

MANAGEMENT PRESENCE IN HONG KONG

The operation and business of the Group is situated in, and all executive Directors are resided in, the PRC. The structure of the Group and the business nature does not warrant the setting up of a permanent office in Hong Kong and to have any of its executive Directors reside in Hong Kong instead of China. The Company has applied to the Stock Exchange for a waiver from the strict compliance of the requirements on having two executive Directors resided in Hong Kong.

Following the application by the Company, the Stock Exchange has granted a waiver to the Company from strict compliance with Rule 8.12 of the Listing Rules which requires at least two executive directors of the Company must be ordinarily residents in Hong Kong on the following conditions:

1. All the authorised representatives to be appointed by the Company have means to contact all members of the board of Directors (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact the Directors for any matters.
2. To enhance the communication between the Stock Exchange, the authorised representatives and the Directors, the Company will implement a policy that (a) each executive Director will have to provide his mobile telephone number, residential telephone number, fax numbers and email address to the authorized representatives; (b) each executive Director will provide valid phone number or means of communications to the authorized representatives when he is traveling; and (c) all the executive Directors will provide their mobile telephone numbers, residential telephone numbers, office telephone numbers, fax numbers and email addresses to the Stock Exchange.
3. The Company will appoint two authorised representatives pursuant to Rule 3.05 of the Listing Rules, who will act as the Company's principal channel of communication with the Stock Exchange. The two authorised representatives to be appointed are Mr. Lau Siu Fai, one of the three independent non-executive Directors, and Mr. Leung Wai Yip, the company secretary of the Company. Both are Hong Kong residents. Each of the authorised representatives and the Directors will be readily contactable by telephone, facsimile and email. Each of the two authorised representatives is authorised to communicate on behalf of the Company with the Stock Exchange. Mr. Leung Wai Yip, the company secretary, has also been authorised to accept service of process and notices in Hong Kong on behalf of the Company.
4. The Company shall promptly inform the Stock Exchange of any changes on the authorised representatives and the mobile telephone numbers, residential telephone numbers, fax numbers and email addresses of the authorised representatives and the Directors.
5. The Company has appointed BNP Paribas Capital as the compliance adviser pursuant to Rule 3A.19 of the Listing Rules who will act as the communication channel with the Stock Exchange for a period commencing on the Listing Date and ending on the date on which the Company distributes the annual report for the first full financial year after the Listing Date in accordance with Rule 13.46 of the Listing Rules.

WAIVERS FROM COMPLIANCE WITH THE LISTING RULES

6. All Directors (including the independent non-executive Directors) who are not ordinarily residents in Hong Kong have confirmed that they possess or will apply for valid travel documents to visit Hong Kong and all Directors and authorised representatives will be able to meet with the Stock Exchange within a reasonable period of time, when required.