

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document or the action you should take you should immediately consult your broker, bank manager, solicitor or other independent financial adviser authorised for the purposes of the Financial Services and Markets Act 2000 ("FSMA") who specialises in advising on the acquisition of shares and other securities.

This document which has been drawn up in accordance with the rules of AIM and has been issued in accordance with the application for Admission to trading on AIM of all of the issued Ordinary Shares. This document does not constitute a prospectus for the purposes of the Prospectus Rules. This document does not constitute an offer or invitation to purchase any securities.

Application will be made for the whole of the issued ordinary share capital of the Company to be admitted to trading on AIM. Subject inter alia to the Scheme becoming effective, it is expected that the Ordinary Shares will be admitted to trading on AIM and dealings will commence on 30 August 2006.

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. 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 authorised for the purposes of FSMA. Furthermore, neither the London Stock Exchange nor the UK Listing Authority has examined or approved the contents of this document. AIM securities are not admitted to the Official List of the UK Listing Authority.

The Directors, whose names appear on page 4 of this document together with the Company, accept responsibility for the information contained in this document, including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of 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.

**THE WHOLE TEXT OF THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING ANNOUNCEMENT FORM. THE ATTENTION OF POTENTIAL INVESTORS IN THE COMPANY IS DRAWN TO THE SECTION ENTITLED RISK FACTORS IN PART II OF THIS DOCUMENT.**

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## VIROTEC INTERNATIONAL PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number **5796515**  
**ISIN GB00B15PVR02**)

### **APPENDIX TO AIM ANNOUNCEMENT FURTHER INFORMATION ON VIROTEC INTERNATIONAL PLC IN CONNECTION WITH ITS PROPOSED ADMISSION TO AIM NUMIS SECURITIES LIMITED, NOMINATED ADVISER AND BROKER**

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ORDINARY SHARE CAPITAL IMMEDIATELY FOLLOWING ADMISSION			
Authorised		Issued	
£	Number	£	Number
9,000,000	900,000,000	2,401,624	240,162,442

These figures represent the expected issued and fully paid up ordinary share capital of the Company following Admission based on 240,162,442 ordinary shares in the capital of Virotec (Aus) in issue at 31 July 2006 (being the latest practicable date prior to the publication of this document).

The Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or under the applicable securities laws or regulations of any state or other jurisdiction of the United States of America, Canada, Japan, the Republic of Ireland or the Republic of South Africa. The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

The distribution of this document in jurisdictions other than the UK may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

This Appendix has been prepared in accordance with the Supplement to Schedule One of the AIM Rules published by London Stock Exchange plc. It includes, inter alia, all information that would otherwise have had to be included in the Company's AIM admission document (if one were required under Rule 3 of the AIM Rules) and which is not found in the current public disclosure record, or in current public disclosure filed by the Directors and senior officers of the Company, all as notified to a Regulatory Information Service

(collectively, the “Public Record”). The Public Record can be accessed freely on [www.londonstockexchange.com](http://www.londonstockexchange.com). Additional information is available on the Group’s website on <http://www.virotec.com/>, where this document which is dated 1 August 2006 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 an applicant 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”.

This document is issued by Virotec International plc, its contents having been approved solely for the purpose of section 21 of the Financial Services and Markets Act 2000 by Numis Securities Limited of Cheapside House, 138 Cheapside, London, United Kingdom EC2V 6LH. Numis Securities Limited which is authorised and regulated by the Financial Services Authority (with FSA registration number 144822), is the nominated adviser and broker for the Company for the purposes of the AIM Rules. Its responsibilities as the Company’s nominated adviser under the AIM Rules are owed solely to London Stock Exchange plc and are not owed to the Company, any Director of the Company or to any other person or entity. No liability whatsoever is accepted by Numis Securities Limited for the accuracy of any information or opinions contained in this document or for the omission of any information from this document. Numis Securities Limited is acting for the Company and for no one else and will not be responsible to any other person for providing the protections afforded to customers of Numis Securities Limited or for providing advice in connection with Admission, the contents of this document or any matter referred to herein.

Numis Securities Limited may be providing or may have provided within the previous 12 months, significant advice or investment services in relation to securities in the Company or a related investment.

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## Expected timetable of principal events

Publication of this document	1 August 2006
Admission effective and commencement of dealings in Ordinary Shares on AIM	30 August 2006
CREST accounts credited (where applicable)	30 August 2006
Expected date of despatch of certificates for Ordinary Shares (where applicable)	31 August 2006

## **DIRECTORS, SECRETARY AND ADVISERS**

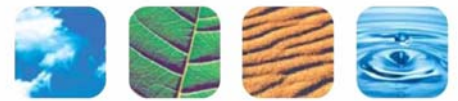
<b>Directors</b>	Mr Brian James Sheeran (Executive Chairman) Mr Bruno Joseph Bamonte (Executive Director and Chief Financial Officer) Mr John Anthony Glynn (Non-Executive Director) Dr David Murray McConchie (Executive Director)
<b>Company Secretary</b>	Mr Angus Craig
<b>Registered Office</b>	Ship Canal House King Street Manchester M2 4WB UK Phone No. 0161 833 3333
<b>Principal Place of Business</b>	Clarendon House 52 Cornmarket Street Oxford OX1 3HJ Phone No. 01865 304060 or +61 7 5530 8014
<b>Nominated Adviser and Broker</b>	Numis Securities Limited Cheapside House 138 Cheapside London EC2V 6LH
<b>Auditors</b>	KPMG Chartered Accountants Level 11 Corporate Centre One Corner Bundall Road and Slatyer Avenue, Bundall, 4217 AUSTRALIA
<b>UK Solicitors to the Company</b>	Cobbetts LLP Ship Canal House King Street Manchester M2 4WB
<b>Australian Solicitors to the Company</b>	McCullough Robertson Lawyers Level 11 Central Plaza Two 66 Eagle Street, Brisbane, 4001 AUSTRALIA
<b>Solicitors to the Nominated Adviser</b>	Shepherd & Wedderburn 12 Arthur Street London EC4R 9AB
<b>Registrar</b>	Computershare Investor Services PLC PO Box 82 The Pavilions Bridgewater Road Bristol BS99 7NH

## DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

“A\$”	Australian dollars;
“ABI Guidelines”	the ‘Principles and Guidelines on Remuneration’ published by the Association of British Insurers;
“Act”	the Companies Act 1985, as amended;
“Admission”	the admission of the Ordinary Shares to trading on AIM and such admission becoming effective in accordance with the AIM Rules;
“AIM”	AIM, a market operated by the London Stock Exchange;
“AIM Rules”	the rules for AIM companies and their nominated advisors published by the London Stock Exchange from time to time;
“Announcement Form”	the announcement to be made by an applicant at least 20 business days prior to Admission;
“Appendix”	this document;
“Articles”	the articles of association of the Company as amended from time to time;
“Australia”	the Commonwealth of Australia, its states, territories and possessions and all areas subject to its jurisdiction and any political sub-division thereof;
“Board” or “Directors”	the directors of the Company, as set out on page 4 of this document;
“City Code”	the City Code on Takeovers and Mergers;
“Combined Code”	the revised combined code on the Principles of Corporate Governance and Best Practice published by the Financial Reporting Council in July 2003;
“Company” or “Virotec (UK)”	Virotec International plc, a company incorporated in England and Wales, with registered number 5796515 whose registered office is at Ship Canal House, King Street, Manchester, M2 4WB, UK;
“CREST”	the relevant system (as defined in the Regulations) for the paperless settlement of trades and holding of uncertificated shares operated by CRESTCo Limited in the United Kingdom;
“Explanatory Statement”	the booklet providing a detailed description of the Scheme dated 19 June 2006;
“FSMA”	the Financial Services and Markets Act 2000, as amended from time to time;
“Group”	Virotec (UK), and Virotec (Aus) and its subsidiaries, further details of which are set out in paragraph 2 of Part III of this document and “Group Company” shall have a commensurate meaning;
“Implementation Date”	the date upon which the Scheme becomes unconditional and has the meaning given in the Explanatory Statement;
“Japan”	Japan, its cities, prefectures, territories and possessions and all areas subject to its jurisdiction and any political sub-division thereof;
“KPMG”	KPMG, a member of the Institute of Chartered Accountants in Australia;

