
WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the Listing, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules.

MANAGEMENT PRESENCE

Rule 8.12 of the Listing Rules requires that a new applicant applying for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong. This normally means that at least two of its executive directors must ordinarily reside in Hong Kong.

Since the business, operations and production facilities of our Group are primarily located, managed and conducted in the PRC, there is no business or practical need for our Company to appoint executive Directors in Hong Kong. All of the executive Directors and the majority of our Group's senior management are, and will continue to be, based in the PRC. Substantially all of our Group's assets are based in the PRC. Our 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.

An application for a waiver from strict compliance with the requirement to have a sufficient management presence in Hong Kong under Rule 8.12 of the Listing Rules has been made to the Stock Exchange and such waiver has been granted by the Stock Exchange.

The arrangements proposed by our Company for maintaining at all times regular, adequate and effective communication with the Stock Exchange for the purposes of Rule 8.12 of the Listing Rules and in accordance with the Guidance Letter HKEX-GL9-09 of the Stock Exchange are as follows:

- (a) our Company has appointed and will continue to maintain two authorised representatives pursuant to Rule 3.05 of the Listing Rules who will act as our Company's principal channel of communication with the Stock Exchange. The two authorised representatives appointed are Mr. Zhang (an executive Director) and Mr. Chan Yiu Sing (the company secretary of our Company). The authorised representatives will have the means to contact all our Directors promptly at all times as and when the Stock Exchange wishes to contact our Directors on any matters. They will provide their usual contact details to the Stock Exchange and will be readily contactable by the Stock Exchange if necessary to deal with enquiries from the Stock Exchange from time to time. Each of the two authorised representatives is authorised to communicate on behalf of our Company with the Stock Exchange. Our Company has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance and Mr. Chan Yiu Sing has also been authorised to accept service of legal process and notices in Hong Kong on behalf of our Company. Our Company will inform the Stock Exchange promptly if there is any change in our authorised representatives or the contact details of any of them;
- (b) each Director who does not ordinarily reside in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time upon prior notice from the Stock Exchange, if required;
- (c) our Company has appointed CCBI as its compliance adviser pursuant to Rule 3A.19 of the Listing Rules who will also act as an additional channel of communication between

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

our Company and the Stock Exchange for the period commencing on the Listing Date and ending on the date on which our 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. Our Company will inform the Stock Exchange promptly of any changes in the compliance adviser;

- (d) our Company will appoint other professional advisers (including legal advisers and accountants) to advise on on-going compliance requirements and other issues arising from the Listing Rules and other applicable laws and regulations in Hong Kong and to ensure that there will be efficient communication with the Stock Exchange after the Listing; and
- (e) each of our Directors will provide his respective mobile phone number, office phone number, e-mail address and fax number to the Stock Exchange prior to the Listing. In the event that a Director expects to travel outside Hong Kong, he shall provide to the authorised representatives the phone numbers of the place of his accommodations outside Hong Kong or the phone numbers where he can be contacted outside Hong Kong.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transactions with our connected persons which will constitute continuing connected transactions of our Company under the Listing Rules after the Listing. We have applied to the Stock Exchange for, and the Stock Exchange has granted a waiver from strict compliance with the relevant announcement requirements set out in Chapter 14A of the Listing Rules for these continuing connected transactions. Please refer to the section headed “Connected Transactions” in this prospectus for further details of these continuing connected transactions and the waiver granted by the Stock Exchange.