
WAIVERS FROM COMPLIANCE WITH THE LISTING RULES

In preparation for the Global Offering, our 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 provides that a new applicant applying for a primary listing on the Main Board of the Stock Exchange must have a sufficient management presence in Hong Kong, which normally means that at least two of its executive directors must be ordinarily resident in Hong Kong.

Our core business and operations are located, managed and conducted in the PRC. For the purpose of the Listing, we have established a place of business in Hong Kong and have been registered as a non-Hong Kong company under Part XI of the Companies Ordinance. Upon the Listing, there will be three executive Directors and three independent non-executive Directors. However, save for (i) one of the three independent non-executive Directors, Mr. Choy Sze Chung Jojo (“Mr. Choy”); and (ii) our Company Secretary, Ms. Luk Wai Mei (“Ms. Luk”), who ordinarily reside in Hong Kong, all of our other executive and independent non-executive Directors and senior management reside in the PRC. We do not have, and do not contemplate in the foreseeable future that we will have, sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 of the Listing Rules.

We have applied to the Stock Exchange for a waiver from strict compliance with the requirements of Rule 8.12 of the Listing Rules on the following grounds:

- (a) our core business and operations are located in the PRC since our establishment;
- (b) members of our senior management staff are mainly located in the PRC;
- (c) our overall management and operation has been under the supervision of Mr. Hua, our founder and one of our three executive Directors, for many years. Mr. Liu Haijun (“Mr. Liu”), one of the other two executive Directors, is responsible for supervising the operation of Wison Engineering. Mr. Chen Wenfeng (“Mr. Chen”), the remaining executive Director, is the chief financial officer of our Company. Each of Mr. Hua, Mr. Liu and Mr. Chen has a vital role in our business and it is necessary for them to remain close to our operation in the PRC; and
- (d) the appointment of additional executive Directors who are ordinary residents in Hong Kong or the relocation of our executive Directors to Hong Kong would not only increase our administrative expenses, but would also draw upon key management resources that would otherwise be necessary in the PRC to manage our business.

Due to the above reasons, we consider that appointment of any additional executive Director who is or will be ordinarily resident in Hong Kong or the relocation of our executive Directors to Hong Kong will not be beneficial to or appropriate for us.

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The Stock Exchange has granted a waiver to us from compliance with Rule 8.12 of the Listing Rules on the condition that we will put in place the following measures in order to ensure that regular communication is maintained between the Stock Exchange and us:

1. we will appoint two authorized representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communications with the Stock Exchange and ensure that we comply with the Listing Rules at all times. The two authorized representatives to be appointed are Mr. Chen and Ms. Luk (the “Authorized Representative(s)”) and the alternate authorized representative to Mr. Chen is Mr. Hua (who is our executive Director). Each of them will be available to meet the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and email. Both Mr. Chen and Ms. Luk will be the first contact persons to facilitate the communications between us and the Stock Exchange;
2. as and when the Stock Exchange wishes to contact our Directors on any matters, each of the Authorized Representatives (including the alternate authorized representative) will have means to contact all of our Directors promptly at all times. Our Company will implement such measures that (a) each Director must provide his mobile phone numbers, office phone numbers, email addresses and fax numbers to the Authorized Representatives (including the alternate authorized representative) and (b) in the event that a Director expects to travel and or otherwise be out of office, he will provide the phone number of the place of his accommodation to the Authorized Representatives (including the alternate authorized representative);
3. meetings with the Stock Exchange and our Directors can be arranged through the Authorized Representatives (including the alternate authorized representative), or directly with our Directors with reasonable notice. Each of our Directors who is not ordinarily resident in Hong Kong holds valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time as and when required;
4. our Company will appoint a compliance adviser pursuant to Rule 3A.19 of the Listing Rules, which will, among other things, act as our additional principal channel of communication with the Stock Exchange for a period commencing on the date of Listing until the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year following the Listing. The compliance adviser will have access at all times to the Authorized Representatives (including the alternate authorized representative), our Directors and the other senior management staff of our Company to ensure that it is in a position to provide prompt responses to any queries or requests from the Stock Exchange in respect of our Company;
5. each of our Directors and the Authorized Representatives (including the alternate authorized representative) of our Company will provide his/her office phone number, mobile phone number, fax number and e-mail address to the Stock Exchange. They will be contactable at their mobile phone numbers at all times; and

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6. apart from Ms. Luk, Mr. Choy (one of the three independent non-executive Directors) ordinarily resides in Hong Kong and is readily contactable.

