

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

In preparation for the Listing, our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

CONNECTED TRANSACTIONS

We have entered into certain transactions, which would constitute non-exempted continuing connected transactions of our Company under the Listing Rules after the Listing. We have applied to the Stock Exchange for waivers from strict compliance with the announcement, reporting and independent shareholders' approval requirements set out in Chapter 14A of the Listing Rules for such non-exempted continuing connected transactions. For more details on such connected transactions and the waivers, see "Connected Transactions".

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, we must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Since our principal business operations are managed and conducted primarily in China, and all the executive Directors currently reside in China, our Company considers that it would be practically difficult and commercially unnecessary to either relocate two executive Directors to Hong Kong or to appoint two additional executive Directors who are ordinarily resident in Hong Kong. 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 requirements under Rule 8.12 of the Listing Rules. Consequently, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements of Rule 8.12 of the Listing Rules and the following arrangements have been made for maintaining regular and effective communication with the Stock Exchange:

- we have appointed Mr. Or Wing Kee and Mr. Jiang Tianfan as our two authorized representatives pursuant to Rule 3.05 of the Listing Rules. Mr. Or Wing Kee ordinarily resides in Hong Kong. He will be the Company's principal channel of communication with the Stock Exchange and can be readily contacted in Hong Kong by phone, facsimile and/or email. Mr. Jiang Tianfan ordinarily resides in China. He is readily contactable in the PRC by phone, facsimile and/or email to deal promptly with enquiries from the Stock Exchange. Both authorized representatives are authorized to communicate on behalf of the Company with the Stock Exchange and both shall be authorized to accept service of process and notices on behalf of the Company in Hong Kong under the Hong Kong Companies Ordinance;
- each of the authorized representatives has means to contact all members of the Board of Directors (including the independent non-executive Directors) and of the senior management team promptly at all times as and when the Stock Exchange wishes to contact the Directors for any matters;
- all Directors and authorized representative have provided their mobile phone numbers, office phone numbers, facsimile numbers and email addresses to the Stock Exchange;

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- each of the Directors possesses or can apply for valid travel documents to visit Hong Kong for business purpose and would be able to come to Hong Kong and meet the Stock Exchange upon reasonable notice;
- we have appointed the compliance adviser pursuant to Rule 3A.19 of the Listing Rules who will act as an additional channel of communication with the Stock Exchange and will have access at all times to the authorized representatives, the Directors and the other officer 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, and will provide professional advice on matters relating to compliance with the Listing Rules and other obligations for companies listed in Hong Kong; and
- the Joint Sponsors have stressed to the Directors and the authorized representatives of the Company the importance of maintaining regular and uninterrupted communication with the Stock Exchange and, in particular, the requirements set out in Chapter 2 and Rule 3A.05 of, and Appendix 14 to, the Listing Rules.