
WAIVERS FROM STRICT COMPLIANCE WITH THE HONG KONG LISTING RULES

MANAGEMENT PRESENCE

According to Rules 8.12 and 19A.15 of the Hong Kong Listing Rules, an issuer must have a sufficient management presence in Hong Kong. This will normally mean that at least two of the issuer's executive directors must be ordinarily resident in Hong Kong. Substantially all of the Directors currently reside in the PRC. Since our principal operations are located in the PRC and the Group's head office is located in the PRC, we do not and for the foreseeable future will not have a sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 and Rule 19A.15 of the Hong Kong Listing Rules. Accordingly, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has agreed to grant, a waiver from strict compliance with the requirements under Rule 8.12 and Rule 19A.15 in relation to the requirement of a management presence in Hong Kong, on the following conditions to ensure that regular and effective communication is maintained between the Hong Kong Stock Exchange and us:

1. Authorized Representatives:

We have appointed two authorized representatives (the “**Authorized Representatives**”), namely Mr. Qiao Dewei and Mr. Zhu Shuguang who will act at all times as our principal channel of communication with the Hong Kong Stock Exchange, for the purpose of Rule 3.05 of the Hong Kong Listing Rules. The Authorized Representatives will provide their usual contact details to the Hong Kong Stock Exchange and will be readily contactable by telephone, facsimile and e-mail to deal promptly with inquiries from the Hong Kong Stock Exchange. They will be available to meet with the Hong Kong Stock Exchange to discuss any matters within a reasonably short period of time;

2. Directors:

When the Hong Kong Stock Exchange wishes to contact the Directors on any matter, each of our Authorized Representatives will have all the necessary means to contact all the Directors (including our independent non-executive Directors) and senior management promptly at all times. Each Director must provide his/her mobile phone number, office phone number, e-mail address and facsimile number to the Authorized Representatives, the information of which is provided to the Hong Kong Stock Exchange. In the event that a Director expects to travel and/or otherwise be out of office, he/she will provide phone number of the place of his/her accommodation to the Authorized Representatives and make themselves readily contactable by the Authorized Representatives.

Each of our Directors who is not ordinarily resident in Hong Kong holds a valid travel document for travel to Hong Kong and will make themselves available in Hong Kong if required to meet with the Hong Kong Stock Exchange within a reasonable period of time;

3. Compliance Advisor:

We have appointed Somerley Capital Limited as our compliance advisor (the “**Compliance Advisor**”) in compliance with Rules 3A.19 and 19A.05 of the Hong Kong Listing Rules, who will act as our additional channel of communication with the Hong Kong Stock Exchange during the

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period from the Listing Date to the date on which we comply with Rule 13.46 of the Hong Kong Listing Rules in respect of our financial results for the first full financial year immediately after the Listing. The Compliance Advisor will be available to answer enquiries from the Hong Kong Stock Exchange and will act as our principal channel of communication with the Hong Kong Stock Exchange when the Authorized Representatives are not available. We have provided the Hong Kong Stock Exchange with the names, home and office telephone numbers, facsimile numbers and e-mail addresses of at least two of the Compliance Advisor's officers who will act as the Compliance Advisor's contact with the Hong Kong Stock Exchange and our Company pursuant to Rule 19A.06(4) of the Hong Kong Listing Rules.

Pursuant to Rule 19A.05(2) of the Hong Kong Listing Rules, we shall ensure that the Compliance Advisor retained by us will have access at all times to our Authorized Representatives, Directors and other officers. We shall also procure that such persons will provide promptly such information and assistance as the Compliance Advisor may need or may reasonably request in connection with the performance of the Compliance Advisor's duties as set forth in Chapter 3A and Rule 19A.06 of the Hong Kong Listing Rules. We shall ensure that there are adequate and efficient means of communication between our Company, our Authorized Representatives, Directors and other officers and the Compliance Advisor, and will keep the Compliance Advisor informed of all communications and dealings between us and the Hong Kong Stock Exchange; and

4. Legal Advisor:

We shall also retain a legal advisor after the Listing to inform us in a timely manner of any amendment or supplement to the Hong Kong Listing Rules and any new or amended laws, regulations or codes in Hong Kong applicable to us. Our legal advisor will provide advice to us on the continuing requirements under the Hong Kong Listing Rules and applicable Hong Kong laws and regulations and will provide advice to us on the application of the Hong Kong Listing Rules and other applicable Hong Kong laws and regulations relating to securities after the Listing.

APPOINTMENT OF JOINT COMPANY SECRETARIES

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

Note 1 to Rule 3.28 of the Hong Kong Listing Rules sets out the academic and professional qualifications considered to be acceptable by the Hong Kong Stock Exchange:

- (i) a Member of The Hong Kong Institute of Chartered Secretaries;

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- (ii) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and
- (iii) a certified public accountant (as defined in the Professional Accountants Ordinance).

Note 2 to Rule 3.28 of the Hong Kong Listing Rules sets out the factors that the Hong Kong Stock Exchange considers when assessing an individual's 'relevant experience':

- (i) length of employment with the issuer and other issuers and the role he played;
- (ii) familiarity with the Hong Kong Listing Rules and other relevant laws and regulations including the Securities and Futures Ordinance, Companies Ordinance and the Takeovers Code;
- (iii) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Hong Kong Listing Rules; and
- (iv) professional qualifications in other jurisdictions.

We have appointed Mr. ZHU Shuguang (朱曙光) as our Joint Company Secretary. Mr. ZHU joined our Company in September 2010 and has more than 13 years of experience in the finance industry with sound understanding of the operations of our Board and our Company. Mr. ZHU, however, does not possess the relevant qualifications required by Rule 3.28 of 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 made the following arrangements:

- (i) Mr. ZHU will endeavour to attend the relevant training courses, including briefing on the latest changes to the applicable Hong Kong laws and regulations as well as the Hong Kong Listing Rules organized by our Company's Hong Kong legal advisors on an invitation basis and seminars organized by the Hong Kong Stock Exchange for the PRC issuers from time to time, in addition to complying with the minimum requirement under Rule 3.29 of the Hong Kong Listing Rules;
- (ii) We have appointed Mrs. SENG SZE, Ka Mee Natalia (沈施加美) who meets the requirements under Note 1 to Rule 3.28 of the Hong Kong Listing Rules to act as the Joint Company Secretary to work closely with and to provide assistance to Mr. ZHU in discharge of his duties as a company secretary for an initial period of three years commencing from the Listing Date so as to enable Mr. ZHU to acquire the relevant experience (as required under Note 2 to Rule 3.28 of the Hong Kong Listing Rules) to discharge his duties and responsibilities as company secretary;
- (iii) We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has agreed to grant, a waiver from strict compliance with the requirements under Rules 8.17 and 3.28 of the Hong Kong Listing Rules; and

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- (iv) Upon the expiry of the initial three-year period, the qualifications of Mr. ZHU will be re-evaluated to determine whether the requirements as stipulated in Note 2 to Rule 3.28 of the Hong Kong Listing Rules are satisfied. In the event that Mr. ZHU has acquired the relevant experience under Note 2 to Rule 3.28 of the Hong Kong Listing Rules at the end of the said initial three-year period, the above joint company secretaries arrangement may no longer be necessary.