

## **WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM THE COMPANIES ORDINANCE**

### **MANAGEMENT PRESENCE IN HONG KONG**

Pursuant to Rule 8.12 of the Listing Rules, we must have sufficient management presence in Hong Kong. This normally means that at least two of the executive Directors must be ordinarily resident in Hong Kong. The business operations of the Group are located in China. Due to the business requirements of our Group, none of the executive Directors has been, is or will be based in Hong Kong.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has agreed to grant, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules. In order to maintain effective communication with the Stock Exchange, we will put in place the following measures in order to ensure that regular communication is maintained between the Stock Exchange and us:

- (a) we have appointed two authorized representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange. The two authorized representatives are Wang Xuguang, our Executive Director and Yu Leung Fai, our company secretary. The authorized representatives have provided their usual contact details to the Stock Exchange and will be readily contactable by telephone, facsimile and email by the Stock Exchange, if necessary, to deal with inquiries from the Stock Exchange from time to time;
- (b) each of the authorized representatives has the means to contact all the Directors (including the independent non-executive Directors) promptly at all times, as and when the Stock Exchange wishes to contact the Directors on any matters;
- (c) all the Directors who are not ordinarily resident in Hong Kong have valid travel documents to visit Hong Kong for business purposes and would be able to come to Hong Kong and meet with the Stock Exchange upon reasonable notice;
- (d) our compliance advisor will act as an additional channel of communication with the Stock Exchange and will provide professional advice on continuing compliance with the Listing Rules;
- (e) we will retain a Hong Kong legal advisor to advise us on the application of the Listing Rules and other applicable Hong Kong laws and regulations relating to securities after the Listing; and
- (f) each Director has provided their respective mobile phone numbers, office phone numbers, e-mail addresses and fax numbers to the Stock Exchange.

### **CONTINUING CONNECTED TRANSACTIONS**

A subsidiary of our Group has entered into transactions which would constitute continuing connected transactions of our Company under the Listing Rules upon Listing. We have received from the Stock Exchange a waiver from strict compliance with the announcement requirement as set out in Chapter 14A of the Listing Rules for such continuing connected transactions. See "Connected Transactions."

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### **WAIVER FROM STRICT COMPLIANCE WITH RULE 4.04(1) OF THE LISTING RULES AND EXEMPTION FROM PARAGRAPHS 27 AND 31 OF THE THIRD SCHEDULE TO THE COMPANIES ORDINANCE**

According to Rule 4.04(1) of the Listing Rules, the Accountants' Report contained in this prospectus must include, inter alia, the consolidated results of our Group in respect of each of the three financial years immediately preceding the issue of this prospectus.

According to paragraph 27 of Part I of the Third Schedule to the Companies Ordinance, our Group is required to include in this prospectus a statement as to the gross trading income or sales turnover (as the case may be) of our Group during each of the three financial years immediately preceding the issue of this prospectus as well as an explanation of the method used for the computation of such income or turnover and a reasonable breakdown between the more important trading activities.

According to paragraph 31 of Part II of the Third Schedule to the Companies Ordinance, our Group is required to include in this prospectus a report by our auditor with respect to the financial results of our Group in respect of each of the three financial years immediately preceding the issue of this prospectus.

Section 342(1) of the Companies Ordinance requires all prospectuses to include an accountants' report which contains the matters specified in the Third Schedule to the Companies Ordinance.

The Accountant's Report for each of the years ended December 31, 2010, 2011 and 2012 and the nine months ended September 30, 2013 has been prepared and is set out in Appendix IA to this prospectus.

An application was made to the Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules, and such waiver was granted by the Stock Exchange on the conditions that:

- (i) our Group lists on the Stock Exchange by March 31, 2014;
- (ii) our Group obtains a certificate of exemption from the SFC on compliance with the requirements of section 342(1), paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies Ordinance;
- (iii) a profit estimate for the latest financial year (which must comply with Rules 11.17 to 11.19 of the Listing Rules) must be included in the prospectus or our Group must provide justification why a profit estimate cannot be included in the prospectus; and
- (iv) there must be a directors' statement in the prospectus that there is no material adverse change to its financial and trading positions or prospect with specific reference to the trading results from the end of the stub period to the latest financial year end.

An application has also been made to the SFC for a certificate of exemption from strict compliance with section 342(1), paragraphs 27 of Part I and 31 of Part II of the Third Schedule to the Companies Ordinance in relation to the inclusion of the Accountant's Report for the three full years ended December 31, 2013 in this prospectus on the grounds that it would be unduly

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burdensome and there would not be sufficient time for our Group and the reporting accountant to complete the work on the financial statements for the full financial year ended December 31, 2013 for inclusion in the prospectus. A certificate of exemption has been granted by the SFC under section 342A of the Companies Ordinance.

Our Directors and the Joint Sponsors confirmed that adequate and reasonably up-to-date information that is necessary for the potential investors to form a view on the track record and earnings trend of our Group has been included in this prospectus, as such the waiver granted by the Stock Exchange and the exemption granted by the SFC from strict compliance with Rule 4.04(1) of the Listing Rules and paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies Ordinance will not prejudice the interests of the investing public.

Our Directors and the Joint Sponsors confirmed that they have performed sufficient due diligence to ensure that, up to the date of this prospectus, there has been no material adverse change in our financial and trading positions or prospects since September 30, 2013 and there is no event since September 30, 2013 which would materially affect the information shown in the Accountants' Report set out in Appendix IA to this prospectus.