
WAIVER FROM COMPLIANCE WITH THE LISTING RULES

In preparation for the Listing, we have sought the following waiver from strict compliance with the relevant provision of the Listing Rules:

MANAGEMENT PRESENCE

Rule 8.12 of the Listing Rules requires that a new applicant applying for a primary listing on the Stock Exchange 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.

Our Group's business has been and will continue to be focused primarily on the PRC markets.

The Board will comprise 3 executive Directors and 3 independent non-executive Directors. Out of the 3 executive Directors, Mr. Li Chi Kong, who is mainly responsible for the day-to-day operations of our Group's business in Hong Kong, ordinarily resides in Hong Kong. Mr. Ng Qing Hai and Mr. Yu Zhong, being the executive Directors, are required to be based in Shanghai but could travel regularly between Hong Kong and the PRC.

Due to the diverse geographical focus of our Group's business as set out above, the Directors consider that it would be practically difficult and commercially not feasible for us to appoint two Executive Directors who are ordinary residents in Hong Kong and station them in Hong Kong merely for the purpose of complying with Rule 8.12 of the Listing Rules.

An application has thus been made to the Stock Exchange for a waiver from strict compliance with the requirement to have a sufficient management presence in Hong Kong under Rule 8.12 of the Listing Rules and such waiver has been granted by the Stock Exchange. The arrangements proposed by our Company for maintaining at all times regular, adequate and effective communication with the Stock Exchange for the purpose of Rule 8.12 of the Listing Rules are as follows:

- (a) we have appointed two authorised representatives pursuant to Rule 3.05 of the Listing Rules who are ordinary residents in Hong Kong and will act as our principal communication channel with the Stock Exchange and will ensure that our Group complies with the Listing Rules at all times. The two authorised representatives appointed are Mr. Li Chi Kong, an executive Director, and Ms. Wong Ka Hang, the company secretary. 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 email. Each of the two authorised representatives is authorised to communicate on behalf of us with the Stock Exchange;
- (b) we shall promptly inform the Stock Exchange if there are any change to the authorised representatives;
- (c) all the authorised representatives have means to contact all members of the Board (including the independent non-executive Directors) and the senior management team promptly at all times as and when the Stock Exchange wishes to contact any of them for any matters. To enhance the communications between the Stock Exchange, the authorised representatives and the Directors, we will implement a number of policies whereby (i) each Director will provide his or her mobile phone number, residential phone number, office phone number, fax number (if applicable) and email address (if applicable) to the authorised representatives; (ii) in the

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event that each Director expects to travel and be out of office, he or she will provide contact details or means of communication to the authorised representatives; and (iii) each Director and our authorised representatives will provide his or her mobile phone number, office phone number, fax number (if applicable) and email address (if applicable) to the Stock Exchange;

- (d) if circumstances require, meeting of the Board can be summoned and held in a manner as permitted under the Articles at short notice to discuss and address any issue with which the Stock Exchange is concerned in a timely manner;
- (e) Mr. Li Chi Kong, being an executive Director, Ms. Wong Ka Hang, being the company secretary and Mr. Chan Sze Chung, Mr. Cheng Kin Chung and Ms. Yang Yan Tung Doris, all three being independent non-executive Directors, are ordinary residents in Hong Kong and will serve as our additional channels of communication with the Stock Exchange;
- (f) all the Directors have confirmed that they possess valid travel documents to travel freely to Hong Kong and will be able to come to Hong Kong and meet the Stock Exchange upon reasonable short notice, when required; and
- (g) the Company shall appoint Altus Capital as compliance adviser pursuant to Rule 3A.19 of the Listing Rules to provide us with professional advice on continuing obligations under the Listing Rules, who will also act at all times, in addition to our two authorised representatives, as the principal channel of communication between us and the Stock Exchange, from the Listing Date to the date when we published our annual report for the first full financial year immediately after the Listing Date.