
WAIVERS FROM COMPLIANCE WITH THE GEM LISTING RULES

MORATORIUM PERIOD

The GEM Listing Rules require every initial management shareholder of a new issuer to undertake to the new issuer and the Stock Exchange, for a period of two years from the listing date, save as provided in Rule 13.17 of the GEM Listing Rules, not to dispose of (or enter into any agreement to dispose of) or permit the registered holder to dispose of (or to enter into any agreement to dispose of) any direct or indirect interest in Relevant Securities.

Under the GEM Listing Rules, the Initial Management Shareholders would ordinarily be subject to a moratorium period of two years. **However, as a result of an application made on behalf of the Company, the Stock Exchange, has granted a waiver to the effect that the moratorium period applicable to the Initial Management Shareholders be reduced to six months in respect of an aggregate of 475,500,000 Shares (representing 79.25% of the enlarged issued share capital of the Company immediately upon completion of the Placing assuming the Over-allotment Option is not exercised).**

The Stock Exchange has indicated that the above waiver would be granted on the condition that Mr. Lok, Mr. So Yiu King, Mr. Chow Chi Ming, Daniel, Mr. Tam Wing Yuen and Mr. Leung Wai Cheung are not allowed to dispose of any of his respective direct or indirect interest in SHI or the Company in the first six-month period after the Listing Date, nor in the second six-month period after the Listing Date if such disposal would result in them ceasing to have, in aggregate, 35% interest in the entire issued share capital of the Company.

The details of the shareholding of the Initial Management Shareholders are set out in the section headed “Substantial and Initial Management Shareholders” on pages 85 to 87 of this prospectus.

Stock Borrowing Arrangement

In order to facilitate settlement of over-allocations in connection with the Placing and the distribution of Shares thereunder, Vickers may borrow Shares from SHI under a stock borrowing arrangement pending exercise of the Over-allotment Option and/or acquisition of Shares in the secondary market. As the Shares held by SHI are subject to the moratorium period as described above, **an application has been made to the Stock Exchange for a waiver from strict compliance with Rule 13.16 of the GEM Listing Rules (as explained above) for the purpose of implementing the stock borrowing arrangement.** A waiver has been granted by the Stock Exchange on condition that:

- (i) the stock borrowing arrangement with SHI may only be effected by Vickers for settlement of over-allocations in connection with the Placing;
- (ii) the maximum number of Shares to be borrowed from SHI must not exceed the maximum number of Shares which may be issued upon full exercise of the Over-allotment Option;
- (iii) the same number of Shares borrowed shall be returned to SHI not later than three business days following the earlier of (a) the last day on which the Over-allotment Option may be exercised or (b) the day on which the Over-allotment Option is exercised in full; and
- (iv) the returned Shares will be placed in escrow as soon as practicable with an escrow agent acceptable to the Stock Exchange.

This stock borrowing arrangement will be effected in compliance with all applicable laws and regulatory requirements. No benefits nor payments will be made to SHI in relation to such stock borrowing arrangement.

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SHARE OPTION SCHEME

The GEM Listing Rules require that the total number of Shares subject to the Share Option Scheme and any other schemes (“Scheme Limit”) must not, in aggregate exceed 10% of the issued share capital of the issuer from time to time. **As a result of an application made on behalf of the Company, the Stock Exchange has granted a waiver from strict compliance with Rule 23.03(2) of the GEM Listing Rules. On this basis, the Company is allowed to increase the Scheme Limit to 30% of the issued share capital of the Company from time to time. Such waiver has been granted by the Stock Exchange subject to the following conditions:**

- (i) the total number of Shares which may be issued pursuant to the exercise of options under the Share Option Scheme and any other schemes must not, in aggregate, exceed 30% of the issued share capital of the Company from time to time;
- (ii) subject to (i) above, the Company may seek approval by shareholders in general meeting to grant options under the Share Option Scheme and any other schemes representing up to an aggregate of 10% of the issued share capital of the Company at the time of approval (“General Mandate Limit”);
- (iii) subject to (i) above, the Company may seek separate shareholders’ approval in general meeting to grant options beyond the General Mandate Limit to participants specified by the Company before such approval is sought;
- (iv) the grant of options to a connected person (as defined in the GEM Listing Rules) shall be approved by all independent non-executive directors of the Company;
- (v) the grant of options to a connected person who is also a substantial shareholder (as defined in the GEM Listing Rules) or any of his associates, where the proposed grant of options, when aggregated with the options already granted to that connected person in the past 12 months period, would entitle him to receive more than 0.1% of the total issued shares of the Company for the time being and the value of which is in excess of HK\$5 million, shall be approved by shareholders in general meeting. Apart from the connected person involved, all other connected persons of the Company shall abstain from voting in such general meeting (except where any such connected person intends to vote against the proposed grant);
- (vi) for the purposes of approving the proposed grant of options as described under sub-paragraphs (iii), (iv) and (v) above, the Company shall issue a circular to shareholders explaining the proposed grant, disclosing the number and terms of the options to be granted and containing a recommendation from the independent directors on whether or not to vote in favour of the proposed grant; and
- (vii) the following additional disclosures will be made in the annual and interim reports of the Company:—
 - (a) details of options granted to each Director all the other participants; and
 - (b) a summary of the major terms of each share option scheme approved by the shareholders of the Company.

At the Latest Practicable Date, no option has been granted under the Share Option Scheme.