

APPENDIX II

ACCOUNTANTS' REPORT OF THE CSI GROUP

The following is the text of a report, prepared for the sole purpose of inclusion in this document, received from the independent reporting accountants, RSM Nelson Wheeler, Certified Public Accountants, Hong Kong.

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[●]

The Board of Directors
Come Sure Group (Holdings) Limited
Kingsway Capital Limited

Dear Sirs,

We set out below our report on the financial information (the "Financial Information") of Century Shiny Investment Limited ("CSI") and its subsidiary (hereinafter collectively referred to as the "CSI Group") for each of the three years ended 31 March 2008 and the six months ended 30 September 2008 (the "Relevant Periods") for inclusion in the document dated [●] issued by Come Sure Group (Holdings) Limited (the "Document").

CSI was incorporated in Hong Kong with limited liability under the Hong Kong Companies Ordinance on 29 August 2005. Pursuant to a group reorganisation, as more fully explained in the paragraph headed "Corporate reorganisation" in Appendix VI to the Document (the "Reorganisation"), CSI was disposed of by Come Sure Holdings Limited, a wholly-owned subsidiary of Come Sure Group (Holdings) Limited to Mr. Chong Kam Chau, the ultimate controlling party of Come Sure Group (Holdings) Limited on 28 November 2006.

Pursuant to the Reorganisation, Jumbo Match Limited, a wholly-owned subsidiary of Come Sure Group (Holdings) Limited, acquired the entire equity interest in CSI on [●].

As at the date of this report, CSI had directly held the following subsidiary:

Name of subsidiary	Place and date of establishment	Registered capital	Attributable equity interest	Principal activities/place of operation
惠州錦勝包裝有限公司 (Huizhou Come Sure Packing Company Limited ("Huizhou Come Sure"))	People's Republic of China (the "PRC") 23 January 2006	HK\$22,000,000	100%	Not yet commenced business/PRC

The English name of this company represents management's best efforts in translating the Chinese name of this company as no English name has been registered.

Huizhou Come Sure is a wholly foreign-owned enterprise.

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CSI has adopted 31 March as its financial year end date while Huizhou Come Sure has adopted 31 December as its financial year end date as required by the relevant laws in the PRC.

We have audited the financial statements of CSI for the period from its date of incorporation to 31 March 2006, the years ended 31 March 2007 and 2008 and the six months ended 30 September 2008.

The statutory financial statements of Huizhou Come Sure have been prepared in accordance with the relevant accounting principles and financial regulations applicable to the PRC and audited by the certified public accountants as follows:

Company	Financial period	Auditor
Huizhou Come Sure	Period from 23 January 2006 (date of incorporation) to 31 December 2006 and year ended 31 December 2007	廣東粵信會計師事務所 有限公司惠州分所 ("Guangdong Yuexin Certified Public Accountants Co., Ltd Huizhou Branch") registered in PRC

For the purpose of this report, the sole director of CSI has prepared the consolidated financial statements of the CSI Group for the Relevant Periods (the "HKFRS Financial Statements") in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

We have performed our independent audit on the HKFRS Financial Statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and have examined the HKFRS Financial Statements in accordance with Auditing Guideline 3.340 "[●]" issued by the HKICPA.

The Financial Information has been prepared from the HKFRS Financial Statements. No adjustments were considered necessary for the purpose of preparing our report for inclusion in the Document.

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The sole director of CSI is responsible for the preparation of the HKFRS Financial Statements. The directors of Come Sure Group (Holdings) Limited are responsible for the contents of the Document in which this report is included. It is our responsibility to compile the Financial Information set out in this report from the HKFRS Financial Statements, to form an independent opinion on the Financial Information and to report our opinion to you.

For the purpose of this report, the sole director of CSI has prepared the comparative financial information of the CSI Group for the six months ended 30 September 2007 (the "Comparative Financial Information") in accordance with HKFRSs. We have reviewed the Comparative Financial Information in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists principally of making enquiries of the CSI Group management and applying analytical procedures to the Comparative Financial Information and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the Comparative Financial Information.

