

CO LTD

Date:

Messrs T. K. Lo & Company, Certified Public Accountants
14th Floor, Shanghai Industrial Investment Building
48 Hennessy Road, Wanchai, Hong Kong

Dear Sirs

**LETTER OF REPRESENTATION
FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2011**

In connection with your audit of the above-mentioned financial statements of our Company, we are writing to confirm to the best of our knowledge and belief the following representations made to you during your audit.

- 1 Our Company is a limited liability company incorporated in

Hong Kong under Hong Kong Companies Ordinance *

and our directors confirm that we have fulfilled our responsibilities, as set out and agreed in the terms of the latest signed audit engagement letter, for the preparation of financial statements in accordance with *(please tick or amend)**

- The Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and the Hong Kong Companies Ordinance to give a true and fair view of the state of affairs of the Company and of its profit or loss and cash flows of the Company for that year.
- The Hong Kong Financial Reporting Standard for Private Entities issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and the Hong Kong Companies Ordinance to give a true and fair view of the state of affairs of the Company and of its profit or loss and cash flows of the Company for that year.
- The Small and Medium-sized Entity Financial Reporting Standard issued by HKICPA and the Eleventh Schedule of the Hong Kong Companies Ordinance subject to the agreement of all members of the Company to apply section 141D of that Ordinance to enable the balance sheet together with the notes to give a true and correct view of the state of the Company's affairs at year end.

We recognised the following material investments as subsidiary, associate or joint venture during the current year in accordance with the relevant and prevailing standards, after considering the effects on control, potential voting power and significant influence arisen from the existence of all kind of financial instruments and contracts of the Company.

Subsidiaries:

None*

Associates:

None*

Joint Ventures:

None*

- 2 In preparing those financial statements, we have communicated to you all deficiencies in internal control of which our management is aware and are responsible for:
- a designing, implementing and maintaining internal control necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
 - b considering the appropriateness of the going concern basis to the Company; and
 - c keeping and recording all transactions in the accounting records and reflecting them in the financial statements with proper classification and with consistent methods of cut off.
- 3 There have been no
- a irregularities involving management or employees who have a significant role in internal control or that could have a material effect on the financial statements; nor

- b material misstatements or omissions in the accounting records of the Company in the current period and prior periods, except for those disclosed and restated in the financial statements that affect the comparative information.
- 4 We confirm that the significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and selection and application of accounting policies are appropriate.
- 5 We have provided you with access to all information which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters, additional information that you have requested from us for the purpose of the audit, and unrestricted access to persons within the Company from whom you determined it necessary to obtain audit evidence.
- 6 We have disclosed to you the identity of the related parties and all related party relationships and transactions of which we are aware. Information of related parties and related party transactions and balances including loans to directors and other officers of the Company or to their connected parties are completely identified and appropriately accounted for in the accounting records. The related party disclosures in the financial statements are adequate to satisfy the relevant legal requirements and applicable financial reporting framework.
- 7 The Company has properly recognised, measured, presented and adequately disclosed in the financial statements all items, if any, below:
- a plans or intentions that may materially affect the carrying value or classification of assets and liabilities;
 - b material liabilities, both actual and contingent including claims and litigations;
 - c purchase commitments in excess of normal requirements or at prices in excess of the prevailing market prices, or agreements and options to repurchase items previously sold;
 - d commitments for the sale of products at forward prices below the prevailing selling prices;
 - e commitments for the purchase or sale of investments and capital items, including authorised but not contracted for;
 - f title to, or control over, assets, the liens or encumbrances on assets, and assets pledged as collateral;
 - g guarantees that we have given to third parties;
 - h defaults in principal, interest, sinking fund or redemption provisions with respect to any issue of share or loan capital or credit agreements;
 - i aspects of laws, regulations and contractual agreements that may affect the financial statements, including non-compliance or suspected non-compliance;
 - j capital management including objectives and strategy; and
 - k financial risk management including credit risk, liquidity risk, market risk and sensitivity analysis.
- 8 All material events, if any, that have occurred subsequent to the end of the reporting period which would require adjustment of, or disclosure in, the financial statements have been properly dealt with. We have made appropriate enquiries of any other directors and management of the Company. In our opinion, these representations appear reasonable and consistent with the views of all relevant management.
- 9 We acknowledge receipt a copy of your "Scoreboard of Immaterial Issues For Judgement" for our reference about any unadjusted misstatements noted by you in course of audit and we have agreed to their treatments due to immaterial effects, both individually and in the aggregate, to the financial statements as a whole. We have also considered their possible implications to weaknesses in internal control that may lead to undetected errors in operation or financial records.
- 10 We have disclosed to you our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements that have been communicated to us by employees, former employees, analysts, regulators or others. Furthermore, we have also disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of the said fraud.

Yours faithfully

Director

* *Delete / Amend as appropriate*