

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

The following material waivers from the basic conditions in relation to qualifications for Listing have been applied for and granted from the Stock Exchange and SFC.

WAIVER FROM RULE 4.04(1) OF THE LISTING RULES AND EXEMPTION FROM PARAGRAPH 27 OF PART I AND PARAGRAPH 31 OF PART II OF THE THIRD SCHEDULE TO THE COMPANIES ORDINANCE

Rule 4.04(1) of the Listing Rules states that our Company is required to include in this prospectus an accountant's report covering the consolidated results of our Group in respect of each of the three financial years immediately preceding the issue of this prospectus.

Paragraph 27 of Part I of the Third Schedule to the Companies Ordinance requires our Company to set out in this prospectus a statement as to, *inter alia*, the gross trading income or sales turnover during the three years preceding the date of this prospectus, including an explanation of the method used for the computation of such income or turnover and a reasonable breakdown between the more important trading activities. Paragraph 31 of Part II of the Third Schedule to the Companies Ordinance requires our Company to include in this prospectus a report by the auditors with respect to, *inter alia*, the profits and losses and assets and liabilities of our Group in respect of each of the three financial years immediately preceding the issue of this prospectus.

The accountant's report of our Group for each of the three financial years ended December 31, 2009 and the nine months ended September 30, 2010 has been prepared and is set forth in Appendix I to this prospectus. However, strict compliance with Rule 4.04 of the Listing Rules and paragraphs 27 and 31 of the Third Schedule to the Companies Ordinance would create undue burden on us, as there would not be sufficient time for us and the reporting accountant to finalize the audited financial statements for the full financial year ended December 31, 2010 for inclusion in this prospectus. In such circumstances, an application has been made to the Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules, and such waiver has been granted by the Stock Exchange subject to the condition that the Listing Date is on or before March 31, 2011.

An application has also been made to the SFC for a certificate of exemption from strict compliance with paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies Ordinance in relation to the inclusion of the accountant's report for the full year ended December 31, 2010 in this prospectus on the ground that it would be unduly burdensome for the Company to do so and a certificate of exemption has been granted by the SFC under section 342(A) of the Companies Ordinance on the condition that:

- (1) the particulars of this exemption are set out in the Company's prospectus; and
- (2) the prospectus will be issued on or before March 11, 2011.

Although we do not include an accountant's report for the year ended December 31, 2010 in the prospectus due to time constraint, we will publish our preliminary results for the same period on or before March 31, 2011 pursuant to Rule 13.49 of the Listing Rules.

The Directors confirmed that they have performed sufficient due diligence on us to ensure that, up to the Latest Practicable Date of this prospectus, there has been no material adverse change in the financial position or prospects of our Group since September 30, 2010 and that there is no event since September 30, 2010 which would adversely and materially affect the information shown in the accountant's report of our Group as set forth in Appendix I in this prospectus. Our Directors consider that all information that is reasonably necessary for the potential investors to make an informed assessment of the activities or financial position of our Group has been included in this prospectus and that an exemption from compliance with the relevant requirements set out above will not prejudice the interests of the investing public.

WAIVER FROM RULE 8.12 OF THE LISTING RULES

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong, which normally means that at least two of its executive directors must be ordinarily resident in Hong

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Kong. We do not and, for the foreseeable future, will not have a sufficient management presence in Hong Kong for the purposes of satisfying the requirements under Rule 8.12 of the Listing Rules. We have applied for a waiver from strict compliance with Rule 8.12 of the Listing Rules on the basis that, as our core business operations are based, managed and conducted in the PRC, our management is best able to attend to its functions by being based in the PRC. The Stock Exchange has granted a waiver from compliance with Rule 8.12 of the Listing Rules subject to the following conditions:

