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

For the purpose of the Listing, we have sought a number of waivers from the Stock Exchange in relation to strict compliance with certain requirements under the Listing Rules and a certificate of exemption from the SFC from strict compliance with certain requirements under the Companies Ordinance. Further information on such waivers and certificate of exemption is set forth below:—

1. MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, a new applicant applying for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong. This will normally mean at least two of its executive directors must be ordinarily resident in Hong Kong.

As of the date of this prospectus, all our executive Directors are normally residing in China for our business operation. The nationality of Mr. LIN is the Philippines, and the other executive Directors, namely Messrs. LIN Mingxu, LIN Wenzu and LI Yong, are PRC nationals. As all the business operations of our Group are currently and expected to continue to be located and managed by the executive Directors and other senior management members of our Group in China, we do not have a sufficient management presence in Hong Kong.

We have applied to the Stock Exchange for a waiver from strict compliance with Rule 8.12 of the Listing Rules and have been granted a waiver subject to the following conditions:—

- (a) our two authorised representatives, namely Mr. LIN, an executive Director, and Mr. CHIM Kam Pang, our Chief Financial Officer and company secretary, shall act as the principal channel of communications with the Stock Exchange and will also ensure full compliance with the Listing Rules at all times.

Each of the authorised representatives will be available to meet with the Stock Exchange within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and e-mail. Each of the authorised representatives is authorised by our Board to communicate on behalf of our Board with the Stock Exchange;

- (b) in compliance with Rule 3A.19 of the Listing Rules, we will retain a compliance adviser acceptable by the Stock Exchange for a period commencing on the Listing Date and ending on the date on which we distribute the annual report for the first full financial year commencing after the Listing Date in accordance with Rule 13.46 of the Listing Rules. The compliance adviser will provide us with advice on the obligation in compliance with the Listing Rules, all other applicable laws, rules, codes and guidelines and will act as an additional channel of communication with the Stock Exchange; and

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- (c) the two authorised representatives have means of contacting all our Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors on any matters. To enhance communication with the Stock Exchange, we will implement a policy whereby:—
- (i) each Director will have to provide his or her respective mobile phone numbers, residential phone numbers, fax numbers and email addresses to the authorised representatives;
 - (ii) in the event that a Director expects to travel and be out of office, he or she shall provide to the authorised representatives the valid phone number of the place of his/her accommodation or other means of communications; and
 - (iii) our Directors will provide their respective mobile phone numbers, office phone numbers, fax numbers and email addresses to the Stock Exchange; and
 - (iv) all our Directors (including our independent non-executive Directors) who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and all our Directors and authorised representatives can meet with the Stock Exchange within a reasonable time.

2. THE LATEST FINANCIAL PERIOD REPORTED ON BY THE REPORTING ACCOUNTANTS REQUIRED UNDER THE LISTING RULES AND COMPANIES ORDINANCE

According to Paragraph 27 of the Third Schedule to the Companies Ordinance, we are required to include in this prospectus a statement as to our gross trading income or our sales turnover (as may be appropriate) during each of the three financial years immediately preceding to the issue of this prospectus.

According to Paragraph 31 of the Third Schedule to the Companies Ordinance, we are required to include in this prospectus a report by the auditors of our Company with respect to the profits and losses and the assets and liabilities of our business in respect of each of the three financial years immediately preceding the issue of this prospectus.

Pursuant to Rule 4.04(1) of the Listing Rules, we are required to include in this prospectus the accountants' report covering our consolidated results in respect of each of the three financial years immediately preceding the issue of this prospectus.

Our accountants' report 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, as this prospectus has been issued within a short period of time after 31 December 2009, the accountants' report has not been prepared for the full year ended 31 December 2009 as it would be unduly burdensome for us to produce audited financial statements for the year ended 31 December 2009 in this prospectus within a very short period of time given the additional work and expenses involved.

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The SFC is satisfied that compliance with paragraphs 27 and 31 of the Third Schedule to the Companies Ordinance would be unduly burdensome for us. The SFC has granted to us a certificate of exemption under section 342A of the Companies Ordinance from strict compliance with paragraphs 27 and 31 of the Third Schedule to the Companies Ordinance on the condition that particulars of the exemption are set out in this prospectus and that this prospectus is issued on or before 16 March 2010. The Stock Exchange has also granted to us waiver from strict compliance with Rule 4.04(1) of the Listing Rules, on the ground that it would be unduly burdensome for our Company to do so and the Listing Date will be within three months after 31 December 2009.

Our Directors are of the view that all information that is necessary for the prospective investors to make an informed assessment of the financial position of our Group has been included in this prospectus. Our Directors also confirm that they have performed sufficient due diligence to ensure that, up to the date of this prospectus, there has been no material adverse change in our financial and trading position or prospects since 30 September 2009 and there is no event since 30 September 2009 which would materially affect the information shown in the accountants' report set forth in Appendix I to this prospectus.