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## WAIVERS

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In preparation for the dual primary listing, the Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

### I. CONNECTED TRANSACTIONS

Members of the Group have entered into certain transactions which would constitute non-exempt continuing connected transactions of the Company under the Listing Rules after the Listing. The Company has received from the Stock Exchange a waiver from strict compliance with the announcement requirement 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 waivers are set out in the section headed “Connected transactions” in this document.

### II. 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 ordinary residents in Hong Kong. Since principal business operations and manufacturing facilities of the Group are primarily located in China, the senior management members of the Group are and will therefore continue to be based in China. At present, none of the executive Directors are Hong Kong residents or based in Hong Kong. The Company has applied to the Stock Exchange for a waiver from the strict compliance with the requirement under Rule 8.12 of the Listing Rules.

The Company has received from the Stock Exchange a waiver from compliance with Rule 8.12 of the Listing Rules subject to the following conditions:

- (a) the Company has appointed and will continue to maintain two authorised representatives pursuant to Rule 3.05 of the Listing Rules, who will act as the Company’s principal communication channel with the Stock Exchange and will ensure that they comply with the Listing Rules at all times. The Company has appointed Ms. Wong Wai Han (“**Ms. Wong**”), one of joint company secretaries of the Company, who is ordinarily resident in Hong Kong, and Ms. Yan as its two authorised representatives. Each of the authorised 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 authorised representatives has been duly authorised to communicate on behalf of the Company with the Stock Exchange;
- (b) the Company has appointed a compliance adviser pursuant to Rule 3A.19 of the Listing Rules, who will also act as the Company’s communication channel with the Stock Exchange. The Company has appointed First Shanghai Capital Limited as its compliance adviser;
- (c) both the authorised 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 may wish to contact the members of the Board for any matters. The Company will implement a policy whereby (i) each Director will provide his or her mobile phone number, residential phone number, fax number and email address to the authorised representatives; (ii) each executive Director will provide valid phone numbers or other means of communication to the authorised representatives before he or she is travelling outside the PRC; and (iii) each executive Director will provide his or her mobile phone number, office phone number, fax number and e-mail address to the Stock Exchange;

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- (d) any meetings to be held between the Stock Exchange and the Company could be arranged through the authorised representatives or the compliance adviser, or directly with the Directors by a reasonable prior notice. The Company will inform the Stock Exchange promptly in the event of any change of the authorised representatives or the compliance adviser in accordance with the Listing Rules; and
- (e) all executive Directors and independent non-executive Directors who are not ordinarily resident in Hong Kong have confirmed that they are holders of valid travel documents which allow them to visit Hong Kong and will be able to meet with the officers of the Stock Exchange within a reasonable period of time upon request.

### III. QUALIFICATION OF COMPANY SECRETARY

Under Rule 8.17 of the Listing Rules, the company secretary of the issuer must be a person who is ordinarily resident in Hong Kong and has the requisite knowledge and experience to discharge the functions of the secretary of the issuer and who:

- (a) is an ordinary member of The Hong Kong Institute of Chartered Secretaries, a solicitor or barrister as defined in the Legal Practitioners Ordinance or a professional accountant as required under Rule 8.17(2) of the Listing Rules; or
- (b) is an individual who, by virtue of his academic or professional qualifications or relevant experience, is, in the opinion of the Hong Kong Stock Exchange, capable of discharging those functions as required under Rule 8.17(3) of the Listing Rules.

Our joint company secretaries, Mr. Cheah Soon Ann Jeremy (“**Mr. Cheah**”) and Ms. Foo Soon Soo (“**Ms. Foo**”) are ordinarily resident in Singapore and do not possess the qualification required under Rule 8.17(2) of the Listing Rules, and hence both Mr. Cheah and Ms. Foo do not meet the requirements under Rule 8.17(2) of the Listing Rules.

