
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. Since our principal business operations and production facilities are located in China, members of our senior management are, and will therefore be expected to continue to be, based in China. At present, Mr. Lai Ho Man, Dickson, our company secretary, is ordinarily resident in Hong Kong but none of our executive Directors are ordinarily resident in Hong Kong or based in Hong Kong. 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 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 of communication with the Stock Exchange. The two authorized representatives are Mr. Zeng Shaoxiong, an executive Director and Mr. Lai Ho Man, Dickson, our company secretary who is ordinarily resident in Hong Kong. Mr. Zeng Shaoxiong confirmed that he possessed valid travel documents and can readily travel to 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 telephone, facsimile or e-mail. Each of the two authorized representatives has been authorized to communicate on our behalf with the Stock Exchange;
- (b) The authorized representatives have means of contacting the Directors (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact the Directors on any matter. We have implemented a policy whereby (a) each Director will provide his office phone numbers, mobile phone numbers, residential phone numbers, office facsimile numbers and e-mail addresses to the authorized representatives; (b) in the event that an executive Director expects to travel and be out of office, he will have to provide valid phone numbers of the place of his communication to the authorized representatives; and (c) all Directors will provide their mobile phone numbers, office phone numbers, office facsimile numbers and e-mail addresses to the Stock Exchange;
- (c) We have appointed Haitong International Capital Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules who will have access at all times to our authorised representatives, Directors and other officers, and act as our additional channel of communication with 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 after the Listing Date in accordance with Rule 13.46 of the Listing Rules;
- (d) Meetings between the Stock Exchange and our Directors could be arranged through the authorised representatives or our Company's compliance adviser, or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange promptly in respect of any change in our Company's authorised representatives and compliance adviser; and

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- (e) All of our Directors who are not ordinarily resident in Hong Kong have confirmed that they possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period.

CONNECTED TRANSACTIONS

Members of our Group have entered into certain transactions, 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/or independent shareholders' approval requirements set out in Chapter 14A 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.