorporated hardware protection so that users of the FlexAccount Data Center can only access **Soma*AI**, if installed at their premises, with the specific key lock provided by the Group and manufactured by a world-renowned manufacturer. Most of the users can only access **Soma*AI** via the Internet and hardware installed and maintained at the Group's premises, which is also incorporated with the same key lock. Therefore, the Directors consider that the probability of **Soma*AI** being stolen or replicated by outside parties as being remote.

STRENGTH

The Directors believe that the Group has competitive advantages in respect of the following areas:

(a) *development and sales of enterprise software by virtue of:—*

- its established and broad client base both in Hong Kong and the PRC;
- its established reputation in the packaged enterprise software market in Hong Kong;
- being recognised as the only Hong Kong-based finance and accounting software company in Shanghai in April 2000 and having its finance and accounting application software certified to be in compliance with the accounting standards in the PRC and for its capability to fulfill requirements of various PRC government units;
- its wide range of FlexAccount products which are being used by a large number of corporate users of various sizes and in different industries; and
- its set of reusable software components which effectively shorten the development time and promote the quality of future products.

(b) *ASP business by virtue of:—*

- its possession of a proprietary Internet enabling technology, which eliminates the need to rely on other technology providers;
- its full range of FlexAccount products which provides an integrated enterprise solution to users; and
- its strategic alliances with reputable business partners.

(c) *overall technological capabilities by virtue of:—*

- its years of experience and strong fundamental technical know-how for the development of enterprise software and its research and development teams located in Hong Kong, the PRC and Macau;
- its commitment to the continual development and enhancement of its technology; and
- the in-depth knowledge and expertise of its management team in the software industry.

FUTURE PLANS

The Directors believe that the Group is one of the key leaders of the packaged enterprise application software market in Hong Kong. While the sales of application software in the local market provide a solid base for the Group's business, expansion of the ASP business and sales of FlexAccount products to overseas markets are regarded by the Directors as major growth areas.

In order to achieve the Group's business objectives of becoming a leading ASP in Asia, the Directors envisage that the Group's development strategies will comprise three principal areas, namely (i) development and implementation of its ASP models to capture a larger market share; (ii) expansion into selected overseas markets; and (iii) continual research and development efforts to enhance the FlexAccount products and its **Soma*AI** technology.

ASP Business

The Directors are confident that the existing business models adopted by the Group's ASP business, namely SME Data Center, Trusted Data Center and Enterprise Data Center, can cater for the needs of most commercial organisations. The Directors believe that with its proprietary Internet enabling technology, **Soma*AI**, the Group's ASP business is capable of providing on-line enterprise solutions of quality to its clients. The Directors intend to promote its ASP business with further marketing efforts, particularly through print and Internet marketing.

In addition, the Directors consider that with technological advancement and innovation, there can be a number of revenue models generated for the ASP business. To concentrate its efforts in achieving a distinct market position in a relatively short period of time, the Group focuses on the development of the existing business models. However, the Group is also preparing to launch additional ASP services, such as on-line stock trading and real-time stock quotes, in the near future. The Group plans to attract users for these services by charging reasonable prices and providing more responsive, user-friendly and timely services.

Geographic Expansion

The Directors believe that the potential of distributing the FlexAccount products in overseas markets could be huge since the initial cost of investment in the development of the basic components for the development of application software has already been expended and any increase in the sales of the FlexAccount products will produce immediate profit for the Group. The Group intends to expand both its enterprise software and ASP business beyond its home market in Hong Kong in the near future by establishing branch offices and by forming strategic alliances with market practitioners in selected overseas markets such as the PRC, Taiwan and Japan. The Group is planning to set up data centers in major cities in the PRC, including Guangzhou, Beijing and Shenzhen within 2000.

Research and Development

The Group will continue to devote its resources to the research and development of enterprise software and Internet related technology, such as the further development of the **Soma*AI** technology. To enhance its research and development capabilities, the Group intends to expand its research and development teams in Hong Kong, Macau and the PRC and to set up a new research and development center in Malaysia.

