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This document, which comprises an AIM Admission Document, has been drawn up in accordance with the AIM Rules. This document is not an approved prospectus for the purposes of Section 85 of the Financial Services and Markets Act 2000. This document does not constitute an offer or invitation to purchase any securities. This document is issued in connection with a “private placement” within the meaning of the Isle of Man Companies (Private Placements) (Prospectus Exemptions) Regulations 2000 and, accordingly, is exempt from the provisions of the Isle of Man Companies Acts 1931 – 2004 relating to the content of prospectuses and other technical rules relating to prospectuses.

Speymill Group plc (the “Company”) and its Directors (details of which or whom appear on page 3 of this document) accept responsibility, individually and collectively, for the information contained in this document and compliance with the AIM Rules. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

To the extent information has been sourced from a third party, this information has been accurately reproduced and, as far as the Directors are aware, no facts have been omitted which may render the reproduced information inaccurate or misleading.

Application will be made for the whole of the ordinary share capital of the Company to be admitted to trading on AIM, a market operated and regulated by the London Stock Exchange plc (“AIM”). AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority (“UKLA”).

A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and if appropriate, consultation with an independent financial adviser.

Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

It is expected that Admission will become effective and dealings for normal settlement in the Ordinary Shares will commence on 12 September 2007. All the Ordinary Shares will, on Admission, rank *pari passu* in all respects and will rank in full for all the dividends and other distributions declared, paid or made in respect of Ordinary Shares after Admission.

The whole of this document should be read. An investment in the Company involves a significant degree of risk, may result in the loss of the entire investment and may not be suitable for all recipients of this document. Investors should consider carefully the risk factors which are set out in Part III of this document. All statements regarding the Company’s business should be viewed in light of these risk factors.



(Incorporated in the Isle of Man under the Isle of Man Companies Acts 1931 to 2004 with registered number 120231C)

APPENDIX TO AIM SCHEDULE 1 ANNOUNCEMENT

FURTHER INFORMATION ON SPEYMILL GROUP PLC IN CONNECTION WITH ITS PROPOSED ADMISSION TO AIM

This Appendix has been prepared in accordance with Schedule One and the Supplement to Schedule One of the AIM Rules published by the London Stock Exchange plc. It includes, *inter alia*, all information that would otherwise have had to be included in an AIM Admission Document and which is not found in the current public disclosure record, or in current public disclosure filed by the Directors and senior officers of Speymill Group plc, all as released on a Regulatory Information Service approved by the London Stock Exchange plc (collectively, the “Public Record”). The Public Record can be accessed freely on www.londonstockexchange.co.uk. Additional information is available on the Company’s website on www.speymill.com where this Appendix, which is dated 10 July 2007, will be available for at least one month from the date of Admission. This Appendix should be read in conjunction with the Form of Announcement to be made by the Company at least 20 business days prior to Admission (the “Announcement Form”) and the Public Record. This Appendix and the Announcement Form together constitute “the Announcement”.

Nabarro Wells & Co. Limited (“Nabarro Wells”) and Lewis Charles Securities Limited (“Lewis Charles Securities”), which are each authorised and regulated by the Financial Services Authority and are each members of the London Stock Exchange plc, are acting as Nominated Adviser and Broker (respectively) for the Company in relation to the Admission, and are not acting for and will not be responsible to any other person other than the Company for providing the protections afforded to customers of each of them or for advising any other person on the contents of this document or any transaction or arrangement referred to in this document. Nabarro Wells’ responsibilities as the Nominated Adviser to the Company are solely owed to the London Stock Exchange plc. No representation or warranty, express or implied, is made by Nabarro Wells or Lewis Charles Securities as to any of the contents of this document for which the Directors are solely responsible. Neither Nabarro Wells nor Lewis Charles Securities has authorised the contents of, or any part of, this document and (without limiting the statutory rights of any person to whom this document is issued) no liability whatsoever is accepted by Nabarro Wells or Lewis Charles Securities for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which the Company and its Directors are solely responsible.

TABLE OF CONTENTS

	<i>Page</i>
Directors, Secretary and Advisers	3
Placing Statistics and Expected Timetable of Principal Events	4
Definitions	5
Part I Information on the Group	8
1. Introduction	8
2. History	8
3. Company Structure Chart	9
4. Directors	9
5. Current Trading and Prospects	10
6. Financial Information	10
7. Reasons for Admission	10
8. Dividend Policy	11
Part II Key Terms of Fund Management Contracts	12
Part III Risk Factors	16
Part IV Additional Information	21

DIRECTORS, SECRETARY AND ADVISERS

Directors	James Mellon Robert MacDonald Andrew Martin Latham Keith Albert Lees Denham Hervev Newall Eke Ilyas Tariq Khan Sir James Mellon	<i>Non-Executive Chairman</i> <i>Chief Executive Officer</i> <i>Managing Director</i> <i>Finance Director</i> <i>Non-Executive Director</i> <i>Non-Executive Director</i> <i>Non-Executive Director</i>
Company Secretary	Keith Albert Lees	
Registered Office	Speymill Group plc 33/37 Athol Street Douglas Isle of Man IM1 1LB Telephone: 01624 647 647 Facsimile: 01624 618 448 Email: build@speymill.com Website: www.speymill.com	
Nominated Adviser	Nabarro Wells & Co. Limited Saddlers House Gutter Lane London EC2V 6HS	
Broker	Lewis Charles Securities Limited 4-7 Chiswell Street London EC1Y 4UP	
Isle of Man legal advisers to the Company	Dickinson Cruickshank 33 Athol Street Douglas Isle of Man IM1 1LB	
UK legal advisers to the Company	Stephenson Harwood One St. Paul's Churchyard London EC4M 8SH	
Reporting Accountants	Baker Tilly 2 Bloomsbury Street London WC1B 3ST	
Auditors	KMPG Audit LLC Heritage Court 41 Athol Street Douglas Isle of Man IM99 1HN	
Registrars	Capita Registrars 3rd Floor Exchange House 54-62 Athol Street Douglas Isle of Man IM1 1JD	

STATISTICS

Number of Ordinary Shares in issue at Admission	57,968,848
Maximum number of Ordinary Shares subject to Options, or to be issued on exercise of Options, immediately following Admission	10,299,774
AIM symbol	SYG
ISIN No. for the Ordinary Shares	IM00B1ZBDN89

EXPECTED TIMETABLE

Publication of this Appendix*	10 July 2007
Admission and dealings in the Ordinary Shares to commence on AIM*	8.00 a.m. on 12 September 2007
CREST accounts credited (where applicable)*	12 September 2007
Expected date of despatch of certificates for Ordinary Shares (where applicable)*	26 September 2007

* Note: All references to times in this timetable are to London time. Each of the times and dates are indicative only and may be subject to change.

DEFINITIONS

“Admission”	admission of the New Speymill Shares to trading on AIM in accordance with the AIM Rules;
“AIM”	AIM, a market operated by the London Stock Exchange;
“AIM Rules”	the rules governing the operation of AIM comprising the AIM Rules for Companies and the AIM Rules for Nominated Advisers;
“Announcement”	the pre-Admission announcement pursuant to Rule 2 and Schedule One of the AIM Rules to be made by the Company on 17 August 2007, together with this Appendix;
“Annual Report”	the annual report of Speymill, including (<i>inter alia</i>) the audited financial statements for the Speymill Group for the financial year ended 31 December 2006;
“Appendix”	this document;
“Articles”	the articles of association of the Company;
“Board” or “Directors”	the directors of Speymill whose names are set out on page 3 of this document;
“Circular”	the circular to Speymill Share Owners explaining and seeking approval for the Scheme, which accompanies this document;
“City Code”	The City Code on Takeovers and Mergers (as amended from time to time) issued by the Panel on Takeovers and Mergers in the UK;
“Court”	the High Court of Justice of England and Wales;
“Court Meeting”	the meeting of the holders of Speymill Shares convened by order of the Court pursuant to section 425 of the Act for 1 August 2007 to consider and, if thought fit, approve this Scheme, and any adjournment thereof;
“CREST”	the system for the paperless settlement of trades in listed securities operated by Euroclear;
“CREST Regulations”	the Uncertified Securities Regulations 2001, as amended;
“EBPCL”	Epicure Berlin Property Company Limited;
“Effective Date”	the date on which the Scheme becomes effective in accordance with Clause 7 of the Scheme, expected to be 12 September 2007;
“Euroclear”	Euroclear UK & Ireland Limited;
“GOAL”	GOAL Service GmbH;
“Law”	the Isle of Man Companies Acts 1931 – 2004 and subordinate legislation made thereunder and any modification or re-enactment thereof for the time being in force (as amended);

“Lewis Charles Securities”	Lewis Charles Securities Limited, the Company’s broker for the purposes of the AIM Rules;
“London Stock Exchange”	London Stock Exchange plc;
“Memorandum”	the memorandum of association of New Speymill;
“Nabarro Wells”	Nabarro Wells & Co. Limited, the Company’s nominated adviser for the purposes of the AIM Rules;
“New Shares”	ordinary shares of 1 penny each in the capital of Speymill created following the cancellation of the Scheme Shares and to be issued credited as fully paid to New Speymill pursuant to the Scheme;
“New Speymill” or “Company”	Speymill Group plc, a public limited company incorporated in the Isle of Man with registered number 120231C;
“New Speymill Shares”	ordinary shares of 1 penny each in the capital of New Speymill to be issued credited as fully paid pursuant to the Scheme;
“Official List”	the official list of the UK Listing Authority;
“Option”	an option over shares issued to an employee or a director of Speymill or the Company (as the context requires);
“Option Exchange Arrangements”	has the meaning given in paragraph 8.2 of Part IV of this document;
“Ordinary Shares”	fully paid ordinary shares of 1 penny each in the capital of the Company;
“Public Record”	the public disclosures filed by Speymill Group through a Regulatory Information Service;
“Registrars”	Capita Registrars (Isle of Man) Limited, the Company’s registrars;
“Scheme”	the scheme of arrangement proposed to be made under section 425 of the UK Companies Act 1985, as set in Part 4 of the Circular, with or subject to any modification, addition or condition approved or imposed by the Court;
“Scheme Record Time”	6.00 p.m. (London time) on the later of 11 September 2007 and the business day immediately preceding the Effective Date;
“Scheme Shares”	<ul style="list-style-type: none"> (a) all the Speymill Shares in issue at the date of the Scheme; (b) all (if any) additional Speymill Shares in issue at the Scheme Voting Record Time; and (c) all (if any) further Speymill Shares which may be in issue immediately before the confirmation by the Court of the reduction of capital provided for by Clause 1 of the Scheme in respect of which the original or any subsequent holders shall be bound by the Scheme or in respect of which the original or any subsequent holders shall have agreed in writing to be so bound;

“Scheme Voting Record Time”	6.00 p.m. on 30 July 2007 or, if the Court Meeting is adjourned by 48 hours or more, 6.00 p.m. on the day which is two days before the date fixed for the adjourned meeting or, if Speymill gives notice of the adjourned meeting and an entitlement time is specified in that notice, the time specified in that notice;
“SDIC”	Speymill Deutsche Immobilien Company plc;
“Shareholders”	holders of Ordinary Shares in the Company;
“SMPC”	Speymill Macau Property Company plc;
“Speymill”	Speymill Group plc, a public limited company incorporated in England and Wales with registered number 2548488;
“Speymill Contracts”	Speymill Contracts Limited;
“Speymill Group”	New Speymill and Speymill and their subsidiaries and subsidiary undertakings, and, where the context requires, their associated undertakings further details of which are set out in paragraph 3 of Part I of this document;
“Speymill Share Owner”	a holder of Speymill Shares;
“Speymill Shares”	fully paid ordinary shares of 1 penny each in the capital of Speymill;
“SPML”	Speymill Property Managers Limited;
“Subsidiaries”	the subsidiaries of Speymill Group at the date of this document, being Speymill Contracts, SPML, Speymill Property Managers (Far East) Limited, GOAL Service GmbH, GOAL Construction GmbH, First National Property Maintenance Limited, Wigmore Estates Limited, Wigmore (South West) Limited and Wigmore Homes Limited;
“UK”	the United Kingdom of Great Britain and Northern Ireland;
“UK Companies Act”	the Companies Act 1985, as amended;
“UK Listing Authority”	the United Kingdom Listing Authority, being the competent authority for listing in the UK, which is part of the Financial Services Authority;
“uncertificated” or “in uncertificated form”	in relation to a share or other security, a share or other security title to which is recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“£”, “pounds” or “penny”	the lawful currency of the United Kingdom;
“€” or “euros”	the basic unit of currency among participating European Union countries; and
“\$” or “dollars”	the lawful currency of the United States of America.