In this regard, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 8.17 of the Listing Rules for an initial period of three years from the Listing Date subject to the following conditions:

- (a) the Company has appointed (i) Ms. Wong, and Ms. Yan as authorised representatives of the Company, and (ii) First Shanghai Capital Limited as the compliance adviser of the Company to act as the Company additional communication channel with the Stock Exchange;
- (b) the Company has appointed Ms. Wong as a joint company secretary of the Company, who meets all requirements under 8.17 of the Listing Rules to assist Mr. Cheah and Ms. Foo so as to enable them to acquire the relevant experience in order to discharge the duties of a company secretary under Rule 8.17(3) of the Listing Rule. This waiver will be revoked immediately when Ms. Wong ceases to be a joint company secretary of the Company to assist Mr. Cheah and Ms. Foo during such three-year period;
- (c) the Company will engage Li & Partners, the Company’s legal advisers on Hong Kong laws, to provide assistance to Mr. Cheah and Ms. Foo to discharge their duties and obligations as a company secretary. Li & Partners is a registered law firm in Hong Kong and will be engaged as our legal advisers on Hong Kong laws for a minimum period of three years commencing from the Listing Date;
- (d) Mr. Cheah and Ms. Foo will take external training courses provided by the Law Society of Hong Kong or any other professional bodies in order to acquire and understand the updated requirements and developments of the Listing Rules. Furthermore, Li & Partners will periodically provide a series of training courses to Mr. Cheah and Ms. Foo for any update of the Listing Rules as well as other relevant laws and regulations during such three-year period; and

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- (e) upon the expiry of such three-year period as stated in paragraphs (a) to (d) above, the Stock Exchange will re-visit the situation in the expectation that the Company should then be able to demonstrate to the Stock Exchange satisfaction that, Mr. Cheah and Ms. Foo, having had the benefit of Ms. Wong's assistance for three years, would have acquired relevant experience within the meaning of Rule 8.17(3) such that a further waiver will not be necessary.

Each of Mr. Cheah, Ms. Foo and Ms. Wong has provided valid phone numbers and email addresses to the Stock Exchange and will inform the Stock Exchange promptly in the event of any change of means of communications. Furthermore, in order to ensure effective communication between our company secretaries and the Stock Exchange, we have appointed Ms. Yan and Ms. Wong as our authorised representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal communication channel with the Stock Exchange. Each of the authorised representatives will be available to meet with the Stock Exchange within a reasonable time frame upon request by the Stock Exchange and will be readily contactable by telephone or facsimile or email. We have also appointed First Shanghai Capital Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules, who will act as our principal communication channel with the Stock Exchange, in addition to our authorised representatives. The contact persons of our compliance adviser have provided their contact details to the Stock Exchange and will also be fully available to answer queries from the Stock Exchange.

#### IV. ISSUANCE OF SECURITIES AND NON-DISPOSAL OF SHARES

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted (i) a waiver from strict compliance with the restrictions on further issue of securities within the first six months following the Listing under Rule 10.08 of the Listing Rules, and a consequential waiver from strict compliance with Rule 10.07(1)(a) of the Listing Rules in respect of the deemed disposal of Shares by Controlling Shareholders upon issue of securities by the Company within the first six months of the Listing, and (ii) a waiver from strict compliance with the restrictions on Rule 10.07(1) and (2) of the Listing Rules in respect of disposal of a maximum of 244,870,400 Shares held by Go Power (representing approximately 24.49% of the total issued Shares) and an aggregate of approximately 87.26% equity interest in Go Power held by the 1,463 beneficiaries under the Trust Agreement 2 within the period as required under Rule 10.07(1) and (2) of the Listing Rules, on the conditions that:

