
WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

WAIVER FROM STRICT COMPLIANCE WITH RULE 8.12 OF THE LISTING RULES

An application has been submitted to the Stock Exchange for a waiver from strict compliance with Rule 8.12 of the Listing Rules which requires a new applicant applying for primary listing on the Main Board to have sufficient management presence in Hong Kong. This will normally mean that at least two executive directors must be ordinarily resident in Hong Kong.

Since the operations of our Group are managed and conducted principally in the PRC and no business activity is carried out or managed in Hong Kong, and all our executive Directors ordinarily reside in the PRC, we consider that it would be practically difficult and commercially unnecessary for us to either relocate two executive Directors to Hong Kong or to appoint two additional executive Directors who are Hong Kong residents. We do not have, and do not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purposes of satisfying the requirements under Rule 8.12 of the Listing Rules.

In this regard, the Stock Exchange has granted a waiver to our Company from strict compliance with the requirements under Rule 8.12 of the Listing Rules. In order to maintain regular and effective communication with the Stock Exchange, the following arrangements, among other things, have been/will be made:–

- We have appointed two authorised representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange. The two authorised representatives are Mr. Liu Hongwei (an executive Director) and Mr. Yu Chon Man, Jimmy (qualified accountant and company secretary who is ordinarily resident in Hong Kong). Each of the authorised representatives will be available to meet with the Stock Exchange within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile or email. Each of Mr. Liu Hongwei and Mr. Yu Chon Man, Jimmy is authorised to communicate on behalf of the Company with the Stock Exchange. Both of the authorised representatives will be able to contact our Directors (including the independent non-executive Directors) promptly at all times by telephone, facsimile and email as and when the Stock Exchange wishes to contact our Directors for any matters;
- To further enhance communication between the Stock Exchange, the authorised representatives and our Directors, we have implemented a policy whereby (a) each Director will have to provide his mobile phone number(s), residential phone number(s), office phone number(s), facsimile number(s) and email address to the authorised representatives and the Stock Exchange; and, (b) in the event that a Director expects to travel, he will have to provide valid phone number(s) or means of communications to the authorised representatives;

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- Each of our Directors (including the non-executive Directors and the independent non-executive Directors) holds valid travel documents such that he will be available to travel to Hong Kong to meet with the Stock Exchange upon reasonable notice; and
- We will appoint ICBCIC as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules, who will have access at all times to the authorised representatives and our Directors and the other senior management, and will act as our principal channel of communication with the Stock Exchange when the authorised representatives are not available. The compliance advisor will be appointed for a period commencing on the Listing Date and ending on the date on which we distribute the annual report for the first full financial year after the Listing Date in accordance with Rule 13.46 of the Listing Rules.