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

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In preparation for the Listing, the Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and the Companies Ordinance:

### MANAGEMENT PRESENCE

Rule 8.12 of the Listing Rules requires that a new applicant applying for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong. This normally means that at least two of its executive directors must be ordinarily resident in Hong Kong. Since principal business operations and manufacturing facilities of our Group are primarily located in China, the senior management members of the Group are and will therefore continue to be based in China. At present, Ms. AU-YEUNG Kam Ling, Celeste, one of our executive Directors, Mr. POON Yick Pang, Philip, the company secretary of the Company, our non-executive Director and two of our independent non-executive Directors are all ordinarily resident in Hong Kong. The other executive Directors are not Hong Kong residents or based in Hong Kong. The Company has applied to the Stock Exchange for a waiver from the strict compliance with the requirement under Rule 8.12 of the Listing Rules and, in order to maintain effective communication with the Stock Exchange, the Company has made the following arrangements:

- (a) The Company has appointed two authorised representatives pursuant to Rule 3.05 of the Listing Rules who will act as the Company's principal communication channel with the Stock Exchange and will ensure that they comply with the Listing Rules at all times. The two authorised representatives appointed are Ms. AU-YEUNG Kam Ling, Celeste and Mr. POON Yick Pang, Philip, who are both ordinarily resident in Hong Kong. Each of the authorised representatives will be available to meet with the Stock Exchange in Hong Kong with short notice upon request and will be readily contactable by mobile phone number, residential phone number, office phone number, fax number or e-mail address. Each of the two authorised representatives has been duly authorised to communicate on behalf of the Company with the Stock Exchange;
- (b) The Company has appointed Sinopac Securities (Asia) Limited as its compliance adviser pursuant to Rule 3A.19 of the Listing Rules who will act as the Company's alternative communication channel with the Stock Exchange, for the period commencing on the Listing Date and ending on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of the Company's financial results for the first full financial year commencing after the Listing Date;
- (c) Both the authorised representatives have means to contact all members of the Board (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact the members of the Board for any matters. The Company will implement a policy whereby (a) each Director will provide his or her mobile phone number, residential phone number, office phone number, fax number and e-mail address to the authorised representatives; (b) each Director will provide valid phone numbers or means of communication to the authorised representatives when he or she is travelling; and (c) each Director will provide his or her mobile phone number, residential phone number, office phone number, fax number and e-mail address to the Stock Exchange; and
- (d) All executive Directors and independent non-executive Directors who are not ordinarily resident in Hong Kong have confirmed that either they possess or will apply for valid

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travel documents to visit Hong Kong and will be able to meet with the relevant members of the Stock Exchange with short notice, when required.

We have received from the Stock Exchange a waiver from compliance with Rule 8.12 of the Listing Rules subject to the above arrangements being put in place.

**WAIVER FROM COMPLIANCE WITH RULE 4.04(1) OF THE LISTING RULES AND  
PARAGRAPH 27 OF PART I AND PARAGRAPH 31 OF PART II OF THE THIRD  
SCHEDULE TO THE COMPANIES ORDINANCE**

Rule 4.04(1) of the Listing Rules requires us to include in this prospectus an accountants' report covering our consolidated results in respect of the three years immediately preceding the date of this prospectus.

Paragraph 27 of Part I of the Third Schedule to the Companies Ordinance requires us to set out in this prospectus statements regarding our turnover in respect of the three years preceding the date of this prospectus, including an explanation of the method used for computing such turnover and a reasonable breakdown of important activities.

Paragraph 31 of Part II of the Third Schedule to the Companies Ordinance requires us to include in this prospectus a report by the auditors regarding our profits and losses and assets and liabilities in respect of the three years immediately preceding the date of this prospectus.

The accountants' report of our Group for each of the three years ended 31 December 2008 and the nine months ended 30 September 2009 has been prepared and is set forth in Appendix I to this prospectus. However, strict compliance with Rule 4.04 of the Listing Rules and paragraphs 27 and 31 of the Third Schedule to the Companies Ordinance would be unduly burdensome on us, as there would not be sufficient time for us and the reporting accountants to finalise the audited financial statements for the full year ended 31 December 2009 for inclusion in this prospectus.

In such circumstances, an application has been made to the 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 Stock Exchange.

We have also submitted an application to the SFC for a certificate of exemption from strict compliance with paragraph 27 of Part I and paragraph 31 of Part II 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 on us and a certificate of exemption has been granted by the SFC under section 342A of the Companies Ordinance.

Our Directors have confirmed that they have performed sufficient due diligence on our Group to ensure that up to the date of this prospectus, there has been no material adverse change in the financial and trading positions or prospects of our Group since 30 September 2009 and that there is no event since 30 September 2009 which would adversely and materially affect the information shown in the accountants' report of our Group as set forth in Appendix I to this prospectus. Our Directors have further confirmed that the reporting accountants have disclosed all material events which have arisen since 30 September 2009 under the section entitled "Subsequent Events" of the accountants' report of our Group as set forth in Appendix I to this prospectus. In addition, our Directors have confirmed that

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all material information that is necessary for the public to make an informed assessment of the financial results and financial position of our Group has been included in this prospectus.