PART I
INFORMATION ON THE COMPANY

1. Introduction

New Speymill is a newly incorporated Isle of Man company. New Speymill is the proposed new parent company for Speymill, a UK incorporated company listed on AIM since 24 April 2002. The company reorganisation will be effected by way of the Scheme. It is proposed that after the Effective Date, New Speymill will become the new parent company of Speymill, whose activities cover property management, fund management services and construction and refurbishment services, primarily in the hotel and leisure industries. Speymill will be re-registered as a private limited company as part of the Scheme and renamed Speymill 2007 Limited. New Speymill will continue to be named Speymill Group plc.

Speymill's property fund management business already has over US\$1.75 billion of assets under management as stated in the Annual Report, with the opportunity for the Speymill Group to raise further property funds for investment in other geographical areas in Europe and worldwide.

2. History

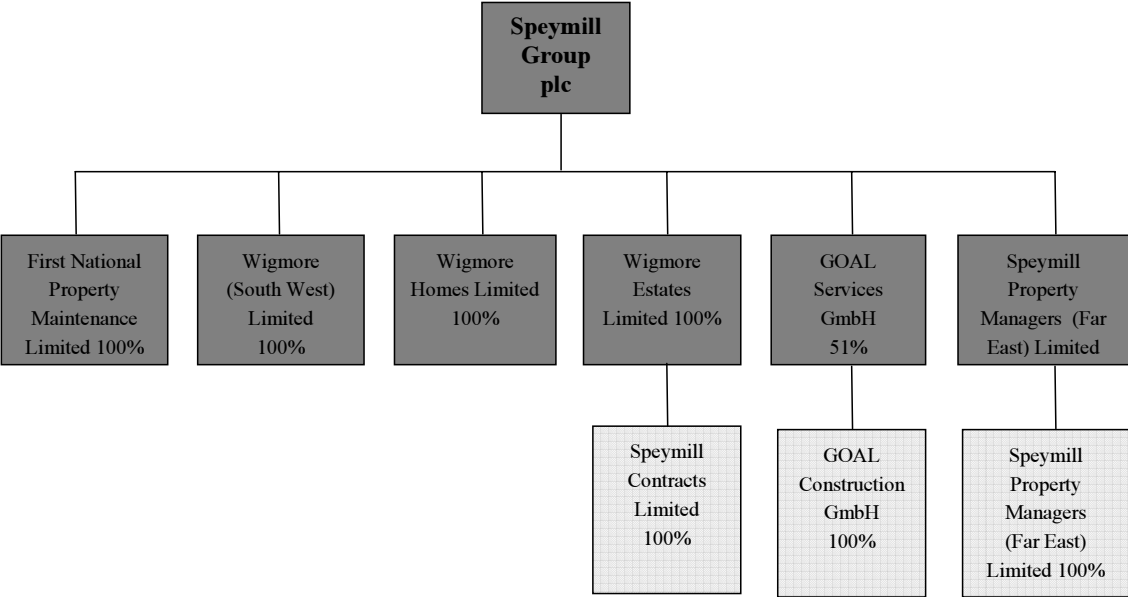
The Speymill Group operates an asset management business, which provides property fund management and advisory services through its Isle of Man subsidiary, SPML, and property management services via a 51 per cent. owned Berlin based joint venture, GOAL. Services are provided to the following funds:

- (a) Speymill Group provides investment advisory and property management services to EBPCL, which closed in late October 2005, raising equity of 125m euros (less expenses) for investment in the German property market. The fund had achieved a notarised value of 342m euros at its 2006 year end.
- (b) Speymill Group provides investment management and advisory services to SDIC, which was launched on AIM in March 2006 with initial equity of £170m (less expenses) for investment in the German property market. The latest announced notarised investment value as at 15 March 2007 was 902.4m euros. On 17 April 2007 SDIC announced the completion (subject to shareholder approval which was obtained on 9 May 2007) of a further placing of 250m euros (less expenses) for investment in German property.
- (c) Speymill Group provides investment management services to SMPC which raised \$80m (less expenses) on AIM in November 2006, for investment in leveraged development properties in the Macau market. On 25 April 2007 the fund announced that the valuations of the first and second property investments made by the fund had risen by 34.3 per cent. and 18.7 per cent. over their purchase prices respectively. On 9 May 2007 the fund announced the completion of a further fundraising of \$70m (less expenses) for further acquisitions.

Speymill also operates a property contracting business, Speymill Contracts, which receives and carries out orders in new build/refurbishment projects and design and build projects.

Following the implementation of the Scheme, the Speymill Group's principal activities will continue to be real estate investment management and advice, property construction and property management.

3. Company Structure Chart



4. Directors

Jim Mellon (aged 50), Non-Executive Chairman

Jim studied PPE at Oxford and then worked in fund management in Asia and the USA before establishing his own business in 1991. He is the Company’s major shareholder and he also has a controlling interest in two other AIM listed companies namely Charlemagne Capital Limited and betinternet.com plc. His other investments include a substantial property portfolio in Germany and the wholly owned Sleepwell Hotels chain. Jim spends most of his time on start-up ideas and investing.

Bob MacDonald (aged 44), Chief Executive Officer

Bob has over 18 years’ experience in investment banking, first with Salomon Brothers and latterly at Morgan Stanley where he was appointed as a Managing Director in 2000. His areas of responsibility have included equity research sales, equity syndication, institutional sales management and private wealth management. He has worked in London, New York, Tokyo and Hong Kong.

Andrew Latham (aged 44), Managing Director

Andrew held a number of senior appointments in the hospitality industry prior to joining the Speymill Group as interim Managing Director and later as acting Chief Executive. He has been involved in property management and development throughout his career.

Keith Lees (aged 55), Finance Director

Keith is a Chartered Accountant with over 30 years experience in both public and private companies, including considerable involvement in contracting businesses. Having started his industrial career with GKN, he then spent four years as Group Financial Controller of Walker Greenbank plc before becoming Finance Director and later Managing Director of Plumbs Limited between 1990 and 2000. More recently, he spent over two years as Finance Director and Company Secretary of Inditherm plc.

Denham Eke (aged 55), Non-Executive Director

Denham began his career in stockbroking before moving into corporate planning for a major UK insurance broker. He is a director of many years’ standing of both public and private companies involved in the retail, manufacturing and financial services sectors. He is currently Chairman of betinternet.com plc and Managing Director of Burnbrae Group Limited.

Ilyas Khan (aged 44), Non-Executive Director

Ilyas is currently Group Managing Director of Crosby Capital Partners and Chairman and Founder of their majority shareholder, Techpacific Capital. He was formerly a Managing Director of Nomura and has had a successful career in investment banking, including employment by Citicorp, UBS and Schrodgers.

Sir James Mellon (aged 78), *Non-Executive Director*

Sir James was a career diplomat. He was HM Ambassador to Denmark, Director-General for trade and investment, USA and Consul General, New York. He has since gained valuable experience within the Company's sector of operation, as former Executive Chairman of Thamesmead Urban Development Corporation and as former Chairman of the housing agency, Scottish Homes.

5. Current Trading and Prospects

Speymill's audited results for the year ended 31 December 2006 were posted to shareholders on 8 June 2007 and contained the following statements in relation to the strategy and prospects of the Speymill Group:

“The Board's strategy currently remains focused on the further development of our existing businesses.

Our property fund management business already has over US\$1.75 billion of assets under management, with the imminent prospect of an extension of the SDIC fund and the opportunity for us to raise further property funds for investment in other geographical areas in Europe and beyond. We will also be investigating opportunities available under the recently introduced UK REITS legislation.

The substantial increase in orders received by our contracting business, together with the much higher value of the order prospects pipeline provide a strong platform for further growth of the contracts business both during and beyond 2007.

Overall, we have now created a much improved financial position where our level of activity is already generating trading profits, with management fee income streams and contracting orders in place to considerably improve profitability in 2007 and two established businesses with the capability of continuing growth thereafter.”

The extension of the SDIC fund referred to above was approved at an extraordinary general meeting of the fund on 9 May 2007 and 250 million new shares in the fund were subsequently issued and admitted to trading on AIM, raising a further 250m euros (less expenses) for the fund.

The Directors consider that the Group's current trading is in line with expectations.

6. Financial Information

The Speymill Group's audited financial statements and annual reports for the three years ending 31 December 2004, 31 December 2005 and 31 December 2006 are available on the Speymill Group's website at: www.speymill.com

7. Reasons for Admission

Having carried out a strategic review of the Speymill Group's existing businesses and key areas of opportunity, the Directors have concluded that the asset management business will offer the greatest opportunity for the future profitable growth of the Speymill Group.

To date, this business has comprised property fund management services provided through the Speymill Group's Isle of Man subsidiary, SPML, and property management services provided through the Speymill Group's 51 per cent. owned Berlin-based joint venture, GOAL. All of the property funds which Speymill has launched to date are focused on investments in international property, and the Directors believe that international property asset management will remain a key focus for the future growth of the business. As a result, Speymill's operational presence outside the UK is rapidly expanding, with the construction and refurbishment business, Speymill Contracts, now being the only remaining UK-centered business within the Speymill Group.

Notwithstanding the considerable continued growth opportunities within the UK construction industry, it is anticipated that the proportion of Speymill Group's activity and profits which will be generated by its UK-based business will reduce as a percentage of the overall profitability of the Speymill Group as the international property fund management business continues to expand. This increasingly international focus of the Speymill Group is further reflected in a growing international shareholder base as new overseas investors are attracted by these developments in the Speymill Group's business model.

It is therefore the considered view of the Directors that it is no longer in the best interests of Speymill shareholders for the parent company of the Speymill Group to be a UK-resident company. Accordingly, the Board has concluded that a new Isle of Man parent company will reflect the increasingly international nature of the Speymill Group's business and should accommodate more effectively any future fund raising activities carried out by the Speymill Group, either at corporate level or in respect of new property funds focused on overseas properties.

Furthermore, due to historical losses, Speymill has a significant deficit on reserves. The creation of the new Isle of Man parent company, with no past historical losses, should therefore facilitate greater flexibility in the payment of dividends at the appropriate time in the future. The Board intends to adopt a dividend policy going forward that reflects the long-term earnings and cash flow potential of the Speymill Group.

The reorganisation will be effected by way of a Scheme of Arrangement pursuant to s.425 of the UK Companies Act. The key features of the Scheme include:-

Shares

Under the Scheme

- All Speymill Shares will be cancelled;
- Speymill will issue New Shares to New Speymill so that New Speymill will own all the issued shares in Speymill;
- Speymill Share Owners at the Scheme Record Time will receive one New Speymill Share for each Speymill Share cancelled under the Scheme; and
- Speymill will be re-registered as a private company named Speymill 2007 Limited.

