

A. SUMMARY OF WAIVERS

We have sought certain waivers from strict compliance with certain provisions of the Listing Rules. Set out below is a summary of the waivers sought and granted by the Stock Exchange:

Relevant Listing Rules provision	Subject matter
Rule 8.12	Sufficient management presence in Hong Kong
Rule 9.09	Dealings in securities by core connected persons during a listing application process
Rules 10.08 and 10.07(1)(a)	Issue of further securities and restriction on disposal of shares by a controlling shareholder after a new listing upon issue of further securities
Rule 10.07(1)(a)	Restriction on disposal of shares by a controlling shareholder after a new listing in respect of the bridging arrangements
Chapter 14A	Continuing connected transactions

SUFFICIENT MANAGEMENT PRESENCE IN HONG KONG (RULE 8.12)

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, which normally means that at least two of its executive directors must be ordinarily resident in Hong Kong. As the principal business and operations of our Group are located, conducted and managed in the PRC through our PRC established subsidiaries, and that our major suppliers and major customers are also located in the PRC, our executive Directors and senior management are and will continue to be based in the PRC.

As at the Latest Practicable Date, none of our executive Directors or senior management is a Hong Kong resident or based in Hong Kong. If two executive Directors who are ordinarily resident in Hong Kong need to be appointed for the purpose of complying with the requirements of Rule 8.12 of the Listing Rules, such personnel may not be able to fully understand or familiarise themselves with the business and operations of our Group immediately. This may have an adverse impact on their ability to exercise their discretion on a fully informed basis, or make appropriate decisions beneficial to the business operations and development of our Group. Further, as our Company is also listed on SGX-ST, there are other compliance issues with SGX-ST that our Company needs to satisfy. Hence, our Directors consider it may not be practicable or in the best interest of our Company nor the Shareholders as a whole to appoint two executive Directors who are ordinarily resident in Hong Kong for the purpose of satisfying the requirements of Rule 8.12 of the Listing Rules.

Our Company has applied for and the Stock Exchange has granted a waiver from the strict compliance with the requirements of Rule 8.12 of the Listing Rules on the following conditions:

- (a) our 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 principal channel of communication between our Company and the Stock Exchange. Our Company will ensure that the authorised representatives will comply with the Listing Rules at all times. We have appointed Mr. Man Yun Wah, one of the joint company secretaries of our Company, who is ordinarily resident in Hong Kong, and Mr. Zhang Wei, our executive Director and chairman of the Board as our two authorised representatives;
- (b) 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 email. Each of the two authorised representatives has been duly authorised to communicate on behalf of our Company with the Stock Exchange;

- (c) each of the authorised representatives has means to contact all members of the Board (including the independent non-executive Directors) and the senior management team of our Group promptly at all times as and when the Stock Exchange wishes to contact any of them for any matter;
- (d) our Company will implement a policy that (i) every Director will provide his or her mobile phone number, residential phone number, office phone number, fax number, email address to the authorised representatives, (ii) every Director will provide his or her phone number, place and phone number of the place of accommodation and other means of communication to the authorised representatives if such Director is expecting to travel or be out of office, and (iii) every Director (including independent non-executive Directors) will provide his or her mobile phone number, residential phone number, office phone number, fax number, email address to the Stock Exchange;
- (e) each Director who is not ordinarily resident in Hong Kong has confirmed that he possesses valid travel documents which allow him to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable time upon request;
- (f) our Company has pursuant to Rule 3A.19 of the Listing Rules retained CLC International Limited as our compliance adviser who shall act as our additional communication channel with the Stock Exchange upon Listing; and
- (g) any meeting between our Company and the Stock Exchange can be arranged through the authorised representatives or the compliance adviser, or directly with our Directors. We will inform the Stock Exchange of any change in authorised representative or compliance adviser in accordance with the Listing Rules.

DEALING IN SECURITIES BY CORE CONNECTED PERSONS DURING A LISTING APPLICATION PROCESS (RULE 9.09)

Rule 9.09 of the Listing Rules provides that there must be no dealing in the securities for which listing is sought by any core connected person of the issuer from four clear business days before the expected hearing date until listing is granted (the “**Relevant Period**”). Our Company, being a company whose Shares are widely held, publicly traded and listed on SGX-ST, is not in a position to control the investment decisions of our Shareholders (other than the Controlling Shareholders) or the investing public in Singapore. To the best knowledge of our Directors after making reasonable enquiry, other than the Controlling Shareholders, there is no other Shareholder who held more than 10% of the total issued share capital of our Company as at the Latest Practicable Date.

