
WAIVERS FROM STRICT COMPLIANCE WITH THE HONG KONG LISTING RULES AND THE COMPANIES ORDINANCE

MANAGEMENT PRESENCE IN HONG KONG

Rules 8.12 and 19A.15 of the Hong Kong Listing Rules require that an issuer must have sufficient management presence in Hong Kong and, in normal circumstances, at least two of the issuer's executive directors must be ordinarily resident in Hong Kong. Currently, all of our executive Directors reside in China. As most of our operations are in China, we will not, after Listing or in the foreseeable future, have sufficient management presence in Hong Kong. We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rules 8.12 and 19A.15 of the Hong Kong Listing Rules.

The arrangements proposed by us for maintaining regular communication with the Hong Kong Stock Exchange for the purpose of Rules 8.12 and 19A.15 of the Hong Kong Listing Rules are as follows:

- a. our Company will appoint two authorised representatives pursuant to Rule 3.05 of the Hong Kong Listing Rules who will act as our Company's principal communication channel with the Hong Kong Stock Exchange and will ensure that they comply with the Hong Kong Listing Rules at all times. The two authorised representatives to be appointed are Mr. Chen Qiyu (陳啓宇), a PRC resident, and Ms. Lo Yee Har Susan (盧綺霞), an ordinarily resident in Hong Kong. Although one of them resides in the PRC, Mr. Chen Qiyu (陳啓宇) has valid travel documents and is able to renew such travel documents when they expire in order to visit Hong Kong. Each of the two authorised representatives has been duly authorised to communicate on behalf of our Company with the Hong Kong Stock Exchange and each of them will be readily available to meet with the Hong Kong Stock Exchange in Hong Kong within a reasonable time frame upon request and will be readily contactable by mobile or telephone, facsimile or email;
- b. both the authorised representatives have means to contact all members of the Board of Directors promptly at all times as and when the Hong Kong Stock Exchange wishes to contact the Board of Directors on any matters;
- c. our Company has implemented a policy whereby (i) each Director will provide his or her respective mobile phone number, residential phone number, fax number and email address to the authorised representatives; (ii) each Director will provide valid phone numbers or means of communication to the authorised representatives when he or she travels; and (iii) each Director and authorised representative has provided his or her mobile phone number, office phone number, fax number and email address to the Hong Kong Stock Exchange;
- d. all Directors who are not ordinarily resident in Hong Kong have confirmed that they hold valid travel documents to visit Hong Kong and will be able to meet with the Hong Kong Stock Exchange in Hong Kong upon reasonable notice, when required; and
- e. our Company has appointed Haitong International Capital Limited as compliance adviser who will have access at all times to our Company's authorised representatives, Directors and other officers and will serve as our Company's additional communication channel with the Hong Kong Stock Exchange. The compliance adviser will advise our Company on on-going compliance requirements and other issues arising under the Hong Kong Listing Rules for the period commencing on the Listing Date and ending on the date on which our Company distributes the annual report for the first full financial year after the listing of its H Shares.

WAIVERS FROM STRICT COMPLIANCE WITH THE HONG KONG LISTING RULES AND THE COMPANIES ORDINANCE

APPOINTMENT OF JOINT COMPANY SECRETARIES

Rule 8.17

According to Rule 8.17 of the Hong Kong Listing Rules, the company must appoint a company secretary who satisfies Rule 3.28 of the Hong Kong Listing Rules.

Rule 3.28

Rule 3.28 of the Hong Kong Listing Rules specifies that, the company secretary must be an individual who, by virtue of his academic or professional qualifications or relevant experience, is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of company secretary.

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

- (a) a member of The Hong Kong Institute of Chartered Secretaries;
- (b) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and
- (c) a certified public accountant (as defined in the Professional Accountants Ordinance).

In assessing “relevant experience”, the Hong Kong Stock Exchange will consider the individual’s:

- (a) length of employment with the issuer and other issuers and the roles he played;
- (b) familiarity with the Hong Kong Listing Rules and other relevant law and regulations including the SFO, the Companies Ordinance, and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the 15 hours minimum requirement under Rule 3.29 of the Hong Kong Listing Rules; and
- (d) professional qualifications in other jurisdictions.

Dr. Qiao Zhicheng (喬志城) does not possess the specified qualifications required by Rule 3.28 of the Hong Kong Listing Rules although he has held various senior positions as indicated in his biography, and he may not possess the relevant experience as required by the Hong Kong Stock Exchange in terms of his familiarity with the Hong Kong Listing Rules. Given the important role of the company secretary in the corporate governance of a listed issuer, particularly in assisting the listed issuer as well as its directors in complying with the Hong Kong Listing Rules and other relevant laws and regulations, we have the following arrangements:

- Dr. Qiao Zhicheng (喬志城) will endeavor to attend relevant training courses including briefings on the latest changes to the applicable Hong Kong laws and regulations and the Hong Kong Listing Rules organized by our Company’s Hong Kong legal advisers on an invitation basis and seminars organized by the Hong Kong Stock Exchange for PRC issuers from time to time.

