

Auditors' report which is qualified and/or modified

The Exchange has scrutinised the annual reports of GEM listed issuers with financial year ended 31 March 2005, 30 April 2005 and 31 May 2005. Set out below is a list of listed issuers whose auditors' reports in the annual reports is qualified and/or modified. For details of the audit opinion, please refer to the annual reports of the respective listed issuers.

	Stock code	Note	Company name	Date of listing	Annual report for year / period ended	Auditors
1.	8097	(a) & (b)	Arcontech Corporation	16/8/2000	31/3/2005	Graham H.Y. Chan & Co
2.	8060		Global Link Communications Holdings Limited	13/11/2002	31/3/2005	RSM Nelson Wheeler
3.	8202	(a)	Inno-Tech Holdings Limited	12/8/2002	31/3/2005	PCP CPA Limited
4.	8256	(a)	Netel Technology (Holdings) Limited	20/12/2002	31/5/2005	Lau & Au Yeung C.P.A. Limited
5.	8085	(a)	New Chinese Medicine Holdings Limited	7/3/2002	31/3/2005	HLB Hodgson Impey Cheng
6.	8139		Prosperity International Holdings (H.K.) Limited	2/8/2001	31/3/2005	Ernst & Young
7.	8172	(a)	Satellite Devices Corporation	26/3/2002	31/3/2005	Graham H.Y. Chan & Co
8.	8010	(a) & (b)	SMI Publishing Group Limited	1/6/2000	31/3/2005	Deloitte Touche Tohmatsu

Up to 3 October 2005, M Channel Corporation Limited (stock code: 8036), Tungda Innovative Lighting Holdings Limited (stock code: 8229) and Wah Sang Gas Holdings Limited (stock code: 8035) have not yet issued their annual reports for the year ended 31 March 2005. For details, please refer to the ***Status Report on Issuers' Delay in Releasing Results Announcements (GEM Board)*** posted on the Exchange's website.

Note (a): Company having its audit report qualified and/or modified for two consecutive years or more.

Note (b): As at 3 October 2005, the company's shares had been suspended from trading for more than 3 months. For details, please refer to the ***Prolonged Suspension Status Report (GEM Board)*** posted on the Exchange's website.