
WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the Listing, we have sought the following waiver from strict compliance with the relevant provisions of the Listing Rules:

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 our principal business operations are conducted in the PRC, members of our senior management team (other than Mr. Ng Cheuk Him, one of the joint company secretaries and the chief financial officer of our Group, who is ordinarily resident in Hong Kong) are and will therefore be expected to continue to be based in the PRC. Further, none of our executive Directors are expected to be based in Hong Kong upon the Listing. Accordingly, we have applied to the Stock Exchange for a waiver from strict compliance with the requirement under Rule 8.12 of the Listing Rules.

We have received from the Stock Exchange a waiver from compliance with Rule 8.12 of the Listing Rules subject to the following conditions:

- (a) we have appointed two authorized representatives pursuant to Rule 3.05 of the Listing Rules who will act as our principal communication channel with the Stock Exchange and will ensure that they comply with the Listing Rules at all times. The two authorized representatives appointed are Mr. Ding, an executive Director, the chief executive officer and the chairman of the Board of our Company, and Mr. Ng Cheuk Him, one of the joint company secretaries of our Company and the chief financial officer of our Group, who is ordinarily resident in Hong Kong. Each of the authorized 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 respective mobile, office phone number, e-mail address and facsimile number. Each of the two authorized representatives has been duly authorized to communicate on our behalf with the Stock Exchange;
- (b) we will appoint RHB OSK Capital Hong Kong Limited to act as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules, who will act as our additional communication channel with the Stock Exchange for a period commencing on the Listing Date and ending on the date on which we distribute the annual report for the first full financial year after the Listing Date in accordance with Rule 13.46 of the Listing Rules;
- (c) both the authorized representatives have means to contact all Directors (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact the Directors for any matters. We will implement a policy whereby (i) each Director (including the independent non-executive Directors) will provide his mobile, office phone number, e-mail address and facsimile number to the authorized representatives; (ii) each Director (including the independent non-executive Directors) will provide valid phone numbers or means of communication to the authorized representatives when he travels; and (iii) each Director (including the independent non-executive Directors) will provide his mobile, office phone number, e-mail address and facsimile number to the Stock Exchange;
- (d) all of the executive Directors and independent non-executive Directors who are not ordinarily resident in Hong Kong have confirmed that they possess valid travel

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

documents to visit Hong Kong and will be able to meet with the Stock Exchange upon reasonable notice when required.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Our Group has entered into, and expects to continue after the Listing, certain transaction which will constitute non-exempt continuing connected transaction under Chapter 14A of the Listing Rules. We have applied for, and the Stock Exchange has granted, a conditional waiver under Rule 14A.42(3) of the Listing Rules from compliance with the announcement requirements under the Listing Rules in respect of such non-exempt continuing connected transaction.

The details of such waiver are set out in the section headed “Connected Transactions” of this prospectus.

JOINT COMPANY SECRETARIES

Pursuant to Rule 8.17 of the Listing Rules, an issuer must appoint a company secretary who, by virtue of his academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

Our principal business operations are conducted in the PRC and it is expected that, for the foreseeable future, the Group will not have a sufficient management presence in Hong Kong. As such, it is vitally important that the company secretary of the Company should possess sufficient knowledge and experience to discharge the functions of a company secretary. The Company has appointed Mr. Ng Cheuk Him and Ms. Lu Yanping as the joint company secretaries of our Company.

As Mr. Ng Cheuk Him holds the qualifications of a certified public accountant and is a member of the Hong Kong Institute of Chartered Secretaries, he is qualified to act as the joint company secretary of our Company. Whilst the Directors consider Ms. Lu Yanping is capable of discharging her duty as a joint company secretary of our Company by virtue of her background and experience (as detailed in the section headed “Directors and Senior Management” of this prospectus), in view that she does not currently possess the academic or professional qualifications considered to be acceptable by the Stock Exchange under the notes to Rule 3.28, we have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements of Rule 8.17 of the Listing Rules and the following arrangements have been made to satisfy those requirements:

- (i) Our Company has appointed, and will continue to do so for a minimum period of three years after the Listing Date, Mr. Ng Cheuk Him, (or in the event that Mr. Ng Cheuk Him ceases to be in a position to provide service to our Company, his replacement), who meets all the requirements under Rule 8.17 of the Listing Rules, to act as our joint company secretary to provide assistance and guidance to Ms. Lu Yanping so that she is able to acquire the relevant knowledge and experience as required under the Listing Rules in order to discharge her functions as a joint company secretary of the Company;
- (ii) The waiver would be for an initial term commencing from the Listing Date and ending on the date which is three years therefrom, a period which should be sufficient for Ms. Lu Yanping to acquire the relevant knowledge and experience required by the Stock Exchange;

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

- (iii) We will further ensure that Ms. Lu Yanping will have access to the relevant training and support to enable her to familiarize herself with the Listing Rules and the duties required of a company secretary of an issuer listed on the Stock Exchange. Prior to the Listing, the Company's Hong Kong legal advisers have provided training on the Listing Rules to Ms. Lu Yanping. In addition, Ms. Lu Yanping will endeavor to familiarize herself with the Listing Rules during the three-year period from the Listing Date; and
- (iv) Upon expiry of the three-year period from the Listing Date, our Company will evaluate Ms. Lu Yanping's experience in order to determine if she has acquired the qualifications required under Rule 3.28 of the Listing Rules, and whether on-going assistance should be arranged so that Ms. Lu Yanping's appointment as a joint company secretary of the Company continues to satisfy the requirements under Rule 8.17 of the Listing Rules.