PRE-IPO SHARE OPTION SCHEME

Under 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, this prospectus is required to include details of the number, description and amount of any of the shares in or debentures of our Company which a person has, or is entitled to be given, an option to subscribe for, together with certain particulars of each option, namely the period during which it is exercisable, the price to be paid for shares or debentures subscribed for under it, the consideration (if any) given or to be given for it or for the right to it and the names and addresses of the persons to whom it was given. On November 30, 2012, our Company granted Pre-IPO Share Options to 542 persons to subscribe for an aggregate of 197,923,000 Shares, representing 4.95% of the total number of Shares in issue immediately following completion of the Global Offering and Capitalization Issue (without taking into account any Shares which may be issued upon the exercise of options granted under the Pre-IPO Share Option Scheme or any options which may be granted under the Share Option Scheme or the Over-allotment Option) on the terms set out in the paragraph headed “Pre-IPO Share Option Scheme” in Appendix VI to this prospectus. Our Company has applied to the Stock Exchange and the SFC respectively for and has been granted (i) a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of and paragraph 27 of Appendix 1A to the Listing Rules; and (ii) an exemption under section 342A of the Companies Ordinance from strict compliance with the disclosure requirements of paragraph 10(d) of Part I of the Third Schedule to the Companies Ordinance.

Our application to the SFC is based on the ground that strict compliance with the requirements would be unduly burdensome for our Company and non-compliance with the disclosure requirements will not prejudice the interest of the investing public for the following reasons:

- (a) the number of grantees involved is very large (542 grantees in total). If the full list of grantees were to be included in this prospectus, many additional pages would have to be inserted, causing this prospectus to be unnecessarily voluminous;
- (b) all material information of the Pre-IPO Share Option Scheme that is reasonably necessary for potential investors to make an informed assessment of the activities and financial position of our Company have been included in this prospectus; and
- (c) the total number of Pre-IPO Share Options granted under the Pre-IPO Share Option Scheme represents approximately 4.95% of the total number of Shares in issue immediately following completion of the Global Offering and the Capitalization Issue (taking no account of any Shares which may be issued upon exercise of the Over-allotment Option, options granted under the Pre-IPO Share Option Scheme and any options which may be granted under the Share Option Scheme). The grant and exercise in full of the options granted under the Pre-IPO Share Option Scheme will not cause any material adverse impact on the financial position of our Company.

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Our application to the Stock Exchange is based on the ground that strict compliance with the requirements would be unduly burdensome for our Company for the following reasons:

- (a) the total number of Pre-IPO Share Options granted under the Pre-IPO Share Option Scheme represents approximately 4.95% of the total number of Shares in issue immediately following completion of the Global Offering and the Capitalization Issue (taking no account of any Shares which may be issued upon exercise of the Over-allotment Option, options granted under the Pre-IPO Share Option Scheme and any options which may be granted under the Share Option Scheme). The grant and exercise in full of the options granted under the Pre-IPO Share Option Scheme will not cause any material adverse impact on the financial position of our Company;
- (b) all material information of the Pre-IPO Share Option Scheme that is reasonably necessary for potential investors to make an informed assessment of the activities and financial position of our Company have been included in this prospectus. Non-compliance with the disclosure requirements will not prejudice the interest of the investing public; and
- (c) the number of grantees involved is very large (542 grantees in total).