<b>“Panel”</b>	the Panel on Takeovers and mergers of the United Kingdom;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“Numis”</b>	Numis Securities Limited, a company incorporated in England and Wales, with registered number 2285918 and the Company’s nominated adviser and broker;
<b>“Options”</b>	options to be issued by the Company in accordance with the Option Arrangements;
<b>“Option Arrangements”</b>	the option arrangements entered into by the Company, further details of which are set out in paragraph 7 of Part III of this document;
<b>“Option Deed”</b>	an option deed entered into by the Company to put into effect each of the Option Arrangements;
<b>“Ordinary Shares”</b>	fully paid ordinary shares of 1p each in the capital of the Company;
<b>“Prospectus Rules”</b>	the rules brought in to effect on the 1 July 2005 pursuant to Commission Regulation (EC) No. 809/2004 and published by the Financial Services Authority (UK) pursuant to s73A of FSMA;
<b>“Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755);
<b>“Regulatory Information Service”</b>	a service approved by the London Stock Exchange for the distribution to the public of AIM announcements and included within the list maintained on the London Stock Exchange’s website <a href="http://www.londonstockexchange.com">www.londonstockexchange.com</a> ;
<b>“Scheme”</b>	the proposed scheme of arrangement between Virotec (Aus) and its members which will, subject to approval by the shareholders in Virotec (Aus) and the Supreme Court of Queensland pursuant to Section 411 of the Corporations Act of Australia and the satisfaction of certain other conditions, result in all the issued shares in Virotec (Aus) being transferred to Virotec (UK), full details of which are set out in the Explanatory Statement;
<b>“Shareholders”</b>	holders of Ordinary Shares in the Company;
<b>“Subscriber Shares”</b>	the two Ordinary Shares in issue as at the date of this document issued to the subscribers to the Company on incorporation;
<b>“UK Listing Authority”</b>	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA;
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“United States”, “US” or “USA”</b>	the United States of America, its territories and possessions and all areas subject to its jurisdiction and any political sub-division thereof, any state of the United States of America and the District of Columbia;
<b>“Virotec (Aus)”</b>	Virotec International Ltd ACN 004 801 398, a company incorporated in Australia whose registered office is Building 50B, Pinewood Drive, Sanctuary Cove, Queensland, Australia;
<b>“Virotec (Aus) Options”</b>	the unlisted options to acquire Virotec (Aus) Ordinary Shares which are on issue at the date of the Explanatory Statement;
<b>“Virotec (Aus) Ordinary Shares”</b>	fully paid ordinary shares of no par value in Virotec (Aus); and
<b>“Virotec (Aus) Shareholders”</b>	the holders of Virotec (Aus) ordinary shares, from time to time.



## Directors

Mr Brian Sheeran (Executive Chairman)  
Mr Bruno Bamonte (Executive Director and Chief Financial Officer)  
Mr John Glynn (Non-Executive Director)  
Dr David McConchie (Executive Director)

## Virotec International plc

Company Number 5796515  
Registered in England and  
Wales

Ship Canal House  
King Street,  
Manchester, M2 4WB

Email: [mail@virotec.com](mailto:mail@virotec.com)

# Part I

## LETTER FROM THE CHAIRMAN

1 August 2006

Dear Shareholder

### **Admission to trading on AIM of Virotec International plc ('Virotec (UK)')**

#### **Introduction**

This is the Appendix which is required by the AIM Rules for the ordinary shares of Virotec International plc to be admitted to trading on AIM. Virotec (Aus) has despatched this document to its shareholders with an Explanatory Statement which contains the proposal to change the domicile of the Group from Australia to the United Kingdom and which also includes full details of the restructuring proposal together with an independent expert's report from KPMG Corporate Finance (Aust) Pty Ltd. The Virotec (Aus) Annual Report for the year ended 30 June 2005 which includes audited financial statements has previously been distributed to shareholders in accordance with Australian and UK Law, and is available at [www.virotec.com](http://www.virotec.com).

In order to change the domicile of the Group it is proposed that Virotec (Aus) will be restructured by way of a scheme of arrangement under Australian law, which will involve the establishment of a new holding company registered in England and Wales known as Virotec International plc ("Virotec (UK)"). Following implementation of the Scheme, Virotec (UK) will own all of the issued shares in Virotec (Aus) and the existing Virotec (Aus) Shareholders will each receive one fully paid Ordinary Share in Virotec (UK) for each share held in Virotec (Aus).

The Scheme is subject, amongst other things, to approval by Virotec (Aus) Shareholders and by the Supreme Court of Queensland. If such approvals are obtained and the Scheme otherwise becomes unconditional, Virotec (Aus) Shareholders will in accordance with the Scheme transfer their Virotec (Aus) Ordinary Shares to Virotec (UK) in exchange for an equal number of shares in Virotec (UK). In relation to certain foreign shareholders (namely those whose addresses are shown in the register of members as being outside Australia, the United Kingdom, the Republic of Ireland, Channel Islands, Monaco, Vanuatu and New Zealand) Virotec (Aus) reserves the right under the Scheme to cause Virotec (UK) to issue the Ordinary Shares to which each Virotec (Aus) Shareholder would otherwise be entitled to a nominee of such Shareholders to be sold on the basis that the net proceeds will be forwarded to them. Further details in relation to the nominee procedure are set out in the Explanatory Statement.

The intention is that following implementation of the Scheme all of the Ordinary Shares will be admitted to trading on AIM. To give effect to this, the Directors have prepared this Appendix. Subject to the Scheme becoming effective, it is expected that the Ordinary Shares will be admitted to trading on AIM and that dealings will commence on 30 August 2006. Details of the expected timetable of the Scheme are set out in the Explanatory Statement. The timetable for the Scheme is subject to confirmation of final court dates by the Supreme Court of Queensland, which will be available following the issue of this document. If there are any material changes in the information provided in this document between the issue of this document and Admission, a supplementary Appendix will be issued by Virotec (UK) as required in accordance with the AIM Rules.

## **Business overview**

The business activities of Virotec (Aus) are set out on Virotec (Aus)'s website at [www.virotec.com](http://www.virotec.com) and are primarily the development and exploitation of environmental technologies including the delivery of commercial, environmentally sustainable solutions for the treatment of water and soils. These activities and technologies are described further in the Explanatory Statement and annual report of Virotec (Aus) for the year ended 30 June 2005.

Immediately following implementation of the Scheme, Virotec (UK) will have no assets other than the shares in Virotec (Aus) to be acquired under the Scheme. Accordingly, the business of Virotec (UK) will be the same as the business of Virotec (Aus).

## **Current trading and prospects**

The Company has not traded since incorporation. Immediately following the implementation of the Scheme, Virotec (UK) will have no assets other than the shares in Virotec (Aus) to be acquired under the Scheme. Accordingly, the trading and prospects of Virotec (UK) will be the same as Virotec (Aus) and its subsidiaries and therefore will depend upon the commercial success of the operations of Virotec (Aus) and its subsidiaries.

## **Directors**

The Board is identical to the existing board of Virotec (Aus). The directors of Virotec (UK) are therefore as follows:

### **Mr Brian Sheeran** (Aged 57 - Executive Chairman)

Mr Sheeran is a member of the Australian Institute of Company Directors. He started his career in mechanical engineering and gained further experience as a successful owner/operator in the marine and road transport industries. He has been a director of various companies, covering mining, timber, farming ventures, earth moving and haulage. Mr Sheeran has been a director of Virotec (Aus) since 1997 and Virotec (UK) since April 2006. In December 2004 Mr Sheeran was also appointed as a director of HydroDec Group plc, a company listed on AIM.

### **Mr Bruno Bamonte** (Aged 47 – Executive Director and Chief Financial Officer)

Mr Bamonte is a chartered accountant and a member of the Australian Institute of Company Directors. He has consulted to a number of public companies on a range of areas including preparation of prospectuses, assistance to gain admission to the official list of the Australian Stock Exchange, assistance to seek re-quotation of shares for suspended companies, corporate governance, and other financial areas. Mr Bamonte has been a director of Virotec (Aus) since 1997 and Virotec (UK) since April 2006 and is a member of the audit committee. Mr Bamonte was also appointed as a director of HydroDec Group plc in December 2004.

### **Mr John Glynn** (Aged 55 - Non-Executive Director)

Mr Glynn is a practising lawyer with his own firm in Tamworth, NSW. He was admitted as a Solicitor in 1980. He practised in partnership in regional NSW for 10 years before establishing his own practice, as well as being admitted to practice in Queensland. He has appeared in the Land and Environment Court and has a particular interest in environmental, company and aviation law. Mr Glynn was appointed as a director of Virotec (Aus) in March 2000 and Virotec (UK) in April 2006. He is chairman of the audit committee.

### **Dr David McConchie** (Aged 56 – Executive Director)

Dr McConchie is a Professor of Engineering and Environmental Geochemistry in the Centre for Coastal Management at Southern Cross University and a co-founder of the Centre for Research on Acid Sulphate Soils. He gained his MSc in geology (with distinction) in 1978 from the University of Canterbury, New Zealand and was awarded a PhD in 1985 by the University of Western Australia. He has published over 60 research papers and five books. Dr McConchie was appointed as a director of Virotec (Aus) in July 2000 and Virotec (UK) in April 2006.

## **Dividend Policy**

The current strategy of the Directors is to seek to build the capital value of the Group by the successful development and exploitation of its technologies. Given the Directors' plans for the exploitation of the technologies, the Directors do not expect to recommend the payment of any dividends in the medium term.

