
WAIVERS FROM COMPLIANCE WITH THE LISTING RULES

In preparation for Listing, our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

I. MANAGEMENT PRESENCE

Under Rule 8.12 of the Listing Rules, we must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong.

Given that substantially all of our business operations and management are located in the PRC, we consider that it will be unduly burdensome for us to maintain management presence in Hong Kong in order to comply with the requirements under Rule 8.12 of the Listing Rules. Accordingly, we have applied to the Stock Exchange for a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules, and the waiver has been granted by the Stock Exchange.

We have put in place the following measures to maintain regular communication with the Stock Exchange:

- (a) we have appointed Mr. Wang Mengde and Mr. Ngai Wai Fung as our authorized representatives under Rule 3.05 of the Listing Rules who will act as our principal channel of communication with the Stock Exchange. Mr. Ngai Wai Fung is ordinarily resident in Hong Kong and is one of joint company secretaries whereas Mr. Wang Mangde is our executive Director and Chief Financial Officer. Both of them will be available to meet the Stock Exchange on reasonable notice as and when required and will be readily contactable by the Stock Exchange by phone, fax or e-mail;
- (b) our authorized representatives will have means to contact all members of our Board (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters;
- (c) we shall promptly inform the Stock Exchange of any changes of our authorized representatives and the contact details of our authorized representatives and Directors;
- (d) all executive Directors, non-executive Directors and independent non-executive Directors who are not ordinarily resident in Hong Kong have confirmed that either they possess or will apply for 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;
- (e) we have appointed Anglo Chinese as our compliance advisor under Rule 3A.19 of the Listing Rules for a period commencing on the Listing Date and ending on the date on which we distribute our annual report for the first full financial year after the Listing Date to provide us with professional advice on continuing obligations under the Listing Rules and to act as the alternative channel of communication with the Stock Exchange; and
- (f) each Director has provided his or her mobile phone number, office phone number, e-mail address and fax number to the Stock Exchange.

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II. QUALIFICATION OF JOINT COMPANY SECRETARIES

Under Rule 8.17 of the Listing Rules, the company secretary of the issuer must be a person who is ordinarily resident in Hong Kong and who has the requisite knowledge and experience to discharge the functions of the company secretary and is either (i) a member of The Hong Kong Institute of Company Secretaries, a solicitor or barrister or a professional accountant, or (ii) an individual who, by virtue of his academic or professional qualifications or relevant experience, is in the opinion of the Stock Exchange capable of discharging those functions.

Although Mr. Huang Shuping is not ordinarily resident in Hong Kong and does not possess the qualification required under Rule 8.17 of the Listing Rules, he is appointed by the Company as one of the joint company secretaries due to his experience in business management and thorough understanding of the business operations of the Group. Accordingly, we have applied to the Stock Exchange for a waiver from strict compliance with the requirements under Rule 8.17 of the Listing Rules and the waiver has been granted by the Stock Exchange.

In support of the waiver application, our Company has appointed:

- (i) Mr. Ngai Wai Fung as the other joint company secretary for a period of three years commencing on the Listing Date (the “Engagement Period”). Mr. Ngai is ordinarily resident in Hong Kong and possesses the qualifications required under Rule 8.17 of the Listing Rules. Apart from discharging his functions in his role as one of the joint company secretaries, Mr. Ngai will ensure that he will be available to provide assistance and on-the-job training to Mr. Huang to enable him to acquire the relevant company-secretary related experience (required under Rule 8.17(3) of the Listing Rules) and to enhance and improve his knowledge and familiarity with the requirements of the Listing Rules. In addition, our Company will on a regular basis provide in-house training courses for Mr. Huang and/or arrange Mr. Huang to attend external seminars on related topics.
- (ii) Mr. Wang Mengde and Mr. Ngai Wai Fung as our authorized representatives under Rule 3.05 of the Listing Rules. They will act as our principal channel of communication with the Stock Exchange. Mr. Ngai is ordinarily resident in Hong Kong and is one of our joint company secretaries, whereas Mr. Wang Mengde is an executive Director and our Chief Financial Officer. Both of them will be available to meet the Stock Exchange on reasonable notice as and when required and will be readily contactable by the Stock Exchange.
- (iii) Anglo Chinese as our compliance advisor under Rule 3A.19 of the Listing Rules for a period commencing on the Listing Date and ending on the date on which we distribute our annual report for the first full financial year after the Listing Date to provide us with professional advice on continuing obligations under the Listing Rules and to act as an alternative channel of communication with the Stock Exchange.

The waiver granted is valid for an initial period of three years from the Listing Date. Upon expiry of the Engagement Period, Mr. Huang’s competence and ability in discharging the duties of a company secretary of our Company and the need for ongoing assistance will be further evaluated by our Company in order to determine whether the appointment of Mr. Huang as sole company secretary would satisfy the requirements as stipulated in the Listing Rules.