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the Comparative Financial Information.

In our opinion, for the purpose of this report, the Financial Information gives a true and fair view of the state of affairs of CSI and of the CSI Group as at 31 March 2006, 2007 and 2008 and 30 September 2008 and of the results and cash flows of the CSI Group for the Relevant Periods.

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FINANCIAL INFORMATION

A. CONSOLIDATED INCOME STATEMENTS

		From 29 August 2005 (date of incorporation) to 31 March	Year ended 31 March		Six months ended 30 September	
	Note	2006 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000 (unaudited)	2008 HK\$'000
Turnover	6	-	-	-	-	-
Other income	7	-	-	735	-	-
Administrative expenses		(34)	(241)	(96)	(48)	(101)
Other operating expenses		-	(8)	(10)	(5)	(5)
(Loss)/profit before tax		(34)	(249)	629	(53)	(106)
Income tax expense	8	-	-	-	-	-
(Loss)/profit for the year/period	9	<u>(34)</u>	<u>(249)</u>	<u>629</u>	<u>(53)</u>	<u>(106)</u>

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B. CONSOLIDATED BALANCE SHEETS

		At 31 March		At 30 September	
	Note	2006 HK\$'000	2007 HK\$'000	2008 HK\$'000	2008 HK\$'000
Non-current assets					
Prepaid land lease payments	11	–	–	–	25,733
Property, plant and equipment	12	–	42	32	27
		–	42	32	25,760
Current assets					
Prepaid land lease payments	11	–	–	–	535
Prepayments, deposits and other receivables		3,398	2,770	3,895	3,634
Bank and cash balances		1,602	195	298	2,266
		5,000	2,965	4,193	6,435
Current liabilities					
Accruals and other payables		–	11	16	22
Due to a shareholder	14	34	2,230	2,189	30,008
Due to a related party	13	4,000	–	–	–
		4,034	2,241	2,205	30,030
Net current assets/(liabilities)		966	724	1,988	(23,595)
NET ASSETS		<u>966</u>	<u>766</u>	<u>2,020</u>	<u>2,165</u>
Capital and reserves					
Share capital	15	1,000	1,000	1,000	1,000
Reserves		(34)	(234)	1,020	1,165
TOTAL EQUITY		<u>966</u>	<u>766</u>	<u>2,020</u>	<u>2,165</u>

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C. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital <i>HK\$'000</i>	Foreign currency translation reserve <i>HK\$'000</i>	Retained profits/ (Accumulated losses) <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
Loss for the period	—	—	(34)	(34)
Total recognised income and expense for the period	—	—	(34)	(34)
Issue of shares	1,000	—	—	1,000
At 31 March 2006	1,000	—	(34)	966
Exchange differences arising on translation of foreign operations	—	49	—	49
Net income recognised directly in equity	—	49	—	49
Loss for the year	—	—	(249)	(249)
Total recognised income and expense for the year	—	49	(249)	(200)
At 31 March 2007	1,000	49	(283)	766
Exchange differences arising on translation of foreign operations	—	625	—	625
Net income recognised directly in equity	—	625	—	625
Profit for the year	—	—	629	629
Total recognised income and expense for the year	—	625	629	1,254
At 31 March 2008	1,000	674	346	2,020

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	Share capital <i>HK\$'000</i>	Foreign currency translation reserve <i>HK\$'000</i>	Retained profits/ (Accumulated losses) <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
At 1 April 2008	1,000	674	346	2,020
Exchange differences arising on translation of foreign operations	–	251	–	251
Net income recognised directly in equity	–	251	–	251
Loss for the period	–	–	(106)	(106)
Total recognised income and expense for the period	–	251	(106)	145
At 30 September 2008	<u>1,000</u>	<u>925</u>	<u>240</u>	<u>2,165</u>
	Share capital <i>HK\$'000</i>	Foreign currency translation reserve <i>HK\$'000</i>	Retained profits/ (Accumulated losses) <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
(Unaudited)				
At 1 April 2007	1,000	49	(283)	766
Exchange differences arising on translation of foreign operations	–	183	–	183
Net income recognised directly in equity	–	183	–	183
Loss for the period	–	–	(53)	(53)
Total recognised income and expense for the period	–	183	(53)	130
At 30 September 2007	<u>1,000</u>	<u>232</u>	<u>(336)</u>	<u>896</u>