## **Admission, dealings and CREST**

In accordance with the Scheme, application will be made to the London Stock Exchange for the Ordinary Shares to be admitted to trading on AIM.

It is expected that Admission will take place and that dealings on AIM will commence at 8.00 am on 30 August 2006, although this is subject to implementation of the Scheme in accordance with the anticipated timetable.

The Ordinary Shares will be issued by Virotec (UK), in certificated form (or as applicable, in uncertificated form). Certificates for Ordinary Shares will be despatched by post at the holders risk within five business days of Admission. In the case of joint holders, certificates will be despatched to the joint holder whose name appears first in the share register of Virotec (UK). Prior to the receipt of definitive share certificates, transfers of Ordinary Shares will be certified against the register.

Application will be made to permit the Ordinary Shares to be settled through CREST with effect from Admission. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument. The Articles permit the holding of Ordinary Shares in uncertificated form under the CREST system. CREST is a voluntary system and holders of shares who wish to receive and retain share certificates will also be able to do so.

Shareholders who wish to transfer their holding in Ordinary Shares from certificated to uncertificated form following Admission to enable settlement through CREST should contact Computershare Investor Services PLC, the Company's registrars, for further information. The contact numbers are as follows:

from the United Kingdom:     Tel: 0870 702 0000  
from other countries:         Tel: +44 870 702 0000

## **Corporate Governance**

The Directors recognise the importance of sound corporate governance and support and intend, where practicable for a company of Virotec (UK)'s size and nature, to comply with the main provisions of the Combined Code.

The Directors have established an audit committee. The audit committee comprises Mr John Glynn (Chairman) and Mr Bruno Bamonte.

## **City Code on Takeovers and Mergers**

### ***Mandatory bids, squeeze-out and sell-out rules relating to the Ordinary Shares***

#### *Mandatory bid*

The City Code applies to the Company. Except with consent of the Panel, where:

- (i) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent or more of the voting rights of a company; or
- (ii) any person who, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent of the voting rights of a company but does not hold shares carrying more than 50 per cent of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested;

such person shall, except in limited circumstances, be obliged to extend offers, on the basis set out in Rules 9.3, 9.4 and 9.5 of the City Code, to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights. Offers for different classes of equity share capital must be comparable; the Panel should be consulted in advance in such cases.

#### *Squeeze-out*

Under the Act, if an offeror were to acquire not less than 90 per cent in value of the shares to which the takeover relates, within four months of making its takeover offer, it could then compulsorily acquire the remaining 10 per cent. It would do so by sending a notice to outstanding Shareholders telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding Shareholders. The consideration offered to the Shareholders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer.

#### *Sell-out*

The Act would also give minority Shareholders in the Company a right to be bought out in certain circumstances by an offeror who had made a takeover offer. If a takeover offer related to all the Ordinary Shares and at any time before the

end of the period within which the offer could be accepted the offeror held or had agreed to acquire not less than 90 per cent of the Ordinary Shares, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares.

The offeror would be required to give any Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises his/her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

There have been no take-over bids by third parties in respect of the Company's equity, which have occurred during the last financial year or the current financial year.

#### **Replacement Options for current Virotec (Aus) Options**

Virotec (UK) will grant replacement options in Virotec (UK) to the current holders of Virotec (Aus) Options in return for the relinquishment of those options. Any replacement options so granted will be materially consistent with the terms of the existing Virotec (Aus) Options, as referred to in paragraph 3.12 of the Explanatory Statement, with the exception of the substitution of an exercise price expressed in sterling (at a rate of AU\$1 = £0.40). The new options will be granted pursuant to a share option scheme to be established by the Directors. Under the proposed option scheme, in addition to those options granted to current holders of Virotec (Aus) Options, the Directors will be entitled to grant options to employees or executives of Virotec (UK) and its subsidiaries in respect of Ordinary Shares equivalent to up to a further 5 per cent of the issued share capital of Virotec (UK) for a period of 10 years as set out in the ABI Guidelines.

#### **Further Information**

Further information regarding Virotec (UK) is set out in Parts II and III of this document. Further information on the Scheme, including the detailed timing of events, is set out in the Explanatory Statement.

Yours faithfully



Mr Brian Sheeran  
Executive Chairman

## Part II

### RISK FACTORS

**The research, development and implementation of new environmental management and remediation technologies into world markets are speculative activities that involve a high degree of financial risk and may result in loss of all or part of an investment in the Group. The risk factors which should be taken into account in assessing the Group's activities and investment in the Group include, but are not limited to, those set out below. As the sole asset of Virotec (UK) immediately following implementation of the Scheme will be shares in the Group, the Risk Factors set out below which apply to the business of Virotec (Aus), will also apply to Virotec (UK) following implementation of the Scheme.**

#### (A) RISKS RELATING TO THE BUSINESS OF THE GROUP

##### **Scope of provisional patent and effect of prior disclosures**

The intellectual property consists of a suite of technologies, some of which are publicly available and some of which are trade secrets or the subject of granted patents or provisional patent applications in various jurisdictions throughout the world, exclusively licensed to the Group.

The patents and patent applications do not cover the technologies as a whole. Some of the technologies have been published. As such, the details published are in the public domain and available for use by third parties. Those third parties do not however have the benefit of the Group's expertise.

The ability of third parties to use the public domain parts of the technologies without the permission of the Group is a risk. This risk is however somewhat mitigated as those third parties do not have access to the parts of the technologies that are trade secrets or the subject of provisional patent applications, nor do they have access to the Group's expertise.

##### **Status of patent application**

The provisional patent applications licensed to the Group have not, at this stage, resulted in a granted patent, but are expected to in the future. There is no guarantee that the patent applications will proceed to registration in Australia or other markets world wide. The Group is however confident the applications will achieve registration in its key markets.

If any of the patents do not achieve registration in any particular jurisdiction and its specifications are published, the technology the subject of the patent application will become part of the public domain in that jurisdiction. The technology will therefore be available for use freely by third parties.

There is also no guarantee that if the patents or other patents subsequently achieve registration that they could not be successfully challenged by third parties at a later date. The Group however believes that any such challenges could be successfully defended.

##### **Trade secret and know-how issues**

Some of the Group's technologies are protected as a trade secret by confidentiality arrangements, rather than just by patent protection. This means that notwithstanding the Group's imposition of confidentiality obligations on third parties with whom it deals, there is still potential for third parties to gain access to the confidential technology or for that technology to become part of the public domain. The Group does however, have a policy of trade secret protection to mitigate this risk.

While in some circumstances the Group may be able to take action against those disclosing the technology in breach of confidence, the technology may still make its way into the public domain where third parties could use the technology without reference to or permission from the Group.

##### **Early stage in development of technology**

The Group is at an early stage in the development of its environmental management and remediation technologies. Some of the Group's technologies will require further investment, research, development, testing and possibly regulatory approval prior to real commercialisation. There can be no assurance as to the extent to which the technologies, or any products developed by the Group, will be able to penetrate its potential markets or gain market acceptance.

The Group's expense levels are based in significant part on its expectations regarding future revenues and are fixed to a large extent in the short term. Accordingly, the Group may be unable to adjust spending in a timely manner to compensate for any unexpected revenue shortfall which could therefore have a material adverse effect on the Group's results of operations. The Group expects to commit significant resources to the expansion of infrastructure in the USA

and possibly other regions. To the extent the Group commits financial resources to investment in this infrastructure, the Group's operating results may be adversely affected.

The Group has incurred net operating losses in the past and may incur additional operating losses in the short term. The Group's ability to achieve profitability depends on its ability to obtain any required regulatory clearances, and commercialise the technology. There can be no assurance as to if or when the Group will achieve sustained profitability.

The Group has had limited experience in exploiting the technology. There can be no assurance that its operations will be profitable in the short term, or at all. Failure in any of its expansion efforts could have a material adverse effect on the Group's business, results of operations and financial condition. There can be no assurance that the Group will be able to obtain or retain any permits which may be required by it to market, sell and deliver its technology. Any of these factors could result in cessation of some of its operations.

#### **Support of existing and emerging industry standards**

Stricter legislation and changes in regulation and industry standards governing the remediation of contaminated land and water may have an effect on the operations of the Group. These could lead to opportunities and be favourable for the Group's processes and products however there is a risk that these changes could have a negative effect on the marketability and competitiveness of the Group's technology.

#### **Third party activities**

The Group is not aware of any other party using the technologies or parts of the technologies for land and water remediation. There may however be parties doing so or parties may emerge that do so in the future.

#### **No assurance of market acceptance**

The value of investment in the Group should be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of their development, particularly in new and evolving markets. There can be no assurance that the Group's technology will achieve market acceptance. The degree of market acceptance will depend on a number of factors, including the establishment and demonstration of the need, safety, efficacy and cost-effectiveness of the Group's technology and products, and the technology's advantages over existing technology.