Our Company has applied for and the Stock Exchange has granted a waiver from the strict compliance with the requirements of Rule 9.09 of the Listing Rules subject to the following:

- (a) the core connected person(s), other than those who are Directors of our Company:
 - (i) shall have no influence over the listing process; and
 - (ii) are not in possession of any non-public inside information;
- (b) we shall promptly release any inside information to the public in accordance with the relevant laws and regulations in Singapore and Hong Kong;
- (c) we shall procure that none of the Controlling Shareholders and the Directors and any of their respective associates deals in the Shares during the Relevant Period;
- (d) we will notify the Stock Exchange if there is any dealing or suspected dealing in the Shares by any of our core connected persons during the Relevant Period; and
- (e) for any person (other than the Controlling Shareholders) who, as a result of dealing in the securities of our Company during the Relevant Period, becomes a substantial shareholder of our Company (the “**Potential New Substantial Shareholder**”), we confirm that:
 - (i) such Potential New Substantial Shareholder is currently not a Director or a member of the senior

management of our Company or any of its subsidiaries and would not become a Director or a member of the senior management of our Group after Listing; and

- (ii) our Company and its management have not had control over the investment decisions of such Potential New Substantial Shareholder or its associates.

As at the Latest Practicable Date, we are not aware of any core connected person which may not be able to comply with Rule 9.09 of the Listing Rules.

ISSUE OF FURTHER SECURITIES (RULE 10.08) AND RESTRICTION ON DISPOSAL OF SHARES BY A CONTROLLING SHAREHOLDER AFTER A NEW LISTING (RULE 10.07(1)(a)) UPON ISSUE OF FURTHER SECURITIES

Rule 10.08 of the Listing Rules provides that no further shares or securities convertible into equity securities of a listed issuer may be issued or form the subject of any agreement to such an issue within six months from the date on which securities of the listed issuer first commence dealing on the Stock Exchange (whether or not such issue of shares or securities will be completed within six months from the commencement of dealing) except for the circumstances more particularly stated in the Listing Rules.

Rule 10.07(1)(a) of the Listing Rules provides that the controlling shareholders of the issuer shall not in the period commencing on the date by reference to which disclosure of the shareholding of the controlling shareholders is made in the listing document and ending on the date which is six months from the date on which dealings in the securities of a new applicant commence on the Stock Exchange, dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of those securities of the issuer in respect of which he is or they are shown by that listing document to be the beneficial owner(s).

Our Directors confirm, after making reasonable enquiry, none of the Controlling Shareholders has directly or indirectly disposed of any Shares since the completion of the Reverse Takeover in 2011.

Our Company has applied for and the Stock Exchange has granted, a waiver from strict compliance with Rules 10.08 and 10.07(1)(a) of the Listing Rules on the following grounds:

As regards Rule 10.08 of the Listing Rules:

- (a) our Company has been listed on SGX-ST for more than six months;
- (b) the Controlling Shareholders will maintain its controlling shareholding for twelve months after the Listing;
- (c) although our Company currently does not have any plan to raise funds in Singapore before the Listing and in the short-term after Listing whether in Singapore or Hong Kong, it is essential for our Company to have flexibility to raise funds by way of further issue of Shares or enter into acquisitions by issuing Shares as consideration should any appropriate opportunity arise. Any issue of new Shares by our Company may enhance our Shareholders base and increase the trading liquidity of the Shares, and the interests of the existing Shareholders would be prejudiced if our Company cannot raise funds for expansion due to the restrictions under Rule 10.08 of the Listing Rules;
- (d) the listing of our Shares on the Stock Exchange by way of Introduction will not result in any dilution of the interests of the existing Shareholders;
- (e) the interests of Shareholders are well protected since any further issue of Shares by our Company will be made under general mandate or subject to Shareholders' approval as required under Rule 13.36 of the Listing Rules; and

As regards Rule 10.07(1)(a) of the Listing Rules:

- (f) it is a consequential technical waiver of Rule 10.07(1)(a) of the Listing Rules in respect of the deemed

disposal of Shares by the Controlling Shareholders upon any issue of securities by our Company within the first six months from the Listing Date if waiver for strict compliance with Rule 10.08 of the Listing Rules is granted.