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D. CONSOLIDATED CASH FLOW STATEMENTS

	From 29 August 2005 (date of incorporation) to 31 March 2006 <i>HK\$'000</i>	Year ended 31 March		Six months ended 30 September 2007 <i>HK\$'000</i>	
		2007 <i>HK\$'000</i>	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/profit before tax	(34)	(249)	629	(53)	(106)
Adjustment for:					
Depreciation of property, plant and equipment	–	8	10	5	5
Operating (loss)/profit before working capital changes	(34)	(241)	639	(48)	(101)
Decrease/(increase) in prepayments, deposits and other receivables	(3,398)	628	(1,125)	(176)	261
Increase in accruals and other payables	–	11	5	–	6
Net cash (used in)/ generated from operating activities	<u>(3,432)</u>	<u>398</u>	<u>(481)</u>	<u>(224)</u>	<u>166</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of property, plant and equipment	–	(50)	–	–	–
Addition of prepaid land lease payments	–	–	–	–	(26,268)
Net cash used in investing activities	<u>–</u>	<u>(50)</u>	<u>–</u>	<u>–</u>	<u>(26,268)</u>

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	From 29 August 2005 (date of incorporation) to 31 March 2006 HK\$'000	Year ended 31 March		Six months ended 30 September	
		2007 HK\$'000	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares	1,000	–	–	–	–
Advance from a shareholder	34	4,083	–	9	27,819
Repayment to a shareholder	–	(1,887)	(41)	–	–
Advance from/(repayment to) a related party	4,000	(4,000)	–	–	–
Net cash generated from/ (used in) financing activities	5,034	(1,804)	(41)	9	27,819
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS					
	1,602	(1,456)	(522)	(215)	1,717
EFFECT OF FOREIGN EXCHANGE RATE CHANGES					
	–	49	625	183	251
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/PERIOD					
	–	1,602	195	195	298
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD					
	1,602	195	298	163	2,266
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS					
Bank and cash balances	1,602	195	298	163	2,266

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E. BALANCE SHEETS

		At 31 March		At 30 September	
	Note	2006 HK\$'000	2007 HK\$'000	2008 HK\$'000	2008 HK\$'000
CSI					
Non-current assets					
Investment in a subsidiary	20	5,000	5,000	5,000	5,500
Property, plant and equipment	12	—	42	32	27
		<u>5,000</u>	<u>5,042</u>	<u>5,032</u>	<u>5,527</u>
Current assets					
Due from a subsidiary	20	—	—	—	25,333
Bank and cash balances		—	8	8	5
		<u>—</u>	<u>8</u>	<u>8</u>	<u>25,338</u>
Current liabilities					
Accruals and other payables		—	11	16	22
Due to a shareholder	14	16	2,212	2,169	29,987
Due to a related party	13	4,000	—	—	—
Due to a subsidiary	20	—	1,887	1,962	—
		<u>4,016</u>	<u>4,110</u>	<u>4,147</u>	<u>30,009</u>
Net current liabilities		<u>(4,016)</u>	<u>(4,102)</u>	<u>(4,139)</u>	<u>(4,671)</u>
NET ASSETS		<u>984</u>	<u>940</u>	<u>893</u>	<u>856</u>
Capital and reserves					
Share capital	15	1,000	1,000	1,000	1,000
Accumulated losses		(16)	(60)	(107)	(144)
TOTAL EQUITY		<u>984</u>	<u>940</u>	<u>893</u>	<u>856</u>

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F. STATEMENTS OF CHANGES IN EQUITY

