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MANAGEMENT PRESENCE

According to Rules 8.12 and 19A.15 of the Listing Rules, the Company 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. Since our head office and substantially all of our business operations are based, managed and conducted in the PRC, we do not, and for the foreseeable future, will not, have executive Directors who are ordinarily resident in Hong Kong, for the purposes of satisfying the requirements under Rules 8.12 and 19A.15 of the Listing Rules. Currently, all of our executive Directors reside in the PRC.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules. We have made arrangements to maintain effective communication between the Stock Exchange and us as follows:

- (i) both of the Company's authorized representatives, Mr. Zhang Guoxiang, a PRC resident, and Ms. Lai Siu Kuen, a Hong Kong resident, will act as our principal channel of communication with the Stock Exchange. Although Mr. Zhang Guoxiang resides in the PRC, he possesses valid travel documents and is able to renew such travel documents when they expire in order to visit Hong Kong. Accordingly, the authorized representatives of the Company will be able to meet with the relevant members of the Stock Exchange on short notice;
- (ii) both of the authorized representatives of the Company have means for contacting all Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact a Director on any matters;
- (iii) each Director has provided his mobile phone number, office phone number, fax number and e-mail address to the authorized representatives of the Company and the Stock Exchange, and in the event that any Director expects to travel or otherwise be out of office, he will provide the phone number of the place of his accommodation to the authorized representatives;
- (iv) each of our Directors who does not ordinarily reside 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) Ms. Lai Siu Kuen, one of the Company's joint company secretaries, who is a Hong Kong resident, will, among other things, act as the principal channel of communication of the Company with the Stock Exchange and be available to meet the Stock Exchange; and

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- (vi) We have retained the services of a compliance adviser in compliance with Rules 3A.19 of the Listing Rules. The compliance adviser will, among other things and in addition to the Company's authorized representatives, act as an additional channel of communication of the Company with the Stock Exchange and be available to answer enquiries from the Stock Exchange. We will ensure that there are adequate and efficient means of communication among the Company, the Company's authorized representatives, Directors, other officers and the compliance adviser.

APPOINTMENT OF JOINT COMPANY SECRETARIES

Rule 8.17

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

Rule 3.28

According to Rule 3.28 of the Listing Rules, the secretary of the Company must be a person who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary. The 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 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 Securities and Future Ordinance, 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.

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Our Company has appointed Mr. Cui Weilan as one of the joint company secretaries. Mr. Cui Weilan is experienced in financial industry in the PRC, and has a thorough understanding of the operation of the Board and our Company. Since Mr. Cui Weilan does not possess the acceptable professional or academic qualifications as stipulated in Rule 3.28 of the Listing Rules, our Company has appointed Ms. Lai Siu Kuen, a member of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in United Kingdom, as one of the joint company secretaries. Over a period of three years from the Listing Date, our Company proposes to implement the following measures to assist Mr. Cui Weilan to become a company secretary with the requisite qualifications or relevant experience as required under the Listing Rules:

Mr. Cui Weilan will endeavor to attend relevant training courses on the Listing Rules and familiarize himself with the Listing Rule during the three-year period from the Listing Date.

Ms. Lai Siu Kuen will assist Mr. Cui Weilan to enable him to acquire the relevant experience (as required under Rule 3.28 of the Listing Rules) to discharge the duties and responsibilities as a company secretary of the Company.

Mr. Cui Weilan will communicate regularly with Ms. Lai Siu Kuen on matters relating to corporate governance, the Listing Rules as well as other laws and regulations which are relevant to us and our affairs. Ms. Lai Siu Kuen will work closely with, and provide assistance for Mr. Cui Weilan in the discharge of his duties as a joint company secretary.

Mr. Cui Weilan has been appointed for an initial period of three years from the Listing Date, provided that he will be assisted by Ms. Lai Siu Kuen. Upon expiry of the three-year period, an evaluation of the qualifications and experience of Mr. Cui Weilan and the need for on-going assistance would be made.

We have applied to the Stock Exchange for, and the Stock Exchange has granted to us, a waiver from strict compliance with the requirements of Rules 3.28 and 8.17 of the Listing Rules. The waiver will be revoked immediately if Ms. Lai Siu Kuen ceases to provide assistance and guidance to Mr. Cui Weilan during the three-year period. In the event that Mr. Cui Weilan has obtained relevant experience under Rule 3.28 of the Listing Rules at the end of the said initial three-year period, the above joint company secretaries arrangement will no longer be required by the Company.

RULE 4.04(1) OF THE LISTING RULES AND PARAGRAPH 27 OF PART 1 AND PARAGRAPH 31 OF PART II OF THE THIRD SCHEDULE TO THE COMPANIES ORDINANCE

The accountants' report set out in Appendix I to this prospectus contains the consolidated results of our Group for the years ended December 31, 2010, 2011 and 2012 and the ten months ended October 31, 2013.

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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. Paragraph 27 of Part I of the Third Schedule to the Companies Ordinance requires that we set out in this prospectus a statement as to the gross trading income or sales turnover (as may be appropriate) of our Group during each of the three financial years immediately preceding the issue of this prospectus. Paragraph 31 of Part II of the Third Schedule to the Companies Ordinance require that we include in this prospectus a report by the auditors 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.

Rule 4.04(1) of the Listing Rules requires that the consolidated results of our Group in respect of each of the three financial years immediately preceding the issue of the prospectus be included in the Accountants' Report to this prospectus.