For the purpose of the Stock Exchange granting the waiver from strict compliance with Rules 10.07(1)(a) and 10.08 of the Listing Rules, our Company has undertaken to observe the following conditions:

- (a) any issue of new Shares will not result in the Controlling Shareholders ceasing to be Controlling Shareholders of our 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;
- (b) any issue of Shares or convertible securities by the Company within the first six months from the Listing Date must be either (a) for cash to fund a specific acquisition of assets or business that will contribute to the growth of the Group's operation; or (b) for full or partial settlement of the consideration for such acquisition; and
- (c) we will disclose in the listing document details of any general mandate approved by our Shareholders for the issue of further Shares.

RESTRICTION ON DISPOSAL OF SHARES BY A CONTROLLING SHAREHOLDER AFTER A NEW LISTING (RULE 10.07(1)(a)) IN RESPECT OF THE BRIDGING ARRANGEMENTS Requirements of Rule 10.07(1)(a)

Rule 10.07(1)(a) of the Listing Rules provides that the controlling shareholders of the issuer shall not in the period commencing on the date by reference to which disclosure of the shareholding of the controlling shareholders is made in this listing document and ending on the date which is six months from the date on which dealings in the securities of a new applicant commence on the Stock Exchange, dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of those securities of the issuer in respect of which he is or they are shown by that listing document to be the beneficial owner(s).

Background

It is expected that, upon the Listing and during the Bridging Period, the Bridging Dealer (and/or its affiliates authorised to carry out arbitrage activities), on its own account, will seek to undertake, or request KGI Securities (Hong Kong) Limited, the Alternate Bridging Dealer, to undertake arbitrage activities in the circumstances described in the section headed "Listings, Registration, Dealings and Settlement" of this listing document, including but not limited to:

- (a) conducting arbitrage trades in line with market practice in the context of dual listed stocks during the Bridging Period when: (1) there is a concurrent availability of the securities on both the SGX-ST and Stock Exchange; and (2) there is a meaningful Share price differential between the Hong Kong and Singapore markets (as determined by the Bridging Dealer) to contribute towards trading liquidity; and
- (b) building a sufficient inventory of securities in Hong Kong to enable it to carry out arbitrage, bridging and/or trading activities during the Bridging Period.

The Alternate Bridging Dealer will only undertake arbitrage activities at the request of the Bridging Dealer.

To facilitate the bridging arrangements set out above, Stock Borrowing and Lending Agreements were entered into between Mr. Zhang Wei (the "Lender") and each of the Bridging Dealer and the Alternate Bridging Dealer on 23 March 2016 which will come into effect from the first day of the Bridging Period. Pursuant to the stock borrowing arrangements under such agreements, the Lender will make available to the Bridging Dealer and the Alternate Bridging Dealer stock lending of 48,000,000 Shares representing approximately 24.5% of the Shares in issue on one or more occasions, subject to applicable laws, rules and regulations in Singapore and Hong Kong, including without limitation that the lending and the subsequent acceptance of redelivery of any Shares by the Lender, and the borrowing and the subsequent redelivery of any Shares by the Bridging Dealer and the Alternate Bridging Dealer, will not lead to any party being obliged

to make a mandatory general offer under the Takeovers Code and/or the Singapore Code. In this regard, in compliance with the Singapore Code, the Stock Borrowing and Lending Agreements provide, inter alia, the right for the Lender to recall the borrowed Shares by giving advance notice of seven days.

Pursuant to the stock borrowing arrangements under such agreements, the 48,000,000 borrowed Shares will be allocated as to 43,000,000 Shares to the Bridging Dealer and 5,000,000 Shares to the Alternate Bridging Dealer. Such borrowed Shares will be used for settlement in connection with the arbitrage trades carried out by the Bridging Dealer and the Alternate Bridging Dealer in Hong Kong.

