

WAIVER FROM COMPLIANCE WITH THE LISTING RULES

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong and, in normal circumstances, at least two of the issuer's executive Directors must be ordinarily resident in Hong Kong.

The headquarters of the Group is located in Guangdong province, the PRC. The Company does not have and, for the foreseeable future, expects that it will not have sufficient management presence in Hong Kong for the purposes of satisfying the requirement under Rule 8.12 of the Listing Rules.

Accordingly, the Company has applied to the Stock Exchange for a waiver from strict compliance with the requirements of Rule 8.12 of the Listing Rules. In order to maintain effective communication with the Stock Exchange, the Company will put in place the following measures:

- (i) the Company will appoint two authorised representatives pursuant to Rule 3.05 of the Listing Rules, who will act as the Company's principal channel of communication with the Stock Exchange. The two authorised representatives to be appointed are Mr. Li Xinghao, an executive Director, and Mr. Leung Hon Man, the company secretary and the Chief Financial Officer of the Company. Mr. Leung Hon Man is ordinarily resident in Hong Kong. Each of the authorised representatives will be available to meet with the Stock Exchange within a short notice upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and email. Each of the two authorised representatives is authorised to communicate on behalf of the Company with the Stock Exchange;
- (ii) both the authorised representatives have means to contact all members of the Board (including the independent non-executive Directors) and of the senior management team of the Company promptly at all times as and when the Stock Exchange wishes to contact the Directors for any matters. To enhance the communication between the Stock Exchange, the authorised representatives and the Directors, the Company will implement a policy that (a) each executive Director and independent non-executive Director will have to provide their respective office phone numbers, mobile phone numbers, residential phone numbers, fax numbers and email addresses to the authorised representatives and his or her respective alternates; (b) in the event that an executive Director or independent non-executive Director expects to travel and be out of office, he/she will have to provide the phone number of the place of his/her accommodation to the authorised representatives; and (c) all the executive Directors, independent non-executive Directors and authorised representatives will provide their office phone numbers, mobile phone numbers, residential phone numbers, fax numbers and email addresses to the Stock Exchange;
- (iii) all executive Directors have confirmed that they possess 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 short notice; and

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- (iv) the Company will appoint Access Capital Limited as compliance adviser to act as the alternate channel of communication with the Stock Exchange for the period commencing on the date of the initial listing of the shares of the Company on the Main Board of the Stock Exchange and ending on the date on which the 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 date of its initial listing.

In light of the above arrangements, the Company believes that all members of the Board can be promptly informed of any matters raised by the Stock Exchange and that there is an effective communication channel with the Stock Exchange.