#### **Product liability**

The Group's business is to provide environmental management and remediation services to customers. Should such services not be successful or cause other damage there is potential for the Group to incur significant liability. The Group will limit its liability as far as possible in its contracts with customers.

#### **Additional financing requirements - uncertainty of available funding**

Notwithstanding revenues that may be produced from the sub-licensing of its technology and/or the sale of its products and services, the Group may require additional funds in order to achieve its long term goals. Entry into certain countries, successful continuation of research and development and commercialisation of new technology and products, could require a significant commitment of resources which could, in turn, require the Group to obtain additional financing. In addition, the Group may require further funds to pursue regulatory clearances, prosecute and defend its intellectual property rights, develop marketing, sales and other capabilities, and fund operating expenses.

The Group may seek such additional funding through public or private financings and/or through collaboration or other arrangements with corporate partners.

There can be no assurance that the Group will be able to raise such capital on favourable terms, or at all. There can also be no assurance that the Group will be able to establish corporate collaborations on acceptable terms, if at all. Any shortfall in funding could result in the Group having to curtail its operations, including its research and development activities, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Directors have no reason to believe that the Working Capital available to the Group and the Group will, be insufficient for at least twelve months from the date of admission. However, the Group's actual cash requirements may vary materially from those planned and will depend on numerous factors.

#### **Currency and exchange rate fluctuations**

The exchange rate between various currencies may fluctuate substantially and the result of these fluctuations may have a material adverse impact on the Group's operating margins, results of operations and financial position.

#### **Environmental factors**

The Group's operations are and will be subject to environmental regulation (including regular environmental impact assessments and inspections) in all the jurisdictions in which it operates. Environmental regulations are likely to evolve in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors and employees. Environmental regulations could impact on the Group's projects to the point where they

are not commercially viable. In each jurisdiction and at EU level there is a risk that legislation and guidance can change regarding the definition of waste and governing the classification and permitting of the Group's processes and products.

## **(B) GENERAL RISKS**

### **General intellectual property issues**

The commercial success of the Group may depend in part on its ability to obtain patent protection in major markets and to preserve the intellectual property of the Group. Some of the Group's future technology or products may not be patentable. If patents are granted, they may not be broad enough to protect the Group's intellectual property rights and exclude competitors with similar technology. The Group may incur substantial costs if it chooses to defend its intellectual property rights against third parties. Patent applications are generally not published for approximately 18 months after the date of priority applications in most cases, and longer in some jurisdictions. While the Group is confident that the inventors of the Bauxsol™ Technology were first to do so, it cannot be certain that it was the first to make the inventions or that the Group was the first to file applications for such inventions. If third party patents include claims which cover the Bauxsol™ Technology, the Group may have to obtain one or more licences under these patents, stop or change some activities or processes, or develop different technology. The Group may not be able to secure such licences on commercially acceptable terms.

### **Potential adverse effect of technological change and competition**

The environmental remediation technology industry can be subject to rapid and significant technological change. There can be no assurance that the Group's competitors will not succeed in developing technologies and products that are more effective than any which are being developed by the Group, or which would render the Group's technology and products obsolete or non-competitive. The industry market in which the Group intends to compete is characterised by rapidly changing technology, evolving industry standards, introductions and enhancements and changing customer demands. These market characteristics are exacerbated by the nature of the environmental remediation technology industry. Accordingly, the Group's future success may depend on its ability to adapt to rapidly changing technologies, its ability to adapt its technology to evolving industry standards and its ability to continually improve the performance, features and reliability of its technology (in response to both evolving demands of the marketplace and competitive product offerings). The failure of the Group to adapt to such changes and evolution could have a material adverse effect on the Group's business, results of operations and financial condition.

### **Dependence on retaining key personnel**

The Group is dependent on certain key personnel, the loss of whose services may delay or prevent the Group's achievement of its scientific or business objectives. There is competition among environmental remediation development companies for qualified employees, and the ability to retain and attract qualified individuals is critical to the Group's success. There can be no assurance that the Group will be able to attract and retain such individuals currently or in the future on acceptable terms, if at all, and the failure to do so would have a material adverse effect on the Group's business, financial condition and results of operations.

The process of locating, training and successfully integrating such personnel into the Group's operations may be lengthy and expensive. The Group's growth may place strain on its administrative, operational and financial resources and increase demands on its systems and controls.

### **Possible volatility of stock price**

The stock market has from time to time experienced significant price and volume fluctuations, which may be unrelated to the operating performance of particular companies. In particular, the market price of Virotec (UK) shares, like that of the shares of other similar companies, may be highly volatile. Factors that may have a significant impact on the market price and marketability of Virotec (UK) shares include announcements as to technological innovations, new commercial products, evidence of the safety or efficacy of products using the Group's technology, the activities of any competitors, possible litigation, economic and other external factors, as well as fluctuations in the Group's operating results.

### **Mining risks and mineral processing risks**

Mining and exploration is not part of the Group's core business and the Group is seeking to divest itself of its mining assets as referred to in section 3.2 of the Explanatory Statement. The business of mining and mineral processing by its nature involves significant risks and hazards, including environmental hazards, industrial incidents, discharge of toxic chemicals, fire, drought, flooding and other acts of God. The occurrence of any of these hazards can result in liability to the owner or operator of the mine and/or project.

The Group may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining or other activities.

The value of the Group's mining assets may be dependent upon the grant of appropriate licences, concessions, leases, permits, planning and regulatory consents which may be withdrawn or made subject to conditions. Although the Group believes that the licences, permits and consents it holds are sufficient and will be renewed, there can be no assurance that they will be renewed or as to the terms of any such renewal.

Native title describes the rights and interests in Australia of Aboriginal and Torres Straits Islander people in land and waters, according to their traditional laws and customs. The Group has no control over the outcome of native title claims or legislation affecting land in which it has an interest, either directly or indirectly. There may be risk associated with obtaining and maintaining valid tenure and compliance with regulatory and cultural constraints.

#### **Industrial action**

There can be no assurance that the Group's businesses will not be affected by work stoppages and other forms of industrial action in the future.

#### **Sovereign Risk**

There are certain risks inherent in doing business on an international level, such as unexpected changes in regulatory requirements, tariffs, customs, duties and other trade barriers, difficulties in staffing and managing foreign operations, longer payment cycles, problems in collecting accounts receivable, political instability, expropriation, nationalisation, war and other political risks, fluctuations in currency exchange rates, foreign exchange controls which restrict or prohibit repatriation of funds, technology export and import restrictions or prohibitions, delays from customers, brokers or government agencies, seasonal reductions in business activity and potentially adverse tax consequences, any of which could adversely impact the success of the Group's international operations. In some countries, the Group may need to enter a joint venture or other strategic relationship with one or more third parties in order to successfully conduct its operations, and may be required by law to hold only a minority interest in any operating entity. To the extent it is a party to joint ventures, the Group may be subject to loss of proprietary information, risky business practices and other strategic decisions contrary to the Group's business judgment. In addition, any international expansion could require a significant diversion of financial and technical resources and management attention from operations in Australia. In addition, there can be no assurance that laws or administrative practice relating to taxation, foreign exchange or other matters of countries in which the Group intends to operate will not change.

## Part III

### ADDITIONAL INFORMATION

#### 1. The Company

- 1.1 The Company was incorporated as Cobco 747 plc on 26 April 2006 in England and Wales, with registered company number 5796515. Its name was changed on 27 April 2006 to Virotec International plc.
- 1.2 The Company's registered office is Ship Canal House, King Street, Manchester, M2 4WB, UK.
- 1.3 The principal legislation under which the Company operates is the Act.
- 1.4 The liability of the members of the Company is limited.
- 1.5 Virotec (UK) has not traded since its incorporation and has undertaken no activities other than those associated with the Scheme.
- 1.6 It is intended that the Company will make application for a certificate entitling it to do business under section 117 of the Act following approval of the Scheme by Virotec (Aus) shareholders at the general meeting convened for such purpose.
- 1.7 If the Scheme is implemented then on the Implementation Date, the Company will become the holder of all the shares on issue in Virotec (Aus). In turn all the shares on issue in Company will be owned by Virotec (Aus) Shareholders, in the same proportions as their existing holdings in Virotec (Aus) (subject to the provisions of the Scheme dealing with Designated Foreign Shareholders (as defined in the Explanatory Statement) and the holders of the Subscriber Shares).