RISK FACTORS

The Directors consider that there are certain risks involved in the business of the Group. The risk factors are set out under the section headed “Risk Factors” in this prospectus, which are summarised as follows:—

Risks relating to the Group’s business and operations

— The Group has a limited operating history in the ASP business;

— The Group may be subject to intense competition in the ASP business;

— The Group’s requirement for additional funds may not be satisfied;

— The Group’s dependence on its key executives and personnel;

— The Group may encounter difficulties with respect to the use of its intellectual property rights;

— The Group’s business objectives may not materialise;

— The Group’s insurance coverage is limited; and

— The Group’s computer systems, servers and infrastructure may not be reliable.

Risks relating to the industry

— The Group may be unable to stay ahead of technology trends and evolving industry standards in the future;

— The Group’s success depends on increased Internet usage;

— The Group's ability to generate revenue from its ASP business may be limited by Internet security concerns; and

— The Group's ability to generate revenue from its ASP business may be limited by privacy concern.

Risks relating to regulatory, economic and political issues

— Political risks associated with doing business in Hong Kong;

— Development of Internet related regulations in the PRC may affect the Group's ability to expand its ASP business in the PRC; and

— The Group's revenue may be affected by fluctuations in exchange rates and the Group may be exposed to currency conversion risks.

Risks relating to the Shares

— The unpredictability of the Group's periodic results may adversely affect the trading price of its Shares; and

— The Company's Share price may be volatile.

TRADING RECORD

The following is a summary of the combined results of the Group for the two years ended 31st March, 2000. The summary is prepared on the assumption that the current structure of the Group had been in place throughout the period under review. The summary should be read in conjunction with the Accountants' Report set out in Appendix I to this prospectus.

	Year ended 31st March,	
	1999	**2000**
	HK$'000	*HK$'000*
Turnover		
Sale of application software	29,836	33,800
Maintenance services	7,359	10,777
Resale of hardware	1,213	179
Total turnover	38,408	44,756
Gross profit	33,291	39,079
Profit before taxation	11,879	18,954
Taxation	(1,962)	(2,760)
Profit after taxation	9,917	16,194
Earnings per Share *(note)*	2.07 cents	3.37 cents
Dividends	20,000	11,070

Note: The calculation of the earnings per share for the years ended 31st March, 1999 and 2000, presented here for information purposes only, is based on the profit after taxation during these two years and the 480 million shares in issue immediately before the Placing.

REASONS FOR THE PLACING AND THE USE OF PROCEEDS

The Directors believe that the listing on GEM will enhance the Company's profile and expand its capital base for future growth and development. The net proceeds of the Placing, after deducting related expenses (assuming the Over-allotment Option is not exercised) are estimated to be approximately HK$143.3 million based on the higher end of the stated price range of HK$1.33 per Share. The Directors presently intend to use such net proceeds as follows:

- Approximately HK$25 million for the expansion of the Group's ASP business activities, including the establishment of data centers;

- Approximately HK$25 million on research and development activities, including the expansion of in-house research and development team and localisation of FlexAccount products from the Latest Practicable Date to 31st March, 2003;

- Approximately HK$30 million for strategic acquisitions of and investments in companies whose businesses fit into the Group's business strategy;

- Approximately HK$25 million to fund the geographic expansion into selected markets (including Taiwan within 2000) through, including the establishment of regional offices, recruitment of local sales and technical staff and forming business partnerships;

- Approximately HK$10 million on marketing and promotional activities, including advertising through various media, participation in trade shows and exhibitions and other promotional events; and

- The remaining balance of approximately HK$28.3 million to be used as working capital of the Group.

As at the Latest Practicable Date, the Company has not yet identified any suitable candidates for acquisition or investment.