Additionally, to facilitate the role of the Bridging Dealer commencing from the pre-opening period (9:00 a.m. to 9:30 a.m.) on the first day of the Listing, it is proposed that the Bridging Dealer will make arrangement to build up a small inventory of Shares prior to the commencement of trading. A sale and repurchase agreement (the “**Sale and Repurchase Agreement**”) was entered on 23 March 2016 into between Mr. Zhang Wei (the “**Vendor**”) and the Bridging Dealer for the sale of 1,960,000 Shares by the Vendor as vendor to the Bridging Dealer, at a sale price based on the closing price of the Shares quoted on the SGX-ST on the date immediately before the date of the Sale and Repurchase Agreement. Conditional upon the Bridging Dealer acquiring the Shares under the Sale and Repurchase Agreement, the Bridging Dealer must sell, and the Vendor must repurchase, the equivalent number of Shares the Vendor sold under the Sale and Repurchase Agreement, at the same price as such Shares were sold, shortly after the expiry of the Bridging Period.

Based on the foregoing, waiver from strict compliance with Rule 10.07(1)(a) of the Listing Rules was therefore sought to allow the arbitrage activities as described in the section headed “Listings, Registration, Dealings and Settlement” of this listing document to take place during the Bridging Period.

Reasons for the waiver application

The application for waiver from strict compliance with Rule 10.07(1)(a) of the Listing Rules is made for the following reasons:

- (a) The bridging arrangements mentioned above are measures designed to ensure liquidity for trading in the Shares and settlement of arbitrage trades upon the Listing. Arbitrage trades, by their nature, would typically contribute to reducing potential material divergence between Share prices on the Hong Kong and the Singapore markets. Besides, the bridging arrangements are perceived to be a mechanism which is fair to all market participants who have access to the Shares, as it is open to all Shareholders and other market participants who have such access to carry out arbitrage trades similar to those to be carried out by the Bridging Dealer and the Alternate Bridging Dealer (as appropriate). Although the bridging arrangements would result in a technical breach of Rule 10.07(1)(a) of the Listing Rules, they are made for the purpose of enhancing the listing process and ensuring the successful listing of the Shares on the Stock Exchange. In particular, the Sale and Repurchase Agreement was entered into (and will take effect before the commencement of trading of the Shares on the Stock Exchange) to facilitate the role of the Bridging Dealer to allow it to build up a small inventory shares in the pre-opening period (9:00 a.m. to 9:30 a.m.) on the first day of the Listing, thereby contributing towards trading liquidity of the Shares on the Hong Kong market during the Bridging Period by making available a quantity of Shares to facilitate arbitrage trades during the Bridging Period when buy and sale orders are executed on the Singapore and Hong Kong markets respectively.
- (b) Stock borrowing and lending arrangements are commonplace in initial public offerings in Hong Kong. Such arrangements are specifically covered under Rule 10.07(3) of the Listing Rules. Although the Stock Borrowing and Lending Agreements contemplated in the Listing do not fall within the remit of Rule 10.07(3), there is no breach of Rule 10.07 of the Listing Rules as the purpose of the Stock Borrowing and Lending Agreements contemplated are to allow the Bridging Dealer or the Alternate Bridging Dealer (as appropriate) to use the loaned Shares purely for settlement in connection with the arbitrage trades carried out by them in Hong Kong during the Bridging Period.
- (c) The bridging arrangements contemplated above represent the most cost-effective way of ensuring trading liquidity in the following ways:
 - (i) Under the Stock Borrowing and Lending Agreements, the Bridging Dealer and the Alternate

Bridging Dealer (as appropriate) are not required to pay the Lender any interest or consideration; and

- (ii) Under the Sale and Repurchase Agreement, the total consideration payable by the Bridging Dealer with respect to the Shares sold by the Vendor is netted against the total consideration payable by the Vendor with respect to the Shares repurchased by the Vendor on the basis that the underlying transactions are undertaken solely as part of the liquidity measures in connection with the Listing.

Given the size of the Controlling Shareholders' shareholding in our Company compared to other Shareholders in Singapore, and the alignment of the Controlling Shareholders' interest with that of our Company's in the successful outcome of the Listing, both the Stock Borrowing and Lending Agreements and the Sale and Repurchase Agreement represent the most conducive and cost-effective way of ensuring trading liquidity of Shares in the Hong Kong market during the Bridging Period.