#### 2. The Subsidiaries

- 2.1 As at the date of this document the Company has no subsidiaries. Upon the Scheme being implemented, the Company will have a wholly owned subsidiary, being Virotec (Aus).
- 2.2 Virotec (Aus) has (and will have) the following subsidiaries, all of which are wholly owned:

Name of subsidiaries of Virotec (Aus)	Business Activity	Country of incorporation
Virotec Technologies Pty Ltd	R & D, holds technologies	Australia
Virotec Investments Pty Ltd	Investment	Australia
Virotec Holdings Pty Ltd	Holds assets employed in business	Australia
Virotec Global Solutions Pty Ltd	Australia and Asia operations	Australia
Virotec U.S.A. Inc	North American Operations	United States of America
Virotec Europe Limited	European Operations	England and Wales
Sterling Environmental Solutions Limited	Holds technologies	England and Wales
Virotec Italia Srl	Italian operations	Italy
ImperativePlus Pty Ltd	Consulting operations	Australia
New Technology Developments Pty Ltd	Dormant	Australia

- 2.3 Virotec (Aus) also owns 66% of the issued share capital of Virotec Aquasolve LLC (joint venture operations in Southern USA), a company incorporated in Delaware, USA with registered number 3699618. The other 34% of the issued share capital of Virotec Aquasolve LLC is owned by CW Partners.

#### 3. Share Capital

- 3.1 On its incorporation, and as at the date of this document, the authorised share capital of the Company was £9,000,000 comprising 900,000,000 Ordinary Shares.
- 3.2 As at the date of this document, the only shares in issue in the Company are the Subscriber Shares, held one each by Bruno Bamonte and Angus Craig.

- 3.3 As at the date of this document there are no other securities of the Company in issue. However the Company has entered into the Option Arrangements described fully in Section 7 of this Part III of this document. Under the Option Arrangements, on the Implementation Date, Virotec (UK) will issue Options to those persons now holding options in Virotec (Aus), in similar classes and on similar terms.
- 3.4 Save as disclosed in paragraph 3.2, there have been no securities of the Company issued or sold since the date of its incorporation.
- 3.5 Shares in Virotec (UK) issued under the Scheme will rank equally with the Subscriber Shares already in issue for dividends or other distributions declared, paid or made by Virotec (UK) following the date of their issue.
- 3.6 On 26 May 2006, by or pursuant to resolutions of the Company passed on that date:
- (a) the Directors were generally and unconditionally authorised and empowered in accordance with section 80 of the Act (in substitution for all existing authorities under the said section 80) to exercise all the powers of the Company to allot relevant securities (within the meaning of section 80(2) of the Act) up to an aggregate nominal amount of the authorised but unissued share capital of the Company to such persons and at such times and upon such terms and conditions as they may determine (subject always to the articles of association of the Company) provided that this authority and power shall, unless renewed, varied or revoked, expire at the conclusion of the next annual general meeting or 15 months from the date of the passing of this resolution (whichever is the earlier) and provided further that the Company may before the expiry of such period make an offer, agreement or arrangement which would or might require relevant securities to be allotted after the expiry of such period and the Directors may then allot relevant securities pursuant to any such offer, agreement or arrangement as if the authority or power had not expired; and
  - (b) the Directors were authorised and empowered pursuant to section 95(1) of the Act to allot equity securities (within the meaning of section 94(2) of the Act and in substitution for any other subsisting authorities under the Act) for cash pursuant to the general authority and power conferred by the resolution referred to in 3.6 (a) above as if section 89(1) of the Act did not apply to any such allotment, provided that this authority and power shall, unless renewed, varied or revoked, expire at the conclusion of the next annual general meeting or 15 months from the date of the passing of this resolution (whichever is the earlier) and provided further that the Company may before the expiry of such period make an offer, agreement or arrangement which would or might require relevant securities to be allotted after the expiry of such period and the Directors may then allot relevant securities pursuant to any such offer, agreement or arrangement as if the authority or power had not expired and provided further that this authority and power be limited to:
    - (i) the allotment of equity securities to Virotec (Aus) shareholders pursuant to the Scheme;
    - (ii) the allotment of equity securities where such securities have been offered (whether by way of rights issue, open offer or otherwise) to holders of ordinary shares made in proportion (as nearly as may be) to their existing shareholdings of ordinary shares, but subject to such exclusions and arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or any legal or practical problems under the laws of any overseas territory, the requirements of any regulatory authority or any stock exchange, or otherwise; and
    - (iii) the allotment (otherwise than pursuant to sub-paragraphs (i) and (ii) above) for cash of equity securities up to an aggregate nominal amount equal to such sum as will represent 10% of the issued share capital of the Company immediately following the Scheme.
- 3.7 As at the date of this document, and immediately following implementation of the Scheme and Admission (assuming no Options have been exercised) the position will be as set out below.

*At the date of this document*

Authorised Share Capital		Issued and fully paid Share Capital	
£	No of Ordinary Shares	£	No of Ordinary Shares
£9,000,000	900,000,000	£0.02	2

*Immediately after the issue of shares under the Scheme and Admission.*

Authorised Share Capital		Issued and fully paid Share Capital	
£	No of Ordinary Shares	£	No of Ordinary Shares
£9,000,000	900,000,000	£2,401,624.42	240,162,442

#### 4. Directors' other directorships

4.1 The Directors are or have been members of the administrative, management or supervisory bodies or partners of the companies or partnerships specified below (excluding subsidiaries of any company of which he is also a member of the administrative, management or supervisory bodies) within the five years prior to the date of this document (all of which are registered in Australia unless otherwise stated):

<b>Name</b>	<b>Current Directorships</b>	<b>Past Directorships</b>
Brian Sheeran	Virotec International Ltd and its subsidiaries: Virotec International Ltd (Aus) Virotec Holdings Pty Ltd (Aus) Virotec Global Solutions Pty Ltd (Aus) Virotec U.S.A. Inc (USA) Virotec Europe Limited (England) Virotec Italia Srl (Italy) ImperativePlus Pty Ltd (Aus) New Technology Developments Pty Ltd (Aus) HydroDec Group plc and its subsidiary: HydroDec Development Corporation Pty Ltd	Sheeran Nominees Pty Ltd Palmer River Mining Pty Ltd Sheeran Transport Pty Ltd New Technology Investments Pty Ltd Sheeran Haulage Pty Limited Starvest Pty Limited Sheeran Pacific Pty Ltd Supamere Pty Ltd J & J Kenny Consultants Pty Ltd CVMK Holdings Pty Ltd Karma Building Services Pty Ltd
Bruno Bamonte	Virotec International Ltd and all of its subsidiaries listed in section 2.2 above HydroDec Group plc and its subsidiaries: HydroDec Development Corporation Pty Ltd HydroDec Australia Pty Ltd HydroDec Investments Pty Ltd	MDSNews.com Limited and its subsidiaries: MDSNews Australia Pty Ltd MDSNews Global Pty Ltd Brenjay Pty Ltd Signatures Events Promotions Pty Ltd
John Glynn	Virotec International Ltd Gaunt Mill Pty Ltd	Moving Pix Pty Ltd Odd Lot Nominees Pty Ltd
David McConchie	Virotec International Ltd Risatec Pty Limited	None

4.2 None of the Directors has:

- (a) ever been a director of a company which, while he was a director or within 12 months after his ceasing to be a director, had a receiver appointed, entered into liquidation, entered into administration, entered into a voluntary arrangement, or made any composition or arrangement with its creditors generally, or with any class of its creditors;
- (b) ever been a partner in any partnership at the time of, or within twelve months preceding, the date of any compulsory liquidation, administration or partnership voluntary arrangement;
- (c) owned, or been a partner in partnership which owned, any asset which, while he owned that asset, or while he was a partner or within 12 months after ceasing to be a partner in the partnership which owned that asset, entered into receivership;
- (d) been the subject of any public criticism by any statutory or regulatory authority (including recognised professional bodies) 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 a company;
- (e) any unspent convictions relating to an indictable offence or has been declared bankrupt or has made or been the subject of any individual voluntary arrangement;
- (f) had any interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company during the current or immediately preceding financial year or which was effected before then and remains in any respect outstanding or unperformed; or

(g) ever been declared bankrupt or been the subject of an individual voluntary arrangement.

## 5. Directors' Dealings

The Directors have not dealt in the Ordinary Shares since incorporation of the Company and no Director or any member of a Director's family has a related financial product referenced to the Ordinary Shares.

## 6. Board Practices

- 6.1 As specified in the Articles, the Directors are required to seek re-election as a director every three years. Given the re-election of directors of Virotec (Aus) in recent years, the Directors have determined that Brian Sheeran and John Glynn will retire and seek re-election in 2007 and Bruno Bamonte and David McConchie will retire and seek re-election in 2008.
- 6.2 Brian Sheeran and Bruno Bamonte are parties to agreements for the provision of their services as executives which expire on 31 July 2008. The terms of and payments made pursuant to these agreements are disclosed in the financial statements of Virotec (Aus) for the year ended 30 June 2005.
- 6.3 No other director is currently party to an agreement with Virotec (UK) or Virotec (Aus) and no member of the administrative, management or supervisory body of the Company or Virotec (Aus) has any service contracts with any Group company providing for benefits upon termination of employment.

