
WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM COMPLIANCE WITH THE COMPANIES ORDINANCE

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 IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, we must have sufficient management presence in Hong Kong and, under normal circumstances, at least two of our Executive Directors must be ordinarily resident in Hong Kong. Our business operations are managed and conducted mainly outside of Hong Kong, and substantially all of the Directors ordinarily reside in the PRC and the Directors who joined recently may not be familiar with the operations of our Group. We acknowledge that personnel should be ordinarily resident in Hong Kong to act as available contact persons to the Hong Kong Stock Exchange and to handle all ongoing compliance matters relating to the Listing Rules subsequent to our Listing. However, we consider that it would be practically difficult and commercially unreasonable for our Company to arrange two Executive Directors to be ordinarily resident in Hong Kong, either by means of relocation of our existing Executive Directors or appointment of additional Executive Directors, as each of the Directors serves a vital role in our Group's operations and it is crucial for a majority to remain in close proximity to the Group's central management team located in the PRC. Furthermore, as the management and operation of our Group under the supervision of our Directors during the Track Record Period has proven to be effective, to arrange two Executive Directors to be ordinarily resident in Hong Kong would not only increase the administrative expenses of our Group, but would also reduce the effectiveness and responsiveness of the decision making process of our Board. We do not have and do not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 of the Listing Rules.

Accordingly, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules, subject to us putting in place the following measures in order to ensure that regular communication is maintained between the Hong Kong Stock Exchange and us:

(a) *Authorized Representatives*

Our Company appointed Mr. Wang Dongfeng and Ms. Yung Mei Yee of KCS Hong Kong Limited as authorized representatives on February 4, 2013 for the purpose of Rule 3.05 of the Listing Rules. Ms. Yung is ordinarily resident in Hong Kong. The authorized representatives will serve as our Company's principal channel of communication with the Hong Kong Stock Exchange. They can be readily contactable by phone, facsimile and e-mail to promptly handle enquiries from the Hong Kong Stock Exchange, and will also be available to meet with the Hong Kong Stock Exchange to discuss any matters within a reasonable time frame.

As and when the Hong Kong Stock Exchange wishes to contact our Directors on any matters, each of the authorized representatives will have means to contact all of our Directors promptly at all times. Our Company will implement such measures that (a) each Director must provide his or her mobile phone number, office phone number, facsimile number and e-mail address to the authorized representative; and (b) in the event that a Director expects to travel or otherwise be out of office, he or she will provide his or her contact details to the authorized representatives.

(b) *Directors*

To facilitate communication with the Hong Kong Stock Exchange, we provided the Hong Kong Stock Exchange with the mobile phone number, office phone number, email address and fax number of each Executive Director, Non-executive Director and Independent Non-executive Director. Furthermore, each Director who is not ordinarily resident in Hong Kong possesses valid travel documents to visit Hong Kong and can meet with the Hong Kong Stock Exchange within a reasonable period.

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(c) *Compliance Adviser*

Our Company will appoint a compliance adviser pursuant to Rule 3A.19 of the Listing Rules, who will act as the Company's additional channel of communication with the Hong Kong Stock Exchange. The compliance adviser will have access at all times to the authorized representatives, our Directors and senior management of our Company and will be able to provide prompt responses to any queries or requests from the Stock Exchange in respect of our Company.

WAIVER IN RELATION TO JOINT COMPANY SECRETARIES

Pursuant to Rule 3.28 of the Listing Rules, a new applicant for primary listing on the Hong Kong Stock Exchange must have a company secretary who is an individual and who, by virtue of his academic or professional qualifications or relevant experience (as set out in Note 2 to Rule 3.28 of the Listing Rules), 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 (Chapter 159 of the Laws of Hong Kong)); and
- (c) a certified public accountant (as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong)).

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 Listing Rules and other relevant law and regulations including the SFO, Companies Ordinance, and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

Under Rule 8.17 of the Listing Rules, an issuer must appoint a company secretary who satisfies Rule 3.28 of the Listing Rules.

We have appointed Mr. Ngan King Leung Gary and Ms. Yung Mei Yee as joint company secretaries on February 4, 2013 to jointly discharge the duties and responsibilities as company secretary of our Company with reference to their past experience, qualifications and working experience. Mr. Ngan is currently a member of the senior management of the Company and has been the chief financial officer responsible for the accounting and financial matters of the Company since May 1, 2012. Mr. Ngan has 6 years of finance experience and is familiar with the internal operations and management of the Group. While Mr. Ngan does not possess the qualifications set out in Rule 3.28 of the Listing Rules, we believe it is in the best interests of the Company to appoint him as one of the joint company secretaries in light of his past finance and management experience within our Group and his thorough understanding of the internal administration and business operations of our Group.

