
WAIVERS AND EXEMPTION FROM COMPLIANCE WITH THE LISTING RULES

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

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 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. Currently, none of our executive Directors resides in Hong Kong. Since all of our operations are located in the PRC, we do not and, for the foreseeable future will not, have a sufficient management presence in Hong Kong. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rule 8.12 and Rule 19A.15 of the Listing Rules, subject to the conditions that, among other things, we maintain arrangements to maintain effective communication between us and the Stock Exchange. The arrangements proposed by our Company for maintaining regular and effective communication with the Stock Exchange for the purpose of Rule 8.12 and Rule 19A.15 of the Listing Rules are:

- (i) we will have at least one independent non-executive Director who ordinarily resides in Hong Kong. The Directors who do not ordinarily reside in Hong Kong will be readily contactable through the Director who ordinarily resides in Hong Kong by telephone, facsimile or email;
- (ii) we have appointed two authorized representatives. One of our authorized representatives, Ms. LEUNG, Wai Han Corinna (梁慧嫻), ordinarily resides in Hong Kong. The authorized representatives will act as the principal channel of communication between the Company and the Stock Exchange. The authorized representatives of the Company possess valid travel documents and are able to renew such travel documents when they expire in order to visit Hong Kong. Accordingly, they will be able to meet with the relevant members of the Stock Exchange on short notice. The authorized representatives will provide their usual contact details to the Stock Exchange and will be readily contactable by the Stock Exchange if necessary. Each of the authorized representatives has means to contact all members of the Board (including the non-executive Directors and independent non-executive Directors) at all times and when the Stock Exchange wishes to contact the Directors on any matters;
- (iii) all Directors who are not ordinarily resident in Hong Kong have confirmed that they possess or can apply for valid travel documents to visit Hong Kong for business purpose and would be able to come to Hong Kong and meet with 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;
- (iv) we will retain Hong Kong legal advisers to advise on on-going compliance requirements and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong after the Global Offering;

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- (v) we will retain a compliance adviser acceptable to the Stock Exchange to advise on corporate finance matters and to act as additional channel of communication with the Stock Exchange after listing for the period commencing on the Listing Date and ending on the date on which it complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the Listing Date pursuant to Rule 3A.19 of the Listing Rules;
- (vi) the compliance adviser shall have access at all times to our authorized representatives, our 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 Stock Exchange in respect of our Company and will on a timely basis, pursuant to Rule 19A.06 of the Listing Rules, inform us of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange; and
- (vii) we will inform the Stock Exchange promptly in respect of any change in our authorized representatives and compliance adviser.

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".

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 Mr. KANG Jian as one of the joint company secretaries. Mr. Kang is experienced in strategic management, sales management and investor relationship management and has a thorough understanding of the operation of the Board and our Company. However, Mr. Kang 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. LEUNG, Wai Han Corinna (梁慧嫻) to act as another joint company secretary and to provide assistance to Mr. Kang 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.

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Ms. LEUNG, Wai Han Corinna (梁慧嫻) will work closely with Mr. Kang to jointly discharge the duties and responsibilities as company secretary and assist Mr. Kang to acquire the relevant experience as required under Rule 8.17(3) of the Listing Rules. In addition, we will ensure Mr. Kang has access to relevant training and support to familiarize himself 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 and will be revoked immediately if Ms. LEUNG Wai Han, Corinna ceases to provide assistance to Mr. KANG Jian 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 Mr. Kang to consider whether the requirements stipulated in Rule 8.17 and Rule 19A.16 of the Listing Rules can be satisfied.