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## WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

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In preparation of the Listing, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

### MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong. This normally means that at least two of its executive directors must ordinarily reside in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 of the Listing Rules may be waived by the Stock Exchange in its discretion.

Since the business, operation and production bases of the Group are principally located, managed and conducted in the PRC, and the Group's head office situates in and substantially all of the executive Directors and senior management members of the Group are, and will continue to be, based in the PRC, the Company considers that it would be unduly burdensome to maintain sufficient management presence in Hong Kong for the sole purpose of satisfying the requirements under Rules 8.12 and 19A.15 of the Listing Rules. The Company therefore does not have, and does not contemplate in the foreseeable future that it will have a sufficient management presence in Hong Kong for the purpose of complying with the Listing Rules.

An application for a waiver from strict compliance with the requirement to have a sufficient management presence in Hong Kong under Rules 8.12 and 19A.15 of the Listing Rules has been made to the Stock Exchange and the Stock Exchange has granted such waiver subject to the following arrangements to ensure that there is an effective channel of communication between us and the Stock Exchange:

- (a) **Authorised Representatives:** pursuant to Rule 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorised representatives, namely Mr. Liu Zhiguang, the chairman of the Board and an executive Director, and Mr. Shi Lei, one of the joint company secretaries, the secretary to the Board and the Group's chief financial officer, as our authorised representatives (the "**Authorised Representatives**") and the Company's principal communication channel at all times between the Stock Exchange and the Company. Although Mr. Liu Zhiguang and Mr. Shi Lei reside in the PRC, they possess valid travel documents and are able to renew such travel documents when they expire in order to visit Hong Kong. The Authorised Representatives will also provide their usual contact details, and each of the Authorised Representatives has confirmed that he will be readily contactable by the Stock Exchange and will be available to meet with the Stock Exchange to discuss any matters within a reasonable time frame upon request of the Stock Exchange. The Authorised Representatives have means for contacting all Directors promptly at all times as and when the Stock Exchange wishes to contact the Directors on any matters. Each of the Directors, through the Authorised Representatives, can be reached by telephone, facsimile and email. The Company will also inform the Stock Exchange as soon as practicable in respect of any change in the Company's Authorised Representatives.
- (b) **Directors:** When the Stock Exchange wishes to contact the Directors on any matter, each Authorised Representative will have all necessary means to contact all Directors (including the independent non-executive Directors) promptly at all times. To enhance communication between the Stock Exchange, the Authorised Representatives and the Directors, the Company has implemented the following measures: (i) each Director must provide his mobile number, office number, e-mail address and facsimile number to the Authorised Representatives; (ii) in the event that a Director expects to travel and/or otherwise be out of office, he will provide phone number of the place of his accommodations or other contact details to the Authorised Representatives; and (iii) the

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Company will provide the mobile number, office number, e-mail address, facsimile number and residential address of each Director to the Stock Exchange in accordance with Rule 3.20 of the Listing Rules.

The Company currently has one independent non-executive Director (namely, Mr. Chung Wai Man) who is ordinarily resident in Hong Kong and he will act as additional channel of communication between the Stock Exchange and the Company.

Each of the Directors who does not ordinarily reside in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period.

- (c) **Compliance Adviser:** the Company has appointed Southwest Securities (HK) Capital Limited as its compliance adviser (the “**Compliance Adviser**”) pursuant to Rule 3A.19 of the Listing Rules which will provide the Company with professional advice on its continuing obligations under the Listing Rules and act as an additional communication channel with the Stock Exchange for the period commencing on the Listing Date and ending on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the Listing Date. The Compliance Adviser will be available to answer enquiries from the Stock Exchange and will act as the Company’s principal channel of communication with the Stock Exchange when the Authorised Representatives are not available.

The Company has provided the Stock Exchange with the names, office telephone numbers, facsimile numbers and e-mail addresses of the Compliance Adviser’s officers who will act as the Compliance Adviser’s contact persons between the Stock Exchange and the Company pursuant to Rule 19A.06(4) of the Listing Rules.

Pursuant to Rule 19A.05(2) of the Listing Rules, the Company shall ensure that the Compliance Adviser will have access at all times to the Authorised Representatives, the Directors and other officers. The Company shall also procure that such persons will provide promptly such information and assistance as the Compliance Adviser may need or may reasonably request in connection with the performance of the Compliance Adviser’s duties as set forth in Chapter 3A and Rule 19A.06 of the Listing Rules. The Company shall ensure that there are adequate and efficient means of communication between the Company, the Authorised Representatives, the Directors and other officers and the Compliance Adviser, and will keep the Compliance Adviser informed of all communications and dealings between the Company and the Stock Exchange.

