

## WAIVER FROM STRICT COMPLIANCE WITH THE LISTING RULES

The Company has sought the following waiver from strict compliance with the relevant provision of the Listing Rules:

### **RULE 4.04(1) OF THE LISTING RULES**

The Accountants' Report for the three years ended 31 December 2014 and the ten months ended 31 October 2015 is set out in Appendix I to this circular.

Rule 4.04(1) of the Listing Rules requires the Company to include in this circular an accountants' report covering the consolidated results of the Target Group in respect of each of the three financial years immediately preceding the issue of this circular or such shorter period as may be acceptable to the Stock Exchange.

Pursuant to the Guidance Letter HKEx-GL25-11 issued by the Stock Exchange, where a [REDACTED] applicant issues its [REDACTED] document within two months after the latest year end, the conditions for granting a waiver from strict compliance with Rule 4.04(1) of the Listing Rules are, inter alia, as follows:

- (a) the [REDACTED] applicant must list on the Stock Exchange within three months after the latest financial year end;
- (b) a profit estimate for the latest financial year (which must comply with Rules 11.17 to 11.19 of the Listing Rules) must be included in the [REDACTED] document or the [REDACTED] applicant must provide justification why a profit estimate cannot be included in the [REDACTED] document; and
- (c) there must be a directors' statement in the [REDACTED] document that there is no material adverse change to its financial and trading positions or prospect with specific reference to the trading results from the end of the stub period to the latest financial year end.

The Company has applied for a waiver from the Stock Exchange from strict compliance with Rule 4.04(1) of the Listing Rules in relation to the inclusion of the accountants' report for the full financial year ended 31 December 2015 in this circular, on the following grounds:

- (a) strict compliance with Rule 4.04(1) of the Listing Rules would be burdensome on the Company as this circular is expected to be issued by 29 February 2016 and there would not be sufficient time for the Target Group and its reporting accountants to finalise the audited financial statements for the full financial year ended 31 December 2015 for inclusion in this circular to meet with the [REDACTED] timetable. The additional audit work to be done by the reporting accountants would not only involve additional costs and expenses but also require substantial volume of work to be carried out for audit purposes. It would not be possible for the audited results of the Target Group for the financial year ended 31 December 2015 to be finalised within less than two months after the financial year end. If the full year results for the financial year ended 31 December 2015 are to be included, there will be a significant delay in the publication of this circular and the proposed Resumption. The Directors consider that the additional risks, works and expenses

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involved may not be justified given that there has not been any material adverse change in the financial position or prospects of the Target Group since 31 October 2015, being the last date of the period to be reported on by the reporting accountants of the Target Group. The delay in the [REDACTED] timetable would further jeopardise the interest and benefit of the Shareholders, who have been prejudiced since the suspension of trading in the Shares on the Stock Exchange from 27 November 2009;

- (b) the Directors confirm that sufficient due diligence on the Target Group has been performed and after conducting all due enquiries they are not aware of any event since 31 October 2015 that would adversely and materially affect the information shown in the Accountants' Report as set out in Appendix I to this circular and other financial information related to the Target Group set out in this circular. The Directors also confirm that there has been no material adverse change in the financial and trading positions or prospects of the Target Group from 31 October 2015 to 31 December 2015. The Directors consider that the inclusion of financials for the three financial years ended 31 December 2014 and the ten months ended 31 October 2015 in this circular includes all information as may be reasonably necessary to enable Shareholders and the potential investors to make an informed assessment of the activities, assets and liabilities and financial position of the Target Group and the exemption from strict compliance with the relevant requirements of Rule 4.04(1) of the Listing Rules would not prejudice the interests of the investing public;
- (c) an estimate of the consolidated profit attributable to equity holders of the Target Company for the year ended 31 December 2015 has been included in the section headed "Appendix III — Profit Estimate of the Target Group" to this circular. Shareholders and the investing public would be given guidance as to the Target Group's financial performance for the year ended 31 December 2015; and
- (d) the Company will publish its annual results and annual report within the time prescribed under Rules 13.49(1) and 13.46(1) of the Listing Rules, respectively.

The Company has also applied for a waiver from strict compliance with the condition that it must list on the Stock Exchange within three months after the latest financial year end, on the ground that in view of the structure of the [REDACTED] and the Resumption Proposal and the current [REDACTED] timetable, more time is required for the fulfilment of the conditions of the Resumption Proposal and therefore it is not feasible that the Resumption and dealing in the New Shares on the Stock Exchange shall commence by 31 March 2016.

The Stock Exchange has granted the Company a waiver from strict compliance with Rule 4.04(1) of the Listing Rules and the condition that the Company must list on the Stock Exchange within three months after the latest financial year end, on the conditions that this circular (i) be issued by 29 February 2016; and (ii) includes a profit estimate of the Target Group for the year ended 31 December 2015 which complies with Rules 11.17 to 11.19 of the Listing Rules and a Directors' statement that there is no material adverse change to the financial and trading positions or prospect of the Target Group since 31 October 2015 up to the Latest Practicable Date.