
WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

MANAGEMENT PRESENCE IN HONG KONG

Rule 8.12 of the Listing Rules provides that a new applicant applying for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong, which normally means that at least two of its executive directors must be ordinarily resident in Hong Kong. The core business and operations of our Company are primarily located, managed and conducted in Fujian province, the PRC. Substantially, all of our Group's assets are based in the PRC. All of our executive directors are ordinarily based in the PRC and our Company does not and, in the foreseeable future, will not have any management presence in Hong Kong.

In view of that, we have applied to the Stock Exchange for, and the Stock Exchange has agreed to grant, a waiver from the compliance with Rule 8.12 of the Listing Rules.

In order to ensure that regular communication is effectively maintained between the Stock Exchange and the Company, we will put in place the following measures:

- (a) we have appointed two authorised representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our Company's principal channel of communication with the Stock Exchange and ensure that our Group comply with the Listing Rules at all times. The two authorised representatives are Ms. Hu Chin-Shu, our executive Director, and the company secretary of the Company. The company secretary is ordinarily resident in Hong Kong. Each of the authorised representatives will be available to meet with the Stock Exchange within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and email (if applicable). Each of the two authorised representatives is authorised to communicate on behalf of the Company with the Stock Exchange. Our Company has registered as a non-Hong Kong company under Part XI of the Companies Ordinance where the company secretary will also be authorised to accept service of legal process and notices in Hong Kong on behalf of our Company.
- (b) Each of the authorised representatives has means to contact all members of the Board and of the senior management team 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, we will implement a policy that (a) each Director will have to provide their respective office phone numbers, mobile phone numbers, residential phone numbers, fax numbers and email addresses (if applicable) to the authorised representatives and his or her respective alternates; and (b) in the event that a 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.
- (c) In addition, all Directors will provide their mobile phone numbers, residential phone numbers, office numbers, fax numbers and email address to the Stock Exchange to ensure that they will be readily contactable when necessary to deal promptly with enquiries from the Stock Exchange.
- (d) Furthermore, all Directors have confirmed that they possess valid travel documents to visit Hong Kong for business purposes and would be able to come to Hong Kong and meet the Stock Exchange upon reasonable notice.

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In compliance with Rule 3A.19 of the Listing Rules, we will appoint a compliance adviser to act as the alternate channels of communication with the Stock Exchange for the period commencing on the date of the initial listing of the shares of our Company on the Main Board of the Stock Exchange and ending on the date on which the Company complies with Rule 13.46 in respect of its financial results for the first full financial year commencing after the date of its initial listing.

CONNECTED TRANSACTIONS

Members of our Group have entered and are expected to enter into certain transactions, which would constitute continuing connected transactions for our Company under the Listing Rules after the Listing. We have applied to the Stock Exchange for a waiver from strict compliance with the announcement requirement and/or independent shareholders' approval set out in Chapter 14A of the Listing Rules for such continuing connected transactions. For further details of such waiver, see the section headed "Connected Transactions" of this prospectus.