Admission

The shares that Speymill Share Owners will receive in New Speymill will be admitted to trading on AIM in the UK. Application will be made to the London Stock Exchange plc for the New Speymill Shares to be admitted to trading on AIM and dealings are expected to commence on 12 September 2007. The admission of Speymill Shares is also expected to be cancelled on that date.

Extraordinary General Meeting and Court Meeting

The approval of a majority in number, representing three-fourths in value, of those Speymill Share Owners present and voting either in person or by proxy, is required at the shareholder meetings that are expected to be convened for 1 August 2007. The approval of the Court is also required for the Scheme to become effective. For more information regarding the Scheme please refer to the Scheme of Arrangement and Notice of Court Meeting and Extraordinary General Meeting document located on the Company's website www.speymill.com.

8. Dividend Policy

The Board did not declare a dividend for the financial year ended 31 December 2006. However, the creation of the new Isle of Man parent company, with no past historical losses, should facilitate greater flexibility in the payment of dividends at the appropriate time in the future. The Board intends to adopt a dividend policy going forward that reflects the long-term earnings and cash flow potential of the Speymill Group.

PART II

KEY TERMS OF FUND MANAGEMENT CONTRACTS

The material terms and conditions of Speymill's fund management and advisory contracts with EBPCL, SMPC and SDIC, are summarised below:

EBPCL

An investment advisory agreement dated 6 September 2005 between "EBPCL", Epicure Managers Limited ("EML"), SPML and GOAL pursuant to which SPML and GOAL (together, the "Advisers") have agreed to provide investment advisory services to EBPCL in relation to the portfolio of assets held by it from time to time. In consideration for its services, SPML is entitled to be paid a fee, such fee being 41.1 per cent. of the management fee, less EML's operating expenses, payable to the EML under its management agreement with EBPCL together with a fee being 50 per cent. of the incentive fee due to EML under that management agreement. Payments to SPML shall be made within 14 days of receipt of the same by EML. In consideration for its services provided, GOAL is entitled to be paid a management fee payable by EBPCL in the sum of 4.5 per cent. of the gross rental revenues of the EBPCL group, payable quarterly in arrears (such fee to be reviewed on the first anniversary of the agreement). In addition, GOAL is entitled to receive an introducer's fee of 13.3 per cent. of EML's annual management fee less EML's operating expenses, to be paid out of EML's management fee.

The agreement is subject to termination, *inter alia*, on 6 months written notice by any party, such notice not to expire before the first anniversary of the closing date of the initial fund raising by EBPCL. The agreement contains an indemnity in favour of the Advisers from EBPCL for losses they may suffer in connection with their performance of services under the agreement.

SMPC

A management agreement dated 13 November 2006 between SMPC and SPML pursuant to which SPML has agreed to provide investment management services to SMPC and any of its subsidiaries in relation to the portfolio of assets held by it from time to time. In consideration for its services thereunder, whether itself or through sub-contractors, SPML is entitled to be paid an annual management fee of 2 per cent. of the net asset value of SMPC (excluding borrowings) payable monthly in arrears. SPML may also receive a performance fee from SMPC and any of its subsidiaries as follows:

SPML will earn a performance fee equal to 20 per cent. of the excess of the net asset value per SMPC ordinary share (after adding back dividends and other distributions and ignoring any accrued performance fee) as at the end of each performance fee period of SMPC over the benchmark multiplied by the average number of ordinary shares in the capital of SMPC then in issue over the relevant period. For these purposes, the benchmark is equal to US\$1 per SMPC ordinary share increased at a compound rate of 10 per cent. per annum or, where a performance fee has been paid, the net asset value per share which gave rise to the payment of the most recent performance fee disregarding the effect of the net asset value of the payment of the performance fee increased at a compound rate of 10 per cent. per annum.

Performance fees will be accrued on the basis set out above. If SPML becomes entitled to a performance fee in respect of a performance period, SMPC will only be required to settle such liability to SPML in respect of any performance fee earned to the extent that, and only when and if, SMPC has realised profit(s) on any investment(s). For the avoidance of doubt, unless an asset has been disposed of within six months of the relevant performance fee period end, in which case the calculation of the performance fee will be adjusted by using the actual disposal price of the property instead of the valuation of the property, any difference between the net asset value per share used for calculating whether any performance fee becomes payable and the actual amount of realised profit on any investment shall be ignored for the purposes of determining the amount of any performance fee payable to SPML. If the management agreement terminates for any reason, the parties will agree the amount of deemed realised profit of SMPC's investments for the purposes of determining any performance fee payable to SPML at the date of termination.

The first performance fee period shall commence on 17 November 2006 and shall terminate on 31 December 2007. Each subsequent performance fee period shall commence on 1 January and terminate on 31 December in the same year.

SPML has agreed that it shall apply 50 per cent. of the performance fees received by it from SMPC and any of its subsidiaries to acquire the ordinary shares in the capital of SMPC. Should the price of ordinary shares in the open market be equal to or less than the net asset value per share as at the time of acquisition, SPML will purchase all of the ordinary shares to which it is entitled (or such number of ordinary shares as the liquidity of the market enables) in the open market. SPML shall use its reasonable endeavours to acquire such ordinary shares within 30 days of receipt of each performance fee payment.

Should the price of SMPC ordinary shares in the open market be higher than the net asset value per share as at the date of acquisition, SMPC may, at the discretion of the board of directors, issue ordinary shares to SPML at a price equal to the net asset value per share as at the date of acquisition. The decision as to whether the ordinary shares will be bought in the market or issued by SMPC will be taken by agreement between SPML and SMPC at the relevant time.

The management agreement is subject to termination, *inter alia*, on 12 months' notice by either party, such notice not to expire before the third anniversary of 17 November 2006. The management agreement contains an indemnity in favour of SPML from SMPC for losses it may suffer in connection with its performance of duties under the said agreement.

SDIC

A management agreement dated 10 March 2006 between SDIC and SPML pursuant to which SPML has agreed to provide investment management services to SDIC and any of its subsidiaries in relation to the portfolio of assets held by it from time to time. In consideration for its services thereunder, whether by itself or through sub-contractors, SPML is entitled to be paid by SDIC or any of its subsidiaries an annual management fee of 0.85 per cent. of the net assets of SDIC plus borrowings of SDIC and any of its subsidiaries (to the extent that, and with effect from the date that, the same have been invested or committed for investment in property), payable quarterly in arrears. Accordingly, no part of this fixed fee is payable to SPML in relation to un-invested cash. SPML may also receive a performance fee from SDIC and any of its subsidiaries as follows:

SPML will earn a performance fee calculated as 20 per cent. of the excess of the net asset value per share (after adding bank dividends and other distributions and ignoring any accrued performance fee) as at the end of each performance fee period of SDIC over the benchmark multiplied by the average number of SDIC shares in issue.

In order for a performance fee to become payable, dividends amounting in aggregate to not less than an annualised 6 per cent. per annum on £1 per ordinary share in the capital of SDIC but after converting £1 into Euros (reduced pro rata in any period of less than three years) will need to have been paid in each performance fee period. The first performance fee period shall commence on the date that SDIC is fully invested ("Fully Invested Date") and shall terminate on 30 June 2009, each subsequent performance fee period to commence on 1 July and continue for three years.

For these purposes, the benchmark is equal to £1 per SDIC ordinary share increased at a compound rate of 10 per cent. per annum or, where a performance fee has been paid, the net asset value per share which gave rise to the payment of the most recent performance fee disregarding the effect on the net asset value of the payment of the performance fee increased at a rate of 10 per cent. per annum compounded.

The performance fee shall be calculated at the end of each third financial year of SDIC following the Fully Invested Date and will be payable to SPML within 7 days of the report and accounts for the respective third financial year being approved by the board of SDIC.

The management agreement is subject to termination, *inter alia*, on 12 months' notice by either party, such notice not to expire before 17 March 2008. The management agreement contains an indemnity in favour of SPML from SDIC for losses it may suffer in connection with its performance of duties under the management agreement.

Changes to the Management Agreement

SDIC has entered into a supplementary management agreement with SPML. The agreement is conditional upon the issue and admission of the SDIC C shares class. The supplementary management agreement, *inter alia*, amends the basis on which SPML is to be paid by SDIC as well as the notice period on which SPML's appointment may be terminated.

(i) *Changes to SPML's Remuneration*

Under the management agreement referred to above, SPML is entitled to a fixed fee equal to 0.85 per cent. per annum of the net asset value of SDIC plus borrowings of the SDIC group, accrued monthly and payable quarterly in arrears, and a performance fee of 20 per cent. of the extent to which the net asset value per SDIC ordinary share as at the end of each performance fee period (with dividends and other distributions added back and ignoring accrued performance fee) exceeds the benchmark (being 100p increased at 10 per cent. per annum compound) multiplied by the average number of SDIC ordinary shares in issue. In order for a performance fee to become payable, dividends in aggregate to not less than an annualised 6 per cent. per annum on the placing price of £1 (converted into Euros) will need to have been declared in respect of the performance fee period (as described below). It has been agreed under the supplementary management agreement that this dividend requirement will remain on the original portfolio but no such requirement will apply to the performance fee on the C share related portfolio and the requirement will fall away completely with effect from 1 July 2009.

In light of the issue of the C shares and the increased assets in respect of which SPML may receive a fee, conditional on admission of the C shares to AIM: (i) in respect of the fixed fee, SPML will receive an amount equal to 0.85 per cent. per annum of the gross assets of the original portfolio and 0.65 per cent. per annum of the gross assets of the C share portfolio. The fixed fee on both the original portfolio and the C share portfolio only accrues when the properties to be acquired are notarised. When the C shares have converted, the fixed fee will reduce to 0.65 per cent. per annum of the gross assets of SDIC; (ii) in respect of the performance fee on the original portfolio, the initial period over which it will be calculated will be until 30 June 2009. The performance fee on the C share portfolio will be calculated from admission of the C shares to AIM until 30 June 2009. Each subsequent performance fee period shall commence on 1 July of the relevant year and continue for three years thereafter. Accordingly, the Company will keep separate accounts and records in respect of the assets and liabilities of, derived from and referable to the two portfolios up to 30 June 2009 even if they have previously merged. The principal purpose for this is to incentivise SPML to earn a performance fee on the C share portfolio and it is believed by the SDIC board that an initial period to 30 June 2009 is the minimum timeframe within which to do this.

From 1 July 2009 the performance fee will be calculated on the combined assets of SDIC. The performance fee on the original portfolio will remain at 20 per cent. of the excess over the 10 per cent. compound hurdle based on the placing price of £1 (converted into Euros). The performance fee on the C share portfolio will also be 20 per cent. of the excess over the hurdle but the hurdle rate on the C share portfolio will be 10 per cent. per annum compound based on the placing price of €1. From 1 July 2009 the performance fee on the merged portfolio will be 20 per cent. of the excess over the 10 per cent. compound hurdle based on the net asset value of SDIC as at the close of business on 30 June 2009. In consideration for its work in structuring the placing of the C shares, SDIC has agreed to pay SPML an amount equal to 0.75 per cent. of the placing proceeds.

SPML has agreed that it shall apply 50 per cent. of the performance fees received by it to acquire SDIC ordinary shares and 50 per cent. of its structuring fee to acquire C shares under the placing. Should the price of SDIC ordinary shares in the open market be equal to or less than the net asset value per SDIC ordinary share as at the time of acquisition, SPML will purchase all of the SDIC ordinary shares to which it is entitled (or such number of SDIC ordinary shares as the liquidity of the market enables) in the open market. SPML shall use its reasonable endeavours to acquire such SDIC ordinary shares within 30 days of receipt of each performance fee payment. Should the price of SDIC ordinary shares in the open market be higher than the net asset value per SDIC ordinary share as at the date of acquisition, SDIC may, at the discretion of the SDIC board, issue SDIC ordinary shares to SPML at a price equal to the net asset value per SDIC ordinary share as at the date of acquisition. The decision as to whether SDIC ordinary shares will be bought in the market or issued by SDIC will be taken by agreement between SPML and SDIC at the relevant time.

