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

In preparation for Listing, our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

I. MANAGEMENT PRESENCE

Under Rule 8.12 of the Listing Rules, we must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong.

Given that substantially all of our business operations and management are located in the PRC, we consider that it will be unduly burdensome for us to maintain management presence in Hong Kong in order to comply with the requirements under Rule 8.12 of the Listing Rules. Accordingly, we have applied to the Stock Exchange for a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules, and the waiver has been granted by the Stock Exchange.

We have put in place the following measures to maintain regular communication with the Stock Exchange:

- (a) we have appointed Mr. Wang Mengde and Mr. Ngai Wai Fung as our authorized representatives under Rule 3.05 of the Listing Rules who will act as our principal channel of communication with the Stock Exchange. Mr. Ngai Wai Fung is ordinarily resident in Hong Kong and is one of joint company secretaries whereas Mr. Wang Mengde is our executive Director and Chief Financial Officer. Both of them will be available to meet the Stock Exchange on reasonable notice as and when required and will be readily contactable by the Stock Exchange by phone, fax or e-mail;
- (b) our authorized representatives will have means to contact all members of our Board (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters;
- (c) we shall promptly inform the Stock Exchange of any changes of our authorized representatives and the contact details of our authorized representatives and Directors;
- (d) all executive Directors, non-executive Directors and independent non-executive Directors who are not ordinarily resident in Hong Kong have confirmed that either they possess or will 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;
- (e) we have appointed Anglo Chinese as our compliance advisor under Rule 3A.19 of the Listing Rules for a period commencing on the Listing Date and ending on the date on which we distribute our annual report for the first full financial year after the Listing Date to provide us with professional advice on continuing obligations under the Listing Rules and to act as the alternative channel of communication with the Stock Exchange; and
- (f) each Director has provided his or her mobile phone number, office phone number, e-mail address and fax number to the Stock Exchange.

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II. QUALIFICATION OF JOINT COMPANY SECRETARIES

Under Rule 8.17 of the Listing Rules, the company secretary of the issuer must be a person who is ordinarily resident in Hong Kong and who has the requisite knowledge and experience to discharge the functions of the company secretary and is either (i) a member of The Hong Kong Institute of Company Secretaries, a solicitor or barrister or a professional accountant, or (ii) an individual who, by virtue of his academic or professional qualifications or relevant experience, is in the opinion of the Stock Exchange capable of discharging those functions.

Although Mr. Huang Shuping is not ordinarily resident in Hong Kong and does not possess the qualification required under Rule 8.17 of the Listing Rules, he is appointed by the Company as one of the joint company secretaries due to his experience in business management and thorough understanding of the business operations of the Group. Accordingly, we have applied to the Stock Exchange for a waiver from strict compliance with the requirements under Rule 8.17 of the Listing Rules and the waiver has been granted by the Stock Exchange.

In support of the waiver application, our Company has appointed:

- (i) Mr. Ngai Wai Fung as the other joint company secretary for a period of three years commencing on the Listing Date (the "Engagement Period"). Mr. Ngai is ordinarily resident in Hong Kong and possesses the qualifications required under Rule 8.17 of the Listing Rules. Apart from discharging his functions in his role as one of the joint company secretaries, Mr. Ngai will ensure that he will be available to provide assistance and on-the-job training to Mr. Huang to enable him to acquire the relevant company-secretary related experience (required under Rule 8.17(3) of the Listing Rules) and to enhance and improve his knowledge and familiarity with the requirements of the Listing Rules. In addition, our Company will on a regular basis provide in-house training courses for Mr. Huang and/or arrange Mr. Huang to attend external seminars on related topics.
- (ii) Mr. Wang Mengde and Mr. Ngai Wai Fung as our authorized representatives under Rule 3.05 of the Listing Rules. They will act as our principal channel of communication with the Stock Exchange. Mr. Ngai is ordinarily resident in Hong Kong and is one of our joint company secretaries, whereas Mr. Wang Mengde is an executive Director and our Chief Financial Officer. Both of them will be available to meet the Stock Exchange on reasonable notice as and when required and will be readily contactable by the Stock Exchange.
- (iii) Anglo Chinese as our compliance advisor under Rule 3A.19 of the Listing Rules for a period commencing on the Listing Date and ending on the date on which we distribute our annual report for the first full financial year after the Listing Date to provide us with professional advice on continuing obligations under the Listing Rules and to act as an alternative channel of communication with the Stock Exchange.