Guidance Letter GL25-11 issued by the Stock Exchange has provided the conditions for granting a waiver from strict compliance with Rule 4.04(1) of the Listing Rules as follows:

- (1) the applicant must list on the Stock Exchange within three months after the latest year end;
- (2) the applicant must obtain a certificate of exemption from the SFC on compliance with paragraphs 27 and 31 of the Third Schedule to the Companies Ordinance;
- (3) 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 the applicant must provide justification why a profit estimate cannot be included in the prospectus; and
- (4) 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.

Based on Guidance Letter HKEx-GL25-11, an application has been made to the SFC for the certificate of exemption from strict compliance with paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies Ordinance and to the Hong Kong Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules, respectively in relation to the inclusion of the accountants' report for the full financial year ended December 31, 2013 in this prospectus on the grounds that if the financial information is required to be audited up to December 31, 2013, it would be unduly burdensome to our Company, as our Company and the reporting accountants would have to undertake a considerable amount of work to prepare, update and finalise the accountants' report to cover such additional period within a short period of time. If the full year audited results for 2013 are to be included, there will be a significant delay in the listing timetable.

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Our Directors believe that the exemption from strict compliance with paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies Ordinance and waiver from strict compliance with Rule 4.04 of the Listing Rules will not prejudice the interests of the investing public based on the following grounds:

- the Directors consider that after performing sufficient due diligence work, there has been no material adverse change in the financial and trading positions or prospect of our Group since October 31, 2013 up to the date of issue of this prospectus and that there is no event which would materially affect the information contained in the accountants' report of our Group in this prospectus. Based on the due diligence work performed by the Joint Sponsors so far, nothing has come to the attention of the Joint Sponsors for them to cast doubt on the views of the Directors expressed above;
- in view of the reasons above, the Directors and the Joint Sponsors consider that all information that is reasonably necessary for the potential investors to make an informed assessment of the activities or financial position of our Group has been included in this prospectus; and
- this prospectus contains a statement from our Directors that there has been no material adverse change to the financial and trading positions or prospect of our Group since October 31, 2013 (being the date of which the latest audited consolidated financial statement of our Group were made up) and up to December 31, 2013.

In accordance with Guidance Letter HKEx-GL25-11, a profit estimate of our Group for the year ended December 31, 2013 has been included in this prospectus. Investing public would thus be given some guidance as to our Company's financial performance for the year ended December 31, 2013.

A certificate of exemption has been granted by the SFC under section 342A of the Companies Ordinance on the conditions that (i) the particulars of the exemption be set forth in this prospectus; and (ii) this prospectus be issued on or before February 28, 2014.

The Stock Exchange has granted us a waiver from strict compliance with Rule 4.04(1) of the Listing Rules on the condition that (i) this prospectus be issued by February 28, 2014 and the Listing shall commence by March 31, 2014; (ii) we have obtained a certificate of exemption from the SFC from similar requirements under paragraphs 27 and 31 of the Third Schedule to the Companies Ordinance; (iii) the inclusion of a profit estimate for the year ended December 31, 2013 which complies with Rules 11.17 to 11.19 of the Listing Rules and a Directors' statement that there is no material adverse change to our financial and trading positions or prospect since October 31, 2013 up to the date of this prospectus.

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Our Directors have confirmed that they have ensured that sufficient due diligence has been performed and that, save as disclosed in this prospectus, up to the date of this prospectus there has been no material adverse change in our financial or trading position since October 31, 2013 (being the date to which the latest consolidated financial statements of our Group were made up) and there has been no event since October 31, 2013 which would materially affect the information shown in the accountants' report of our Group (as set out in Appendix I to this prospectus). Based on the due diligence work performed by the Joint Sponsors so far, nothing has come to the attention of the Joint Sponsors for it to cast doubt on the views of the Directors expressed above.

PUBLIC FLOAT REQUIREMENTS

Rule 8.08(1)(a) and (b) of the Listing Rules require there to be an open market in the securities for which listing is sought and for a sufficient public float of an issuer's listed securities shall be maintained. This normally means that (i) at least 25% of the issuer's total issued share capital must at all times be held by the public; and (ii) where an issuer has more than one class of securities apart from the class of securities for which listing is sought, the total securities of the issuer held by the public (on all regulated market(s) including the Stock Exchange) at the time of listing must be at least 25% of the issuer's total issued share capital. However, the class of securities for which listing is sought must not be less than 15% of the issuer's total issued share capital, and must have an expected market capitalization at the time of listing of not less than HK\$50 million.

We have applied to the Stock Exchange to request the Stock Exchange to exercise its discretion under Rule 8.08(1) of the Listing Rules, and the Stock Exchange has granted our Company a waiver from strict compliance with the requirements of Rule 8.08(1)(a) of the Listing Rules, pursuant to which, the public float of the Company may fall below 25% of the issued share capital of the Company (assuming the Over-allotment Option is not exercised) or such higher percentage of shares held by the public (if the Over-allotment Option is fully or partially exercised).

The Stock Exchange has agreed to grant the requested waiver on the conditions that:

- (i) the minimum public float of the Company should be at the highest of (a) 22%; (b) such percentage to be held by the public after completion of the Global Offering; and (c) such percentage after the exercise of the Over-allotment Option;
- (ii) we will make appropriate disclosure of the lower percentage of public float required by the Stock Exchange in the prospectus;
- (iii) we will as soon as practicable announce the percentage of Shares held by the public immediately after completion of the Global Offering (but before the exercise of the Over-allotment Option), such that the public will be informed of the minimum public float requirement applicable to the Company;

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- (iv) we will confirm sufficiency of public float in the successive annual reports of the Company after the Listing;
- (v) we will implement appropriate measures and mechanisms to ensure continual maintenance of the minimum percentage of public float prescribed by the Stock Exchange; and
- (vi) we will continue to comply with Rules 8.08(2) and 8.08(3) of the Listing Rules.