## 7. Option Arrangements

As at Admission the Company will, pursuant to the Option Arrangements have the following number and classes of Options in issue:

Class No.	Exercise Date	Exercise Price	No. of Options	Other terms
1	30 September 2006	£0.20	150,000	Employee options to be issued under Virotec (UK) Option Incentive Scheme
2	31 March 2007	£0.20	10,000	Employee options to be issued under Virotec (UK) Option Incentive Scheme
3	30 September 2007	£0.20	440,000	Employee options to be issued under Virotec (UK) Option Incentive Scheme
4	31 March 2009	£0.28	860,000	Employee options to be issued under Virotec (UK) Option Incentive Scheme
5	30 September 2010	£0.40	1,000,000	Executive options
6	30 September 2011	£0.40	3,000,000	Executive options
7	30 September 2012	£0.40	3,000,000	Executive options
8	30 September 2013	£0.40	1,000,000	Executive options
9	30 September 2014	£0.40	1,000,000	Executive options
10	30 September 2015	£0.40	1,000,000	Executive options

With the exception of the substitution of an exercise price expressed in sterling (at a rate of AU\$1 = £0.40), the terms of the options proposed to be issued by Virotec (UK) to the holders of Virotec (Aus) Options are materially consistent with the existing terms applicable to each particular option class.

## 8. Memorandum and Articles of Association

### Memorandum of Association

- 8.1 The Memorandum of Association of the Company provides that the main object of the Company is, inter alia, to carry on the business of a general commercial company and the carrying on of any other trade or business which may seem to the Company and the directors to be advantageous and to directly or indirectly enhance any or all of the business of the Company.

## Articles

8.2 The Articles were adopted by the Company upon incorporation.

### *Voting Rights*

8.3 Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with these Articles, on a show of hands every member who is present in person or by proxy not being himself a member shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder.

8.4 Subject to the provisions of the Act and to any rights or restrictions as to voting attached to any class of shares, at any general meeting on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative has one vote, and on a poll every member present in person or by proxy or (being a corporation) by a duly authorised representative has one vote for each Ordinary Share of which he is the holder.

### *Major Shareholders*

8.5 Nothing in the Articles confers on major shareholders in the Company any voting rights, which are different from those conferred on the holders of Ordinary Shares as described in paragraphs 8.3 and 8.4 above.

8.6 Pursuant to section 198 of the Act, holders of three per cent. or more of the nominal value of the Company's share capital are required to notify their interest in writing to the Company. To the extent that persons who already hold at least 3 per cent. or more of the nominal value of the Company's share capital increase or decrease their holding, section 198 of the Act requires that this is also notified to the Company by the shareholder.

8.7 Pursuant to section 212 of the Act, the Company may by notice in writing require a person whom the Company knows or has reasonable cause to believe to be or, at any time during the three years immediately preceding the date on which the notice is issued, to have been interested in shares comprised in the Company's issued share capital, to confirm that fact or (as the case may be) to indicate whether or not it is the case, and where that person holds, or has during that time held an interest in shares to comprised, to give such further information as may be required in accordance with section 212(2) of the Act.

### *Transfer of Shares*

8.8 Title to and interest in shares may be transferred without a written instrument in accordance with statutory regulations from time to time made under the Act.

8.9 Transfer of shares may be effected by transfer in writing in any usual or common form or in any other form acceptable to the directors. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered on the register of members in respect thereof.

8.10 All transfers of shares must be effected by an instrument of transfer in writing in any usual form or in any other form approved by the Board. The instrument of transfer shall be executed by or on behalf of the transferor and, except in the case of fully paid shares, by or on behalf of the transferee.

8.11 The Board may, in its absolute discretion and without giving any reason, refuse to register any transfer of shares unless:

- (a) the instrument of transfer is in respect of a share in respect of which all sums presently payable to the Company have been paid;
- (b) it is in respect of a share on which the Company has no lien;
- (c) it is in respect of only one class of share;
- (d) it is in favour of a single transferee or not more than four joint transferees;
- (e) it is duly stamped (if required); and
- (f) the instrument of transfer duly stamped is deposited at the office or such other place as the directors may appoint, accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer, provided that, in the case of a transfer by a nominee of a recognised clearing house or of a recognised investment exchange, the lodgment of a share certificate will only be necessary if a certificate has been issued in respect of the share in question.

- 8.12 The Directors shall not refuse to register any transfer or renunciation of partly paid shares which are admitted to trading on the London Stock Exchange on the grounds that they are partly paid shares in circumstances where such refusal would prevent dealings in such shares from taking place on an open and proper basis.
- 8.13 If the Board refuses to register a transfer it must, within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferor and the transferee.
- 8.14 The registration of transfers may be suspended by the Board for any period (not exceeding 30 days) in any year.
- 8.15 The Ordinary Shares now in issue are in registered form. Title to the Ordinary Shares in issue or to be issued may be transferred by means of a relevant system such as the CREST System.
- 8.16 There are no other restrictions on the transfer of shares and no pre-emption rights in respect of them.

*Requirement to disclose interests in shares*

- 8.17 If a member, or any other person appearing to be interested in shares held by that member, has been issued with a notice pursuant to section 212 of the Act and has failed in relation to any shares (“the default shares”) to give the Company the information thereby required within the prescribed period from the date of notice, the following sanctions shall apply:
- (a) the member shall not be entitled in respect of the default shares to be present or to vote (either in person or by representative or proxy) at any general meeting or at any separate meeting of the holders of any class of shares or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and
  - (b) where the default shares represent at least 0.25 per cent. in nominal value of their class the defaulting member shall not be entitled to:
    - (i) receive dividends any dividend or other money payable in respect of the shares shall be withheld by the Company, which shall not have any obligation to pay interest on it and the member shall not be entitled to elect in the case of a scrip dividend to receive shares instead of that dividend; and
    - (ii) to transfer or agree to transfer any of such shares, or any rights therein.
- 8.18 The above restrictions shall continue until either the default is remedied or the shares are registered in the name of the purchaser or offeror (or that of his nominee) pursuant to an arm’s length transfer. Any dividends withheld pursuant to shall be paid to the member as soon as practicable after the above restrictions lapse.

*Dividends*

- 8.19 Subject to the provisions of the Act and of the Articles and to any special rights attaching to any shares, the Company may by ordinary resolution declare dividends, but no such dividends shall exceed the amount recommended by the Board. All dividends shall be apportioned and paid pro rata according to the amounts paid up or credited as paid up (otherwise than in advance of calls) on the shares during any portion or portions of the period in respect of which the dividend is paid. Interim dividends may be paid provided that they appear to the Board to be justified by the profits available for distribution and the position of the Company. Unless otherwise provided by the rights attached to any share, no dividends in respect of a share shall bear interest. The Board may, with the prior authority of an ordinary resolution of the Company, offer the holders of Ordinary Shares the right to elect to receive Ordinary Shares credited as fully paid instead of cash in respect of all or part of any dividend.
- 8.20 Any dividend unclaimed after a period of twelve years from its due date of payment shall be forfeited and cease to remain owing by the Company and shall thereafter belong to the Company absolutely.
- 8.21 Where, in respect of any shares, any registered holder or any other person appearing to be interested in shares of the Company fails to comply with any notice given by the Company under section 212 of the Act, then, provided that the shares concerned represent at least 0.25 per cent. in nominal amount of the issued shares of the relevant class, the Company may withhold dividends on such shares.

*Distribution of assets on liquidation*

- 8.22 On a winding up of the Company, the liquidator may, with the authority of an extraordinary resolution and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such divisions shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, and the liquidation of

the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any shares in respect of which there is a liability.

#### *General meetings*

- 8.23 An annual general meeting shall be held once a year, within 15 months of the previous annual general meeting. Subject to a member's right to requisition an extraordinary general meeting pursuant to section 368 of the Act, general meetings of the Company are convened at the discretion of the board, and with the exception of the annual general meeting, all such general meetings of the Company shall be extraordinary general meetings.
- 8.24 The directors may whenever they think fit, and shall on requisition in accordance with the Act, proceed to convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition.
- 8.25 Subject to the provisions of the Act, an annual general meeting and a general meeting for the passing of a special resolution shall be called by twenty-one days' notice at the least, and all other general meetings shall be called by fourteen days' notice at the least. Every notice shall be in writing (or shall be given by electronic communication to an address being notified for that purpose to the Company) and shall specify the place, the day and the time of meeting, and in the case of special business the general nature of such business, and in the case of an annual general meeting shall specify the meeting as such. Notices shall be given in manner hereinafter mentioned to all the members, other than those who under the provisions of the Articles or the conditions of issue of the shares held by them are not entitled to receive the notice, to the directors (including the alternate directors) and to the auditors for the time being and (where required by the Act) former auditors of the Company.
- 8.26 In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not also be a member.

#### *Redemption*

- 8.27 The Ordinary Shares are not redeemable.

#### *Conversion*

- 8.28 The Company may, by ordinary resolution and subject to the Act, convert all or any of its fully-paid shares into stock of the same class and denomination and reconvert such stock into fully paid up shares of the same class and denomination.