SPML has agreed not to transfer, sell, grant options over or otherwise dispose of any interest in the SDIC ordinary shares or C shares (as appropriate) acquired by it pursuant to its performance fee or structuring fee for 6 months from the relevant date of acquisition of such shares except in certain limited circumstances. Further, SPML shall not for a further period of 6 months from the end of such lock-in period dispose of any interest in such shares otherwise than through SDIC's broker from time to time.

Pursuant to the supplementary management agreement and a supplementary investment advisory agreement, SDIC has agreed that to the extent that SDIC ordinary shares acquired by SPML and GOAL (as investment adviser) exceed (in aggregate) 29.99 per cent. of the total number of SDIC's equity shares in issue, SPML and GOAL may retain any further performance fees in cash.

In recognition of SPML's work in negotiating the fees of introducing brokers, agents and other sources of potential properties for acquisition by the SDIC group ("Intermediaries"), SPML will be entitled to be paid a fee, in respect of each property acquisition, equal to 50 per cent. of the amount by which any such Intermediaries' commissions amount to less than 3 per cent. of the relevant property purchase price (subject to a cap of 0.33 per cent. of the relevant purchase price in each case) (the "Intermediaries Commissions"). Pursuant to a supplementary advisory agreement, SPML has agreed to pay an amount equal to the Intermediaries Commissions to GOAL.

(ii) *Changes to Termination Provisions*

Under the management agreement, SPML's appointment may be terminated on 12 months' notice, such notice not to expire prior to 17 March 2008. In recognition of SPML's performance, and so as to secure its commitment in respect of the C share portfolio, under the supplementary management agreement it has been agreed that SPML's appointment may be terminated by serving 12 months' written notice, such notice not to expire prior to 30 June 2010. In the event of such termination SPML would be entitled to its accrued fees (including any accrued performance fee) at the date of termination in accordance with such notice provisions.

PART III

RISK FACTORS

The risk factors which should be taken into account in assessing the Speymill Group's activities and an investment in the Company include, but are not necessarily limited to, those set out below. Any one or more of these risks could have a material adverse effect on the value of any investments in the Company and the business, financial position or operating results of the Company and should be taken into account when assessing the Speymill Group's activities.

The risks noted below do not necessarily comprise all those faced by the Speymill Group and are not intended to be presented in any assumed order or priority. It should be noted that this list is not exhaustive and that other risk factors may apply.

The risk factors are categorised into two sections. Section one contains risk factors which may arise as a result of the Speymill Group's change of domicile and section two contains risk factors that continue to be risks within the Speymill Group.

Risks that may result from the change of domicile

Maintenance of Non-UK Tax Resident Status

In order to maintain its non-UK tax resident status, a number of the Speymill Group's members including the Company, are required to be controlled and managed outside the United Kingdom. The composition of each Speymill Group company's board, the place of residence of the board's individual members and the location(s) in which the board makes decisions will be important in determining and maintaining the non-UK tax residence status of that company. Continued attention must be given to ensure that major decisions are not made in the United Kingdom or the relevant company may lose its non-UK tax resident status. As such, management errors could potentially lead to a company being considered a UK tax resident, which would negatively affect its financial and operating results.

There is a risk that amounts paid or received under intra group arrangements in the past and/or the future could be deemed for tax purposes to be lower or higher, as the case may be, or fail to be disregarded for the purposes of calculating tax which may increase the Speymill Group's taxable income or decrease the amount of relief available to the Speymill Group with a consequential negative effect on its financial and operating results.

Law and Regulation

Following the Scheme becoming effective, shareholders will hold shares in New Speymill, an Isle of Man company, rather than Speymill, an English company. Although Isle of Man law and regulation is similar to that in England, there are significant differences, including (without limit) in relation to shareholder rights. A summary of certain of these differences is set out in paragraph 13 of Part 3 of the Circular.

Shareholder Communication

Shareholders may find it difficult to communicate with the Company, once the Company has re-located in the Isle of Man: for example some Shareholders may find it difficult to travel to the Isle of Man for the Company's Annual General Meetings.

Risks relating to the Speymill Group

Future Capital Needs

While the Directors have no reason to believe that the working capital available to it or its group will be insufficient for at least twelve months from the date of Admission, further funding may be required to support ongoing activities and operations of the Speymill Group. Any additional equity funding may dilute holdings of Shareholders and any debt financing, if available, may involve restrictive covenants, which may limit the Speymill Group's operations and business strategy. There can be no

assurance that the Speymill Group will be able to raise additional funding or that such funding will be available on satisfactory terms. Any inability to obtain funding may adversely affect the business and financial condition of the Speymill Group and, consequently, its performance.

Dependence on Key Personnel

The Speymill Group's success depends to a significant extent on key management personnel, as well as other management and technical personnel. The loss of the services of certain personnel could have an adverse effect on Speymill Group and its operations.

Insurance

The Speymill Group maintains adequate insurance over its operations within ranges of coverage that the Speymill Group understands to be consistent with industry practice and having regard to the nature of activities being conducted. However, insurance of all risks associated with its business activities is not always possible. Accordingly, the Speymill Group cannot insure against all possible losses, whether because of the unavailability of cover or because the premiums may be excessive relative to the benefits that would accrue.

Changes in tax laws or their interpretation could affect the Company's financial condition or prospects and the level of dividends that the Company is able to pay

The nature and amount of tax which members of Speymill Group expect to pay and the relief's expected to be available to any member of the Speymill Group are each dependent upon a number of assumptions, any one of which may change and which would therefore affect the nature and amount of tax payable and reliefs available. In particular, the nature and amount of tax payable is dependent on the availability of relief under tax treaties in a number of jurisdictions and is subject to changes to the tax laws or practice in any of the jurisdictions affecting the Speymill Group. Any limitation in the availability of relief under these treaties, any change in the terms of any such treaty or any changes in tax law, interpretation or practice could increase the amount of tax payable by the Speymill Group.

A charge to tax could arise under section 13 of the UK Taxation of Chargeable Gains Act 1992

In certain circumstances, a portion of any capital gains realised by the Company and not distributed in the same accounting period could be attributed to UK resident (and domiciled if individuals) Shareholders who hold, alone or together with associates, more than 10 per cent. of the shares.

Dependence on Relation with Third Parties

The Speymill Group's business depends on the products and services of third parties. If there is any interruption to the services provided by such third parties, the Speymill Group's business could be adversely affected and the Speymill Group may be unable to find adequate replacement services on a timely basis, if at all, and/or on acceptable terms.

Re-zoning

There can be no guarantee that any permits, consents or approvals required from third parties in connection with existing or new development projects will be issued or granted to the Speymill Group. A failure by the Speymill Group to obtain such permits, consents or approvals may affect the Speymill Group's ability to execute or complete existing and/or new development projects.

Development Risk

The business of the Speymill Group will be subject to the risks associated with the development of real estate projects. These risks include:

- the Speymill Group may be unable to complete a project;
- development may be significantly delayed or costs exceed budget due to unforeseen factors; and
- legal disputes may arise with the client, architects, project managers or suppliers.

The Speymill Group's asset management activities may face risks and uncertainties

The Speymill Group's asset management activities face the risks of possible decreases in property values on existing funds under management and changes in market conditions when planning future funds. The Speymill Group will try and mitigate these risks by focusing on geographical locations where there is perceived to be considerable growth potential. There can be no assurances that the Speymill Group will be able to avoid these risks.

The Speymill Group's contracting business may face risks and uncertainties

The principal risks and uncertainties facing the contracting business relate to client intentions and spending plans. The Speymill Group will try and mitigate these risks by maintaining close business relationships with current clients, offering full support and turnkey solutions, and by continuing to prospect for business from new clients, though there can be no assurances that the Speymill Group will be able to avoid these risks.

Currency Risk

Expenditures made by the Speymill Group are subject to exchange rate fluctuations, and any potential income may become subject to exchange control or similar restrictions. The Speymill Group regularly monitor the Company's currency positions and exchange rate movements and make decisions as appropriate, though any changes in the relative exchange rates between UK pounds and Euros could positively or negatively affect the Speymill Group's results.

Fair Value Interest Risk

Instruments to fix or cap interest rate exposure are not considered necessary in the present economic environment and with the Speymill Group's current minimal borrowings, though there can be no guarantee that interest rate exposure will not be a risk in the future.

Price Risk

The main risks relating to price exist in the contracting business. These are covered as far as possible by including escalation clauses in contracts where appropriate, placing fixed price subcontract orders against fixed sales price contracts and negotiating bulk supply prices with major materials suppliers. Even though the Speymill Group try to minimise this risk there can be no guarantee that this risk will not have any effect on the financial results of the Speymill Group.

Credit Risk

Customers and clients are mainly a combination of long-established major companies and pre-financed property funds. For contracting customers, where necessary, credit checks and/or verification of external funding provision are conducted prior to entering into binding commitments, while this process helps to minimise these risks there can be no guarantee that these risks will not effect the Speymill Group.

Liquidity Risk

Management controls and monitors the Company's cash flow on a regular basis, including forecasting future cash flows. Banking facilities are kept under review and are renegotiated where necessary to meet the Speymill Group's requirements. Surplus funds are held in instant access accounts. There can be no guarantee that liquidity will not adversely effect the financial position of the Company.

The Speymill Group's income will be affected by factors outside of the Speymill Group's control

The Speymill Group's income may be affected by factors outside of the Speymill Group's control. These factors include but are not limited to:

- dependence on real estate markets of countries in which the Company operates;
- exchange rate fluctuations;
- the supply and demand of commercial real estate;
- general economic trends such as growth of GDP, employment levels and investment;

- potentially adverse tax consequences;
- changes in regulatory requirements and applicable laws; and
- the stability of political conditions.

Securities traded on AIM

The Ordinary Shares will be traded on AIM rather than the Official List. An investment in shares traded on AIM carries a higher risk than those listed on the Official List. The market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Company, divergence in financial results from analysts expectations, changes in earnings estimates by stock market analysts, general economic conditions, overall market or sector sentiment, legislative changes in the Company's sector, and other events and factors outside of the Company's control. Stock markets have from time to time experienced severe price and volume fluctuations, a recurrence of which could adversely affect the market price for the Ordinary Shares.

Share Market Risks

There are risks associated with investment in equities generally. The trading price of the Company's securities may fluctuate with movements in equity capital markets in the UK and internationally, which in turn are influenced by various factors including investor sentiment, general economic conditions, interest rates and government monetary and fiscal policy. Returns from an investment in the Company will depend on the general share market and economic conditions as well as the specific performance of the Speymill Group. Neither the Speymill Group nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Increases in operating and other expenses could limit the Speymill Group's ability to pay dividends

The Speymill Group's operating and other expenses could increase without a corresponding increase in turnover. Factors which could increase operating and other expenses include:

- increases in the rate of inflation and currency fluctuation;
- increases in the costs of services provided by third party providers;
- increases in taxes and other statutory charges;
- changes in laws, regulations or government or local authority policies (including those relating to health and safety and environmental compliance) which increase the costs of compliance with such laws, regulations or policies; and
- increases in insurance premiums.

Such increases could have a material adverse effect on the Company's financial position, capital resources and ability to make distributions to Shareholders. There is no assurance that any dividend will be paid to Shareholders.

Economic Conditions

General economic conditions may affect interest rates, inflation rates and other economic variables. Movements in these factors may benefit or adversely affect the Speymill Group's earnings. Movement in general economic conditions may also affect companies with which the Speymill Group conducts its business, which may also affect the Speymill Group's earnings.

