
**WAIVER FROM STRICT COMPLIANCE WITH THE GEM LISTING RULES AND
EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES
(WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

It is stated in Rule 7.03(1) of the GEM Listing Rules that in the case of a new applicant, the accountants' report must include the results of the issuer or, if the issuer is a holding company, the consolidated results of the issuer and its subsidiaries covering at least the two financial years immediately preceding the issue of the listing document or such shorter period as may be acceptable to the Stock Exchange.

It is stated in Rule 11.10 of the GEM Listing Rules that a new applicant and, if required pursuant to Rule 7.01 of the GEM Listing Rules, a listed issuer must have an accountants' report prepared in accordance with Chapter 7 of the GEM Listing Rules, covering (subject to Rule 11.14 of the GEM Listing Rules) in the case of a new applicant, at least the two financial years immediately preceding the issue of the listing document.

Section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires all prospectuses to include the matters specified in Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance and sets out the reports specified in Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

According to paragraph 27 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Company is required to include in this prospectus a statement as to its gross trading income or its sales turnover (as may be appropriate) during each of the three financial years immediately preceding the issue of this prospectus including an explanation of the method used for the computation of such income or turnover and a reasonable breakdown between the more important trading activities.

According to paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Company is required to include in this prospectus a report by the auditors of the Company with respect to (a) profits and losses of the Company; and (b) assets and liabilities of the Company for each of the three financial years immediately preceding the issue of this prospectus.

According to section 5(3) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), all references to "3 preceding years", "3 financial years" and "3 years" in paragraphs 27 and 31 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance are substituted by references to "2 preceding years", "2 financial years" and "2 years", respectively, for a prospectus issued in relation to an application for the listing of securities on GEM.

The Company's financial year end dates are on 31 March. The accountants' report of the Company set out in Appendix I to this prospectus is currently prepared to cover the two full financial years ended 31 March 2016 and the eight months ended 30 November 2016.

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As such, the Sponsor has applied on behalf of the Company to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with Rules 7.03(1) and 11.10 of the GEM Listing Rules on the following conditions:

- (a) this prospectus will be issued on or before 16 May 2017;
- (b) the Shares will be listed on GEM on or before 31 May 2017;
- (c) the Company shall obtain a certificate of exemption from the SFC on strict compliance with the requirements of section 342(1) of, and paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to, the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
- (d) a profit estimate for the year ended 31 March 2017 (which complies with Rules 14.29 to 14.31 of the GEM Listing Rules) shall be included in this prospectus; and
- (e) there shall be a Directors' statement in this prospectus that save as to the Listing expenses there is no material adverse change to the Group's financial and trading positions or prospect with specific reference to the trading results from 1 December 2016 to 31 March 2017.

Further, an application has been made to the SFC for a certificate of exemption from strict compliance with section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the requirements of paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance regarding the inclusion of the accountants' report covering the full financial year ended 31 March 2017 in this prospectus on the ground that it would be unduly burdensome for the Group's consolidated results for the financial year ended 31 March 2017 to be finalised within a short period of time.

The SFC has granted a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting the Company from strict compliance with section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the requirements of paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the conditions that (a) particulars of the exemption are set out in this prospectus; and (b) this prospectus will be issued on or before 16 May 2017 and the Shares will be listed on GEM on or before 31 May 2017.

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The Directors consider that the waiver and the exemption as mentioned above would not prejudice the interests of the investing public on the following grounds:

- (a) after performing sufficient due diligence on the Group and after conducting all due enquiries, they are not aware of any event since 1 December 2016 which would adversely and materially affect the information shown in the accountants' report set out in Appendix I to this prospectus and other financial information set out in this prospectus;
- (b) save as to the Listing expenses, there has been no material adverse change in the Group's financial and trading positions or prospects from 1 December 2016 to 31 March 2017; and
- (c) the financials for the two financial years ended 31 March 2016 and the eight months ended 30 November 2016 in this prospectus include all information as may be reasonably necessary to enable the investors to make an informed assessment of the activities, assets and liabilities and financial position of the Group.

The Directors confirmed that all information necessary for the public to make an informed assessment of the activities, assets and liabilities, financial position, management and prospects of the Group has been included in this prospectus and as such, the waiver granted by the Stock Exchange from strict compliance with Rules 7.03(1) and 11.10 of the GEM Listing Rules and the exemption granted by the SFC from compliance with section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance will not prejudice the interests of the investing public. The Directors and the Sponsor confirmed that after performing all due diligence work, up to the date of this prospectus, there has been no material adverse change in the financial and trading positions or prospects of the Group from 1 December 2016 to 31 March 2017 and there is no event since 1 December 2016 which would materially affect the information shown in the accountants' report set out in Appendix I to this prospectus. The Company will comply with Rules 18.03 and 18.49 of the GEM Listing Rules in respect of the requirements for publication of the annual results and annual report for the year ended 31 March 2017.

A profit estimate for the year ended 31 March 2017 (which complies with Rules 14.29 to 14.31 of the GEM Listing Rules) is included in Appendix III to this prospectus.