- (a) any issue of Shares (or convertible securities) by the Company during the first six months after the Listing must be either for cash to fund a specific acquisition or as part or full consideration for acquisition(s);
- (b) the acquisition(s) as mentioned in (a) above must be for asset(s) or business(es) that will contribute to the growth of the operation of the Group;
- (c) each of Pioneer Top, Mr. Liu, Ms. Yan and all beneficiaries under the Trust Agreement 1 has provided the non-disposal undertaking as set out in the paragraph headed "Non-disposal undertaking" under the section headed "Relationship with the Controlling Shareholders and XLX Chem Group" in this document;
- (d) any such issue of new Shares will not result in the Controlling Shareholders ceasing to be controlling shareholders (as defined in the Listing Rules) of the Company as a result of the dilution of their holdings of Shares (i.e. deemed disposal of Shares) upon the issue of any Shares within twelve months of the Listing; and
- (e) Ms. Yan will not transfer or dispose of her direct or indirect holdings of Shares and her beneficial interests in Go Power within the period as required under Rule 10.07(1) and (2) of the Listing Rules.

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The reasons for application for the waiver (i) stated above by the Company are as follows:

- (a) we do not have current plans to raise funds in the short-term, but it is essential for the Company to have flexibility to raise funds by way of further issue of Shares or enter into further acquisitions for share consideration should an appropriate opportunity arise. Any issue of new Shares by the Company will enhance the Shareholders' base and increase the trading liquidity of the Shares, and the interests of the existing Shareholders would be prejudiced if the Company could not raise funds for its expansion due to the restrictions under Rule 10.08 of the Listing Rules;
- (b) the Listing of the Company on the Stock Exchange by way of Introduction will not result in any dilution of the interests of the existing Shareholders;
- (c) the interests of Shareholders are well protected since any further issue of Shares by the Company would be made under general mandate or subject to Shareholders' approval as required under Rule 13.36 of the Listing Rules; and
- (d) since the listing of the Company on the SGX-ST in June 2007, Pioneer Top, Mr. Liu and Ms. Yan have not disposed of their respective Shares held in the Company, and Mr. Liu and Ms. Yan have not transferred or disposed of their equity interests in Pioneer Top and Go Power respectively. Each of Pioneer Top, Mr. Liu, Ms. Yan and all beneficiaries under the Trust Agreement 1 has been and is prepared to be remaining strongly committed to the Company and has provided a non-disposal undertaking to the Company and the Stock Exchange as stated in this document.

The reasons for application for the waiver (ii) stated above by the Company are set out as follows:

- (a) the 1,463 beneficiaries under the Trust Agreement 2 are the current and past employees, suppliers and customers of the Group. None of them are the controlling shareholders, directors or senior management, nor have not been and will not be involved in the decision making on the Group's management and operation;
- (b) the 1,463 beneficiaries under the Trust Agreement 2 are entitled to transfer or disposal of their respective equity interests in Go Power in accordance with the terms and conditions of the Trust Agreement 2 by serving to Ms. Yan a written notice setting out their respective attributable interest in the Company held by Go Power that they would like to transfer or dispose of, and the Company and the Controlling Shareholders have no control over their investment and divestment decisions. Upon receipt of such written notice, Ms. Yan may transfer or dispose of such Shares subject to the requirements under the Listing Rules, the Listing Manual and other applicable laws and regulations. Upon completion of the transfer or disposal, the net proceeds from such transfer or disposal will be distributed to the relevant beneficiary directly; and
- (c) the lock-up requirement under Rule 10.07(1) and (2) of the Listing Rules will restrict the flexibility of Ms. Yan, in her capacity as the trustee under the Trust Agreement 2, in managing the trust assets and investments, including transfer and disposal of the beneficial interest in Go Power or the respective attributable interest in the Company held by Go Power on behalf of the 1,463 beneficiaries under the Trust Agreement 2, and hence she may not be able to protect the interest of those beneficiaries.

Save and except for the deemed disposal of Shares by the Controlling Shareholders upon the issue of securities by the Company, each of Pioneer Top, Mr. Liu, Ms. Yan and all beneficiaries under the Trust Agreement 1 confirms that he/she/it will comply with the restrictions on the disposal of securities under Rule 10.07 of the Listing Rules.