
WAIVERS

In preparation for the Global Offering, our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules.

MANAGEMENT PRESENCE

According to Rule 8.12 of the Listing Rules, our Company must have 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 headquarters and all of our business operations are not located, managed or conducted in Hong Kong, our Company does not, and for the foreseeable future, will not, have two executive Directors who are ordinarily resident in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

Accordingly, our Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 8.12 of the Listing Rules. Our Company has made the following arrangements to maintain proper regular communication between the Stock Exchange and us:

- (i) both of our Company's authorized representatives, Mr. Wu, our executive Director, chairman of the Board and a Controlling Shareholder, and Mr. Ng, our executive Director and company secretary, will act as our Company's principal channel of communication with the Stock Exchange. Accordingly, the authorized representatives of our Company will be able to meet with the relevant members of the Stock Exchange on reasonable notice and will be readily contactable by telephone and email;
- (ii) each of the authorized representatives of our Company has the means of contacting all Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange proposes to contact a Director with respect to any matter;
- (iii) each Director has provided his/her current contact details, including mobile phone numbers, office phone numbers, e-mail addresses and fax numbers (if any), to the authorized representatives of our Company and the Stock Exchange, and in the event that any Director expects to travel or otherwise be out of the office, he/she will provide the phone number of the place of his/her accommodation to the authorized representatives;
- (iv) we have one executive Director, Mr. Ng, ordinarily residing in Hong Kong and each of the Directors of our Company not ordinarily residing in Hong Kong possesses or can 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;
- (v) our Company has, in compliance with Rule 3A.19 of the Listing Rules, appointed Somerley Capital Limited as our compliance advisor (the "**Compliance Advisor**"), who will also act as an additional channel of communication with the Stock Exchange for the period commencing from the Listing Date and ending on the date on which our 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 Advisor will maintain constant contact with the authorized representatives, Directors and senior management through various means, including regular meetings and telephone discussions whenever necessary. Our authorized representatives,

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Directors and other officers will provide promptly such information and assistance as the Compliance Advisor may reasonably require in connection with the performance of the Compliance Advisor's duties as set forth in Chapter 3A of the Listing Rules;

- (vi) any meeting between the Stock Exchange and the Directors will be arranged through the authorized representatives or the Compliance Advisor or directly with the Directors within a reasonable time frame. We will inform the Stock Exchange promptly in respect of any changes in our authorized representatives and our Compliance Advisor; and
- (vii) we will also retain legal advisors to advise on on-going compliance requirements as well as other issues arising under the Listing Rules and other applicable laws and regulations of Hong Kong after Listing.

PUBLIC FLOAT REQUIREMENT

Rule 8.08(1)(a) of the Listing Rules requires that there must be an open market for the securities for which listing is sought, and that a sufficient public float of an issuer's listed securities shall be maintained. Generally, at least 25% of an issuer's total issued share capital must at all times be held by the public. Pursuant to Rule 8.08(1)(d) of the Listing Rules, the Stock Exchange may, subject to certain conditions and at its discretion, accept a lower percentage of between 15% and 25% in the case of issuers with an expected market capitalization at the time of listing of over HK\$10 billion.

Based on the minimum Offer Price of HK\$10.78 and assuming no exercise of the Over-allotment Option, we expect to achieve a minimum market capitalization of at least HK\$10 billion upon Listing.

Accordingly, we have applied to the Stock Exchange to exercise its discretion under Rule 8.08(1)(d) of the Listing Rules to grant, and the Stock Exchange has granted, a waiver from strict compliance with the minimum public float requirement under Rule 8.08(1)(a) of the Listing Rules so that the minimum percentage of the Shares from time to time to be held by the public will be the higher of:

- (a) 15.0% of the total issued share capital of our Company; or
- (b) such percentage of Shares to be held by the public after the exercise of the Over-allotment Option.

In support for the application of the waiver, we have confirmed to the Stock Exchange that:

- (a) we have an expected market capitalization at the time of Listing of over HK\$10 billion;
- (b) there will be an open market in the Shares, and the number of Shares concerned and the extent of their distribution would enable the market to operate properly with a lower percentage of public float;
- (c) we will make appropriate disclosure of the lower prescribed percentage of public float in this prospectus;
- (d) we will implement appropriate measures and mechanisms to ensure continual maintenance of the minimum public float prescribed by the Stock Exchange;
- (e) we will confirm sufficiency of public float in our successive annual reports after the Listing; and
- (f) in the event that the public float percentage falls below the minimum percentage prescribed by the Stock Exchange, we will take appropriate steps to ensure that the minimum percentage of public float prescribed by the Stock Exchange is complied with.