The Stock Exchange has granted to our Company a waiver under the Listing Rules on condition that:

- (i) on an individual basis, full details of the Pre-IPO Share Options granted to each of our Directors, members of the senior management of our Group and connected persons of our Group and grantees who were granted options to subscribe for more than 1,000,000 Shares under the Pre-IPO Share Option Scheme are disclosed in “Appendix VI—Pre-IPO Share Option Scheme”, as required under Rule 17.02(1)(b) of and paragraph 27 of Appendix 1A to the Listing Rules and paragraph 10 of Part I of the Third Schedule to the Companies Ordinance;
- (ii) for the remaining grantees, disclosure is made, on an aggregate basis, of (1) their aggregate number of grantees and the number of Shares underlying the Pre-IPO Share Options; (2) the consideration paid for the Pre-IPO Share Options; and (3) the exercise period and exercise price of the Pre-IPO Share Options;
- (iii) there are also disclosures in this prospectus for the aggregate number of Shares underlying the Pre-IPO Share Options and the percentage of our Company’s issued share capital represented by them;
- (iv) the dilutive effect and impact on earnings per Share upon full exercise of the Pre-IPO Share Options are disclosed in “Appendix VI—Pre-IPO Share Option Scheme”; and
- (v) a full list of all the grantees who have been granted the Pre-IPO Share Options, containing all the details as required under Rule 17.02(1)(b) of and paragraph 27

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of Appendix 1A to the Listing Rules and paragraph 10 of Part I of the Third Schedule to the Companies Ordinance, will be made available for public inspection in accordance with the arrangement as set out in Appendix VII.

The SFC has granted to our Company the exemption under the Companies Ordinance on condition that:

- (i) on an individual basis, full details of the Pre-IPO Share Options granted to each of our Directors, members of the senior management of our Group and connected persons of our Group and grantees who were granted options to subscribe for more than 1,000,000 Shares under the Pre-IPO Share Option Scheme, are disclosed in the paragraph headed “Pre-IPO Share Option Scheme” in Appendix VI to this prospectus, as required by paragraph 10 of Part I of the Third Schedule to the Companies Ordinance;
- (ii) for the remaining grantees, disclosure is made, on an aggregate basis, of (1) their aggregate number of grantees and the number of Shares underlying the Pre-IPO Share Options; (2) the consideration paid for the Pre-IPO Share Options; and (3) the exercise period and exercise price of the Pre-IPO Share Options; and
- (iii) a full list of all the grantees who have been granted the Pre-IPO Share Options, containing all the details as required in paragraph 10 of Part I of the Third Schedule to the Companies Ordinance, is made available for public inspection in accordance with the arrangement as set out in Appendix VII to this prospectus.

CONNECTED TRANSACTIONS

We have entered into and are expected to continue certain transactions that will constitute non-exempt continuing connected transactions of our Company under the Listing Rules upon the Listing. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has agreed to grant, waivers in relation to certain continuing connected transactions between our Group and certain connected persons under Chapter 14A of the Listing Rules. For further details, see “Connected Transactions”.

PUBLIC FLOAT REQUIREMENT

Rule 8.08(1)(a) of the Listing Rules requires that at least 25% of an issuer’s total issued share capital must at all times be held by the public. We have applied to the Stock Exchange to request the Stock Exchange to exercise, and the Stock Exchange has agreed to exercise, its discretion under Rule 8.08(1)(d) of the Listing Rules to accept a lower public float percentage of 20.61% of our total issued share capital. In addition, we have undertaken:

- (i) that the minimum public float should be at least (a) 20.61%; or (b) if and to the extent the Over-allotment Option is exercised, such higher percentage taking into account the number of Over-allotment Shares issued upon the earlier of (A) the full exercise of the Over-allotment Option and (B) the expiry of the Over-allotment Option;
- (ii) to make appropriate disclosure of the lower prescribed public float percentage in this prospectus;

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- (iii) to confirm the sufficiency of such public float in successive annual reports after the Global Offering; and
- (iv) to implement appropriate measures and mechanisms to ensure continual maintenance of the minimum public float percentage. In the event that the percentage of our total issued share capital in public hands falls below the minimum public float percentage of 20.61%, our Directors and the Controlling Shareholders will take appropriate steps, which may include a further issue of equity and/or the placing of some Shares by the Controlling Shareholders (and/or their associates) to Independent Third Parties, to ensure the minimum public float percentage prescribed by the Stock Exchange is complied with.