We have appointed Ms. Yung as one of the joint company secretaries of the Company to assist Mr. Ngan in discharging the duties of a company secretary of the Company. Ms. Yung is qualified to act as the company secretary of our Company as required under Rule 3.28 of the Listing Rules. Ms. Yung has over 20 years of experience in the company secretarial field. She has extensive knowledge and experience in dealing with

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corporate governance, regulatory and compliance affairs of companies listed on the Stock Exchange. She is a fellow member of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in the United Kingdom. She holds a Bachelor of Laws degree awarded by the University of London, obtained a Bachelor of Arts degree in Accountancy from City Polytechnic of Hong Kong and completed a Master of Arts in Language and Law in City University of Hong Kong. Please refer to the section headed “Directors and Senior Management” for further information regarding the joint company secretaries.

As Mr. Ngan does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Hong Kong Stock Exchange for and the Hong Kong Stock Exchange has granted a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 such that Mr. Ngan may be appointed as a joint company secretary.

The initial term of appointment of Mr. Ngan and Ms. Yung as our joint company secretaries are three years. The waiver was granted for a period of three years during which period Ms. Yung, as a joint company secretary, will work closely with, and provide guidance and assistance (where necessary) to, Mr. Ngan in the discharge of his duties as a joint company secretary and in gaining the relevant experience as required under Rules 3.28 and 8.17 of the Listing Rules. This waiver will be revoked immediately when Ms. Yung, during the three-year period, ceases to provide assistance to Mr. Ngan.

At the end of the three-year period, we will liaise with the Hong Kong Stock Exchange to enable it to assess whether Mr. Ngan, having benefited from the guidance and assistance of Ms. Yung for the preceding three years, has acquired the relevant experience and skills necessary to carry out the duties as company secretary (within the meaning of Rules 3.28 and 8.17 of the Listing Rules) so that a further waiver is not required.

WAIVER AND EXEMPTION IN RELATION TO PRE-IPO SHARE OPTION SCHEME

Under Rule 17.02(1)(b) of the Listing Rules, paragraph 27 of Appendix 1A and paragraph 10 of Part I of the Third Schedule to the Companies Ordinance, this prospectus is required to include, among other things, details of the number, description and amount of any of our Shares which any person has, or is entitled to be given, an option to subscribe for, together with certain particulars of each option, namely the period during which it is exercisable, the price to be paid for Shares subscribed for under it, the consideration (if any) given or to be given for it or for the right to it and the names and addresses of the persons to whom it was given, full details of all outstanding options and their potential dilution effect on the shareholdings upon the Listing as well as the impact on the earnings per share arising from the exercise of such outstanding options. We have granted options to 365 persons (the “Grantees” and each a “Grantee”) to subscribe for 6,303,497 Shares on the terms set out in the section headed “Appendix IV — Statutory and General Information — Pre-IPO Share Option Scheme” including three Grantees who are Independent Non-executive Directors, two Grantees who are members of the senior management of our Company and the remaining Grantees are other employees of the Group (“Other Grantees”). Save as disclosed, no options were granted to any connected persons other than the three Independent Non-executive Directors. Save as disclosed in the section headed “Appendix IV — Statutory and General Information — Pre-IPO Share Option Scheme,” no Grantees under the Pre-IPO Share Option Scheme is a Director or senior management or connected person of our Group under the Pre-IPO Share Option Scheme.

We have applied for (i) a waiver from strict compliance with the requirements under Rule 17.02(1)(b) and paragraph 27 of Appendix 1A to the Listing Rules and (ii) an exemption from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies Ordinance in connection with the disclosure of certain details relating to the option to subscribe for the Shares in the Company and certain Grantees under the Pre-IPO Share Option Scheme on the ground that it will be unduly burdensome to disclose full details of all the Pre-IPO Share Options in the prospectus. In light of the requirements under the relevant regulations indicated above, we have made the following submission to the Stock Exchange and the Securities and Futures Commission:

1. The Pre-IPO Share Options were granted to a total of three Independent Non-executive Directors, two members of the senior management and 360 Other Grantees. Our Directors consider that it would be

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unduly burdensome to disclose full details of all the Pre-IPO Share Options granted by our Company in the prospectus, which would involve over 30 pages of content to be inserted into the prospectus, significantly increasing the cost and timing for information compilation, prospectus preparation and printing.

