

**RULE 4.04(1) OF THE LISTING RULES AND THE COMPANIES ORDINANCE**

According to paragraph 27 of Part I of the Third Schedule to the Companies Ordinance, the Company is required to include in this prospectus a statement as to the gross trading income or sales turnover of the Company during each of the three financial years immediately preceding the issue of this prospectus.

According to paragraph 31 of Part II of the Third Schedule to the Companies Ordinance, the Company is required to include in this prospectus a report by its auditors or reporting accountants of the Company with respect to the financial results of the Group for each of the three financial years immediately preceding the issue of this prospectus.

According to Rule 4.04(1) of the Listing Rules, the Company is required to include in this prospectus an accountants' report covering the combined results of the Group in respect of each of the three financial years immediately preceding the issue of this prospectus.

The accountants' report for each of the three years ended 31 March 2006 and the nine months ended 31 December 2006 has been prepared and is set out in appendix I to this prospectus. However, as this prospectus is issued within a short period of time after 31 March 2007, the accountants' report has not included the audited financial results of the Group for the full year ended 31 March 2007 as it would be unduly burdensome for the Company to do so.

In the circumstances, an application was made to the SFC for a certificate of exemption from strict compliance with paragraphs 27 and 31 of the Third Schedule to the Companies Ordinance in relation to the inclusion of the accountants' report for the full year ended 31 March 2007 in this prospectus on the ground that it would be unduly burdensome for the Company to do so and a certificate of exemption has been granted by the SFC under section 342A(1) of the Companies Ordinance.

An application has also been made to the Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules on the ground that it would be unduly burdensome for the Company to do so within a short period of time after 31 March 2007, and such waiver has been granted by the Stock Exchange subject to the condition that the Listing Date is on or before 30 June 2007.

The Directors have confirmed that they have performed sufficient due diligence on the Group to ensure that, up to the date of issue of this prospectus, there has been no material adverse change in the financial and trading positions or prospects of the Group since 31 December 2006, and there is no event since 31 December 2006 which would materially affect the information shown in the accountants' report set out in appendix I to this prospectus.