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MANAGEMENT PRESENCE IN HONG KONG

Pursuant to 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 the business and operation of our Group are primarily located, managed and conducted in the PRC and our sole executive Director is ordinarily resident in the PRC, we do not, and for the foreseeable future will not, have two executive Directors residing in Hong Kong.

Accordingly, we have applied to the Stock Exchange for and the Stock Exchange has granted us a waiver from compliance with the requirements under Rule 8.12 of the Listing Rules. In order to maintain effective communication with the Stock Exchange, we have put in place the following measures to ensure that regular communication is maintained between the Stock Exchange and us:

- (a) We have appointed two authorised representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channels of communication with the Stock Exchange and ensure that the Group complies with the Listing Rules at all times. The two authorised representatives are Mr. Qian, our executive Director, and Mr. Chui Wing Fai, the company secretary of our Company. The alternate authorised representative to Mr. Qian is Mr. Mak Wai Man Raymond (who is our chief financial officer). They have confirmed that they will be readily contactable by phone, facsimile and e-mail to promptly respond to inquiries from the Stock Exchange.
- (b) Each of the Directors, authorised representatives and the alternate authorised representative of our Company will provide his office phone number, mobile phone number, fax number and e-mail address to the Stock Exchange. They will be contactable at their mobile phone numbers at all times.
- (c) Each executive Director, non-executive Director and independent non-executive Director who is not ordinarily resident in Hong Kong holds valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange to discuss any matter in relation to our Company on reasonable notice as and when required.
- (d) Mr. Qian, the sole executive Director who is normally resident in Nanjing, Jiangsu Province, PRC, and Messrs. Mak Wai Man Raymond (alternate to Mr. Qian) and Chui Wing Fai, the chief financial officer and the company secretary of our Company, respectively, who are both normally resident in Hong Kong, have confirmed that they will be able to meet with the Stock Exchange on short notice.
- (e) All of the authorised representatives (including the alternate authorised representative) will have 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 them on any matters.

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- (f) Pursuant to Rule 3A.19 of the Listing Rules, our Company has retained CIMB as its compliance adviser for the period commencing on the Listing Date and ending on the date on which our Company publishes its annual report in respect of its first full financial year commencing after the Listing Date to provide us with advice on our obligations in compliance with the Listing Rules, the Takeovers Code and the Code on Share Repurchases, including the publication of regulatory announcements, circulars or financial reports and the entry into notifiable or connected transactions. Such compliance adviser will act as the additional channel of communication with the Stock Exchange for the aforesaid period. Such compliance adviser will (i) provide the office address, the names, home and office phone numbers and fax numbers, e-mail addresses of two of its officers to the Stock Exchange and (ii) maintain all the office phone numbers, mobile phone numbers, fax numbers and e-mail addresses of the persons named in paragraph (b) above.
- (g) In the event that an executive Director / authorised representative of our Company expects to travel and be out of office, he will provide the phone number of the place of his accommodation or means of communication to the other authorised representative(s) and their respective alternate(s).

PRE-IPO SHARE OPTIONS

Under Rule 17.02(1)(b) of the Listing Rules, paragraph 27 of Appendix 1A and paragraph 10(d) of Part I of the Third Schedule to the Companies Ordinance, this prospectus is required to include, among other things, details of the number, description and amount of any of our Shares which any person has, or is entitled to be given, an option to subscribe for, together with certain particulars of each option, namely the period during which it is exercisable, the price to be paid for Shares subscribed for under it, the consideration (if any) given or to be given for it or for the right to it and the names and addresses of the persons to whom it was given. We have granted options to 127 persons to subscribe for 7,500,000 Shares on the terms set out in “Share Option Schemes – Summary of the terms of the Pre-IPO Share Option Scheme” in Appendix VI to this prospectus. Except for those 10 grantees who are directors or senior management of our Group as disclosed in “Share Option Schemes – Summary of the terms of the Pre-IPO Share Option Scheme” in Appendix VI to this prospectus, no grantees under the Pre-IPO Share Option Scheme are directors or senior management or connected persons of our Group.

Under the Pre-IPO Share Option Scheme, eligible persons include any executive, director and/or employee of any member of our Group and other individuals who have made contributions to our Group at the time when the Pre-IPO Share Option is granted.

