

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

## I. 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 ordinarily resident 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, Mr. Lo Chi Chiu, the company secretary and qualified accountant of the Company, is ordinarily resident in Hong Kong and 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.

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 will appoint 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 two authorised representatives to be appointed are Mr. Lo Chi Chiu, who is ordinarily resident in Hong Kong, and Mr. Guo Mingguang, an executive Director. 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 will appoint 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;
- (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 wishes to contact the members of the Board for any matters. The Company will implement a policy whereby (a) each executive Director will provide his or her mobile phone number, residential phone number, fax number and e-mail address to the authorised representatives; (b) each executive Director will provide valid phone numbers or means of communication to the authorised representatives when he or she is traveling; and (c) each executive Director will provide his or her mobile phone number, residential phone number, office phone number, fax number and e-mail address to the Stock Exchange; and
- (d) All executive Directors and independent non-executive Directors who are not ordinarily resident in Hong Kong have confirmed that either they possess or will apply for valid travel documents to visit Hong Kong and will be able to meet with the relevant members of the Stock Exchange within a reasonable period of time, when required.

## **II. STOCK BORROWING ARRANGEMENT**

In order to facilitate the over-allocation in connection with the International Offering, BNP Paribas may choose to borrow Shares from shareholders of the Company under stock borrowing arrangements, or acquire Shares from other sources, including the exercise of the Over-allotment Option. These stock borrowing arrangements may include arrangements agreed between BNP Paribas and Sky Treasure. For the purposes of these stock borrowing arrangements, the Company and Sky Treasure have received from the Stock Exchange a waiver from strict compliance with Rule 10.07(1)(a) of the Listing Rules which otherwise restricts the disposal of Shares by controlling shareholders following a new listing. Further details of such waiver are set out in the section headed “Structure of the Global Offering” in this prospectus.

## **III. 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 and independent shareholders’ approval 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 waiver are set out in the section headed “Connected Transactions” in this prospectus.