

### MANAGEMENT PRESENCE IN HONG KONG

Under Rule 8.12 of the Listing Rules, a new applicant applying for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong. This will normally mean that at least two of its executive directors must be ordinarily resident in Hong Kong.

Since all of the business operations of the Group are managed and conducted in the PRC and all of the turnover of the Group is generated from the PRC, the senior management members of our Group are and will therefore continue to be based in the PRC. At present, Mr. Lai Chun Yu, the company secretary of the Company is ordinarily resident in Hong Kong and none of our executive Directors are ordinarily resident in Hong Kong.

The Company has applied to the Stock Exchange for a waiver from strict compliance with the requirement under Rule 8.12 of the Listing Rules.

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:

- (i) the authorised representatives, namely Mr. Hu Xian Wei, and executive Director, and Mr. Lai Chun Yu, the Company's company secretary, will act as the Company's principal channel of communication with the Stock Exchange. The two authorized representatives will be available to meet the Stock Exchange on reasonable notice as and when required and will be readily contactable by phone, facsimile and email to promptly address inquiries from the Stock Exchange;
- (ii) both of the authorised representatives have means of contacting all Directors (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact the Directors;
- (iii) one of the independent non-executive Directors, namely Mr. Tse Chi Man, is ordinarily resident in Hong Kong and will serve as an additional channel of communication with the Stock Exchange;
- (iv) each of the Directors who is not ordinarily resident in Hong Kong possesses valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time; and
- (v) the Company has appointed Piper Jaffray Asia Limited as its compliance adviser from the Listing Date to the date when the Company publishes its annual report for the first full financial year immediately after the Listing Date.

The Company confirms that the abovementioned arrangements have been/will be implemented.