The waiver granted is valid for an initial period of three years from the Listing Date. Such waiver will be revoked by the Stock Exchange immediately if Mr. Ngai ceases to provide assistance and training to Mr. Huang during such three-year period. Upon expiry of the Engagement Period, Mr. Huang's competence and ability in discharging the duties of a company secretary of our Company and the need for ongoing assistance will be further evaluated by our Company in order to determine whether the appointment of Mr. Huang as sole company secretary would satisfy the requirements as stipulated in the Listing Rules.

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III. DISCLOSURES RELATING TO THE GRANTEES OF PRE-IPO SHARE OPTIONS

We have applied to the SFC for an exemption from the strict compliance with the disclosure requirements under Paragraph 10(d) of Part I of the Third Schedule to the Companies Ordinance and to the Stock Exchange for a waiver from strict compliance with the requirements under Rule 17.02(1)(b) of and paragraph 27 of Part A of Appendix 1 to the Listing Rules in connection with the information of the granting of options under the Pre-IPO Share Option Scheme on the grounds that:

- (i) in light of the large number of grantees involved, strict compliance with such disclosure requirements in setting out full details of all the grantees under the Pre-IPO Share Option Scheme in this prospectus would be unduly burdensome for our Company;
- (ii) the grant and exercise in full of the Pre-IPO Share Options would not cause any material adverse impact in the financial position of our Company;
- (iii) non-compliance with the above disclosure requirements would not prevent our Company from providing its potential investors with an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Company; and
- (iv) the information contained in this prospectus regarding the Pre-IPO Share Option Scheme, including the dilution effect and impact on earnings per Share upon full exercise of the Pre-IPO Share Options, provides potential investors with sufficient information to make a relevant assessment of our Company in their investment decision making process.

The waiver from the Stock Exchange has been granted on the conditions that:

- (i) the following information will be clearly disclosed in this prospectus:
 - (a) on an individual basis, full details of all Pre-IPO Share Options to grantees being Directors, members of the senior management of our Group and connected persons of our Group, such details to include all the particulars required under Rule 17.02(1)(b) of and paragraph 27 of Part A of Appendix 1 to the Listing Rules and paragraph 10 of Part 1 of the Third Schedule to the Companies Ordinance;
 - (b) in respect of the Pre-IPO Share Options granted by the Company other than those referred to in sub-paragraph (i)(a) above, on an aggregated basis, (1) the aggregate number of grantees and the number of shares subject to the Pre-IPO Share Options, (2) the consideration paid for the grant of the Pre-IPO Share Options and (3) the exercise period and the exercise price for the Pre-IPO Share Options;
 - (c) the aggregate number of Shares underlying the Pre-IPO Share Options and the percentage to our Company's total issued share capital represented by such number of Shares;
 - (d) the dilutive effect and impact on earnings per Share upon full exercise of the Pre-IPO Share Options; and

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- (ii) a list of all the grantees (including those persons whose details have already been disclosed in this prospectus) who have been granted Pre-IPO Share Options (including the persons referred to in sub-paragraph (i)(a) above) containing all the particulars as required under Rule 17.02(1)(b) and paragraph 27 of Appendix 1A of the Listing Rules and paragraph 10 of Part 1 of the Third Schedule to the Companies Ordinance be made available for public inspection in accordance with the section headed “Documents Delivered to the Registrar of Companies and Available for Inspection” in Appendix VIII to this prospectus.

The exemption from the SFC has been granted on the following conditions:

- (i) on an individual basis, full details of all options granted by our Company under the Pre-IPO Share Option Scheme to each of the Directors, members of the senior management of our Group and connected persons of our Group are disclosed in this prospectus, such details to include all the particulars required under paragraph 10 of Part I of the Third Schedule to the Companies Ordinance;
- (ii) in respect of the Pre-IPO Share Options granted to employees other than those referred to in sub-paragraph (i) above, the following details are disclosed in this prospectus:
 - (a) the aggregate number of Grantees and the number of Shares subject to the Pre-IPO Share Options;
 - (b) the consideration paid for the grant of the Pre-IPO Share Options;
 - (c) the exercise period and the exercise price for the Pre-IPO Share Options;
- (iii) the aggregate number of Shares underlying the Pre-IPO Share Options and the percentage to our Company’s total issued share capital represented by such number of Shares; and
- (iv) a full list of all the grantees (including those persons referred to in sub-paragraph (i) above) who have been granted Pre-IPO Share Options containing all the details as required under paragraph 10 of Part 1 of the Third Schedule to the Companies Ordinance be made available for public inspection in accordance with the section headed “Documents Delivered to the Registrar of Companies and Available for Inspection” in Appendix VIII to this prospectus.