- (d) Mr. Zhang Wei will maintain a neutral position under both the Stock Borrowing and Lending Agreements and the Sale and Repurchase Agreement before and after the arrangements contemplated thereunder. All Shares purchased or borrowed under both agreements will be repurchased by or returned to Mr. Zhang Wei not later than 25 Business Days after the expiry of the Bridging Period, thereby ensuring that the end-result of the shareholding of Mr. Zhang Wei in our Company remains the same before and after the arrangements contemplated under the Stock Borrowing and Lending Agreements and the Sale and Repurchase Agreement. This arrangement is not aimed at circumventing the restrictions covered under Rule 10.07 of the Listing Rules.

Application for waiver

Based on the above, the Sole Sponsor has applied for and on behalf of our Company for, and the Stock Exchange has granted, a waiver from strict compliance with the restrictions under Rule 10.07(1)(a) of the Listing Rules in respect of the disposal of Shares by Mr. Zhang Wei of Shares pursuant to the Stock Borrowing Agreements and the Sale and Repurchase Agreement subject to the following conditions:

- (a) the arrangements under the Stock Borrowing and Lending Agreements and the Sale and Repurchase Agreement are fully disclosed in this listing document and are for the sole purpose of facilitating the arbitrage activities in circumstances as described in the section headed "Listings, Registration, Dealings and Settlement – Bridging Arrangements – Intended Arbitrage Activities during the Bridging Period" in this listing document;
- (b) any Shares which may be made available to the Bridging Dealer or the Alternate Bridging Dealer (as appropriate) under the Stock Borrowing and Lending Agreements shall be returned to the Lender no later than 25 Business Days after the expiry of the Bridging Period;
- (c) the maximum number of Shares to be borrowed from the Lender by the Bridging Dealer and the Alternate Bridging Dealer under the Stock Borrowing and Lending Agreements is 48,000,000 Shares in aggregate representing approximately 24.5% of the Shares in issue;
- (d) the number of Shares to be sold by the Vendor to the Bridging Dealer under the Sale and Repurchase Agreement is 1,960,000 Shares, representing approximately 1% of the Shares in issue, and such Shares will be repurchased by the Vendor not later than 25 business days after the expiry of the Bridging Period;
- (e) the Stock Borrowing and Lending Agreements and the Sale and Repurchase Agreement will comply with all applicable laws, rules and regulations;
- (f) no payment will be made to the Lender by the Bridging Dealer or the Alternate Bridging Dealer (as appropriate) in relation to the stock borrowing arrangements under the Stock Borrowing and Lending Agreements; and
- (g) each of the Controlling Shareholders will not dispose of his Shares during first six months following Listing other than under the Stock Borrowing and Lending Agreements and the Sale and Repurchase Agreement or pursuant to the waivers granted from strict compliance with Rules 10.08 and 10.07(1)(a)

of the Listing Rules regarding the deemed disposal of Shares by the Controlling Shareholders upon any issue of Shares by our Company within the first six months from the Listing Date.

CONTINUING CONNECTED TRANSACTIONS

By virtue of Rules 14A.101 of the Listing Rules, the transactions under the paragraphs headed “(B) Continuing Connected Transaction exempt from independent shareholders’ approval requirement” in the Prospectus will constitute Continuing Connected Transactions which are subject to reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

As the above non-exempt Continuing Connected Transactions are expected to continue on a recurring and continuing basis after the Listing, our Directors (including our independent non-executive Directors) consider that compliance with the above announcement requirements would be impractical, would add unnecessary administrative costs and would be unduly burdensome. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver to us under Rule 14A.105 of the Listing Rules from compliance with the announcement requirements in respect of the above non-exempt Continuing Connected Transactions.

The Sole Sponsor is of the opinion that the terms of the above non-exempt Continuing Connected Transactions including the proposed annual caps are fair and reasonable, the transactions are in the ordinary and usual course of business of our Group, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole.

In addition, we confirm that we will comply with Rules 14A.34, 14A.51 to 14A.59, 14A.68(4) and 14A.71(6) of the Listing Rules in relation to the non-exempt Continuing Connected Transactions.

In the event of any future amendments to the Listing Rules imposing more stringent requirements than those applicable as of the Latest Practicable Date on the Continuing Connected Transactions referred to in this listing document, our Company will take immediate steps to ensure compliance with such new requirements within a reasonable time.