	Share capital <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
CSI			
Loss for the period	—	(16)	(16)
Total recognised income and expense for the period	—	(16)	(16)
Issue of share	1,000	—	1,000
At 31 March 2006	1,000	(16)	984
Loss for the year	—	(44)	(44)
Total recognised income and expense for the year	—	(44)	(44)
At 31 March 2007	1,000	(60)	940
Loss for the year	—	(47)	(47)
Total recognised income and expense for the year	—	(47)	(47)
At 31 March 2008	1,000	(107)	893
Loss for the period	—	(37)	(37)
At 30 September 2008	<u>1,000</u>	<u>(144)</u>	<u>856</u>
(Unaudited)			
At 1 April 2007	1,000	(60)	940
Loss for the period	—	(13)	(13)
At 30 September 2007	<u>1,000</u>	<u>(73)</u>	<u>927</u>

G. NOTES TO FINANCIAL INFORMATION

1. GENERAL INFORMATION

CSI was incorporated on 29 August 2005 in Hong Kong with limited liability under the Hong Kong Companies Ordinance. The address of its registered office is 9/F., Tung Ning Building, 249-253 Des Voeux Road Central, Hong Kong. The address of its principal place of business is Units 8-10, 8/F Cornell Centre, 50 Wing Tai Road, Chai Wan, Hong Kong.

CSI is an investment holding company and its subsidiary has not yet commenced business at the date of this report.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS

During the Relevant Periods, the CSI Group has adopted all the HKFRSs that are relevant to its operations and effective for its accounting year beginning on 1 April 2008.

The CSI Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The sole director of CSI anticipate that the application of these new and revised HKFRSs will not have material impact on the Financial Information of the CSI Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The Financial Information set out in this report has been prepared in accordance with HKFRSs, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and by the Hong Kong Companies Ordinance.

HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations.

The Financial Information has been prepared under the historical cost convention.

The preparation of the Financial Information in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the director to exercise his judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to the Financial Information, are disclosed in note 4 below.

The significant accounting policies applied in the preparation of the Financial Information are set out below:

(a) Consolidation

The consolidated financial statements include the financial statements of CSI and its subsidiary made up to 31 March 2006, 2007 and 2008 and 30 September 2008. Subsidiaries are entities over which CSI has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether CSI has control.

Subsidiaries are fully consolidated from the date on which control is transferred to the CSI Group. They are de-consolidated from the date the control ceases.

Inter-company transactions, balances and unrealised profits on transactions between the CSI Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the CSI Group.

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In CSI's balance sheet the investments in subsidiaries are stated at cost less allowance for impairment losses. The results of subsidiaries are accounted for by CSI on the basis of dividends received and receivable.

(b) Foreign currency translation

(i) *Functional and presentation currency*

Items included in the financial statements of each of the CSI Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Financial Information is presented in Hong Kong dollars ("HK\$"), which is CSI's functional and presentation currency.

(ii) *Transactions and balances in each entity's financial statements*

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the rates ruling on the balance sheet date. Profits and losses resulting from this translation policy are included in the consolidated income statements.

(iii) *Translation on consolidation*

The results and financial position of all the CSI Group entities that have a functional currency different from CSI's presentation currency are translated into CSI's presentation currency as follows:

- Assets and liabilities for each balance sheet of the CSI Group entities are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each income statement of the CSI Group entities are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in the consolidated income statements as part of the profit or loss on disposal.

(c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the CSI Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the consolidated income statements during the Relevant Periods in which they are incurred.

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Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are as follows:

Motor vehicles	5 – 10 years
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The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each balance sheet date.

(d) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments (net of any incentives received from the lessor) are expensed in the consolidated income statements on a straight-line basis over the lease term.

Consideration paid for land use rights is recorded as prepaid land lease payments and charged to the consolidated income statements on a straight-line basis over the term of relevant land use rights acquired.

(e) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated balance sheets when the CSI Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the CSI Group transfers substantially all the risks and rewards of ownership of the assets; or the CSI Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in the consolidated income statements.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the consolidated income statements.

(f) Other receivables

Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the CSI Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in the consolidated income statements.

