

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the Listing, the Company has sought the following waivers 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 will normally mean that at least two of its executive directors must be ordinarily resident in Hong Kong.

The business of the Group was developed by Mr. Liu Xiaosong and other senior management members who are PRC nationals based in the PRC. Since the business operations and office premises of the Group are primarily located in the PRC and the Group's customers are all situated in the PRC, the senior management members of the Group are and will therefore continue to be based in the PRC. At present, Ms. Ho Yip, Betty, an executive Director, the Qualified Accountant and the company secretary of the Company is ordinarily resident in Hong Kong while none of the other executive Directors are Hong Kong residents or are based in Hong Kong. The Company has applied to the Stock Exchange for a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules subject to the following conditions:

- (a) The Company will appoint two authorized representatives pursuant to Rule 3.05 of the Listing Rules who will act as the Company's principal communication channel with the Stock Exchange and will ensure that they comply with the Listing Rules at all times. The two authorized representatives to be appointed are Ms. Ho Yip, Betty, an executive Director, the Qualified Accountant and the company secretary of the Company who is ordinarily resident in Hong Kong, and Mr. Liu Xiaosong, the Chairman, Chief Executive Officer and an executive Director of the Company.
- (b) 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 mobile or residential telephone, facsimile or email. Each of the two authorized representatives has been duly authorized to communicate on behalf of the Company with the Stock Exchange;
- (c) In addition, the Company will appoint a compliance adviser pursuant to Rule 3A.19 of the Listing Rules who will also act as the Company's communication channel with the Stock Exchange for the period commencing on the Listing Date and ending on the date on which the Company distributes the annual report for the first full financial year after the Listing Date in accordance with Rule 13.46 of the Listing Rules;

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- (d) Each of the authorized representatives has means to contact all members of the Board (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact the members of the Board for any matters. The Company will implement a policy whereby (a) each executive Director will provide his or her respective mobile phone number, residential phone number, office phone number, fax number and email address to the authorized representatives; (b) each executive Director will provide valid phone numbers or means of communication to the authorized representatives when he or she travels; and (c) each executive Director will provide his or her mobile phone number, residential phone number, office phone number, fax number and email address to the Stock Exchange; and

- (e) All executive Directors, non-executive Directors and independent non-executive Directors who are not ordinarily resident in Hong Kong have confirmed that they possess valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time, when required.

CONTINUING CONNECTED TRANSACTIONS

The Company has entered into certain transactions in the form of structure contracts with its connected persons which would constitute non-exempt continuing connected transactions of the Company under the Listing Rules after the Listing. Such structure contracts are fundamental to the legal structure and business operations of the Group and the Directors consider that it would not be appropriate for the structure contracts to be subject to, amongst other things, the announcement and independent shareholders’ approval requirement under the Listing Rules. The Company has therefore made an application to the Stock Exchange for a waiver from strict compliance with the requirements set out in Chapter 14A of the Listing Rules for such non-exempt continuing connected transactions. Further details of such non-exempt continuing connected transactions and the waiver are set out in the section headed “Connected transactions” in this prospectus.