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THE STOCK EXCHANGE OF HONG KONG LIMITED
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

The GEM Listing Committee of The Stock Exchange of Hong Kong Limited (the "Committee") takes action against CSC Asia Limited ("CSC")

At a meeting held on 2 March 2006, the Committee considered the facts in relation to the annual review of CSC's continued inclusion on the list of GEM sponsors (the "List") and decided that CSC may remain on the List but subject to conditions and only for the purposes described below.

Facts

In October 2004, CSC sought annual renewal of its GEM sponsor status pursuant to Rule 6.29 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Rules"). That application was considered by the Committee on 5 and 26 May 2005, and again on 2 March 2006.

The review took into account several matters and in particular a listing application of which CSC was the sponsor.

In that particular listing application, the Committee noted that CSC submitted the application and a first draft of the prospectus in October 2003.

The Listing Division (the "Division") found that there were material differences in disclosure in the first and later revised drafts of the prospectus culminating in the eleventh draft of the prospectus in August 2004 in a number of areas including:

1. the payment terms between the listing applicant and a key supplier;
2. the relationship between the key supplier and a key customer; and
3. various relationships among the listing applicant, its agents and the key supplier.

For the avoidance of doubt, the above listing application lapsed in December 2004.

The Committee's decision

GEM Rule 12.22 says, among other things, that "At the time of application for listing, proof of the prospectus in anticipated final form must be lodged with the Exchange." The sponsor's declaration in Appendix 5 Form A of the GEM Rules also states that "The information supplied in this form and in the documents submitted together with this form is accurate and complete in all material aspects and not misleading".

Having considered the material presented to it, the Committee considers that the first draft of the prospectus in October 2003 submitted by CSC was not in the "anticipated final form" and not "accurate and complete in all material aspects".

Accordingly, the Committee found that CSC has failed to comply with GEM Rule 6.07 and has not upheld high professional standards and discharged its responsibilities in a competent manner in that CSC has failed to ensure accurate and complete disclosure of important matters in the first draft of the prospectus delivered to the Division. Changes to the first draft should not have been necessary as the revisions were not caused by events which happened after CSC had lodged the initial listing application in October 2003. The extensive and material revisions demonstrated inadequate due diligence work done by CSC prior to the delivery of the initial listing application.

The Committee also notes and acknowledges the findings of the action taken by the Securities and Futures Commission (the "SFC") in relation to the two cases investigated by the SFC (one of which was the listing application as described above) and the extensive cooperation between the Exchange and the SFC in these matters. Please refer to the SFC's press release available at <http://www.sfc.hk>.

On the basis of the finding made above and with the agreement of CSC and noting the action taken by the SFC against CSC, the Committee applied GEM Rules 6.28 and 6.30 and decided that CSC may remain on the List but subject to the following conditions and for the sole purposes described below:

1. CSC undertakes to withdraw and not to involve itself as a sponsor in any new GEM Board listing applications for a period of 13 months (the "withdrawal period") (starting from the date this press release is published);
2. Mr Chiu Chi Kin, Andrew ("Mr Chiu") and Mr Tang Ho Wai, Howard ("Mr Tang"), principal supervisors of CSC, voluntarily undertake to withdraw and not to take on any GEM listing work for a period of eight months respectively (starting from the date this press release is published);
3. Before resuming sponsorship of new listings, CSC demonstrates to the satisfaction of the Exchange that it has sufficient systems, controls, procedures and arrangements in place to discharge its duties as a sponsor, in particular its obligation to conduct due diligence to the standard of a reasonably competent sponsor. In this regard, the Committee notes that CSC has agreed in connection with the action taken by the SFC and this review to commission an accounting firm to conduct a comprehensive compliance review of its systems and undertaken to implement all recommendations made by the accounting firm; and
4. CSC is allowed to perform and carry out the duties and responsibilities of a compliance adviser under the GEM Rules for the following GEM companies during the withdrawal period:
 - a. Megainfo Holdings Limited (stock code: 8279) (CSC's compliance adviser role will end on 30 June 2006);
 - b. Longlife Group Holdings Limited (stock code: 8037) (CSC's compliance adviser role will end on 30 September 2006); and
 - c. Century Sunshine Ecological Technology Holdings Limited (stock code: 8276) (CSC's compliance adviser role will end on 31 December 2006).

Richard Williams, Head of Listing, commented: "The Exchange Listing Rules make abundantly clear what is expected of sponsors. A sponsor - particularly in the GEM market - has a critical role in the process of preparing a candidate for listing. At best, delivery of poorly prepared listing applications results in an uneven playing field for sponsor firms and extended delay or failure of the listing application which has cost implications for the new applicant and is a waste of regulatory resources. At worst, it puts investors and the market at risk.

This outcome sends a clear message that the Exchange and the SFC will work together to ensure sponsors meet the reasonable standards expected of them. Firms should be in no doubt that there will be consequences, including potentially to their ability to do business, for those sponsor firms that fail to meet those expectations."