Impairment losses are reversed in subsequent periods and recognised in the consolidated income statements when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

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(g) Cash and cash equivalents

For the purpose of the consolidated cash flow statements, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the CSI Group's cash management are also included as a component of cash and cash equivalents.

(h) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the CSI Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below in (i) to (j).

(i) Other payables

Other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(j) Equity instruments

Equity instruments issued by CSI are recorded at the proceeds received, net of direct issue costs.

(k) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statements because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The CSI Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the CSI Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the consolidated income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the CSI Group intends to settle its current tax assets and liabilities on a net basis.

(l) Related parties

A party is related to the CSI Group if:

- (i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the CSI Group; has an interest in the CSI Group that gives it significant influence over the CSI Group; or has joint control over the CSI Group;
- (ii) the party is an associate;
- (iii) the party is a joint venture;
- (iv) the party is a member of the key management personnel of CSI or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the CSI Group, or of any entity that is a related party of the CSI Group.

(m) Impairment of assets

At each balance sheet date, the CSI Group reviews the carrying amounts of its tangible and intangible assets, except receivables, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the CSI Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated income statements, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in the consolidated income statements, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(n) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the CSI Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(o) Events after the balance sheet date

Events after the balance sheet date that provide additional information about the CSI Group's position at the balance sheet date or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the Financial Information. Events after the balance sheet date that are not adjusting events are disclosed in the notes to the Financial Information when material.

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Allowance for bad and doubtful debts

The CSI Group makes allowance for bad and doubtful debts based on assessments of the recoverability of the other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and bad and doubtful debt expenses in the year in which such estimate has been changed. If the financial conditions of the debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

5. FINANCIAL RISK MANAGEMENT

The CSI Group's activities expose it to a variety of financial risks: credit risk and liquidity risk. The CSI Group's overall risk management programme focus on the unpredictability of financial markets and seeks to minimise potential adverse effects on the CSI Group's financial performance.

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ACCOUNTANTS' REPORT OF THE CSI GROUP

(a) Credit risk

The carrying amount of deposits and other receivables and bank and cash balances included in the consolidated balance sheets, represent the CSI Group's maximum exposure to credit risk in relation to financial assets.

(b) Liquidity risk

The CSI Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis of the financial liabilities is as follows:

	Less than 1 year HK\$'000	CSI Group Between 1 and 2 years HK\$'000	Between 2 and 5 years HK\$'000
At 31 March 2006			
Due to a shareholder	34	–	–
Due to a related party	4,000	–	–
At 31 March 2007			
Accruals and other payables	11	–	–
Due to a shareholder	2,230	–	–
At 31 March 2008			
Accruals and other payables	16	–	–
Due to a shareholder	2,189	–	–
At 30 September 2008			
Accruals and other payables	22	–	–
Due to a shareholder	30,008	–	–
	Less than 1 year HK\$'000	CSI Between 1 and 2 years HK\$'000	Between 2 and 5 years HK\$'000
At 31 March 2006			
Due to a shareholder	16	–	–
Due to a related party	4,000	–	–
At 31 March 2007			
Accruals and other payables	11	–	–
Due to a subsidiary	1,887	–	–
Due to a shareholder	2,212	–	–
At 31 March 2008			
Accruals and other payables	16	–	–
Due to a subsidiary	1,962	–	–
Due to a shareholder	2,169	–	–
At 30 September 2008			
Accruals and other payables	22	–	–
Due to a shareholder	29,987	–	–

(c) Fair values

The carrying amounts of the CSI Group's financial assets and financial liabilities as reflected in the consolidated balance sheets approximate their respective fair values.

APPENDIX II	ACCOUNTANTS' REPORT OF THE CSI GROUP
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6. TURNOVER AND SEGMENT INFORMATION

The CSI Group has no turnover during the Relevant Periods.

7. OTHER INCOME

	From 29 August 2005 (date of incorporation) to 31 March 2006 <i>HK\$'000</i>	Year ended 31 March		Six months ended 30 September		
		2007	2008	2007	2008	
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
						(unaudited)
Compensation from cancellation of agreements	–	–	735	–	–	
	<u>–</u>	<u>–</u>	<u>735</u>	<u>–</u>	<u>–</u>	

8. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax is required since CSI has no assessable profit for the Relevant Periods.