- (d) **Legal Advisers:** The Company shall also retain Hong Kong legal advisers after the Listing (i) to inform the Company on a timely manner of any amendment or supplement to the Listing Rules and any new or amended laws, regulations or codes in Hong Kong applicable to the Company, (ii) to provide advice to the Company on the continuing requirements under the Listing Rules and applicable Hong Kong laws and regulations as required under Rule 19A.06(3) of the Listing Rules, and (iii) to provide advice to the Company on the application of the Listing Rules and other applicable Hong Kong laws and regulations relating to the Company after the Listing.

### WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the company secretary must be an individual who, by virtue of his or her academic or professional qualifications or relevant experience

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is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary.

Pursuant to Note (1) to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a member of The Hong Kong Institute of Chartered Secretaries;
- (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); or
- (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Pursuant to Note (2) to Rule 3.28 of the Listing Rules, in assessing “relevant experience”, the Stock Exchange will consider the individual’s:

- (a) length of employment with the issuer and other issuers and the roles he or she played;
- (b) familiarity with the Listing Rules and other relevant law and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

The Company appointed Ms. Mok Ming Wai, a fellow member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators in the United Kingdom, who meets the requirements under Note 1 to Rule 3.28 of the Listing Rules, as a joint company secretary to work closely with and to provide assistance to Mr. Shi Lei in discharge of his functions as a joint company secretary and in gaining the relevant experience as required under Rule 3.28 of the Listing Rules for an initial period of three years commencing from Listing Date and ending on the third anniversary of the Listing Date (the “**Initial Period**”).

For details of Mr. Shi Lei and his experience within the Group and professional qualifications, see “Directors, Supervisors and Senior Management” in this prospectus.

Mr. Shi Lei and Ms. Mok Ming Wai will be assisted by the Compliance Adviser, particularly in relation to continuing requirements under and ongoing compliance with the Listing Rules and the applicable laws and regulations.

Mr. Shi Lei will attend relevant training courses, including briefing on the latest changes to the applicable Hong Kong laws and regulations as well as the Listing Rules organised by the Company’s Hong Kong legal advisers on an invitation basis and seminars organised by the Stock Exchange for listed issuers from time to time, in addition to the minimum requirement under Rule 3.29 of the Listing Rules. He will also have the benefit of the advices provided by the Company’s Hong Kong legal advisers on the Listing Rules and the laws and regulations of Hong Kong that are applicable to the Company after the Listing. The waiver will be revoked immediately if Ms. Mok Ming Wai ceases to provide assistance and guidance to Mr. Shi Lei.

Prior to the end of the Initial Period, the qualifications and experience of Mr. Shi Lei and the need for on-going assistance of Ms. Mok Ming Wai will be re-evaluated by the Company. The Company will liaise with the Stock Exchange. Mr. Shi Lei is expected to demonstrate to the Stock

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Exchange's satisfaction that he, having had the benefit of Ms. Mok Ming Wai's assistance during the Initial Period and having carried out the requisite training in compliance with Rule 3.29 of the Listing Rules, would then have acquired the "relevant experience" within the meaning of Note 2 to Rule 3.28 of the Listing Rules or alternatively, the Company will continue to engage a joint company secretary to assist Mr. Shi Lei.

We have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements of Rules 3.28 and 8.17 of the Listing Rules. The waiver is valid for the Initial Period. Prior to the end of the Initial Period, the qualifications of Mr. Shi Lei will be re-evaluated to determine whether the requirements as stipulated in Note 2 to Rule 3.28 of the Listing Rules can be satisfied. In the event that Mr. Shi Lei has obtained the relevant experience under Note 2 to Rule 3.28 of the Listing Rules at the end of the Initial Period, a further waiver would no longer be necessary.

### CONNECTED TRANSACTIONS

We have entered into certain transactions which will constitute connected transactions for the Company under the Listing Rules after Listing. We have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with the announcement and/or independent shareholders' approval requirements under Chapter 14A of the Listing Rules for its non-exempted continuing connected transactions in "Connected Transactions" of this prospectus. See "Connected Transactions" for details.