#### *Changes in share capital*

- 8.29 The Company may alter its share capital as follows:
- (a) it may by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital into shares of larger amounts, cancel any shares which have not been taken or agreed to be taken by any person and sub-divide its shares or any of them into shares of smaller amounts;
  - (b) subject to any consent required by law and to any rights for the time being attached to any shares, it may by special resolution reduce its share capital, any capital redemption reserve, any share premium account or other undistributable reserve in any manner; and
  - (c) subject to the provisions of the Act and to any rights for the time being attached to any shares it may with the sanction of a special resolution enter into any contract for the purchase of its own shares.

#### *Variation of rights*

- 8.30 Subject to the provisions of the Act and of the Articles, the special rights attached to any class of share in the Company may be varied or abrogated either with the consent in writing of the holders of not less than three quarters in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated whilst the Company is a going concern or while the Company is or is about to be in liquidation. The quorum for such separate general meeting of the holders of the shares of the class shall be at least two persons holding or representing by proxy at least one third of the nominal amount paid up on the issued shares of the relevant class.

#### *Constitution of board of directors*

- 8.31 Subject to the Articles, the directors shall be not less than three in number but the Company may by ordinary resolution from time to time vary the minimum number and may also fix and from time to time vary a maximum number of directors. As at the date of this document there is no maximum number of directors.

*Permitted interests of directors*

- 8.32 Subject to the provisions of the Act, a director is not disqualified by his office from contracting with the Company in any manner, nor is any contract in which he is interested liable to be avoided, and any director who is so interested is not liable to account to the Company for any profit realised by the contract, by reason of the director holding that office or of the fiduciary relationship thereby established.
- 8.33 A director may hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of director and may act in a professional capacity for the Company (other than as auditor) on such terms as to tenure of office, remuneration or otherwise as the directors may determine. A director may also hold office as a director or other officer or be otherwise interested in any other company of which the Company is a member or in which the Company is otherwise interested and shall not be liable to account to the Company for any remuneration or other benefits received by him from that company.

*Restrictions on voting by directors*

- 8.34 A director who is in any way, whether directly or indirectly, interested or deemed by the Act to be interested in a contract, transaction or arrangement or a proposed contract, transaction or arrangement with the Company shall declare the nature of his interest at a meeting of the directors in accordance with section 317 of the Act.
- 8.35 Save as provided below, a director (including an alternate director) shall not vote in respect of any contract or arrangement or any other proposal in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities or rights of the Company. However a director shall be entitled to vote in respect of any contract or arrangement or any other proposal in which he has any interest which is not material. A director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting. A director of the Company shall be entitled to vote (and be counted in the quorum) in respect of any resolution at such meeting if his duty or interest arises only because the resolution relates to one of the following matters:
- (a) the giving to him of any guarantee, security or indemnity in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company;
  - (b) the giving to a third party of any guarantee, security or indemnity in respect of a debt or obligation of the Company for which he himself has assumed responsibility in whole or in part, under a guarantee or indemnity or by the giving of security;
  - (c) any proposal concerning an offer for subscription or purchase of shares or debentures or other securities or rights of or by the Company or any of its subsidiaries or of any company which the Company may promote or in which it may be interested in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
  - (d) any proposal concerning any other company in which he is interested directly or indirectly and whether in any one or more of the capacities of officer, creditor, employee or holder of shares, debentures, securities or rights of that other company, but where he is not the holder (otherwise than as a nominee for the Company or any of its subsidiaries) of or beneficially interested in one per cent or more of the issued shares of any class of such company or of any third company through which his interest is derived or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances);
  - (e) any proposal concerning the adoption, modification or operation of a superannuation fund, retirement benefits scheme, share option scheme or share incentive scheme under which he may benefit; or
  - (f) any arrangement concerning the purchase and/or maintenance of any insurance under which he may benefit.

- 8.36 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each director separately and in such case each of the directors concerned (if not otherwise debarred from voting) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- 8.37 The Company may by ordinary resolution suspend or relax the provisions relating to Directors' interests either generally or in respect of any particular matter or ratify any transaction not duly authorised by reason of the contravention thereof.

*Appointment and retirement of directors*

- 8.38 The directors shall have power at any time, and from time to time, to appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director, but so that the total number of directors shall

not at any time exceed the maximum number (if any) fixed by or in accordance with the Articles. Subject to the provisions of the Act and of these Articles, any director so appointed shall hold office only until the conclusion of the next following annual general meeting, and shall be eligible for reappointment at that meeting. Any director who retires shall not be taken into account in determining the directors who are to retire by rotation at such meeting and if not re-appointed at such annual general meeting, he shall vacate office at the conclusion thereof.

- 8.39 No person other than a director retiring at the meeting shall, unless recommended by the directors for appointment, be eligible for appointment to the office of director at any general meeting unless, not less than seven nor more than twenty eight days before the day appointed for the meeting, there shall have been given to the Company notice in writing by some member duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for appointment stating the particulars which would, if he were so appointed, be required to be included in the Company's register of directors, and also notice in writing signed by the person to be proposed of his willingness to be appointed.
- 8.40 At each annual general meeting, one-third of the directors who are subject to retirement by rotation and in office at the opening of business on the date of the notice calling the relevant annual general meeting or, if their number is not three or a multiple of three, then the number nearest to but not exceeding one-third, or if their number is less than three then one of them, shall retire from office. A director retiring at a meeting shall retain office until the dissolution of such meeting.
- 8.41 The directors to retire at such annual general meeting shall include such of the directors referred to above who wish to retire and not offer themselves for re-election (if any) together with, to the extent that the number of such directors is insufficient to meet the number required to retire, such of the directors who have been longest in office as are necessary to meet such number. As between two or more who have been in office an equal length of time, the director(s) to retire shall (in default of agreement between them) be determined by lot. The length of time a director has been in office shall be computed from his last election, re-election or appointment when he has previously vacated office. A retiring director shall be eligible for re-election
- 8.42 The Company may from time to time by ordinary resolution increase or reduce the number of directors, and may also determine in what rotation such increased or reduced number is to retire from office.

#### *Remuneration of directors*

- 8.43 The maximum aggregate annual fees payable to the directors for their services in holding office of director of the Company shall be the sum of £300,000 or such larger sum as the Company in general meeting by ordinary resolution shall from time to time determine, but this limit shall not apply in respect of the salaries, bonuses or other remuneration payable by the Company or any subsidiary of the Company or expenses reimbursed to any director.
- 8.44 Any director who serves on any committee or who devotes special attention to the business of the Company, or who otherwise performs services which in the opinion of the directors are outside the scope of the ordinary duties of a director, may be paid such remuneration by way of salary, lump sum, percentage of profits or otherwise as the directors may determine. The directors shall also be entitled to be paid all traveling, hotel and other expenses properly incurred by them in connection with the business of the Company, or in attending and returning from meetings of the directors or of committees of the directors or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties.
- 8.45 Any provision of the Statutes which, subject to the provisions of these Articles, would have the effect of rendering any person ineligible for appointment or election as a director or liable to vacate office as a director on account of such person having reached any specified age or of requiring special notice or any other special formality in connection with the appointment or election of any director over a specified age, shall not apply to the Company.

#### *Borrowing powers*

- 8.46 Subject as hereinafter provided the directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property, assets and uncalled capital, and (subject to the Act) to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
- 8.47 The aggregate principal amount for the time being outstanding in respect of monies borrowed or secured by the Company and its subsidiaries (after deducting cash deposited) shall not at any time, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to 4 times the aggregate of:
- (a) the nominal amount of the share capital of the Company issued and paid up as shown in the audited balance sheet of the Company last laid before the Company in general meeting ; and

- (b) the amounts shown as standing to the credit of capital and revenue reserves, including share premium account, capital redemption reserve and profit and loss account (but deducting there from the amount, if any, standing to the debit of profit and loss account) in either a consolidation of the audited balance sheets of all the companies in the Group last laid before the members thereof respectively in general meeting or (at the directors' discretion) in the audited consolidated balance sheet of the Group last laid before the Company in general meeting; but
- (i) adjusted in respect of any variations in the issued and paid up share capital, share premium account or capital redemption reserve effected or any distributions made (otherwise than within the Group) since the date of such balance sheets except insofar as provided therein; and
  - (ii) excluding there from any amounts set aside for taxation and, to the extent included, any amounts attributable to outside shareholdings in subsidiaries; and
  - (iii) excluding all amounts attributable to intangible items save goodwill arising on consolidation, notwithstanding the fact that these may previously have been written off against reserves.
- subject to certain provisions permitting short term borrowing.