Pursuant to relevant laws and regulations in the PRC, Huizhou Come Sure is not yet subject to enterprise income tax for the Relevant Period since the entity has not commenced its business.

The reconciliation between the income tax expense and the product of (loss)/profit before tax multiplied by the Hong Kong Profits Tax rate is as follows:

	From 29 August 2005 (date of incorporation) to 31 March 2006 <i>HK\$'000</i>	Year ended 31 March		Six months ended 30 September		
		2007	2008	2007	2008	
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
						(unaudited)
(Loss)/profit before tax	(34)	(249)	629	(53)	(106)	
Hong Kong Profits Tax rate	17.5%	17.5%	17.5%	17.5%	16.5%	
Tax at Hong Kong Profits tax rate	(6)	(44)	110	(9)	(17)	
Tax effect of income that is not taxable	–	–	(129)	–	–	
Tax effect of expenses that are not deductible	6	44	19	9	17	
Income tax expense	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	

APPENDIX II	ACCOUNTANTS' REPORT OF THE CSI GROUP
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9. (LOSS)/PROFIT FOR THE YEAR/PERIOD

The CSI Group's (loss)/profit for the year/period is stated after charging the following:

	From 29 August 2005 (date of incorporation) to 31 March			Six months ended 30 September	
	Year ended 31 March			2007	
	2006	2007	2008	2007	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
				(unaudited)	
Auditors' remuneration	–	11	7	1	7
Depreciation	–	8	10	5	5
Staff costs	–	–	–	–	–
Director's emoluments	–	–	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

10. LOSS FOR THE YEAR/PERIOD ATTRIBUTABLE TO EQUITY HOLDER OF CSI

The loss attributable to equity holder of CSI included loss of approximately HK\$16,000, HK\$44,000, HK\$47,000, HK\$13,000 (unaudited) and HK\$37,000 for the years ended 31 March 2006, 2007 and 2008 and the six months ended 30 September 2007 and 2008, respectively, which have been dealt with in the Financial Information.

11. PREPAID LAND LEASE PAYMENTS

	From 29 August 2005 (date of incorporation) to 31 March			Six months ended 30 September
	Year ended 31 March			2008
	2006	2007	2008	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At beginning of year/period	–	–	–	–
Additions	–	–	–	26,268
	<u>–</u>	<u>–</u>	<u>–</u>	<u>26,268</u>
At end of year/period	–	–	–	26,268
Current portion	–	–	–	(535)
	<u>–</u>	<u>–</u>	<u>–</u>	<u>(535)</u>
Non-current portion	–	–	–	25,733
	<u>–</u>	<u>–</u>	<u>–</u>	<u>25,733</u>

The CSI Group's prepaid land lease payments are analysed as follows:

	At 31 March			At 30 September
	2006	2007	2008	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Land use rights in the PRC under 50 years (medium-term) leases	–	–	–	26,268
	<u>–</u>	<u>–</u>	<u>–</u>	<u>26,268</u>

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12. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles <i>HK\$'000</i>
Cost	
At 29 August 2005 (date of incorporation) and 31 March 2006	–
Additions	50
At 31 March 2007 and 2008 and 30 September 2008	50
Accumulated depreciation	
At 29 August 2005 (date of incorporation) and 31 March 2006	–
Charge for the year	8
At 31 March 2007	8
Charge for the year	10
At 31 March 2008	18
Charge for the period	5
At 30 September 2008	23
Carrying amount	
At 31 March 2006	–
At 31 March 2007	42
At 31 March 2008	32
At 30 September 2008	27

13. DUE TO A RELATED PARTY

Particulars of the amount due to a related party is as follows:

	2006	At 31 March 2007	2008	At 30 September 2008
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Come Sure Development Limited	4,000	–	–	–

The shareholder of CSI, has beneficial interests in Come Sure Development Limited. The amount due to the related party is unsecured, interest free and has no fixed repayment terms.

