

MANAGEMENT PRESENCE IN HONG KONG

According to Rule 8.12 of the Listing Rules, a new applicant applying for a primary listing on the Main Board must have a sufficient management presence in Hong Kong, and this normally means that at least two of its executive directors must be residents of Hong Kong. Our business and operations, including the design, source, manufacture and sale of high-end menswear for men in the PRC, are located, managed and conducted in the PRC through our operating subsidiaries in the PRC. Most of our products are sold to retail customers through our distributors based in the PRC. Most of our turnover is generated from the PRC. We maintain an office in Hong Kong to operate the retail selling of certain products in Hong Kong. Except for Mr. Chan, Mr. Fong Wo, Felix, Dr. Ko Wing Man and Mr. Kwok Chi Sun, Vincent, none of the Directors are Hong Kong permanent residents or ordinarily based in Hong Kong. Each of the Directors, who is not ordinarily a resident of Hong Kong, currently holds valid travel documents that allow him to travel to Hong Kong for meetings with the Hong Kong Stock Exchange within a reasonable period of time. The Company does not, and does not contemplate in the foreseeable future that it will, have a sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 of the Listing Rules.

Accordingly, the Company has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirement under Rule 8.12 of the Listing Rules. In order to ensure that regular and effective communication is maintained between the Hong Kong Stock Exchange and the Company, the Company has appointed and will continue to maintain two authorized representatives pursuant to Rule 3.05 of the Listing Rules who will act as the Company's principal channel of communication with the Hong Kong Stock Exchange. The two authorized representatives of the Company are Mr. Chan, our Chairman and one of our executive Directors, and Ms. Kwok Yu Ching, a resident in Hong Kong and one of the company secretaries of the Company. Ms. Chan Sau Ling, a resident in Hong Kong and one of the company secretaries of the Company, is appointed as Ms. Kwok's alternate. Each of the authorized representatives will be available to meet with the Hong Kong Stock Exchange within a reasonable time frame upon the request of the Hong Kong Stock Exchange and will be readily contactable by providing his/her office phone number, mobile phone number, residential phone number, facsimile and email address to the Hong Kong Stock Exchange. They will be contactable on their mobile phone numbers at all times. Each of the authorized representatives has been authorized to communicate on our behalf with the Hong Kong Stock Exchange. The Company has been registered as a non-Hong Kong company under Part XI of the Companies Ordinance, and Mr. Chan has been authorized to accept service of legal process and notices in Hong Kong on behalf of the Company.

WAIVER FROM STRICT COMPLIANCE WITH THE LISTING RULES

Each of the authorized representatives, including the alternate, will be provided means to contact all Directors promptly at all times as and when the Hong Kong Stock Exchange wishes to contact the Directors for any matters. In order to further enhance communication among the Hong Kong Stock Exchange, the authorized representatives and the Directors, the Company will implement the following policies:

- each Director will provide his office phone number, mobile phone number, fax number, email address and (for all executive Directors only) residential phone number to the authorized representatives;
- in the event that an executive Director expects to travel and be out of office, he will provide the phone number of the place of his accommodation to the authorized representatives;
- all the Directors and the authorized representatives will provide their office phone numbers, mobile phone numbers, fax numbers, email addresses and (for all executive Directors and the authorized representatives only) residential phone numbers to the Hong Kong Stock Exchange;
- each of the Directors, who is not ordinarily resident in Hong Kong, will maintain valid travel documents that will allow him to travel to Hong Kong for meetings with the Hong Kong Stock Exchange within a reasonable period of time; and
- if circumstances require, a meeting of the Board will be summoned and held in such manner and on short notice as permitted under the Articles of Association to discuss and address any issues about which the Hong Kong Stock Exchange is concerned in a timely manner.

The Company will also appoint Piper Jaffray Asia as its compliance advisor pursuant to Rule 3A.19 of the Listing Rules which will act as an additional channel of communication with the Hong Kong Stock Exchange for the period commencing from the Listing Date and ending on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the Listing Date.