Changes to Laws and Regulations

The introduction of new policies, legislation or amendments to existing policies or legislation by governments or the interpretation of those laws could impact adversely on the assets, operations and, ultimately, financial performance of the Speymill Group.

Forward-looking Statements

Certain statements in this Appendix constitute "forward-looking statements". Forward-looking statements include statements concerning the plans, objectives, goals, strategies, future operations and performance of the Speymill Group and the assumptions underlying these forward-looking statements.

The Speymill Group uses the words “anticipates”, “estimates”, “expects”, “believes”, “intends”, “plans”, “may”, “will”, “should”, and any similar expressions to identify forward-looking statements. These statements involve risks and uncertainties, including the risks that are identified in this Appendix, which are primarily described in this Part II.

Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the Speymill Group’s actual results, performances or achievements to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding present and future business strategies and the environment in which the Speymill Group will operate in the future. Among the important factors that could cause its actual results, performance or achievements to differ materially from those in the forward-looking statements include those factors set out in this Part II and elsewhere in this Appendix.

Investment in the Ordinary Shares of the Company may not be suitable for all recipients of this document. Such persons are accordingly advised to consult an investment adviser authorised under the Financial Services and Markets Act 2000 who specialises in investments of this kind before making any decision.

PART IV

ADDITIONAL INFORMATION

1. Status

- 1.1 New Speymill was incorporated on 6 July 2007 in the Isle of Man under the Isle of Man Companies Acts 1931 to 2004 under the name Speymill Group plc. The Company's Number is 120231C.
- 1.2 The Company has not traded since incorporation and has undertaken no activities other than those associated with the Scheme.
- 1.3 The registered office of New Speymill and its principal place of business is 33/37 Athol Street, Douglas, Isle of Man IM1 1LB . The telephone number for New Speymill is 01624 647 647. New Speymill's website address is the same as Speymill's website address which is www.speymill.com.
- 1.4 Speymill Shares have been traded on AIM since 24 April 2002.
- 1.5 The currency of the Ordinary Shares is denominated in UK pounds.
- 1.6 The Company's accounting reference date is 31 December, which is the same as Speymill's accounting reference date.
- 1.7 The Directors confirm that, having made due and careful enquiry, Speymill has adhered to all legal and regulatory requirements involved in having its securities traded on AIM.
- 1.8 The Directors confirm that Speymill has complied with the continuous disclosure requirements of AIM. All significant changes in Speymill's financial or trading position since the end of the financial year ended 31 December 2006 are in the Public Record and have been the subject of announcements available on Speymill Group's (www.speymill.com) and London Stock Exchange (www.londonstockexchange.co.uk) websites.
- 1.9 A copy of the Articles and Memorandum is available at Stephenson Harwood's offices, One St Paul's Churchyard, London EC4M 8SH.

2. Share Capital

- 2.1 The authorised share capital of the Company is £5,000,000 divided into 500,000,000 Ordinary Shares of 1 penny each. The issued share capital of the Company as at the date of this document is 2 fully paid Ordinary Shares of 1 penny each.
- 2.2 The Company has participated in the Option Exchange Arrangements described in section 8.2 of this Part IV of this document. Under the Option Exchange Arrangements, the Company will issue Options over Ordinary Shares in the Company to some or all of the employees and directors of the Speymill Group in exchange for, and on similar terms to, their Options in Speymill.
- 2.3 Save as disclosed in this document or as otherwise disclosed on the Public Record or in connection with the Scheme, no share or loan capital of the Company has been issued or agreed to be issued or is not proposed to be issued fully or partly paid, either for cash or a consideration other than cash, and no discounts or other special terms have been granted by the Company in connection with the sale or issue of any share or loan capital of the Company.
- 2.4 Save as mentioned in this paragraph 2:
 - (a) no unissued share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option;
 - (b) there are no shares in the capital of the Company currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived;
 - (c) there are no outstanding convertible securities issued by the company; and
 - (d) no share capital or loan capital of the Company is in issue and no such issue is proposed.

- 2.5 None of the Ordinary Shares have been sold or made available to the public in conjunction with the application for Admission.
- 2.6 Save as disclosed in this Appendix, no commissions, discounts, brokerages or other specific terms have been granted by the Company in connection with the issue or sale of any of its share or loan capital.

3. Articles of Association

The Articles contain provisions, *inter alia*, to the following effect:

3.1 Voting

Members have the right to receive notice of, and to vote at, general meetings of the Company. Each member who is present in person at a general meeting on a show of hands has one vote and, on a poll, every such holder who is present in person or by proxy has one vote in respect of each share held.

3.2 Shares

- (a) The special rights attached to any class of shares may be varied or abrogated with the consent in writing of the holders of three-fourths of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of such shares. The necessary quorum shall be two persons at least holding or representing by proxy one-third in number of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present not less than one person who is present shall be a quorum). The special rights conferred upon the shares or any shares or class of shares issued with preferred, deferred, or other special rights shall not be deemed to be varied by the exercise of any power under the disclosure provisions requiring shareholders to disclose an interest in the Company's shares as set out in the Articles.
- (b) Subject to the Articles, the unissued shares shall be at the disposal of the Directors, who may grant options over or otherwise dispose of them to such persons, on such terms and conditions as they determine.
- (c) The Company may also pay such brokerages and/or commissions as may be lawful.
- (d) No person shall be recognised by the Company as holding any shares upon any interest other than an absolute right of the registered holder to the entirety of a share.

3.3 Pre-emption Rights

- (a) Ordinary shares in the Company shall not be allotted to any person unless they have first been offered to existing shareholders in proportion to their current holding of shares in the Company.
- (b) Pre-emption rights do not apply to shares which are to be wholly or partly paid up otherwise than in cash, shares which are to be held in an employees' share scheme, and shares which have been offered to shareholders but not taken up.
- (c) The company may by special resolution dis-apply or modify these pre-emption rights.

3.4 Power to Require Disclosure

The Directors may serve notice on any person whom the Board knows, or has reasonable cause to believe, to be interested in shares comprised in the Company's share capital requiring him to disclose to the Company the identity of any person who has an interest in the shares held by him and the nature of such interest. Any such notice shall require any information in response to such notice to be given within such time as the Directors shall determine. If any member is in default in supplying to the Company the information required by the Company within the prescribed period, the Directors in their absolute discretion may at any time thereafter serve a disenfranchisement notice on the member. The disenfranchisement notice may direct that in respect of the shares in relation to which the default has occurred (the "default shares"), the member shall not be entitled to vote in general meetings or class meetings. Where the default shares represent at least 0.25 per cent. of the class of shares concerned the disenfranchisement notice shall additionally direct that dividends on such shares will be retained by the Company (without interest) and that no transfer of the shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.

3.5 *Transfer of and Transmission of Shares*

The Articles are consistent with CREST membership and, *inter alia*, allow for the holding and transfer of shares in uncertificated form. Any member may transfer all or any of his shares by instrument of transfer in any form which the Board may approve. The instrument of transfer of a share shall be signed by or on behalf of the transferor.

The Board may refuse to register any transfer of shares unless the instrument of transfer is lodged at the registered office accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The Directors may refuse to register a transfer of any share which is not fully paid up or on which the Company has a lien provided that this would not prevent dealings from taking place on an open and proper basis. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine provided that such suspension shall not be for more than 30 days in any year.

3.6 *Alteration of Capital*

The Company may from time to time, subject to the provisions of the Law, purchase its own shares (including any redeemable shares) in any manner authorised by the Law. The Company may by ordinary resolution increase its share capital; consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares; subdivide all or any of its shares into shares of a smaller amount than is fixed by the Memorandum; cancel any shares which at the date of the resolution have not been taken or agreed to be taken and diminish its authorised share capital accordingly; and convert all or any fully paid up shares into stock. The Company may by special resolution reduce its share capital, any capital redemption reserve, any share premium account or any undistributable reserve in any manner.

3.7 *Powers and Duties of the Board*

- (a) Save as mentioned below, a Director may not vote or be counted in the quorum on any resolution of the Board (or a committee of the Directors) in respect of any matter in which he has (together with any interest of any person connected with him) a material interest (other than by virtue of his interest, directly or indirectly, in shares or debentures or other securities of the Company).
- (b) Subject to the Law, a Director shall be entitled to vote (*inter alia*) (and be counted in the quorum) in respect of any resolution concerning any of the following matters:
 - (i) the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person for the benefit of the Company or any of its subsidiaries;
 - (ii) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
 - (iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is to be interested as a participant in the underwriting or sub-underwriting thereof;
 - (iv) a contract, arrangement, transaction or proposal concerning the offer of shares, debentures or other securities of the Company or its subsidiaries in which offer he is or may be entitled to participate or in the underwriting or sub-underwriting of which he is to or may participate;
 - (v) a contract, arrangement, transaction or proposal concerning any other company in which he is interested, directly or indirectly, as an officer, creditor, shareholder or otherwise, provided that he, together with persons connected with him, is not to his knowledge the holder of or beneficially interested in 1 per cent. or more of any class of the equity share capital of any such company (or of any third party company through which his interest is derived) or of the voting rights of such company;
 - (vi) a contract, arrangement, transaction or proposal for the benefit of employees of the Company or any of its subsidiaries which accords to the Director only such privileges and advantages as are generally accorded to the employees to whom the arrangement relates; or
 - (vii) a contract, arrangement, transaction or proposal for the purchase or maintenance of insurance for the benefit of the Director or persons including the Directors.
- (c) Any Director may act by himself or by his firm in a professional capacity for the Company, other than as auditor, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

- (d) Any Director may be a party to or otherwise be interested in any transaction or arrangement with the Company or in which the Company is otherwise interested, either in regard to his tenure of any office or place of profit or as vendor, purchaser or otherwise.
- (e) The management and control of the business of the Company shall be in and from the Isle of Man or such other place outside the United Kingdom as the Board may determine from time to time.
- (f) No Board meetings may take place in the United Kingdom and any decision reached or resolution passed by the Directors at any meeting taking place in the United Kingdom or at which a majority of Directors present are resident in the United Kingdom shall be invalid and of no effect. No person who is resident in the United Kingdom may be appointed as an alternate Director unless his appointor is also so resident.
- (g) The Board may establish any local group or divisional boards or agencies for managing any of the affairs of the Company in any specified locality either in the Isle of Man or elsewhere (other than the United Kingdom) and may appoint any persons to be members of such local or divisional board or any managers or agents, and the Board may fix their remuneration and remove any person so appointed.

3.8 *Remuneration of Directors*

- (a) The Directors shall be entitled to receive by way of fees for their services such sum as the Board shall determine provided that the aggregate amount of such fees shall not exceed £150,000 per annum (or such greater sum as may be determined from time to time by ordinary resolution of the Company). The Directors shall also be entitled to be paid all reasonable out of pocket expenses properly incurred by them in attending general meetings, board or committee meetings or otherwise in connection with the performance of their duties.
- (b) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director on such terms as to tenure of office and otherwise as the remuneration committee may determine.
- (c) The Directors may from time to time appoint one or more of their body to be holder of any executive office including the office of managing director on such terms and for such periods as they may determine.

3.9 *Retirement of Directors*

At every annual general meeting one-third of the Directors who are subject to retirement by rotation, or if their number is not three or a multiple of three, then the number nearest to but not exceeding one-third, shall retire from office. A Director retiring at a meeting shall remain in office until the dissolution of such meeting.

