
WAIVER FROM STRICT COMPLIANCE WITH THE LISTING RULES

WAIVER FROM STRICT COMPLIANCE WITH RULE 8.12 OF THE LISTING RULES

Rule 8.12 of the Listing Rules provides that a new applicant applying for a primary [REDACTED] on the Stock Exchange must have sufficient management presence in Hong Kong, which normally means that at least two of its executive directors must be ordinarily resident in Hong Kong. The core business and operations of our Group are principally located, managed and conducted in the PRC and substantially all of our Group’s assets are based in the PRC. All of our executive Directors and most of the members of our senior management are currently ordinarily based in the PRC and after the [REDACTED] of our Company. Our Directors consider that the appointment of two additional executive Directors who are ordinarily residents in Hong Kong would be burdensome and costly for our Company, and it may not be in the best interests of our Company and our Shareholders as a whole to appoint additional executive Directors who are ordinarily resident in Hong Kong. As such, our Group does not and, in the foreseeable future, will not have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

In view of that, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from the compliance with Rule 8.12 of the Listing Rules.

In order to ensure that regular communication is effectively maintained between the Stock Exchange and our Company, we will put in place the following measures:

- a) we have appointed two authorised representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our Company’s principal channel of communication with the Stock Exchange and ensure that our Company complies with the Listing Rules at all times. The two authorised representatives are Mr. Zhan, an executive Director, and Mr. Wong Yun Fai, the company secretary of our Company. Mr. Zhan holds valid travel documents to visit Hong Kong and Mr. Wong Yun Fai is a holder of a Hong Kong permanent identity card and ordinarily resident in Hong Kong. In addition, Ms. Bao Guanyun (鮑冠雲), our finance director, who also holds valid travel documents to visit Hong Kong, is appointed as the alternate to the two authorised representatives. Each of the authorised representatives will therefore be available to meet with the Stock Exchange within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, e-mail and facsimile (where applicable). Each of the two authorised representatives is authorised to communicate on behalf of our Company with the Stock Exchange;
- b) each of the authorised representatives will have means to contact all members of the Board promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters. In order to further enhance the communication between the Stock Exchange, our authorised representatives and our Directors, our Company will implement policies to ensure that:
 - (i) each Director will provide his/her office phone number, mobile phone number, fax number and e-mail address to the authorised representatives and his/her respective alternate; and

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- (ii) in the event that a Director expects to travel and be out of office, he/she will provide the phone number of the place of his/her accommodation to the authorised representatives and his/her respective alternate;
- c) all our Directors not ordinarily residing in Hong Kong have confirmed that they possess valid travel documents to visit Hong Kong for business purposes and would be able to come to Hong Kong and meet with the Stock Exchange upon reasonable notice;
- d) we have appointed First Shanghai Capital Limited as our compliance adviser upon [REDACTED] pursuant to Rule 3A.19 of the Listing Rules. The compliance adviser will act as the additional channel of communication with the Stock Exchange when our authorised representatives are not available. The compliance adviser will have access at all times to the authorised representatives (including the alternate authorised representative), our Directors and members of senior management of our Group to ensure that it is in a position to provide prompt responses to any queries or request from the Stock Exchange in respect of our Company; and
- e) in addition, all Directors will provide their office phone numbers, mobile phone numbers, fax numbers and e-mail addresses to the Stock Exchange to ensure that they will be readily contactable when necessary to deal promptly with enquiries from the Stock Exchange.