

WAIVER FROM COMPLIANCE WITH THE LISTING RULES

For the purpose of the Listing, we have sought a waiver from the Stock Exchange in relation to strict compliance with Rule 8.12 of the Listing Rules.

Rule 8.12 of the Listing Rules requires that a new applicant for a primary listing on the Stock Exchange to have a sufficient management presence in Hong Kong, which normally means that at least two of the new applicant's executive directors must be ordinarily resident in Hong Kong.

Our Group's headquarters is in Jiangxi Province, the PRC and our operations are all managed and conducted in the PRC. We do not have two executive Directors who are ordinarily resident in Hong Kong and our executive Directors are based at our Group's headquarters in Jiangxi Province, the PRC to oversee our business and operation. Given that our Group's headquarters is in Jiangxi Province, the PRC, it would be practically difficult and commercially unfeasible for our Company to comply with the requirements of Rule 8.12 of the Listing Rules.

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 have been granted a waiver subject to the following conditions:

- (i) our Company will appoint two authorised representatives, namely Mr. Zheng, an executive Director, and Mr. Cheung Chi Fai Frank, our company secretary, shall act as our Company's principal channel of communications with the Stock Exchange and will ensure the Group's full compliance with the Listing Rules at all times. Each of the authorised representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time-frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and e-mail. Each of the authorised representatives is authorised to communicate on behalf of our Company with the Stock Exchange;
- (ii) in compliance with Rule 3A.19 of the Listing Rules, we will retain a compliance adviser acceptable by the Stock Exchange for a period commencing on the Listing Date and ending on the date on which we distribute the annual report for the first full financial year commencing after the Listing Date in accordance with Rule 13.46 of the Listing Rules. The compliance adviser will provide us with advice on the obligation in compliance with the Listing Rules, all other applicable laws, rules, codes and guidelines and will act as an additional channel of communication with the Stock Exchange; and
- (iii) the two authorised representatives have means of contacting all our Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors on any matters. To enhance communication with the Stock Exchange, we will implement a policy whereby:
 - (a) each Director will have to provide his phone numbers, fax numbers and e-mail addresses to the authorised representatives;
 - (b) in the event that a Director expects to travel and be out of office, he shall provide to the authorised representatives the valid phone number of the place of his accommodation or other means of communications; and

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- (c) our Directors will provide their respective residential phone numbers, mobile phone numbers, office phone numbers, fax numbers and email addresses to the Stock Exchange.

- (iv) all our Directors (including our independent non-executive Directors) who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and all our Directors and authorised representatives can meet with the Stock Exchange within a reasonable time.