

**CL GROUP (HOLDINGS) LTD:
THIS COMPANY ONLY HAS THE APPEARANCE OF BEING SIMPLE**

The latest company to come to The Stock Exchange of Hongkong Ltd is CL Group (Holdings) Ltd ([]) (Code: 8098, The Growth Enterprise Market).

This Company is Placing a total of 250 million, one-cent Shares at between 48 cents per Share and 49.50 cents per Share.

CL Group (Holdings) Ltd is a stockbrokerage company, carrying on business via Cheong Lee Securities Ltd (), which was founded on November 10, 2004.

Cheong Lee Securities Ltd is *'a licensed corporation to carry on Types 1 (dealing in securities) and 4 (advising on securities) regulated activities effective from 24 November 2005,'* according to the Placing Prospectus at Page 84.

On December 19, 2007, Ms Clarea Au Suet Ming (), a resident of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), acquired all of the shares of Cheong Lee Securities Ltd.

According to the database of **TOLFIN** () (The Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider), Ms Clarea Au Suet Ming, as at June 30, 2010, was the Controlling Shareholder of Creative Energy Solutions Holdings Ltd () (Code: 8109, The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd), owning, beneficially, 56.17 percent of the Issued and Fully Paid-Up Share Capital of that company.

Other than the intelligence, which may be gleaned from **TOLFIN**'s database, the Placing Prospectus gives no information about Ms Clarea Au Suet Ming other than her shareholding in Cheong Lee Securities Ltd and that she owns 75 percent of the Issued and Fully Paid-Up Share Capital of CL Group (Holdings) Ltd.

Getting back to CL Group (Holdings) Ltd, from 2007 until 2009, CL Group (Holdings) Ltd could not have done very well because, according to the Profit and Loss Account in respect of the Financial Year, ended March 31, 2009, the Net Profit Attributable to Shareholders was only about \$HK3.44 million.

Today, CL Group (Holdings) Ltd is expecting to raise about \$HK106.50 million, that amount of money to be used as to \$HK75 million to enter margin financing business in the territory, \$HK1.80 million to enhance the Company's trading platform, and \$HK1.20 million to expand the Company's client network.

The Company has no debts and, as at August 31, 2010, it had bank balances and cash of about \$HK66.60 million.

The following table is lifted from Appendix I-6 of the Placing Prospectus:

	Financial Year,	Five Months,

	Ended March 31		Ended August 31	
	2009	2010	2009	2010
	All Figures Are Denominated in Hongkong Dollars			
Turnover	21,069,422	73,320,765	30,656,084	22,230,602
Net Other (Loss) Income	(1,783,823)	1,855,694	432,211	(180,285)
Administrative Expenses	(15,171,732)	(28,724,167)	(9,658,604)	(11,249,514)
Finance Costs	(60)	(184,536)	(27,945)	Nil
Profit Before Taxation	4,113,807	46,267,756	21,401,746	10,800,803
Income Tax Expenses	(674,832)	(7,609,382)	(3,521,898)	(1,878,173)
Profit Attributable To The Shareholders	3,438,975	38,658,374	17,879,848	8,922,630
Other Comprehensive Income:				
Net Change In Fair Value On Available-For-Sale Financial Assets	Nil	1,970,116	Nil	(55,580)
Total Comprehensive Income Attributable To The Shareholders Of The Company	3,438,975	40,628,490	17,879,848	8,867,050

As can be seen, the growth of CL Group (Holdings) Ltd in terms of its Turnover and Bottom Line between the 2009 Financial Year and the 2010 Financial Year has been spectacular.

Scanning the Placing Prospectus indicates that the Turnover comprises, inter alia:

	Financial Year, Ended March 31		Five Months, Ended August 31	
	2009	2010	2009	2010
	All Figures Are Denominated in Hongkong Dollars			
Commission And Brokerage Fees	15,442,656	29,941,974	13,567,071	10,127,250
Placing And Underwriting Commission	262,781	32,288,270	12,701,250	8,157,040

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