
WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

CONNECTED TRANSACTIONS

Members of our Group have entered into, and are expected to continue after the Listing, certain transactions, which will constitute non-exempt continuing connected transactions under the Listing Rules upon Listing. Our Company has applied to the Hong Kong Stock Exchange for waivers from strict compliance with the requirements regarding the announcements and independent shareholders' approval in respect of such non-exempt continuing connected transactions under Chapter 14A of the Listing Rules. The details of such waivers are set out in the section entitled "Connected Transactions" in this prospectus.

MANAGEMENT PRESENCE

According to Rule 8.12 and Rule 19A.15 of the Listing Rules, a new applicant applying for a listing on the Hong Kong Stock Exchange must have a sufficient management presence in Hong Kong, and this normally means that at least two of its executive directors must be ordinarily resident in Hong Kong. Our operations are principally in the PRC and substantially all of the Directors currently reside in the PRC. We do not, and for the foreseeable future will not, have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules. As a result, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, a waiver in connection with Rules 8.12 and 19A.15 of the Listing Rules, on the following conditions to ensure that regular and effective communication is maintained between the Hong Kong Stock Exchange and us:

1. We have appointed Wei Hongliang, our executive Director, and Ma Jinru, our company secretary, as our authorized representatives (the "**Authorized Representatives**") for the purpose of Rule 3.05 of the Listing Rules. They will act as our principal channel of communication with the Hong Kong Stock Exchange. The Authorized Representatives will provide their usual contact details to the Hong Kong Stock Exchange to be readily contactable by the Hong Kong Stock Exchange, and will be available to meet with the Hong Kong Stock Exchange to discuss any matters on short notice;
2. As and when the Hong Kong Stock Exchange wishes to contact the Directors on any matters, each of the Authorized Representatives will have means to contact all the Directors (including our independent non-executive Directors) promptly at all times. We will implement such measures that (a) each Director must provide his mobile phone numbers, office phone numbers, email addresses and fax numbers to the Authorized Representatives; and (b) in the event that a Director expects to travel and or otherwise be out of office, he will provide the phone number of the place of his accommodation to the Authorized Representatives;
3. We will provide the mobile phone number, the telephone number of the business office, email address and fax number of every Director to the Hong Kong Stock Exchange; and
4. Each of the Directors who is not ordinarily resident in Hong Kong possesses or can apply for valid documents to visit Hong Kong and can meet with the Hong Kong Stock Exchange upon reasonable notice.

In compliance with Rule 3A.19 of the Listing Rules, we will appoint Haitong International Capital Limited as the compliance advisor, which will act as our additional channel of communication with the Hong Kong Stock Exchange when our Authorized Representatives are not available. The compliance advisor will have access at all times to our Authorized Representatives, the Directors and other officers of our Company to ensure that it is in a position to provide prompt responses to any queries or requests from the Hong Kong Stock Exchange in respect of our Company.

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SUBSCRIPTION FOR SHARES BY EXISTING SHAREHOLDERS

Rule 10.04 of the Listing Rules requires that existing shareholders may only subscribe for securities provided no securities will be offered to them on a preferential basis and no preferential treatment will be given to them in the allocation of the securities.

Our Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Listing Rule 10.04 and the consent under paragraph 5(2) of Appendix 6 to the Listing Rules in relation to the placing of our H Shares with our existing A Shareholders or their associates under the International Offering.

The waiver is conditional on each of our A Shareholders placed with our H Shares (i) holding less than 2% of our issued A share capital immediately prior to the Global Offering and exerting no influence over our Company; (ii) not being and not intending to be a Connected Person of our Company; and (iii) being subject to the same book building and allocation process as other investors in the International Offering, and no preferential treatment is given to them in the allocation.

Any placing of our H Shares with our existing A Shareholders will be conducted in accordance with all applicable PRC and Hong Kong laws and regulations.