To the extent that the net proceeds of the Placing are not immediately applied for the above purposes, it is the present intention of the Directors that such net proceeds will be placed on short term deposits with financial institutions in Hong Kong.

Should the Over-allotment Option be exercised in full, the Company will receive additional net proceeds of approximately HK$23 million based on the higher end of the stated price range of HK$1.33 per Share. The Directors intend to use such additional proceeds from the Over-allotment Option as additional general working capital. If the Issue Price is set at below HK$1.33, the net proceeds will accordingly be reduced and the amount to be used as working capital will correspondingly be reduced.

PLACING STATISTICS

Market capitalisation *(Note 1)* . . . . HK$798 million

Adjusted net tangible asset value per Share *(Note 2)* . . . . HK$0.25
(assuming the Over-allotment Option is not exercised)

Notes:

1. The calculation of market capitalisation of the Shares is based on an Issue Price of HK$1.33 per Share (being the higher end of the stated price range of the Issue Price of between HK$1.23 and HK$1.33 per Share) and 600,000,000 Shares in issue immediately after completion of the Placing but takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option or any options granted under the Share Option Scheme or of any Shares which may be allotted or issued or repurchased by the Company pursuant to the mandates referred to in the paragraph headed "Written resolutions of the sole shareholder of the Company passed on 10th July, 2000" in Appendix IV to this prospectus.

2. The adjusted net tangible asset value per Share have been arrived at after making the adjustments referred to in the paragraph headed "Adjusted net tangible assets" under the section headed "Financial information" in this prospectus and on the basis of an aggregate of 600,000,000 Shares in issue and to be issued as mentioned herein but takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option or any options granted under the Share Option Scheme or of any Shares which may be allotted or issued or repurchased by the Company pursuant to the mandates referred to in the paragraph headed "Written resolutions of the sole shareholder of the Company passed on 10th July, 2000" in Appendix IV to this prospectus or otherwise. If the Over-allotment Option is exercised in full, the adjusted net tangible asset value of the Group and the adjusted net tangible asset value per Share would be approximately HK$173.0 million and HK$0.29 respectively.

HISTORICAL PROFIT AND PRICE EARNINGS MULTIPLE FOR THE YEAR ENDED 31ST MARCH, 2000

Profit after taxation. . . . . HK$16,194,000

Historical earnings per Share

(a) pro forma fully diluted *(Note 1)* . . . . 3.89 cents
(b) weighted average *(Note 2)* . . . . 3.37 cents

	Based on an Issue Price of HK$1.23 per Share	**Based on an Issue Price of HK$1.33 per Share**
Historical price earnings multiple *(Note 3)*		
(a) pro forma fully diluted *(Note 4)*	31.6 times	34.2 times
(b) weighted average *(Note 5)*	36.5 times	39.5 times

Notes:

1. The calculation of the historical earnings per Share on a pro forma fully diluted basis is based on the profit after taxation of the Group for the year ended 31st March, 2000 assuming that the Company had been listed since 1st April, 1999 and a total of 600,000,000 Shares had been in issue during the year, but takes no account of any Shares which may fall to be allotted and issued pursuant to the exercise of the Over-allotment Option, the exercise of any options granted under the Share Option Scheme, or any Shares which may be allotted and issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchase of Shares referred to in the section headed "Further information about the Company" in Appendix IV to this prospectus or otherwise. The profit after taxation of the Group for the year ended 31st March, 2000 for the purpose of this calculation, has been adjusted to take into account the interest income that would have been earned if the net proceeds from the Placing (based on the higher end of the stated range of the Issue Price) had been received on 1st April, 1999 and placed on deposit based on an interest rate of 5% per annum.

2. The calculation of the historical earnings per Share on a weighted average basis is based on the profit after taxation of the Group for the year ended 31st March, 2000 and the assumption that a total of 480,000,000 Shares had been in issue during the year, but takes no account of any Shares which may fall to be allotted and issued pursuant to the exercise of the Over-allotment Option, the exercise of any options granted under the Share Option Scheme, or any Shares which may be allotted and issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchase of Shares referred to in the section headed "Further information about the Company" in Appendix IV to this prospectus or otherwise.