### **PRE-IPO SHARE OPTION SCHEME**

We have applied for (i) a waiver from the Stock Exchange from strict compliance with the disclosure requirements under rule 17.02(1)(b) and paragraph 27 of Appendix 1A to the Listing Rules; and (ii) a certificate of exemption under section 342A of the Companies Ordinance from the SFC from strict compliance with the disclosure requirements of paragraph 10(d) of Part I of the Third Schedule to the Companies Ordinance. Our applications are based on the grounds set forth below, and the Stock Exchange and the SFC have granted the respective waiver and certificate of exemption subject to certain conditions.

#### **1. Exemption would not prejudice the interests of the investing public**

This prospectus includes information on the total number of Shares subject to the Pre-IPO Share Option Scheme and the percentage of the Company's issued share capital represented by such Shares, the exercise price per Share, the potential dilutive effect on our Shareholders, the impact on our earnings per Share upon exercise of the outstanding options and the terms of the options. Our Directors consider that all information related to the Pre-IPO Share Option Scheme that is reasonably necessary for potential investors to make an informed assessment of our activities and financial position has been disclosed in this prospectus, and therefore an exemption from compliance with the relevant rules would not prejudice the interests of the investing public.

#### **2. Strict compliance with rule 17.02(1)(b) and paragraph 27 of Appendix 1A to the Listing Rules and paragraph 10(d) of Part I of the Third Schedule to the Companies Ordinance would be unduly burdensome**

As options will be granted to 104 persons under the Pre-IPO Share Option Scheme, full disclosure pursuant to rule 17.02(1)(b) and paragraph 27 of Appendix 1A to the Listing Rules and paragraph 10(d) of Part I of the Third Schedule to the Companies Ordinance, including the names and addresses of all 104 grantees, would be unduly burdensome. It is estimated that a complete disclosure of the name, address and options granted to each grantee would require approximately 15 pages of the prospectus, significantly increasing the cost for drafting and printing. Furthermore, full disclosure may also negatively impact our relationships with the grantees, as some grantees may become dissatisfied with the options granted to them after comparing with other grantees.

The Stock Exchange has granted the waiver to us, subject to the following conditions:

- (a) full disclosure in this prospectus on all options under the Pre-IPO Share Option Scheme granted to each of the Directors, senior management, connected persons and grantees who will be granted options for 2,000,000 Shares or more, including all particulars required under paragraph 10 of Part I of the Third Schedule to the Companies Ordinance, rule 17.02(1)(b) and paragraph 27 of Appendix IA to the Listing Rules;

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- (b) disclosure in this prospectus, for the remaining grantees on an aggregate basis:
  - (i) their aggregate number and the number of Shares underlying the options granted;
  - (ii) the considerations paid for the options;
  - (iii) the exercise period of each option; and
  - (iv) the exercise price for the options;
- (c) disclosure in this prospectus (i) the aggregate number of Shares underlying the options under the Pre-IPO Share Option Scheme, (ii) the percentage of our issued share capital represented by such Shares and (iii) the dilution effect and impact on earnings per share upon full exercise of the options under the Pre-IPO Share Option Scheme; and
- (d) a full list of all the grantees (including the persons referred to in paragraph (a) above) who have been granted options to subscribe for Shares under the Pre-IPO Share Option Scheme, containing all the details as required under rule 17.02(1)(b) and paragraph 27 of Appendix IA to the Listing Rules and paragraph 10 of Part I of the Third Schedule of the Companies Ordinance, is made available for public inspection as referred to the section headed “— Documents Available for Inspection” in Appendix IX to this prospectus.

The SFC (pursuant to section 342A of the Companies Ordinance) has granted the certificate of exemption to us on the following conditions:

- (a) full details of the options granted by the Company under the Pre-IPO Share Option Scheme to each of the Directors, senior management and grantees who will be granted options for 2,000,000 Shares or more are disclosed in this prospectus, which shall include all particulars required under paragraph 10 of Part I of the Third Schedule to the Companies Ordinance;
- (b) in respect of the options granted by the Company under the Pre-IPO Share Option Scheme to grantees other than those referred in paragraph (a) above, the following details are disclosed in this prospectus:
  - (i) aggregate number of grantees and the number of Shares subject to the options;
  - (ii) the considerations paid for the grant of the options;
  - (iii) the exercise period of the options;
  - (iv) the exercise price for the options; and
- (c) a full list of all the grantees (including the persons referred to in paragraph (a) above) who have been granted options to subscribe for Shares under the Pre-IPO Share Option Scheme, containing all the details as required under paragraph 10 of Part I of the Third Schedule of the Companies Ordinance, is made available for public inspection as referred to the section headed “— Documents Available for Inspection” in Appendix IX to this prospectus.

See the section headed “Other Information — Pre-IPO Share Option Scheme” in Appendix VIII to this prospectus.