
WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the Listing, we have sought the following waivers from strict compliance with the relevant provisions 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. As our business and operations are conducted through Billion Fujian in the PRC, and all of our manufacturing facilities are also located in the PRC, our Group's head office and our senior management members (other than the chief financial officer and company secretary of our Company, Ms. Ng Weng Sin) are and will continue to be based in the PRC. We do not carry on any business nor do we have any other form of presence in Hong Kong. Although Mr. Sze Tin Yau, an executive Director, holds a Hong Kong permanent identity card, and Mr. He Wenyao, an executive Director, holds a Hong Kong identity card, they will not ordinarily reside in Hong Kong. None of the executive Directors will be based in Hong Kong upon the Listing. We have applied to the Stock Exchange for a waiver from strict compliance with the requirement under Rule 8.12 of the Listing Rules.

We have received from the Stock Exchange a waiver from strict compliance with Rule 8.12 of the Listing Rules subject to the following conditions:

- (a) We have appointed two authorized representatives pursuant to Rule 3.05 of the Listing Rules who will act as our principal communication channel with the Stock Exchange and will ensure that they comply with the Listing Rules at all times. The two authorized representatives appointed are Mr. Sze Tin Yau, chairman of the Board and an executive Director, and Ms. Ng Weng Sin, our chief financial officer and company secretary who is ordinarily resident in Hong Kong. Each of the authorized representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable period of time upon request and will be readily contactable by mobile or residential telephone, facsimile or email. Each of the two authorized representatives has been duly authorized to communicate on our behalf with the Stock Exchange.
- (b) We have appointed Haitong International Capital Limited as the compliance adviser pursuant to Rule 3A.19 of the Listing Rules who will act as our additional authorized communication channel with the Stock Exchange for the period commencing on the Listing Date and ending on the date on which we distribute the annual report for the first full financial year after the Listing Date in accordance with Rule 13.46 of the Listing Rules.
- (c) Both authorized representatives have means to contact all members of the Board (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact the members of the Board for any matters.

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- (d) We implement a policy whereby (i) each Director (including the independent non-executive Directors) will provide his or her respective mobile phone number, residential phone number, office phone number, facsimile number and email address to the authorized representatives; (ii) each Director (including the independent non-executive Directors) will provide valid phone numbers or means of communication to the authorized representatives when he or she travels; and (iii) each Director (including the independent non-executive Directors) and each authorized representative will provide his or her mobile phone number, residential phone number, office phone number, facsimile number and email address to the Stock Exchange.
- (e) All of the executive Directors and the independent non-executive Directors who are not ordinarily residents in Hong Kong have confirmed that they possess valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange in Hong Kong within a reasonable period of time, when required.

CONNECTED TRANSACTIONS

A member of our Group has entered into certain transactions with the connected persons, which would constitute non-exempt continuing connected transactions of our Company under the Listing Rules after the Listing. Our Company has received from the Stock Exchange a waiver from strict compliance with the announcement and independent shareholders' approval requirements set out in Rules 14A.47 and 14A.48 of the Listing Rules for such non-exempt continuing connected transactions. Further details of such non-exempt continuing connected transactions and the waiver are set out in the section headed "Connected Transactions" in this prospectus.