3. The historical price earnings multiple stated herein is for reference only and does not form the basis of valuation of the market capitalisation of the Company.

4. The historical price earnings multiple on a pro forma fully diluted basis is based on the historical earnings per Share on a pro forma fully diluted basis of approximately 3.89 cents for the year ended 31st March, 2000 and on the Issue Price.

5. The historical price earnings multiple on a weighted average basis is based on the historical earnings per Share on a weighted average basis of approximately 3.37 cents for the year ended 31st March, 2000 and on the Issue Price.

RESTRICTION ON DISPOSAL OF SHARES AND COSTS OF INVESTMENTS

The following set out a list of the shareholders before the Placing:

Initial management shareholder	**No. of Shares held**	**Percentage of shareholding** *(Note 1)*	**Lock-up period**	**Investment cost per Share** *(HK$)*	**Total investment cost** *(HK$)*
SHI *(Note 2)*	475,500,000	79.25	During the first six-month period following the Listing Date for 475,500,000 Shares *(Note 2)*	N/A	N/A
	210,000,000	35.0	During the second six-month period following the Listing Date for 210,000,000 Shares		

Other shareholders	**No. of Shares held**	**Percentage of shareholding** *(Note 1)*	**Lock-up period**	**Investment cost per Share** *(HK$)*	**Total investment cost** *(HK$)*
Vandome *(Note 3)*	4,500,000	0.75	During the first six-month period following the Listing Date *(Note 3)*	Issue Price *(Note 4)*	4,500,000 Shares at Issue Price

Notes:

1. On the assumption that the Over-allotment Option is not exercised.

2. SHI is beneficially owned as to 97.51% by Mr. Lok, 0.76% by Mr. So Yiu King, 0.76% by Mr. Chow Chi Ming, Daniel, 0.76% by Mr. Tam Wing Yuen and 0.21% by Mr. Leung Wai Cheung. Mr. Lok is the founder of the Group, whilst the other shareholders are executive Directors. In addition to SHI and Mr. Lok, Mr. So Yiu King, Mr. Chow Chi Ming, Daniel, Mr. Tam Wing Yuen and Mr. Leung Wai Cheung are considered to be the initial management shareholders by reason that they are executive directors of the Company. Each of the Initial Management Shareholders has undertaken with the Company, the Stock Exchange and Vickers (for itself and on behalf of the Underwriters) that it/he will not dispose of any of its/his respective direct or indirect interest in the Company and in SHI during the first six month period following the Listing Date. Each of Mr. Lok, Mr. So Yiu King, Mr. Chow Chi Ming, Daniel, Mr. Tam Wing Yuen and Mr. Leung Wai Cheung has further undertaken with the Company, the Stock Exchange and Vickers (for itself and on behalf of the Underwriters) that he will not dispose of any of his respective direct or indirect interest in SHI or the Company during the second six month period following the Listing Date if this would result in them ceasing to have, in aggregate, 35% interest in the entire issued share capital of the Company.

3. Vandome, having been nominated by DTCF, will receive 4,500,000 Shares, representing 0.75% of the enlarged issued share capital of the Company immediately after the completion of the Placing (assuming the Over-allotment Option is not exercised) as partial settlement of the management fee and advisory fee for DTCF's services as the co-sponsor to the Placing. Vandome has undertaken with the Company and Vickers (for itself and on behalf of the Underwriters) that it will not dispose of any of its interest in the Company during the first six month period following the Listing Date.

4. The investment cost for DTCF shall be the management fee and advisory fee charged by DTCF which is valued with reference to the Issue Price and the 4,500,000 Shares to be allotted and issued to Vandome in settlement of such fees.