- (a) pursuant to Rule 3.05 of the Listing Rules, we have appointed two authorized representatives, who will act as our principal channel of communication with the Stock Exchange and ensure that we comply with the Listing Rules at all times. The two authorized representatives are Mr. Zhang Jun, an executive Director and Chief Executive Officer of the Company and Ms. Zhang Shuman, an executive Director of the Company. Both Mr. Zhang and Ms. Zhang hold valid travel documents to visit Hong Kong and will be readily available. As such, each of the authorized representatives will be available to meet with the Stock Exchange within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and email. Each of the authorized representatives has been authorized to communicate on our behalf with the Stock Exchange;
- (b) in compliance with Rule 3A.19 of the Listing Rules, we shall retain a qualified institution to act as compliance adviser for a period commencing on the Listing Date and ending on the date on which we distribute the annual report for the first full financial year commencing after the Listing Date in accordance with Rule 13.46 of the Listing Rules to provide us with advices on the obligation in compliance with the Listing Rules, all other applicable laws, rules, codes, and guidelines. The compliance adviser will advise on on-going compliance requirements and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong after listing and, where our authorized representatives are unavailable, act as an additional channel of communication between the Stock Exchange and us at least for a period commencing from the Listing Date and ending on the date that we publish our first full financial year results pursuant to Rule 3A.19 of the Listing Rules;
- (c) both the authorized representatives 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 the members of the Board for any matters. We will implement a policy whereby (a) each Director will provide his or her mobile phone number, office phone number, residential phone number, fax number and email address to the authorized representatives and the Stock Exchange; (b) each executive Director will provide valid phone numbers or means of communication to the authorized representatives when he or she is traveling; 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
- (d) all Directors who are not ordinary residents in Hong Kong have confirmed that they possess 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, when required.

WAIVER FROM RULE 8.17 OF THE LISTING RULES

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, and who 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 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.

We have appointed Ms. Zhang Shuman and Ms. Cheng Pik Yuk as joint company secretaries. Ms. Cheng Pik Yuk is a Fellow Member of the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Chartered Secretaries and fully complies with the requirements set out under Rule 8.17 of the Listing Rules. Ms. Zhang Shuman is experienced in management and has a thorough understanding in the operations of

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our Group; however, she does not possess a qualification and is ordinarily resident in the PRC and may not be able to solely fulfill the requirements as stipulated in Rule 8.17 of the Listing Rules. As such, our Company has appointed Ms. Cheng Pik Yuk, who is ordinarily resident in Hong Kong, to act as joint company secretary and to provide assistance to Ms. Zhang so as to enable her to acquire the relevant experience (as required under Rule 8.17(3) of the Listing Rules) and to duly discharge the functions of a company secretary.

We propose to engage Ms. Cheng Pik Yuk as joint company secretary for a minimum period of three years commencing from the Listing Date. During her engagement period, Ms. Cheng Pik Yuk will ensure that at all times she will be available to provide the assistance as described above. Ms. Cheng Pik Yuk will also provide training to Ms. Zhang by introducing her the relevant provisions and requirements of the Listing Rules to enhance and improve Ms. Zhang's knowledge and familiarity with the requirements of the Listing Rules.

We have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 8.17 of the Listing Rules in respect of the qualifications of our company secretary and the Hong Kong ordinary residence requirement for an initial period of three years from the Listing Date. Upon expiry of the period, our Company will re-evaluate the qualifications of Ms. Zhang to determine whether the requirements as stipulated in Rule 8.17 of the Listing Rules can be satisfied. At the end of the three-year period, we will liaise with the Stock Exchange and the Stock Exchange will revisit the situation in the expectation that we will then be able to demonstrate to the Stock Exchange's satisfaction that Ms. Zhang, having the benefit of Ms. Cheng's assistance for three years, will have acquired the relevant experience under Rule 8.17(3) of the Listing Rules such that a further waiver will not be necessary.

