
WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the [●], we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and the Companies Ordinance:

I. MANAGEMENT PRESENCE

Rule 8.12 of the Listing Rules requires that a new applicant applying for a [●] 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 we carry on a significant part of our business operations in the PRC and all of our manufacturing facilities are located in the PRC, our head office and our senior management members are and will continue to be based in the PRC. Our Group does not carry on any business nor do we have any other form of presence in Hong Kong. At present, Mr. Chau Kwok Keung, our executive Director, CFO, company secretary and authorised representative, is a holder of a Hong Kong permanent identity card and will be ordinarily resident in Hong Kong upon [●], but none of the other executive Directors are Hong Kong residents or based in Hong Kong. We have applied to the Stock Exchange for a waiver from strict compliance with the requirement under Rule 8.12.

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

- (a) we appoint two authorised representatives pursuant to Rule 3.05 of the Listing Rules who will act as our principal communication channel with the Stock Exchange and will ensure that they comply with the Listing Rules at all times. The two authorised representatives appointed are Mr. Chau Kwok Keung, who will continue to be an ordinary resident in Hong Kong, and Mr. Zhang, an executive Director and Chairman of our Company. Each of the authorised representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable period of time upon request and will be readily contactable by telephone, facsimile or e-mail. Both authorised representatives will provide his mobile phone numbers, residential phone numbers, fax numbers and email addresses to the Stock Exchange. Each of the two authorised representatives has been duly authorised to communicate on our behalf with the Stock Exchange;
- (b) we appoint a compliance adviser pursuant to Rule 3A.19 of the Listing Rules who will also act as our communication channel with the Stock Exchange for a period commencing on the [●] Date and ending on the date on which we distribute the annual report for the first full financial year after the [●] Date in accordance with Rule 13.46 of the Listing Rules;
- (c) both the authorised representatives have means to contact all members of the Board (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact the members of the Board for any matters. We will implement a policy whereby (i) each Director (including the independent non-executive Directors) will provide his or her mobile phone number, residential phone number, fax number and e-mail address to the authorised representatives; (ii) each Director (including the independent non-executive Directors) will provide valid phone numbers or means of communication to the authorised representatives when he or she travels; and (iii) each Director (including the independent non-executive Directors) will provide his or her mobile phone number, residential phone number, office phone number, fax number and e-mail address to the Stock Exchange; and
- (d) all Directors who are not ordinarily resident in Hong Kong have confirmed that they hold valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time, when required.