## **9. Taxation**

- 9.1 The following comments are intended as a general guide to the UK tax treatment of the acquisition, ownership and disposal of shares for persons who are the absolute beneficial owners of those shares. The paragraphs below comment on the general UK taxation position of individual and corporate resident and non-resident shareholders in relation to the payment of dividends by Virotec (UK) and the future disposal of their shareholding in Virotec (UK). The comments do not apply to certain categories of Shareholder, such as persons owning shares as securities to be realised in the course of a trade or Shareholders who hold shares otherwise than by direct ownership.
- 9.2 The comments are based on the law and understanding of the practice of the tax authorities in the UK at the date of this document. The comments do not apply to certain categories of Shareholder, such as persons owning shares as securities to be realised in the course of a trade. All persons are advised to obtain their own professional advice on the tax implications of acquiring, owning and/or disposing of shares.
- 9.3 The following comments are intended as a general guide to the UK tax implications only. This should not be a substitute for individual advice from an appropriate professional adviser and all persons are strongly advised to obtain their own professional advice on the tax implications of acquiring, owning and disposing of shares based on their own specific circumstances.
- 9.4 Further information relating to the tax position of shareholders resident in Australia and New Zealand is set out in the Explanatory Statement.

## **10. UK Taxation**

### **Taxation of Future Share Disposals**

#### **10.1 UK Resident Individuals**

- (a) A disposal of shares by a shareholder resident or ordinarily resident for tax purposes in the UK or a shareholder who carried on a trade, profession or vocation in the UK through a branch or agency and has used, held or acquired the ordinary shares for the purposes of such trade, profession or vocation or such branch or agency may, depending on the shareholder's circumstances, and subject to any available exemptions or reliefs, give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains. In addition, a holder of shares who has previously been resident or ordinarily resident in the UK may, in some cases, be subject to UK tax on capital gains in respect of a disposal of shares.
- (b) If Virotec (UK) were to be a 'close company' for UK tax purposes, certain shareholders might in some cases be subject to UK capital gains tax by reference to capital gains realised by the Group. At the date of this document, the Company has no reason to believe that it will be a 'close company' for these purposes. In any event, no such liability would generally arise for such a person unless he, together with persons connected with him, owns or is entitled to acquire more than 5 per cent. of the shares.

#### **10.2 Non-UK Resident Individuals**

Individuals who are not resident or ordinarily resident in the UK, and who do not carry on a trade, profession or business in the UK to which the shares are attributable, will not be subject to UK income or capital gains tax on any subsequent disposal of the shares.

### 10.3 UK Resident Corporate Shareholders

UK resident corporate shareholders will not generally be subject to corporation tax in respect of dividends received from Virotec (UK). UK companies which are exempt from corporation tax on investment income may not claim a repayment of the tax credit. A disposal of shares by a UK resident corporate shareholder in Virotec (UK) may give rise to corporation tax on capital gains, subject to any available relief.

#### **Dividends**

### 10.4 UK Resident Individuals

(a) Individual shareholders resident in the UK for tax purposes will be entitled to a tax credit in respect of dividends paid by Virotec (UK) at the rate of one ninth of the cash dividend or 10% of the aggregate of the cash dividend and the associated tax credit. Such shareholders will be liable to income tax (if at all) on the aggregate of the dividend and the associated tax credit at, in the case of starting and basic rate taxpayers, the Schedule F ordinary rate (10% in 2001 - 2002) or, in the case of higher rate taxpayers, the Schedule F upper rate (32.5% in 2001 - 2002). The tax credit will be offset against their total income tax liability. Therefore, taxpayers who, after taking into account dividend income, are liable to UK income tax at only the starting or basic rate, will have no further liability to income tax.

(b) Different rules apply to shareholders who are trustees of UK resident trusts.

### 10.5 Non-UK Resident Individuals

Non UK resident individuals are advised to seek advice specific to their own personal circumstances, concerning the receipt of dividends from a UK company.

### 10.6 UK Resident Corporate Shareholders

UK resident corporate shareholders will not generally be subject to corporation tax in respect of dividends received from Virotec (UK). UK companies that are exempt from corporation tax on investment income may not claim a repayment of the tax credit.

### 10.7 Stamp Duty

(a) Virotec (Aus) has received advice to the effect that there will be no stamp duty payable in respect of the transfer of the Virotec (Aus) Ordinary Shares under the Scheme, in Australia.

(b) An application will be made by Virotec (UK) to HM Customs & Revenue in the UK for the appropriate stamp duty relief under Section 77 of the Finance Act 1986 immediately following the Implementation Date on the basis that, inter alia, the shareholders will be the same as the Virotec (Aus) shareholders immediately prior to the implementation date. It is not possible to obtain advance clearance from HM Customs & Revenue but Virotec (Aus) has received advice from its legal advisers that stamp duty relief should be granted, as prima facie the Scheme meets the relevant criteria for relief.

## **11. Litigation**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Directors or the Group is aware) in which any Group Company is involved by or against any Group Company which may have or have had in the twelve months preceding the date of this document a significant effect on the Group's financial position or profitability.

## **12. Working Capital**

The Directors have no reason to believe that the working capital available to the Company or the Group will be insufficient for at least twelve months from the date of Admission.

## **13. Material Contracts**

13.1 In addition to the agreements already disclosed in accordance with Schedule One of the AIM Rules the following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company during the two years immediately preceding the date of this document and are, or may be, material as of the date of this document.

(a) The Company executed the Option Deeds pursuant to which the Option Arrangements were put in place. Further details of the Option Arrangements are at paragraph 7 of this Part III of this document.

(b) A Deed Poll dated 31 May 2006 entered into by the Company in favour of the shareholders in Virotec (Aus) under which the Company covenanted to do all things necessary to implement the Scheme under the terms of the Implementation Deed. This was varied by deed of variation on 16 June 2006.

- (c) An Implementation Deed dated 31 May 2006 entered into between Virotec (Aus) and the Company under which the parties undertook to do all things on their respective parts to implement the Scheme. This was varied by deed of variation on 16 June 2006.
- (d) The Scheme is proposed to be approved by the Supreme Court of Queensland in accordance with Australian Law, setting out the final terms of the share exchange as outlined in Part I of this document.

#### **14. Environmental issues**

Save as set out in Parts II and III of this document neither the Company nor the Directors are aware of any environmental issues or risks affecting the utilisation of the property, plant or machinery of the Group.

#### **15. Related Party Transactions**

Save in respect of the Scheme and as set out in paragraph 13.1 of this Part III, there are no related party transactions that the Company or any Group Company has entered into during the period since the last audited accounts of Virotec (Aus) for the year ended 30 June 2005 which are published on the Group's website at [www.virotec.com](http://www.virotec.com)

#### **16. General Information**

- 16.1 Numis has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears.
- 16.2 There are not, in respect of the Company or any Group Company, any significant recent trends in production, sales and inventory, and costs and selling prices of the Group since the date of incorporation of the Company or of the Group since 30 June 2005 being the end of the last financial year of Virotec (Aus).
- 16.3 There are not, in respect of the Company or any Group Company, any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year of the Company.
- 16.4 The accounting reference date of the Company is 30 June.
- 16.5 The total costs, charges and expenses in connection with or incidental to the Scheme and Admission payable by the Company are estimated to amount to £200,000 (exclusive of VAT).
- 16.6 Each of the Directors is, or may be deemed to be, a promoter of Virotec (UK).
- 16.7 Other than as disclosed in this Appendix Announcement or the Public Record, there have been no interruptions in the Company's or the Group's business which may have or have had in the last twelve months a significant effect on the Company's or the Group's financial or trading position.
- 16.8 Other than as disclosed in this Appendix or the Public Record, there are no significant investments by the Company or the Group under active consideration.
- 16.9 Other than as disclosed in this Appendix the Announcement or the Public Record, the Directors are not aware of any exceptional factors which have influenced the Company's or the Group's activities.
- 16.10 Other than as disclosed in this Appendix the Announcement or the Public Record, there has been no significant change in the financial or trading position of the Company since the date of its incorporation or of the Group since 30 June 2005, being the date to which the last audited financial statements of Virotec (Aus) were published.
- 16.11 Save as disclosed in this document, no person, directly or indirectly, in the last 12 months has preceding the application for admission to AIM (i) received, directly or indirectly, from the Company or Virotec (Aus) or (ii) entered into contractual arrangements (not otherwise disclosed in this document, the Announcement or the Public Record) to receive, directly or indirectly, from the Company on or after Admission any of the following:
  - (a) fees totalling £10,000 or more; or
  - (b) securities in the Company with a value of £10,000 or more, calculated by reference to the market price of shares in Virotec (Aus) as at the date of this document; or
  - (c) any other benefit with a value of £10,000 or more at the date of Admission, other than in the ordinary course of business.

**17. Availability of document**

Copies of the Announcement together with the Explanatory Statement will be available free of charge to the public from the offices of Numis Securities Limited at Cheapside House, 138 Cheapside, London, EC2V 6LH during normal business hours on any weekday (excluding Saturdays and public holidays) for a period of one month from the date of Admission. The documents will also be available on the Virotec (Aus) website [www.virotec.com](http://www.virotec.com).

**1 August 2006**