We have applied for (i) a waiver from the Stock Exchange from strict compliance with the disclosure requirements under Rule 17.02(1)(b) and paragraph 27 of Appendix 1A to the Listing Rules; and (ii) an exemption from the SFC from strict compliance with the disclosure requirements of paragraph 10(d) of Part I of the Third Schedule to the Companies Ordinance on the ground that disclosure of the names and addresses of the remaining 91 grantees of the Pre-IPO Share Option Scheme who are not directors or senior management or connected persons of our Group or any other

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employees of the Group with a right to subscribe for more than 75,000 Shares (such grantees to be collectively referred to as the “**Grantees**”), as well as the number of Shares in respect of which options have been conditionally granted to each Grantee would be unduly burdensome for us due to the following reasons:

- (i) as the options granted under the Pre-IPO Share Option Scheme are in many instances considered as part of each Grantee’s remuneration package, information on such options is highly sensitive and confidential among the Grantees;
- (ii) given the 91 Grantees involved, strict compliance with the applicable disclosure requirements under the Companies Ordinance on an individual basis in this prospectus will be costly and unduly burdensome on our Company in light of a significant increase in cost and timing for information compilation, prospectus preparation and printing;
- (iii) the grant and exercise in full of the options granted under the Pre-IPO Share Option Scheme will not cause any material adverse change in the financial position of our Company;
- (iv) the lack of full compliance with the applicable disclosure requirements under the Listing Rules and the Companies Ordinance will not hinder our Company in providing an informed assessment of our Company’s activities, assets and liabilities, financial position, management and prospects to its potential investors; and
- (v) the disclosure of a summary of information relating to the options granted under the Pre-IPO Share Option Scheme, as described in “Share Option Schemes – Summary of the terms of the Pre-IPO Share Option Scheme” in Appendix VI to this prospectus should provide potential investors with sufficient information to make a relevant assessment of our Company in their investment decision-making process.

The Stock Exchange has granted the waiver to us subject to that:

- (a) the grant of a certificate of exemption from strict compliance with the relevant Companies Ordinance requirements by the SFC;
- (b) full disclosure in this prospectus on all options under the Pre-IPO Share Option Scheme granted to each of the directors, senior management, connected persons and employees of our Group who have been granted options for 75,000 Shares or more, including all the particulars required under paragraph 10(d) of Part I of the Third Schedule to the Companies Ordinance and Rule 17.02(1)(b) and paragraph 27 of Appendix 1A to the Listing Rules;
- (c) disclosure in this prospectus, for the remaining grantees on an aggregate basis:
 - (1) their aggregate number and the number of Shares underlying the options granted;
 - (2) the consideration paid for the options;

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- (3) the exercise period of each option; and
- (4) the exercise price for the options;
- (d) disclosure in this prospectus the aggregate number of Shares underlying the options under the Pre-IPO Share Option Scheme and the percentage of our Company's issued share capital represented by them, the dilution effect and impact on earnings per Share upon full exercise of the options under the Pre-IPO Share Option Scheme; and
- (e) availability for public inspection a full list of all the grantees under the Pre-IPO Share Option Scheme with all the particulars required under the relevant provisions of the Companies Ordinance and the Listing Rules.

The SFC has issued a certificate of exemption under section 342A of the Companies Ordinance exempting the Company from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies Ordinance subject to the conditions that:

- (aa) full details of the options granted by our Company under the Pre-IPO Share Option Scheme to each of the directors of the Company or its subsidiaries, senior management, connected persons and grantees who have been granted options for 75,000 Shares or more be disclosed in this prospectus, including all the particulars required under paragraph 10 of Part I of the Third Schedule to the Companies Ordinance;
- (bb) in respect of the options granted by our Company under the Pre-IPO Share Option Scheme to the employees other than those referred to in sub-paragraph (aa), the following details be disclosed in this prospectus:
 - (1) the aggregate number of grantees and number of Shares subject to the options;
 - (2) the consideration paid for the grant of the options; and
 - (3) the exercise period and the exercise price for the options; and
- (cc) a full list of all the grantees (including the persons referred to in sub-paragraph (aa) above) who have been granted options to subscribe for Shares under the Pre-IPO Share Option Scheme, containing all the details as required under paragraph 10 of Part I of the Third Schedule to the Companies Ordinance be made available for public inspection in accordance with the section headed "Documents available for inspection" in Appendix VII to this prospectus.

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Further details of the Pre-IPO Share Option Scheme and the respective waiver are set out in “Share Option Schemes – Summary of the terms of the Pre-IPO Share Option Scheme” in Appendix VI to this prospectus.

CONNECTED TRANSACTIONS

Members of our Group have entered and are expected to enter into certain transactions, which would constitute continuing connected transactions for our Company under the Listing Rules after the Listing. We have applied to the Stock Exchange for a waiver from strict compliance with the announcement requirement and/or independent shareholders’ approval set out in Chapter 14A of the Listing Rules for such continuing connected transactions. For further details of such waiver, please refer to “Connected Transactions” in this prospectus.