

WAIVERS FROM STRICT COMPLIANCE WITH LISTING RULES

MANAGEMENT PRESENCE IN HONG KONG

Rule 8.12 of the Listing Rules provides that an issuer 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. Currently, all of the business operation of our Group, including manufacturing, sale and research and development of our products, are located, managed and conducted in the PRC. Our Company does not and, in the foreseeable future, will not have any management presence in Hong Kong.

In light of the above, we have applied to the Stock Exchange for, and the Stock Exchange has agreed to grant, a waiver to us from strict compliance with Rule 8.12 of the Listing Rules. We have adopted the following arrangements in order to maintain regular and effective communication with the Stock Exchange:

- (a) We have appointed Mr. Guan, an executive Director (and Ms. Chen Xian, one of our senior management, as his alternate), and Mr. Yip Ngai Hang, the financial controller and company secretary of our Company, as our Company's 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. Mr. Yip Ngai Hang is ordinarily resident in Hong Kong.
- (b) All Directors who are not ordinarily resident in Hong Kong possess valid travel documents to visit Hong Kong and can meet with the relevant members of the Stock Exchange within a reasonable period when required.
- (c) Each of the Directors will provide their respective mobile phone numbers, office phone numbers, e-mail addresses and fax numbers to the Stock Exchange.
- (d) Each of the authorised representatives (including the alternate authorised representative) has means to contact all Directors promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters.
- (e) Our Company has also retained Daiwa as our compliance adviser in accordance with Rule 3A.19 of the Listing Rules and to act as the additional channel of communication with the Stock Exchange.
- (f) Our Company will also appoint other professional advisers (including legal advisers and accountants) after Listing to assist us in dealing with any questions which may be raised by the Stock Exchange and to ensure that there will be efficient communication with the Stock Exchange.

CONTINUING CONNECTED TRANSACTIONS

Our Group has entered into certain transactions which would constitute non-exempt continuing connected transactions of our Company under the Listing Rules after Listing. We have applied to the Stock Exchange for, and the Stock Exchange has accordingly granted, a waiver from strict compliance with the announcement and independent shareholders' approval requirements set out in Chapter 14A of the Listing Rules for such non-exempt continuing connected transactions. Please refer to the section headed "Connected transactions – Continuing connected transactions – Continuing connected transactions subject to reporting, announcement and independent shareholders' approval requirements" in this prospectus for details on the non-exempt continuing connected transactions.