2. Key information of the Pre-IPO Share Options granted to Directors, members of the senior management, connected persons and Other Grantees under the Pre-IPO Option Scheme have already been disclosed in the section headed “Appendix IV — Pre-IPO Share Option Scheme,” which is sufficient to provide potential investors with information to make an informed assessment of the potential dilution effect and impact on earnings per share of the options granted under the Pre-IPO Share Option Scheme in their investment decision making process.
3. The lack of full compliance of the disclosure requirements set out above will not prevent potential investors from making an informed assessment of the activities, assets and liabilities, financial position, management and prospects of our Group and will not prejudice the interest of the investing public.

The Stock Exchange has granted the waiver to us subject to the conditions that:

- (a) the grant of a certificate of exemption from strict compliance with the relevant Companies Ordinance requirements by the SFC;
- (b) on an individual basis, full details of all the Pre-IPO Share Options granted by our Company to the Directors, senior management, connected persons of our Group or any Other Grantee(s) who have the right to subscribe for more than 1 million Shares under the Pre-IPO Share Options, including all the particulars required under Rule 17.02(1)(b) of the Listing Rules, paragraph 27 of Appendix 1A to the Listing Rules and paragraph 10 of Part I of the Third Schedule to the Companies Ordinance, be disclosed in this prospectus;
- (c) in respect of the options granted by our Company to the Grantees other than those referred to in subparagraph (b) above, the following details be fully disclosed in this prospectus:
 - (1) the aggregate number of Grantees;
 - (2) the number of Shares subject to such options;
 - (3) the consideration paid for the grant of such options;
 - (4) the exercise period of the options; and
 - (5) the exercise price for the options;
- (d) the dilution effect and impact on earnings per Share upon full exercise of the Pre-IPO Share Options be disclosed in this prospectus;
- (e) the aggregate number of Shares subject to outstanding Pre-IPO Share Options granted by the Company under the Pre-IPO Share Option Scheme and the percentage of our Company’s issued share capital of which such number represents be disclosed in this prospectus;
- (f) a summary of the Pre-IPO Share Option Scheme be disclosed in this prospectus; and
- (g) the list of all the Grantees (including the persons referred to in paragraph (c) above), containing all details as required under Rule 17.02(1)(b), paragraph 27 of Appendix 1A to the Listing Rules and paragraph 10 of Part I of the Third Schedule to the Companies Ordinance be made available for public inspection in accordance with the section headed “Documents Delivered to the Registrar of Companies and Available for Inspection” in Appendix V in this prospectus.

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The SFC has issued a certificate of exemption under section 342A of the Companies Ordinance exempting our Company from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies Ordinance subject to the conditions that:

- (a) on an individual basis, full details of all the Pre-IPO Share Options to each of the Directors, senior management, connected persons of our Group or other Grantee(s) who have the right to subscribe for more than 1 million Shares under the Pre-IPO Share Options are disclosed in this prospectus, such details to include all the particulars required under paragraph 10 of Part I of the Third Schedule to the Companies Ordinance;
- (b) in respect of the options granted by our Company under the Pre-IPO Share Option Scheme to the employees other than those referred to in sub-paragraph (a) above, the following details are disclosed in this prospectus:
 - (1) the aggregate number of Grantees;
 - (2) the number of Shares subject to such options;
 - (3) the consideration paid for the grant of such options;
 - (4) the exercise period of the options; and
 - (5) the exercise price for the options;
- (c) a list of all the Grantees (including the persons referred to in sub-paragraph (b) above) who have been granted options to subscribe for Shares under the Pre-IPO Share Option Scheme, containing all the details as required under paragraph 10 of Part I of the Third Schedule to the Companies Ordinance be made available for public inspection in accordance with “Documents Delivered to the Registrar of Companies and Available for Inspection — Documents available for inspection” in Appendix V to this prospectus; and
- (d) the particulars of the exemption will be disclosed in this prospectus.

Further details of the Pre-IPO Share Option Scheme are set out in “Appendix IV — Statutory and General Information — Pre-IPO Share Option Scheme” in this prospectus.

WAIVER IN RESPECT OF NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transactions which would constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules following the completion of the Global Offering. We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, waivers in respect of certain non-exempt continuing connected transactions. Details of such non-exempt continuing connected transactions and the waiver are set out in the section headed “Connected Transactions.”