3.10 *Dividends and Distribution of Assets on a Winding up*

- (a) Subject to the rights of persons entitled to shares with special rights as to dividends, the Company in general meeting may declare a dividend but no dividend shall exceed the amount recommended by the Board.
- (b) No dividend shall be paid other than from the profits resulting from the Company's business.
- (c) The Directors may if they think fit from time to time pay the members such interim dividends as appear to be justified by the profits of the Company.
- (d) Unless otherwise provided by the rights attached to the share, no dividend or other moneys payable by the Company or in respect of a share shall bear interest as against the Company.
- (e) All dividends, interest or other sum payable and unclaimed for 1 year after having become payable may be invested or otherwise made use of for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having been declared or become due for payment shall be forfeited and shall revert to the Company.
- (f) The Directors are also empowered to create reserves before recommending or declaring any dividend. The Directors may also carry forward any profits as they think proper.

- (g) If the Company should be wound up the liquidator may with the authority of a special resolution, divide amongst the members in specie the whole or any part of the assets of the Company, and may for such purposes set such value as he deems fair upon any assets, and may determine how such division should be carried out as between the members or different classes of members.

3.11 *Borrowing*

The Directors may exercise all and any powers of the Company to borrow money.

3.12 *Register of Shareholders*

The Company shall keep the register of members of the Company at its registered office in accordance with the Law.

4. **Working Capital**

In the opinion of the Directors, having made due and careful enquiry, Directors have no reason to believe that the working capital available to the company or the Speymill Group will be insufficient for a least twelve months from the date of Admission.

5. **Director's Interests**

- 5.1 None of the Directors and the persons connected with the Directors were interested within the meaning of section 346 of the UK Companies Act in the Ordinary Shares of the Company as at 10 July 2007, being the last practicable date prior to the issue of this Appendix.
- 5.2 The interests of the Directors and the persons connected with the Directors within the meaning of section 346 of the UK Companies Act in the Ordinary Shares of the Company on the Effective Date, are expected to be as follows:

<i>Director</i>	<i>No. of Ordinary Shares</i>	<i>Percentage of issued capital on Effective Date</i>
Jim Mellon ¹	26,463,057	45.65%
Bob MacDonald	2,045,454	3.53%
Sir James Mellon	261,580	0.45%

¹ These figures include 11,212,127 shares owned directly or indirectly by Burnbrae Limited a company in relation to which ultimate ownership is connected with Jim Mellon.

- 5.3 On the date of Admission and the Effective Date, the following Directors will hold options over Ordinary Shares.

<i>Director</i>	<i>No. of options</i>	<i>Exercise price</i>	<i>Vesting date</i>
Bob MacDonald	2,035,535	45.30p	11 October 2008
Andrew Latham	1,021,038	22.00p	26 July 2008
Andrew Latham	77,273	1.00p	22 May 2006
Keith Lees	510,519	22.00p	26 July 2008
Ilyas Tariq Khan	530,940	22.00p	26 July 2008
Sir James Mellon	163,366	22.00p	26 July 2008

- 5.4 Save as disclosed in this Appendix, none of the Directors or any connected person has any interest in the share capital of the Company.

6. Additional Information on the Directors

6.1 The directorships and partnerships of the Directors, other than of the Company and Speymill and its subsidiaries and associated companies, held at present and within the five years preceding the date of this Appendix are as follows:

<i>Director</i>	<i>Current directorships or partnerships</i>	<i>Past directorships or partnerships</i>
Jim Mellon	Asian Opportunity Fund 1998 Asian Opportunity Fund 1998 – Series II AstroEast.com (Hong Kong) Limited AstroEast.com Ltd. Betinternet.com plc BFS Absolute Trust Limited BigSave (Hong Kong) Limited BigSave Asia Limited Bigsave Holdings plc Bigsave Travel Limited Bigsave UK Limited Burnbrae Group Limited Burnbrae Limited Charlemagne Capital (IOM) Limited Charlemagne Capital Limited Charlemagne Capital Russia Fund Charlemagne Capital Russia Value Fund Clean Air Capital Limited Conister Trust plc Direct Insurance Limited Directline Insurance Limited Discover Investment Company Divine Limited Euromin Fixed-Odds Capital (Cook Islands) Limited IC Technology (UK) Limited Interman (Hong Kong) Limited LONDONART.CO.UK LIMITED Mago Resources (PTY) Limited Paymonthly.com (Hong Kong) Limited Red Dragon Resources Corporation (formerly i.Future) Regent Corporate Finance Limited Regent Fund Management Limited Regent M.I.C. Management Limited Regent Metals Holdings Ltd (formerly Red Dragon Resources Corp.) Regent Pacific Fund Regent Pacific Group Limited Regent Pacific Private Equity Limited Shaanxi Red Dragon Mining Limited Shellbay Investments Limited Sleepwell Hotels (UK) Limited Sleepwell Hotels Limited Speymill Property Managers Limited The Perfect Ending.com Limited Titec BVI Limited UAFC Limited Undervalued Assets Property Fund – Series Two Uramin Inc Uranco Inc	AstroEast.com Ltd. Capital Nominees Ltd. Cycletek Investments Limited Interman Europe plc Interman Holdings Limited Regent Fund Management Limited Regent Fund Management (Asia) Limited Regent Markets Holdings Limited Regent Markets Group Limited Regent Pacific Group (Hong Kong) Limited RPG (Bahamas) Limited

<i>Director</i>	<i>Current directorships or partnerships</i>	<i>Past directorships or partnerships</i>
Andrew Latham	ALE Consulting Limited Hospitality Action Lathams Dairy Limited	Arun Inns Limited Bar BQ Limited Bar Med Limited Belcher's Brewery Limited Belcher's Pubs Limited Bugle Inns Limited Cromwell Taverns Limited CT Limited Demon Drinks Co Finsbury Taverns Limited FYEO Limited Grosvenor Taverns Limited Hedgehog & Hogshead Limited Innerroll Limited Isisgreen Limited Litten Tree Limited Parisa Café Bars Limited Rapiddelta Satellite Holdings Limited SFI Developments Limited SFI Group plc SF Inns Limited SFI Leasing Limited SFI Leisure Limited Slug & Lettuce Limited Slug & Lettuce Group Limited Slug & Lettuce Holding Limited Starhotel Limited Surrey Inns Trading Limited The Cotteridge Hotel (Woking) Limited The Parisa Group Limited The Water Poet Limited Weald Public House Limited Your Eyes Only Limited
Keith Lees		Inditherm plc Inditherm (Industrial) Limited Inditherm (Medical) Limited Inditherm Construction Limited
Denham Eke	Albany Management Ltd Betinternet.com plc Big Group plc BigSave Ltd Burnbrae Charlottenburg GmbH Burnbrae Commercial GmbH Burnbrae Development GmbH Burnbrae friedrichstein GmbH Burnbrae Germany GmbH Burnbrae Germany East GmbH Burnbrae Germany North GmbH Burnbrae Germany South GmbH Burnbrae Germany West GmbH Burnbrae Group Limited Burnbrae Kreutlberg GmbH Burnbrae Limited Burnbrae Lutzowstrasse GmbH Burnbrae Mitte GmbH Burnbrae Prenlauer Berg GmbH Burnbrae Residential GmbH Burnbrae Sachsen GmbH Burnbrae Schonefeld GmbH	Interman Holdings Limited Paymonthly.com plc Regent Securities Co. Limited Roldec Systems plc

<i>Director</i>	<i>Current directorships or partnerships</i>	<i>Past directorships or partnerships</i>
Denham Eke (continued)	Burnbrae Tempelhof GmbH Burnbrae Tiergarten GmbH Burnbrae Wedding GmbH Burnbrae Wilmersdorf GmbH Burnbrae Paris SA Burnbrae Spain SL Burrow Head Limited Calabrese House Ltd Chester House Management Limited Chester House Property Limited Clean Air Capital Limited Deutsche Flughafen Investments plc DF Holdings plc Dundrennan Limited Estavis AG European Wagering Services Executive Club (IoM) Ltd Galloway Limited German Airport Investments plc IC Technology (UK) Ltd Indigo Securities Limited Navorna Investments Limited Paymonthly.com (Hong Kong) Limited Regent Group Ltd Scotsdale Properties Limited SDJM Ltd Shellbay Investments Ltd Sleepwell Aviation Sleepwell Construction Management Limited Speymill Contracts Ltd Speymill Group plc Speymill Property Managers Ltd Speymill Property Managers (Far East) Ltd Sleepwell Aviation Ltd Sleepwell Hotels Limited Sleepwell Hotels (UK) Limited Stonehaven Properties Limited Sungreen Ltd Technical and Facilities Services Ltd Troon Properties Limited Wlelandstrasse 5 Objekt GmbH Yu Xiang Yuan (Steel) Limited	
Ilyas Khan	CCP Buyout Fund Limited CCP Buyout (BVI) Limited Crosby Asia Holdings Limited Crosby Asset Management (Asia) Limited Crosby Asset Management (Europe) Limited Crosby Asset Management (Cayman) Limited Crosby Asset Management (Hong Kong) Limited Crosby Capital Partners Crosby Capital Partners Inc Crosby Capital Partners Limited Crosby Capital Partners Finance (BVI) Limited Crosby Capital Partners (HK) Limited Crosby Capital Partners (BVI) Limited	

<i>Director</i>	<i>Current directorships or partnerships</i>	<i>Past directorships or partnerships</i>
Ilyas Khan (continued)	(Singapore) Pty Limited Crosby Corporate Finance (Holdings) Crosby Capital Partners (Cayman) Limited Crosby Capital Partners (Holdings) Limited Crosby Capital Partners (Mauritius) Limited Crosby Capital Partners (Shanghai) Limited Crosby Limited – Korea Crosby Pty Limited Crosby Wealth Management (Europe) Limited Crosby Wealth Management (Asia) Limited ECK & Partners Limited Nirvana Capital Limited Nirvana Pacific Capital Limited Softech Investment Management Co Limited Southern Energy Limited Spike Networks Limited Sunov Partners Limited Sunov Petroleum (BVI) Limited Sunov Petroleum Pty Limited Sunov Petroleum (Pakistan) Limited Sunov Petroleum (Middle East) Limited TechpacificCapital Limited Techpacific Venture Capital Limited Techpacific.com Venture Capital Limited Techpacific.com (BVI) Investments Limited Techpacific.com Investments Limited Techpacific Capital (HK) Limited Techpacific Capital (Cayman) Limited Techpacific.com Digital Limited TW Indus Limited	
Sir James Mellon	Digital View Group Limited Charlemagne Capital (UK) Limited Regent Special Projects Limited Regent Fund Management (Asia) Limited Lancashire Digital Limited	BFS Asian Assets Trust Limited Charlemagne Capital (UK) Investments Limited Digitalbrain plc Regent Integrated Housing Limited Torren Energy Limited

- 6.2 Save as disclosed above, none of the Directors is currently a director of any company or a partner in any partnership or has been a director of a company or a partner in any partnership in the five years immediately preceding the date of this Appendix.
- 6.3 On 25 November 2003, Torren Energy Limited, a company of which Sir James Mellon was a director, went into compulsory liquidation, and was dissolved on 5 March 2006. He was a director for the twelve month period preceding such date.
- 6.4 In March 1999, Roldec Systems plc, a company of which Denham Eke was a director (for the 12 month period preceding such date), entered into a voluntary liquidation.
- 6.5 On 8 April 2003, Regent Pacific Fund, a company of which Jim Mellon was a director (for the 12 month period preceding such date), entered into a voluntary liquidation.

- 6.6 The directors have been informed by Mr Mellon that there is an arrest warrant in his name which was originally issued by the South Korean prosecutor's office on 19 December 2000 and subsequently reissued on 14 January 2004. The warrant will remain in force until 12 March 2010.