14. DUE TO A SHAREHOLDER

The amount due to a shareholder, Mr. Chong Kam Chau is unsecured, interest free and has no fixed repayment terms.

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15. SHARE CAPITAL

	Authorised		Issued and fully paid	
	<i>Number of shares</i>	<i>Amount HK\$</i>	<i>Number of shares</i>	<i>Amount HK\$</i>
Ordinary shares of HK\$1 each				
– on incorporation (<i>Note a</i>)	10,000	10,000	1	1
– increase of authorised share capital and allotment of shares (<i>Note b</i>)	<u>990,000</u>	<u>990,000</u>	<u>999,999</u>	<u>999,999</u>
Balance at 31 March 2006, 2007 and 2008 and 30 September 2008	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

Notes:

- (a) CSI was incorporated on 29 August 2005 with an authorised share capital of HK\$10,000 divided into 10,000 shares of HK\$1 each, one of which was issued and allotted to the subscriber of CSI.
- (b) By an ordinary resolution passed on 3 November 2005 the authorised ordinary share capital of CSI was increased from HK\$10,000 to HK\$1,000,000 by the creation of 990,000 shares of HK\$1 each, such new shares ranking *pari passu* in all respects with the existing shares of CSI.

On the same date CSI issued 999,999 ordinary shares of HK\$1 each at par for cash fully paid totalling HK\$999,999 to provide additional working capital.

The CSI Group's objectives when managing capital are to safeguard the CSI Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The CSI Group currently does not have any specific policies and processes for managing capital.

16. OPERATING LEASE COMMITMENTS

CSI and the CSI Group had no significant operating lease commitments at 31 March 2006, 2007 and 2008 and 30 September 2008.

17. CAPITAL COMMITMENTS

The CSI Group's capital commitments are as follows:

	2006	At 31 March 2007	2008	At 30 September 2008
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Capital expenditure contracted but not provided for:				
Property, plant and equipment	<u>–</u>	<u>–</u>	<u>–</u>	<u>407</u>

CSI's capital commitments in respect of its investment in the subsidiary is as follows:

	2006	At 31 March 2007	2008	At 30 September 2008
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Capital expenditure contracted but not provided for in the financial statements in respect of unpaid balance of capital contributions	<u>17,000</u>	<u>17,000</u>	<u>17,000</u>	<u>16,500</u>

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18. CONTINGENT LIABILITIES

The CSI Group and CSI had no significant contingent liabilities at 31 March 2006, 2007 and 2008 and 30 September 2008.

19. RELATED PARTY TRANSACTIONS

Transactions between the CSI Group companies have been eliminated on consolidation and are not disclosed. There is no material transaction between the CSI Group and its related parties during the Relevant Periods.

The CSI Group had the following balances with related parties:

	2006	At 31 March 2007	2008	At 30 September 2008
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Due to a related party	4,000	–	–	–
Due to a shareholder	34	2,230	2,189	30,008
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

20. INVESTMENT IN A SUBSIDIARY

	Company			
	2006	At 31 March 2007	2008	At 30 September 2008
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Unlisted investment, at cost	5,000	5,000	5,000	5,500
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The investment in a subsidiary at 31 March 2006, 2007 and 2008 and 30 September 2008 represents CSI's 100% equity interest in Huizhou Come Sure which is incorporated in the PRC and has not yet commenced business.

The amounts due from/(to) the subsidiary are unsecured, interest free and have no fixed repayment terms.

21. SUBSEQUENT EVENTS

The following events took place subsequent to [30 September 2008]:

[●]

22. ULTIMATE HOLDING COMPANY

The sole director of CSI regards Perfect Group Version Limited, a company incorporated in the BVI, as being the immediate and ultimate holding company, and [CHONG Family Trust/Mr. Chong Kam Chau] is the ultimate controlling party.

23. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared for CSI or any of its subsidiaries in respect of any period subsequent to 30 September 2008.

Yours faithfully
RSM Nelson Wheeler
Certified Public Accountants
 Hong Kong