WAIVERS FROM STRICT COMPLIANCE WITH THE HONG KONG LISTING RULES AND THE COMPANIES ORDINANCE

- Our Company has appointed Ms. Lo Yee Har Susan (盧綺霞) who meets the requirements under Rule 3.28 of the Hong Kong Listing Rules, as a joint company secretary to assist Dr. Qiao Zhicheng (喬志城) so as to enable him to acquire the relevant experience (as required under Rule 3.28 of the Hong Kong Listing Rules) to discharge the duties and responsibilities as company secretary of our Company.
- Ms. Lo Yee Har Susan (盧綺霞), who will familiarize herself with the affairs of our Company, will communicate regularly with Dr. Qiao Zhicheng (喬志城) on matters relating to corporate governance, the Hong Kong Listing Rules as well as other laws and regulations which are relevant to us and our other affairs. Ms. Lo Yee Har Susan (盧綺霞) will work closely with, and provide assistance to, Dr. Qiao Zhicheng (喬志城) in the discharge of his duties as a joint company secretary, including organizing our Company's board meetings and Shareholders' meetings.
- Dr. Qiao Zhicheng (喬志城) will be appointed for an initial period of one full financial year (i.e. from the Listing Date to 31 December 2013), provided that he will be assisted by Ms. Lo Yee Har Susan (盧綺霞). Upon expiry of the one full financial year period, a further evaluation of the qualifications and experience of Dr. Qiao Zhicheng (喬志城) and the need for on-going assistance would be made.

Our Company has applied to the Hong Kong Stock Exchange for, and has been granted, a waiver from strict compliance with the requirements of Rule 8.17 of the Hong Kong Listing Rules. Upon the expiry of the initial one full financial year period, the Hong Kong Stock Exchange will revisit the qualification and experience of Dr. Qiao Zhicheng (喬志城) to determine whether the requirements as stipulated in Rule 8.17 of the Hong Kong Listing Rules can be satisfied. In the event that Dr. Qiao Zhicheng (喬志城) has obtained relevant experience under Rule 3.28 of the Hong Kong Listing Rules at the end of the said period, the above joint company secretaries arrangement will no longer be required by our Company.

WAIVER FROM RULE 10.04 AND PARAGRAPH 5(2) OF APPENDIX 6 TO THE HONG KONG LISTING RULES

Rule 10.04 of the Hong Kong Listing Rules provides that a person who is an existing shareholder of the issuer may only subscribe for or purchase securities for which listing is sought if no securities will be offered to them on a preferential basis and no preferential treatment will be given to them in the allocation of the securities. Paragraph 5(2) of Appendix 6 to the Hong Kong Listing Rules provides, among other things, that without the prior written consent of the Hong Kong Stock Exchange, no allocations will be permitted to existing shareholders or their associates, whether in their own names or through nominees, unless certain conditions are fulfilled.

Prior to the H Share Listing, our Company's share capital consisted entirely of A Shares listed on the Shanghai Stock Exchange (stock code: 600196). Our Company's A Shares were widely held and actively traded. Other than our Controlling Shareholders, no other single public shareholder held more than 4% of the total outstanding A Shares of our Company as at the Latest Practicable Date.

WAIVERS FROM STRICT COMPLIANCE WITH THE HONG KONG LISTING RULES AND THE COMPANIES ORDINANCE

We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted to us, a waiver from strict compliance with the requirements under Rule 10.04 and Paragraph 5(2) of Appendix 6 to the Hong Kong Listing Rules to permit certain investors who hold our A Shares (“**A Share Holder**”) or their associates to receive allocation of the H Shares in the International Offering as part of the Global Offering, subject to the following conditions:

- (a) our Directors, Supervisors and senior management confirm that they will not participate directly or indirectly in the Global Offering;
- (b) our Directors confirm that none of the A Share Holders or their associates for which the above waiver is granted:
 - (i) individually holds more than 4% of our Company’s issued A Shares capital immediately prior to the completion of the Global Offering; or
 - (ii) exerts any influence over our Company’s allocation of H Shares in the Global Offering; or
 - (iii) has board representation in our Company; or
 - (iv) has been or would be a connected person or an associate of a connected person of our Company;
- (c) each of the A Share Holders and their associates will be subject to the same book-building and allocation process as with other investors in the International Offering, and no preferential treatment will be given to each of the A Share Holders or their associates in the allocation;
- (d) the H Shares acquired by the A Share Holders and/or their associates in the International Offering tranche will rank *pari passu* with the same rights and benefits as other H Shares issued under the Global Offering;
- (e) the grant of the above waiver would not negatively impact our Company’s ability to meet the minimum public float requirement of our Company as granted by the Hong Kong Stock Exchange under the public float requirements waiver above; and
- (f) the relevant information will be fully disclosed in the prospectus.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Members of our Group have entered into, and are expected to continue after the Listing, certain transactions, which will constitute non-exempt continuing connected transactions under the Hong Kong Listing Rules upon Listing. Our Company has applied to the Hong Kong Stock Exchange for a waiver from strict compliance with the requirements regarding the announcements and independent shareholders’ approval in respect of such non-exempt continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules, details of which are set out in the section headed “Connected Transactions” in this prospectus.