
WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

WAIVER IN RELATION TO MANAGEMENT PRESENCE

Pursuant to Rule 8.12 of the Listing Rules, we must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Since our only operating subsidiary and principal operations are in the PRC and we do not have any substantial business activity or operation in Hong Kong and currently all of our executive Directors and senior management ordinarily reside and manage our Group in the PRC, we do not, and, in the foreseeable future, will not have sufficient management presence in Hong Kong and will not be able to satisfy the requirement under Rule 8.12 of the Listing Rules.

Accordingly, we have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirement under Rule 8.12 of the Listing Rules on the condition of the implementation of the following arrangements for maintaining regular and effective communication with the Stock Exchange:

- (a) our Company has appointed Ms. Xu, our deputy chairlady and executive Director, and Ms. Xu Yuelian, one of our joint company secretaries, as the authorized representatives of our Company in accordance with Rule 3.05 of the Listing Rules, who will act as the principal channel of communication between the Stock Exchange and our Company and will be readily contactable by telephone and e-mail;
- (b) each Director has provided his/her mobile phone number, office phone number and email address to the authorized representatives of our Company and the authorized representatives of our Company would be able to contact all Directors promptly at all time as and when the Stock Exchange wishes to contact our Directors for any matter;
- (c) each of our Directors who does not have the right of abode in Hong Kong possesses or is able to apply for valid travel documents to visit Hong Kong and is able to meet with the Stock Exchange within a reasonable period of time;
- (d) we have appointed Zhongtai International Capital Limited as our compliance advisor in accordance with Rule 3A.19 of the Listing Rules, who will serve as an additional channel of communication with the Stock Exchange for the period from the Listing Date to the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing and the compliance advisor will have access at all times to the authorized representatives of our Company and our Directors to ensure that it is in a position to provide prompt responses to any enquiries or requests from the Stock Exchange in relation to our Company; and
- (e) the mobile phone numbers, office phone numbers, e-mail addresses and fax numbers (if available) of each of our Directors have been/will be provided to the Stock Exchange in compliance with Rule 3.20 of the Listing Rules.

WAIVER IN RELATION TO COMPANY SECRETARIES

Pursuant to Rule 3.28 of the Listing Rules, our company secretary must be an individual who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

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The Stock Exchange considers the following academic or professional qualifications to be acceptable:

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

In assessing “relevant experience”, the Stock Exchange will consider the followings of the individual:

- (i) length of employment with the issuer and other issuers and the roles he played;
- (ii) familiarity with the Listing Rules and other relevant law and regulations including the SFO, Companies Ordinance, Companies (WUMP) Ordinance and the Takeovers Code;
- (iii) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (iv) professional qualifications in other jurisdictions.

Our Company has appointed Ms. Xu Yuelian and Ms. Cheung Yuet Fan as the joint company secretaries of our Company. Ms. Xu Yuelian has been the office manager of Buyang Wheel, the only operating subsidiary of our Group, since September 2007 and has extensive experience in handling corporate governance matters, convening meetings and administrative matters of Buyang Wheel and is more familiar with the relevant PRC laws and regulations than a professional company secretarial services provider in Hong Kong. For more details of Ms. Xu Yuelian’s biography, please refer to “Directors and Senior Management — Joint Company Secretaries” in this prospectus.

However, as Ms. Xu Yuelian does not possess the aforementioned academic or professional qualifications, our Company has appointed Ms. Cheung Yuet Fan who is a member of The Hong Kong Chartered Governance Institute, to be the other joint company secretary of our Company. During her term of office, Ms. Cheung will work closely with, and provide assistance to, Ms. Xu Yuelian in the discharge of her duties as a company secretary and will inform Ms. Xu Yuelian on a timely basis of the amendment or supplement to the Listing Rules and any new or amended Hong Kong laws and regulations relevant to us, and provide Ms. Xu Yuelian with training on matters relating to our corporate governance and the latest changes to the applicable Hong Kong laws and regulations and the Listing Rules upon our request. For more details of Ms. Cheung’s biography, please refer to “Directors and Senior Management — Joint Company Secretaries” in this prospectus. In addition, Ms. Xu Yuelian will take no less than 15 hours of relevant professional training in each financial year of our Company in compliance with Rule 3.29 of the Listing Rules.

By the end of the three-year period from the Listing Date, we will conduct an evaluation of the qualification and experience of Ms. Xu Yuelian to determine whether Ms. Xu Yuelian, having had the benefit of Ms. Cheung’s assistance for three years after the Listing Date, would then have acquired the relevant experience required under Rule 3.28 of the Listing Rules, or alternatively, appoint a person who fulfills the requirements under Rules 3.28 of the Listing Rules as the company secretary of our Company.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

Accordingly, we have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 3.28 of the Listing Rules for a period of three years from the Listing Date in respect of Ms. Xu Yuelian's appointment as one of the joint company secretaries of our Company on the conditions that:

- (a) Ms. Xu Yuelian must be assisted by a person who possesses the acceptable qualifications set out in Rule 3.28 of the Listing Rules or the relevant experience required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary of our Company throughout the waiver period; and
- (b) the waiver can be revoked if there are material breaches of the Listing Rules by our Company.