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

In preparation for the Global Offering, the Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and the Hong Kong Companies Ordinance:

MANAGEMENT PRESENCE IN HONG KONG: RULE 8.12 AND RULE 19A.15 REQUIREMENTS

Pursuant to Rule 8.12 and Rule 19A.15 of the Listing Rules, a new applicant applying for a primary listing on the Stock Exchange must have sufficient management presence in Hong Kong. This normally means that at least two of the applicant's executive Directors must be ordinarily resident in Hong Kong. Currently we operate all of our businesses and assets in the PRC and all of our executive Directors reside in the PRC. We do not, and in the foreseeable future, will not have a sufficient management presence in Hong Kong.

Accordingly, we have applied to the Stock Exchange for a waiver from strict compliance with the requirements under Rule 8.12 and Rule 19A.15 of the Listing Rules. In order to maintain effective communication with the Stock Exchange, we put in place the following measures:

- (a) we have (i) appointed Mr. Zhao Shiming, the executive Director and President of the Company, and Ms. Ma, Sau Kuen Gloria, one of the joint company secretaries of the Company, as our authorized representatives (the "Authorized Representatives"); and (ii) authorized the Authorized Representatives to speak on behalf of us and to act as the principal channel of communication with the Stock Exchange;
- (b) each of the Authorized Representatives has means to contact all members of the Board (including the non-executive Directors and the independent non-executive Directors) and the senior management promptly at all times as and when the Stock Exchange wishes to contact them for any matters;
- (c) each Director who is not ordinarily resident in Hong Kong has confirmed that he or she possesses valid travel documents to visit Hong Kong for business purpose and would be able to come to Hong Kong and meets the Stock Exchange upon reasonable notice; each of the Directors has also provided their respective mobile phone numbers, office phone numbers, e-mail addresses and facsimile numbers to the Stock Exchange;
- (d) we have at least one independent non-executive Director (namely, Mr. Wan Kam To) who is an ordinary resident in Hong Kong;
- (e) we will retain Hong Kong legal advisers to advise on our on-going compliance obligations and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong after listing;
- (f) we retain Haitong International Capital Limited, as the compliance adviser (the "Compliance Adviser") for the period commencing on the Listing Date and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the date of listing. Pursuant to Rule 19A.05(2) of the Listing Rules, we will ensure that the Compliance Adviser have access at all times to the Authorized Representatives, Directors and other officers of our Company and will act as our Company's principal channel of communication with the Stock Exchange when the Authorized Representatives are not available. We will procure the Compliance Adviser to provide the Stock Exchange with the names and contact details of its representative responsible for this matter as soon as possible after appointment;
- (g) any meetings between the Stock Exchange and the Directors of us may be arranged through the Authorized Representatives or the Compliance Adviser (if applicable); and
- (h) we will inform the Stock Exchange promptly in respect of any change in our Authorized Representatives and Compliance Adviser.

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CONNECTED TRANSACTIONS

We have entered into certain transactions which would constitute continuing connected transactions under the Listing Rules following the completion of the Global Offering. We have received from the Stock Exchange a waiver from strict compliance with the announcement and independent shareholders' approval requirements set out in Chapter 14A of the Listing Rules for such continuing connected transactions. Further details of such continuing connected transactions and the waiver are set out in "Connected Transactions" in this prospectus.

COMPANY SECRETARY

Pursuant to Rule 8.17 of the Listing Rules, the secretary of our Company must be a person who is ordinarily resident in Hong Kong, has the requisite knowledge and experience to discharge the functions of a company secretary and is either (i) a member of the Hong Kong Institute of Chartered Secretaries, a solicitor or barrister (as defined in the Legal Practitioners Ordinance) or a professional accountant, or (ii) an individual who, by virtue of his academic or professional qualifications or relevant experiences, is in the opinion of the Stock Exchange capable of discharging those functions. Rule 19A.16 of the Listing Rules provides that the secretary of a PRC issuer, such as our Company, need not be ordinarily resident in Hong Kong, provided that such person can meet the other requirements of Rule 8.17 of the Listing Rules.

We have appointed Ms. Song Yuhong as one of the joint company secretaries. Ms. Song is experienced in handling administrative work and has a thorough understanding of the operation of the Board and our Company. However, Ms. Song does not possess a qualification as stipulated in Rule 8.17 of the Listing Rules and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Ms. Ma, Sau Kuen Gloria to act as another joint company secretary and to provide assistance to Ms. Song for an initial period of three years from the Listing Date so as to fully comply with the requirements set forth under Rule 8.17 of the Listing Rules.

Ms. Ma, Sau Kuen Gloria will work closely with Ms. Song to jointly discharge the duties and responsibilities as company secretary and assist Ms. Song to acquire the relevant experience as required under Rule 8.17(3) of the Listing Rules. In addition, we will ensure Ms. Song has access to relevant training and support to familiarize herself with the Listing Rules and the duties required for a company secretary of a PRC issuer listed on the Stock Exchange.

We have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver under and in respect of Rule 8.17 and Rule 19A.16 of the Listing Rules. The waiver is valid for an initial period of three years from the Listing Date. The waiver will be revoked if Ms. Ma, Sau Kuen Gloria ceases to provide assistance to Ms. Song Yuhong as our joint company secretary during the three years after the Listing Date. Upon the expiry of such three-year period, we will re-evaluate the qualifications and experience of Ms. Song to consider whether the requirements stipulated in Rule 8.17 and Rule 19A.16 of the Listing Rules can be satisfied.

CLAWBACK MECHANISM

Paragraph 4.2 of Practice Note 18 of the Listing Rules requires a clawback mechanism to be put in place which would have the effect of increasing the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered in the Global Offering if certain prescribed total demand levels are reached. An application has been made for, and the Stock Exchange has granted, a waiver from strict compliance with paragraph 4.2 of Practice Note 18 of the Listing Rules such that, in the event of over-applications in the Hong Kong Public Offering, a clawback mechanism following the closing of the application lists on the following basis shall apply:

- if the number of the Offer Shares validly applied for under the Hong Kong Public Offering represents less than 10 times of the number of the Offer Shares initially available for subscription

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under the Hong Kong Public Offering, the total number of the Offer Shares available under the Hong Kong Public Offering will be 186,430,000 Offer Shares, representing approximately 7.5% of the Offer Shares initially available under the Global Offering;

- if the number of the Offer Shares validly applied for under the Hong Kong Public Offering represents 10 times or more but less than 40 times of the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, the Offer Shares under the International Offering will be reallocated to the Hong Kong Public Offering such that the total number of the Offer Shares available under the Hong Kong Public Offering will be 310,714,000 Offer Shares, representing approximately 12.5% of the Offer Shares initially available under the Global Offering;
- if the number of the Offer Shares validly applied for under the Hong Kong Public Offering represents 40 times or more but less than 90 times of the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, the Offer Shares under the International Offering will be reallocated to the Hong Kong Public Offering such that the total number of the Offer Shares available under the Hong Kong Public Offering will be 372,858,000 Offer Shares, representing approximately 15.0% of the Offer Shares initially available under the Global Offering; and
- if the number of the Offer Shares validly applied for under the Hong Kong Public Offering represents 90 times or more of the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, the Offer Shares under the International Offering will be reallocated to the Hong Kong Public Offering such that the total number of the Offer Shares available under the Hong Kong Public Offering will be 745,714,000 Offer Shares, representing approximately 30.0% of the Offer Shares initially available under the Global Offering.