The arrest warrant pertains to Mr Mellon's alleged involvement in a conspiracy to manipulate the share price of Regent Securities Co., Ltd ("Regent") and a failure to make adequate investigations in connection with the provision of certain loans in conjunction with others. Mr Mellon has informed the board that he completely denies these allegations. Mr Mellon has also informed the board that, on 28 March 2001, he submitted to the South Korean authorities a comprehensive sworn affidavit refuting the allegations.

Mr Mellon has informed the board that neither he nor Regent benefited from the alleged manipulation or loans. Mr Mellon has also confirmed that no further action has been taken against him. As far as Mr Mellon is aware no proceedings have been issued or served against Mr Mellon since that time and neither have there been any further developments relating to Mr Mellon or Regent on this matter other than as set out above. Accordingly, the other directors do not believe that the allegations have merit.

- 6.7 Except as disclosed above, none of the Directors has:
- (a) any unspent convictions in relation to indictable offences;
 - (b) been bankrupt or the subject of an individual voluntary arrangement;
 - (c) been a director of any company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, or entered into a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company at the time of, or within the twelve months preceding such events;
 - (d) been a partner of any firm which has been placed in compulsory liquidation or administration or which has entered into a partnership voluntary arrangement whilst he was a partner of that firm at the time of, or within twelve months preceding such events;
 - (e) had any assets belonging to him placed in receivership or been a partner of a partnership whose assets have been placed in receivership whilst he was a partner at the time of, or within twelve months preceding such receivership;
 - (f) been publicly criticised by any statutory or regulatory authority (including any recognised professional body) or ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.
- 6.8 The services of the Directors are provided to Speymill Group under the following agreements:
- a) Jim Mellon was appointed a non-executive director of Speymill on 11 July 2006 and a member of the Audit Committee and the Remuneration Committee and was appointed to the same positions, as well as Chairman of the Board, in respect of New Speymill on 9 July 2007. On or before the Effective Date, it is intended that Jim Mellon will enter into a letter of appointment with New Speymill on similar terms to those relating to his appointment as a non-executive director of Speymill, which include, *inter alia*, the following:
 - (i) Appointment shall not exceed a period of 6 years from 11 July 2006 and will be subject to not less than one month's written notice from either party;
 - (ii) Director's fees of £15,000 (plus any applicable VAT) per annum plus reasonable expenses.
 - b) Bob MacDonald was appointed as a director of Speymill and employed as Executive Chairman pursuant to terms and conditions approved by the board of Speymill and accepted by Bob MacDonald on 11 October 2005. He was appointed as a Director and Chief Executive of New Speymill on 9 July 2007. On or before the Effective Date, it is intended that Bob MacDonald will enter into a service agreement on similar terms to those relating to his directorship of and employment with Speymill, which include, *inter alia*, the following:
 - (i) Termination by either party on six month's notice and in certain circumstances where shorter notice may be given by the Speymill Group;
 - (ii) A basic salary of £150,000 per annum;
 - (iii) Entitlement to a bonus, in addition to salary, which is conditional upon achievement of performance targets. The payment of the bonus will be made at such time and on such terms as may be determined by the Remuneration Committee;
 - (iv) Bob MacDonald was granted certain share options in accordance with Speymill's share option plan, further details of which are given at paragraphs 5.3 and 8.2 of this Part IV;

- (v) Entitlement to a car allowance of £12,000 per annum, the reimbursement of all expenses reasonably incurred by him in the proper performance of his duties, 25 working days paid holiday, sickness benefits and pension, life assurance and medical insurance.
- c) Andrew Latham was appointed as a director of Speymill and employed as Chief Executive Officer pursuant to terms and conditions approved by the board of Speymill and accepted by Andrew Latham on 9 June 2005. He was appointed as Managing Director of New Speymill on 9 July 2007. On or before the Effective Date, it is intended that Andrew Latham will enter into a service agreement on similar terms to those relating to his directorship of and employment with Speymill, which include, *inter alia*, the following:
- (i) Termination by either party on six month's notice and in certain circumstances where shorter notice may be given by the Speymill Group;
 - (ii) A basic salary of £135,000 per annum;
 - (iii) Entitlement to a bonus, in addition to salary, which is conditional upon achievement of performance targets. The payment of the bonus will be made at such time and on such terms as may be determined by the Remuneration Committee;
 - (iv) Andrew Latham was granted certain share options in accordance with Speymill's share option plan and an individual option agreement, further details of which are given at paragraphs 5.3 and 8.2 of this Part IV;
 - (v) Entitlement to a car allowance of £12,000 per annum, the reimbursement of all expenses reasonably incurred by him in the proper performance of his duties, 25 working days paid holiday, sickness benefits and pension, life assurance and medical insurance.
- d) Keith Lees was appointed as a director of Speymill and employed as Finance Director pursuant to terms and conditions approved by the Board and accepted by Keith Lees on 9 June 2005. He was appointed Finance Director of New Speymill on 9 July 2007. On or before the Effective Date, it is intended that Keith Lees will enter into a service agreement on similar terms to those relating to his directorship of and employment with Speymill, which include, *inter alia*, the following:
- (i) Termination by either party on six month's notice and in certain circumstances where shorter notice may be given by the Speymill Group;
 - (ii) A basic salary of £120,000 per annum;
 - (iii) Entitlement to a bonus, in addition to salary, which is conditional upon achievement of performance targets. The payment of the bonus will be made at such time and on such terms as may be determined by the Remuneration Committee;
 - (iv) Keith Lees was granted certain share options in accordance with Speymill's share option plan, further details of which are given at paragraphs 5.3 and 8.2 of this Part IV;
 - (v) Entitlement to a fully expensed car, the reimbursement of all expenses reasonably incurred by him in the proper performance of his duties, 25 working days paid holiday, sickness benefits and pension, life assurance and medical insurance.
- e) Denham Eke was appointed a non-executive director of Speymill on 12 November 2004 and chairman of the Remuneration Committee and a member of the Audit Committee and was appointed to the same positions in respect of New Speymill on 9 July 2007. On or before the Effective Date, it is intended that Denham Eke will enter into a letter of appointment on similar terms to those relating to his appointment as a non-executive director of Speymill, which include, *inter alia*, the following:
- (i) Appointment shall not exceed a period of 6 years from 12 November 2004 and will be subject to not less than one month's written notice from either party;
 - (ii) Director's fees of £20,000 (plus any applicable VAT) per annum plus reasonable expenses.
- f) Ilyas Khan was appointed a non-executive director of Speymill on 11 July 2006 and chairman of the Audit Committee and a member of the Remuneration Committee and was appointed to the same positions in respect of New Speymill on 9 July 2007. On or before the Effective Date, it is intended that Ilyas Khan will enter into a letter of appointment on similar terms to those relating to his appointment as a non-executive director of Speymill, which include, *inter alia*, the following:
- (i) Appointment shall not exceed a period of 6 years from 19 April 2005 and will be subject to not less than one month's written notice from either party;
 - (ii) Director's fees of £15,000 (plus any applicable VAT) per annum plus reasonable expenses.

- g) Sir James Mellon was appointed a non-executive director of Speymill on 2 August 2004 and a member of the Audit Committee and the Remuneration Committee and was appointed to the same positions in respect of New Speymill on 9 July 2007. On or before the Effective Date, it is intended that Sir James Mellon will enter into a letter of appointment on similar terms to those relating to his appointment as a non-executive director of Speymill which include, *inter alia*, the following:
- (i) Appointment shall not exceed a period of 6 years from 2 August 2004 and will be subject to not less than one month's written notice from either party;
 - (ii) Director's fees of £15,000 (plus any applicable VAT) per annum plus reasonable expenses.
- 6.9 Save as disclosed in the Public Record, there are no services agreements in existence between any of the Directors and the Company which cannot be determined by the Company without payment of compensation (other than statutory compensation) within one year and no such agreements are proposed.
- 6.10 Save as disclosed in the Public Record, there are no service contracts with the Company or any of its Subsidiaries which provide for benefits upon termination of employment.
- 6.11 Save as disclosed in the Public Record, there is no contract or arrangement to which the Company is a party and in which any Director is materially interested and which is significant in relation to the business of the Company and no amount or benefit has been or is intended to be paid or given to any promoter of the Company.
- 6.12 Details of the number of Speymill's permanent employees at the end of each of the three financial periods, the last of which ended on 31 December 2006, are as follows:

<i>Financial period end</i>	<i>Number of employees</i>
31 December 2006	134
31 December 2005	62
31 December 2004	134

7. Principal Holders of Securities

- 7.1 Other than two Ordinary Shares held as to one each by Gabara Limited and Dabara Limited, representing a holding of fifty per cent. each of the Ordinary Shares in issue, there are no interests in 3 per cent. or more of the Company's issued share capital as at 9 July 2007, being the last practicable date prior to the issue of this Appendix.
- 7.2 Other than the holdings of the Directors and connected persons which are set out at paragraph 5.2 of this Part IV, the Directors are aware of the following direct and indirect interests in 3 per cent. or more of the Company's issued share capital as at the Effective Date.

<i>Shareholder</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued capital at the Effective Date</i>
NY Nominees Limited	2,499,885	4.31%

- 7.3 Saved as disclosed in paragraphs 5.2, 7.1 and 7.2 of this Part IV, so far as the Company is aware, no persons are, at the date of this Appendix, or will be, following Admission, directly or indirectly interested in 3 per cent. or more of the issued share capital of the Company.
- 7.4 Saved as disclosed in paragraphs 5.2 and 7.2 of this Part IV, the Company and the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company immediately following Admission.
- 7.5 Save as disclosed in the Public Record, the Company and Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.
- 7.6 The persons, including the Directors, referred to in paragraphs 5.1 and 7.1 of this Part IV, do not have any voting rights in respect of the issued share capital of the Company (issued or to be issued) which differ from any other Shareholder.

8. Share Option Arrangements

- 8.1 The Company intends to put in place an employee share option plan, the proposed terms and conditions of which are available on the Speymill Group's website at www.speymill.com.
- 8.2 Arrangements have been made under which holders of Options over Speymill Shares may exchange those Options for Options over Ordinary Shares in the Company on equivalent terms ("Option Exchange Arrangements"). These new Options will be granted immediately following Admission. If all of the holders of Speymill Options participate in the Option Exchange Arrangements, the following Options over Ordinary Shares in the Company will be in issue:

<i>Class</i>	<i>Original date of grant</i>	<i>Exercise price</i>	<i>No of shares</i>
1	26/07/2005	22p	5,725,388
2	10/10/2005	44.85p	349,078
3	11/10/2005	45.30p	2,035,535
4	01/01/2006	50p	50,000
5	20/02/2006	65p	50,000
6	22/05/2006	1p	77,273
7	20/10/2006	48.9p	310,000
8	03/01/2007	63.1p	750,000
9	08/01/2007	67.45p	50,000
10	12/03/2007	65p	350,000
11	12/03/2007	81.20p	400,000
12	02/07/2007	99.35p	152,500
		Total	10,299,774

9. Corporate Governance

- 9.1 A summary of the main corporate governance practices that have been applied during the reporting period is set out in the Annual Report, which is available on the Speymill Group's website at www.speymill.com.
- 9.2 The Company has adopted a share dealing code for the Directors and certain employees, which the Directors consider appropriate for a company whose shares are admitted to trading on AIM. The Company will take all reasonable steps to ensure compliance by its Directors and any relevant employees.

