
WAIVER FROM COMPLIANCE WITH THE LISTING RULES

In preparation for the Listing, we have sought the following waiver 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 be ordinarily resident in Hong Kong. Since the principal business operations and manufacturing facilities of our Group are primarily located in China, the senior management members of our Group are and will therefore continue to be based in China. At present, Ms. Choi Mun Duen, the company secretary of our Company, is ordinarily resident in Hong Kong and none of our executive Directors are ordinarily resident in Hong Kong. We have applied to the Stock Exchange for a waiver from the strict compliance with the requirement under Rule 8.12.

We have received from the Stock Exchange a waiver from strict compliance with Rule 8.12 of the Listing Rules subject to the following conditions:

- (a) the authorised representatives, namely Mr. Ding Wuhao, an executive Director and Ms. Choi Mun Duen, our Company's company secretary who is ordinarily resident in Hong Kong, will act as our Company's principal channel of communication with the Stock Exchange. Each of the authorised representatives will be available to meet with the Stock Exchange in Hong Kong upon short notice and will be readily contactable by telephone, fax or e-mail;
- (b) both of the authorised representatives have means to contact all our Directors (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters. Our Company will implement a policy whereby all Directors will provide (i) their mobile phone numbers, residential phone numbers, office phone numbers, fax numbers and e-mail addresses to the authorised representatives and the Stock Exchange; and (ii) valid phone numbers or means of communication to the authorised representatives when they are travelling;
- (c) our Company has appointed Piper Jaffray Asia Limited to act as our compliance adviser, who will serve as a communication channel with the Stock Exchange from the Listing Date to the date when our Company distributes our annual reports to our Shareholders for the first full financial year immediately after our Company's listing on the Stock Exchange in accordance with Rule 3A.19; and
- (d) all of our executive Directors have obtained valid travel documents to visit Hong Kong and will be able to meet with the relevant members of the Stock Exchange within a reasonable period of time.