PRE-IPO SHARE OPTION SCHEME

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 Part A of Appendix 1 to the Listing Rules; and (ii) a certificate of exemption under Section 342A of the Companies Ordinance 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. Our applications are based on the grounds set forth below, and the Stock Exchange and the SFC have granted the respective waiver and certificate of exemption subject to certain conditions:

- (a) in light of the large number of grantees involved (225 grantees in total), strict compliance with such disclosure requirements, in setting out full details of all grantees under the Pre-IPO Share Option Scheme in the prospectus, would be unduly burdensome for the Company;
- (b) the grant and exercise in full of the options granted under the Pre-IPO Share Option Scheme will not cause any material adverse impact in the financial position of the Company;
- (c) non-compliance with the disclosure requirements does not prevent the Company from providing an informed assessment of the activities, assets, liabilities, financial position, management and prospects of the Company to its potential investors;
- (d) all information of the options granted to (i) Directors, (ii) senior management, (iii) personnel who have been granted with 600,000 options or more under the Pre-IPO Share Option Scheme and (iv) grantees who are also connected persons of our Company would be disclosed in the section headed "Pre-IPO Share Option Scheme" in Appendix VII of the prospectus, which would provide potential investors with sufficient information to make informed decision; and
- (e) all material information of the Pre-IPO Share Option Scheme that is reasonably necessary for potential investors to make an informed assessment of the activities and financial position of the Company have been included in this prospectus. Non-compliance with the disclosure requirements will not prejudice the interest of the investing public.

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The Stock Exchange has granted the waiver to us on the condition that the following particulars are set out in the Company's prospectus and the prospectus will be issued on or before March 11, 2011:

- (a) the aggregate number of shares subject to the outstanding options granted under the Pre-IPO Share Option Scheme and the percentage to the Company's total issued share capital represented by such number of shares;
- (b) on an individual basis, full details of each option holder under the Pre-IPO Share Option Scheme who is (i) a Director of the Company; (ii) a member of the senior management of the Company; (iii) a connected person of the Company; or (iv) a grantee who has 600,000 or more Shares exercisable under the options granted, including all particulars as 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 I of the Third Schedule to the Companies Ordinance;
- (c) in respect of the options granted by the Company under the Pre-IPO Share Option Scheme other than those referred to in sub-paragraph (b) above, (i) the aggregate number of grantees and the number of shares subject to the options; (ii) the consideration paid for the grant of the options; and (iii) the exercise period and the exercise price for the options;
- (d) dilution effect to the shareholding in the Company and impact on the earnings per Share; and
- (e) a list of all the grantees (including those persons whose details have already been disclosed in the Prospectus) who have been granted options under the Pre-IPO Share Option Scheme containing all the particulars as 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 I of the Third Schedule to the Companies Ordinance be made available for public inspection in accordance with the paragraph entitled "Documents delivered to the Registrar of Companies and available for inspection" in Appendix VIII to this prospectus.

The SFC (pursuant to Section 342A of the Companies Ordinance) has granted the certificate of exemption to us on the condition that the following particulars are set out in the Company's prospectus and the prospectus will be issued on or before March 11, 2011:

- (a) on an individual basis, full details of each option holder under the Pre-IPO Share Option Scheme who is (i) a Director of the Company; (ii) a member of the senior management of the Company; (iii) a connected person of the Company; or (iv) a grantee who has 600,000 or more Shares exercisable under the options granted, including all particulars as 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 I of the Third Schedule to the Companies Ordinance;
- (b) in respect of the options granted by the Company under the Pre-IPO Share Option Scheme other than those referred to in sub-paragraph (a) above, (i) the aggregate number of grantees and the number of shares subject to the options; (ii) the consideration paid for the grant of the options; and (iii) the exercise period and the exercise price for the options; and
- (c) a list of all the grantees (including those persons whose details have already been disclosed in the Prospectus) who have been granted options under the Pre-IPO Share Option Scheme containing all the particulars as 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 I of the Third Schedule to the Companies Ordinance be made available for public inspection in accordance with the paragraph entitled "Documents delivered to the Registrar of Companies and available for inspection" in Appendix VIII to this prospectus.

Further details of the options under the Pre-IPO Share Option Scheme are set out in the paragraph headed "Pre-IPO Share Option Scheme" in Appendix VII to the prospectus.

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CONTINUING CONNECTED TRANSACTIONS

We have applied to the Stock Exchange for, and the Stock Exchange has agreed to grant, waivers in relation to certain continuing connected transactions under Chapter 14A of the Listing Rules. For further details, please refer to the section headed “Connected Transactions” in this prospectus.