

## WAIVERS FROM STRICT COMPLIANCE WITH LISTING RULES AND EXEMPTION FROM THE COMPANIES ORDINANCE

### **The latest financial period reported by the reporting accountants required under the Listing Rules and the Companies Ordinance**

According to paragraph 27 of Part I of the Third Schedule to the Companies Ordinance, the Company is required to include in this prospectus a statement as to the gross trading income or sales turnover during each of the three financial years immediately preceding the issue of this prospectus. Paragraph 31 of Part II of the Third Schedule to the Companies Ordinance requires the inclusion in this prospectus of a report by the Company's auditors with respect to its financial results for each of the three financial years immediately preceding the issue of this prospectus.

Rule 4.04(1) of the Listing Rules also requires the Company to include in this prospectus an accountants' report covering the consolidated results of the Group in respect of each of the three financial years immediately preceding the issue of this prospectus.

The accountants' report of the Group for each of the three financial years ended 31 December 2006, 2007 and 2008 and the eight months ended 31 August 2009 has been prepared and is set out in Appendix I to this prospectus. However, strict compliance with (i) paragraphs 27 and 31 of the Third Schedule to the Companies Ordinance and (ii) Rule 4.04(1) of the Listing Rules would be unduly burdensome for the Company as there would not have been sufficient time for the Company and the reporting accountants to finalize the financial statements for the full financial year ended 31 December 2009 for inclusion in this prospectus.

In such circumstances, an application has been made to the SFC for a certificate of exemption from strict compliance with paragraphs 27 and 31 of the Third Schedule to the Companies Ordinance in relation to the inclusion of the accountants' report for the full year ended 31 December 2009 in this prospectus on the ground that it would be unduly burdensome for the Company to do so and a certificate of exemption has been granted by the SFC under Section 342A of the Companies Ordinance subject to the conditions that particulars of the exemption are set out in this prospectus and this prospectus will be issued on or before 26 January 2010.

An application has also been made to the Hong Kong Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules, and such waiver has been granted by the Hong Kong Stock Exchange subject to the condition that the Listing Date is on or before 31 March 2010 and the Company's compliance with Rule 8.06 of the Listing Rules.

The Directors confirm that (i) they have performed sufficient due diligence on the Group to ensure that there has been no material adverse change in the financial and trading positions or prospects of the Group since 31 August 2009 and there is no event since which would materially affect the information shown in the accountants' report of the Group set out in Appendix I to this prospectus and the financial information as set out in other parts of this prospectus; and (ii) all information that is necessary for the public to make an informed assessment of the financial position of the Group has been included in this prospectus.

<p style="text-align: center;"><b>WAIVERS FROM STRICT COMPLIANCE WITH LISTING RULES AND EXEMPTION FROM THE COMPANIES ORDINANCE</b></p>
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### **Management presence in Hong Kong**

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong and, in normal circumstances, at least two of the issuer's executive directors must be ordinarily resident in Hong Kong. Given that the Group's principal business operations are located, managed and conducted in the PRC, most of the Group's senior management reside in the PRC and currently, none of the executive Directors ordinarily resides in Hong Kong. The Company does not and, for the foreseeable future, will not have sufficient management presence in Hong Kong. Accordingly, the Company has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted the Company, a waiver from strict compliance with the requirements of Rule 8.12 of the Listing Rules.

In order to maintain effective communication with the Hong Kong Stock Exchange, the Company will put in place the following measures:

- (i) Mr. Lin, an executive Director, and Mr. Chan Wing Hang, the company secretary and chief financial officer of the Company are appointed as the Company's authorized representatives who will act as the Company's principal channel of communication with the Hong Kong Stock Exchange. Each of the authorized representatives will be available to meet with the Hong Kong Stock Exchange upon short notice and will be readily contactable by telephone, facsimile and e-mail;
- (ii) all the authorized representatives have means to contact all Directors promptly at all times as and when the Hong Kong Stock Exchange wishes to contact the Directors on any matters. To enhance communication between the Hong Kong Stock Exchange, the authorized representatives and the Directors, (a) each Director will provide his mobile phone number, residential phone number, office phone number, fax number and e-mail address to the authorized representatives and the Hong Kong Stock Exchange; and (b) in the event that a Director expects to travel or otherwise be out of office, he will provide valid phone numbers or means of communication to the authorized representatives;
- (iii) the Company's company secretary and two independent non-executive Directors, namely Messrs. Chan Tsz Fu Jacky and Choi Tze Kit Sammy, are ordinary residents in Hong Kong and will serve as the Company's additional channel of communication with the Hong Kong Stock Exchange;
- (iv) each of the Directors who is not ordinary resident in Hong Kong possesses valid travel documents to visit Hong Kong and will be able to meet with the Hong Kong Stock Exchange within a reasonable period of time; and
- (v) the Company has appointed Piper Jaffray Asia as its compliance adviser, who will also serve as its additional communication channel with the Hong Kong Stock Exchange from the Listing Date to the date when the Company publishes its annual report for the first full financial year immediately after the Listing Date.