10. Material Contracts

In addition to the contracts summarised at Part II of this document, the following is a summary of each material contract, other than contracts entered into in the ordinary course of business, to which New Speymill or any member of the Speymill Group is a party, for the two years immediately preceding the date of publication of this document and a summary of any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the Speymill Group which contains any provision under which any member of the Speymill Group has any obligation or entitlement which is material to the Speymill Group as at the date of this document:

10.1 *NOMAD Engagement Letter*

An engagement letter agreement entered into on 11 August 2004 between Speymill and Nabarro Wells pursuant to which Speymill appointed Nabarro Wells to act as nominated adviser to Speymill for the purposes of the AIM Rules. Speymill agreed, *inter alia*, to pay Nabarro Wells a fee of £20,000 per annum for its services as nominated adviser under the engagement letter together with all reasonable expenses and VAT. This engagement letter contains certain undertakings given by Speymill and the directors of Speymill in respect of, *inter alia*, compliance with the AIM Rules and provision of information. The engagement is subject to termination on the giving of 3 months' written notice by either party. By a letter agreement between Nabarro Wells, Speymill and New Speymill dated 9 July 2007, those parties have agreed that, conditional on Admission, the services of Nabarro Wells as nominated adviser will thenceforth be provided to New Speymill rather than Speymill.

10.2 *Broker Engagement Letter*

An engagement letter agreement dated 14 November 2005 between Speymill and Lewis Charles Securities Limited under which Lewis Charles Securities Limited has agreed to act as Speymill's corporate broker. The agreement is terminable by either party on notice. Lewis Charles Securities Limited is entitled to an annual fee of £20,000 (plus VAT) for providing its services under the agreement payable half yearly in advance.

together with reimbursements of expenses properly incurred in the performance of the services (plus VAT). The engagement contains certain undertakings given by Speymill in respect of, *inter alia*, compliance with law and provision of information and an indemnity in favour of Lewis Charles Securities Limited and its directors, partners, officers, employees and agents for liabilities incurred in connection with the engagement. By a letter agreement between Lewis Charles Securities Limited, Speymill and New Speymill dated 9 July 2007, those parties have agreed that, conditional on Admission, the services of Lewis Charles Securities Limited as broker will thenceforth be provided to New Speymill rather than Speymill.

10.3 *Nominated Adviser Supplementary Engagement letter*

A supplementary engagement letter agreement entered into on 12 June 2007 between Speymill and Nabarro Wells pursuant to which Speymill appointed Nabarro Wells to act as nominated adviser to Speymill for the purposes of the AIM Rules in connection with Admission. The agreement is terminable by either party on 30 days' notice. Nabarro Wells is entitled to an aggregate fee of £75,000 together with all reasonable expenses and VAT for providing its services under the agreement.

10.4 *Registry Services Agreement*

A registrar agreement entered into on 9 July 2007 between New Speymill and the Registrars pursuant to which the Registrars were appointed as share registrars and transfer agents to New Speymill. Fees are per item as set out in a schedule and are payable quarterly in arrears. The Registrars are also entitled to be reimbursed with their reasonable expenses. The appointment is for a minimum term of two years and is terminable on three month's notice by either party, such notice not to expire before the end of such initial term or before the end of each subsequent twelve month period if valid notice has not been given previously. The agreement is also terminable at any time on specified notice periods for matters including material breach by either party. The agreement contains limitations of the Registrars' liability and an indemnity from Speymill in favour of the Registrars, their affiliates and their directors, officers, employees and agents in respect of liabilities incurred by them in performing the services unless caused by their fraud, wilful default or negligence.

11. **Settlement, UK Registered Shareholders and CREST**

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument in accordance with the Uncertificated Securities Regulations 2001 and the Uncertificated Securities Regulations 2005 of the Isle of Man. The articles of association of New Speymill permit the holding of New Speymill Shares under the CREST system. New Speymill has applied for the New Speymill Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the New Speymill Shares following Admission may take place within the CREST system if any share owner so wishes.

CREST is a voluntary system and holders of New Speymill Shares who wish to receive and retain share certificates will be able to do so. Share owners may, however, elect to receive New Speymill Shares in uncertificated form if they are a system-share owner (as defined in the CREST Regulations) in relation to CREST.

12. **Marketing and Trading of Shares**

12.1 The Company has made application for all Ordinary Shares to be admitted to trading on AIM.

12.2 The Company will be subject to the City Code.

13. **Taxation**

The following information is intended as a general guide and relates to the UK tax position of shareholders who are resident and ordinarily resident in the UK and to the Isle of Man tax position of both the Company and shareholders. The statements may not apply to certain classes of shareholders such as dealers in securities and other persons who hold the shares other than as investments. The statements are based on the current legislation and practice in the UK and the Isle of Man and do not purport to be comprehensive or to describe all potential relevant considerations. Investors should note that both tax law and interpretation are subject to change, possibly with retrospective effect.

Any prospective investor who is in any doubt about his tax position, or who is subject to taxation in a jurisdiction other than the UK or the Isle of Man, should consult his own professional adviser immediately.

UK Taxation – Shareholders

- (a) Shareholders who are resident in the UK, or are carrying on a trade in the UK for tax purposes to which the Ordinary Shares are attributable, will generally be liable to UK income tax, or corporation tax, as the case may be, in respect of the gross amount of any dividends received from the Company.
- (b) Shareholders who are individuals resident in the UK and liable to UK income tax in respect of dividends received from the Company will pay income tax on those dividends at either 10 per cent. (lower or basic rate taxpayers) or 32.5 per cent. (higher rate taxpayers). It should be noted that the one-ninth non-refundable tax credit that attaches to dividends received by UK individuals from UK resident companies does not currently apply to dividends from non-UK resident companies (such as the Company). As such, a UK resident individual shareholder in the Company will be liable to a higher effective rate of UK taxation on dividends received from the Company compared to dividends received from Speymill. However, in the March 2007 Budget the UK Chancellor announced that with effect from 6 April 2008 this credit will be extended to dividends from non-UK companies provided that the individual shareholder has less than a 10 per cent. shareholding in the non-UK company and that in total the individual receives less than £5,000 per year of dividends from non-UK resident companies.
- (c) Shareholders who are liable to UK corporation tax should note that, unlike dividends from UK resident companies such as Speymill, dividends from non-UK companies (such as the Company) are liable to UK corporation tax in the hands of a UK corporate shareholder.
- (d) Any gain on a subsequent disposal of Ordinary Shares by persons resident or ordinarily resident in the UK for tax purposes may, depending on their circumstances, give rise to a charge to capital gains tax (for individuals and trustees) or corporation tax (companies). For shareholders who are individuals or trustees, taper relief, and for shareholders who are within the charge to UK corporation tax in respect of any gain on disposal of the Ordinary Shares, indexation allowance, may reduce the amount of the chargeable gain.
- (e) It is expected that the Company may be regarded as a close company if it were resident in the UK. As such the attention of UK resident and domiciled shareholders is drawn to the provisions contained in Section 13 of the Taxation of Chargeable Gains Act 1992 under which, in certain circumstances a proportion of capital gains made by the Speymill Group can be attributed to an investor who holds, alone or together with associated persons, more than a 10 per cent. interest in the Company.
- (f) Individuals ordinarily resident in the UK should note the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007 which contain provisions for preventing the avoidance of income tax through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled abroad and which may render them liable to taxation in respect of any undistributed income and profits of the Speymill Group.
- (g) A UK resident corporate Shareholder who, together with connected or associated persons, is entitled to at least 25 per cent. of the Ordinary Shares should note the provisions contained in Sections 747 – 756 of the Income and Corporation Taxes Act 1988.
- (h) No stamp duty or stamp duty reserve tax (“SDRT”) will generally be payable on the issue of the Ordinary Shares.

Isle of Man Taxation – the Company and Shareholders

- (a) The Isle of Man has introduced a zero per cent rate of income tax for companies, with the exception of certain banking income and income from Isle of Man land and property, which is taxed at 10 per cent. There will be no withholding to be made by the Company on account of Isle of Man tax in respect of dividends paid by the Company.
- (b) The Isle of Man has also introduced, with effect from 6 April 2006, a Distributable Profits Charge regime (the “DPC”). The effect of the regime, where it applies, is to impose a charge (at 18 per cent.) on that proportion of the Company’s profits that are attributable to Isle of Man resident shareholders. However, as the Company’s shares will be admitted to trading on AIM, it will be outside the scope of the DPC.
- (c) Shareholders resident in the Isle of Man will, depending upon their particular circumstances, be liable to Manx income tax on dividends received from the Company.
- (d) Shareholders resident outside the Isle of Man will have no liability to Manx income tax on dividends received from the Company.

- (e) There are no capital or stamp taxes in the Isle of Man (save for capital duty as described below). No Isle of Man stamp duty or stamp duty reserve tax will be payable on the issue or transfer of, or any other dealing in, Ordinary Shares.
- (f) The Company is liable to capital duty in the Isle of Man. Capital duty is currently payable on incorporation or on any increase in the nominal value of the authorised share capital of the Company at the rate of £15 per £1,000 (or part thereof) of authorised share capital over £2,000 subject to a minimum of £125 and a maximum aggregate amount of £5,000 for each company.
- (g) In the event of the death of a sole holder of Ordinary Shares, an Isle of Man grant of probate or administration may be required, in respect of which certain fees will be payable to the Isle of Man Government.

Any person who is in any doubt as to his tax position or is subject to taxation in a jurisdiction other than Isle of Man or the UK should consult an appropriate professional adviser.

14. Litigation

No member of the Speymill Group (including New Speymill) is or has been engaged in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Speymill is aware) during the period covering at least the 12 months preceding the date of this document which may have, or have had in the recent past significant effects on Speymill and/or the Speymill Group's financial position or profitability.

15. General

- 15.1 The costs, charges and expenses payable by the Company in connection with or incidental to Admission, including registration and stock exchange fees, legal and accounting fees and expenses are estimated to amount of £360,000, excluding VAT.
- 15.2 Save as disclosed in this Appendix, or as otherwise disclosed on the Public Record, no person (other than the Speymill Group's professional advisers otherwise disclosed in this Appendix, and trade suppliers) has received, directly or indirectly, from the Speymill Group within the twelve months preceding the date of this Appendix, or entered into contractual arrangements (not otherwise disclosed in this Appendix) to receive, directly or indirectly, from the Speymill Group on or after Admission, any of the following:
 - (a) fees totalling £10,000 or more;
 - (b) securities in the Speymill Group with a value of £10,000 or more;
 - (c) any other benefit with a value of £10,000 or more at the date of this Appendix.
- 15.3 Save as disclosed in this Appendix or as otherwise disclosed on the Public Record, there has been no significant change in the Speymill Group's financial or trading position since the end of the financial year ended 31 December 2006.
- 15.4 The Directors are unaware of any exceptional factors which have influenced the Speymill Group's activities.
- 15.5 Save as disclosed in the Public Record, the Speymill Group is not dependent on patents or other intellectual property rights, licences or particular contracts and which are of fundamental importance to the Company's business.
- 15.6 Save as disclosed in the Public Record, there are no investments in progress and there are no future investments on which the Directors have already made firm commitments which are significant to the Speymill Group.
- 15.7 No paying agent has been appointed by the Company.
- 15.8 No Director nor any member of his immediate family nor any person connected with him (within the meaning of section 346A of the Companies Act) has a Related Financial Product (as defined in the AIM Rules) referenced to Ordinary Shares.
- 15.9 Saved as disclosed in Part I of this Appendix or the Public Record, the Directors are unaware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Speymill Group's prospects for the current financial year.

15.10 Nabarro Wells has given and has not withdrawn its written consent to the inclusion in this Appendix of references to its name in the form and context in which it appears.

15.11 Lewis Charles Securities has given and has not withdrawn its written consent to the inclusion in this Appendix of references to its name in the form and context in which it appears.

16. Availability of Announcement

16.1 The Announcement and the documents comprising the Public Record are available on Speymill Group's website at: www.speymill.com and the LSE website at: www.londonstockexchange.co.uk.

16.2 The following documents will remain available on the Company's website after Admission:

- (a) the Announcement;
- (b) Speymill's published annual reports for the years ended 31 December 2004, 2005 and 2006.

Dated: 10 July 2007

