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## WAIVERS FROM COMPLIANCE WITH THE LISTING RULES

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### MANAGEMENT PRESENCE

According to Rules 8.12 and 19A.15 of the Listing Rules, the Company must have sufficient management presence in Hong Kong. This normally means that at least two of the executive Directors must be ordinarily resident in Hong Kong. Since our head office and substantially all of our business operations are based, managed and conducted in the PRC, we do not, and for the foreseeable future, will not, have executive Directors who are ordinarily resident in Hong Kong, for the purposes of satisfying the requirements under Rules 8.12 and 19A.15 of the Listing Rules. Currently, all of our executive Directors reside in the PRC.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted to us, a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules. We have made arrangements to maintain effective communication between the Stock Exchange and us as follows:

- (i) both of the Company's authorized representatives, Mr. Fang Zheng, a PRC resident, and Ms. Mok Ming Wai, a Hong Kong resident, will act as our principal channel of communication with the Stock Exchange. Although Mr. Fang Zheng resides in the PRC, he possesses valid travel documents and is able to renew such travel documents when they expire in order to visit Hong Kong. Accordingly, the authorized representatives of the Company will be able to meet with the relevant members of the Stock Exchange on short notice;
- (ii) both of the authorized representatives of the Company have means of contacting all Directors (including our independent non-executive Directors) promptly at all times and when the Stock Exchange wishes to contact a Director for any reason;
- (iii) each Director has provided his mobile phone number, office phone number, fax number and e-mail address to the authorized representatives of the Company and the Stock Exchange, and in the event that any Director expects to travel or otherwise be out of office, he will provide the phone number of the place of his accommodation to the authorized representatives;
- (iv) each of our Directors who does not ordinarily reside in Hong Kong possesses 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;
- (v) Ms. Mok Ming Wai, one of the Company's joint company secretaries, who is a Hong Kong resident, will, among other things, act as a channel of communication of the Company with the Stock Exchange and be available to answer enquiries from the Stock Exchange; and
- (vi) the Company has appointed CITIC Securities Corporate Finance (HK) Limited as our compliance adviser who will serve as an additional channel of communication with the Stock Exchange from the Listing Date to the date when the Company

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dispatches our annual reports to our Shareholders for the first full financial year immediately after the listing of our H Shares. CITIC Securities Corporate Finance (HK) Limited will maintain constant contact with our authorized representatives, Directors and senior management through various means, including regular meetings and telephone discussions whenever necessary.

### APPOINTMENT OF JOINT COMPANY SECRETARIES

#### Rule 8.17

According to Rule 8.17 of the Listing Rules, the issuer must appoint a company secretary who satisfies Rule 3.28.

#### Rule 3.28

According to Rule 3.28 of the Listing Rules, the secretary of the Company must be a person who, by virtue of his academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary. The Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a Member of The Hong Kong Institute of Chartered Secretaries;
- (b) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and
- (c) a certified public accountant (as defined in the Professional Accountants Ordinance).

In assessing “relevant experience,” the Stock Exchange will consider the individual’s:

- (a) length of employment with the issuer and other issuers and the roles he played;
- (b) familiarity with the Listing Rules and other relevant law and regulations including the Securities and Futures Ordinance, Companies Ordinance, and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

Our Company has appointed Mr. Liu Lei as one of the joint company secretaries. Mr. Liu is experienced in handling administrative work and preparing meeting materials for the Board, and has a thorough understanding of the operation of the Board and our Company. However, Mr. Liu does not possess a qualification as stipulated in Rule 3.28 of the Listing Rules and may

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not be able to fulfill the requirements as stipulated under Rule 3.28 of the Listing Rules. As such, our Company has appointed Ms. Mok Ming Wai as the other joint company secretary who is able to fully comply with the requirements set out under Rule 3.28 of the Listing Rules. Over a period of three years from the Listing Date, our Company proposes to implement the following measures to assist Mr. Liu to become a company secretary with the requisite qualification as required under the Listing Rules:

Mr. Liu will endeavor to attend relevant training courses including briefing on the latest changes to the applicable Hong Kong laws and regulations and the Listing Rules organized by the Company's Hong Kong legal advisers on an invitation basis and seminars organized by the Stock Exchange for listed issuers from time to time.

The Company has appointed Ms. Mok Ming Wai, who meets the requirements under Rule 3.28 of the Listing Rules, as a joint company secretary to assist Mr. Liu so as to enable him to acquire the relevant experience (as required under Rule 3.28 of the Listing Rules) to discharge the duties and responsibilities as a company secretary of the Company.

Mr. Liu will communicate regularly with Ms. Mok Ming Wai on matters relating to corporate governance, the Listing Rules as well as other laws and regulations which are relevant to us and our affairs. Ms. Mok Ming Wai will work closely with, and provide assistance to, Mr. Liu in the discharge of his duties as a joint company secretary, including organizing the Company's board meetings and shareholders' meetings.

Mr. Liu has been appointed for an initial period of three years from the date of listing of the H Shares, provided that he will be assisted by Ms. Mok Ming Wai. Upon expiry of the three-year period, a further evaluation of the qualifications and experience of Mr. Liu and the need for on-going assistance would be made.

We have applied to the Stock Exchange for, and the Stock Exchange has granted to us, a waiver from strict compliance with the requirements of Rules 3.28 and 8.17 of the Listing Rules. The waiver will be revoked immediately if Ms. Mok Ming Wai ceases to provide assistance and guidance to Mr. Liu Lei. Upon the expiry of the initial three-year period, the qualifications of Mr. Liu will be re-evaluated to determine whether the requirements as stipulated in Rule 3.28 of the Listing Rules can be satisfied. In the event that Mr. Liu has obtained relevant experience under Rule 3.28 of the Listing Rules at the end of the said initial three-year period, the above joint company secretaries arrangement will no longer be required by the Company.

### NON-EXEMPT CONNECTED TRANSACTIONS

Our Group has entered into, and expects to continue after the Listing, certain transactions which will constitute non-exempt continuing connected transactions under Chapter 14A of the Listing Rules. We have applied to the Stock Exchange for, and the Stock Exchange has granted to us, a waiver under Rule 14A.42(3) of the Listing Rules from compliance with the announcement requirement or announcement and independent shareholders' approval requirements under the Listing Rules in respect of such non-exempt continuing connected transactions.

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The details of such waiver are set out in the section headed “Connected Transactions” of this prospectus.

### **PUBLIC FLOAT REQUIREMENT**

Rule 8.08(1)(a) of the Listing Rules requires that at least 25% of the issuer’s total issued share capital must at all times be held by the public. 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 8.08(1)(d) of the Listing Rules to accept a minimum public float percentage of 22% (or a higher percentage after the exercise of the Over-allotment Option). The above discretion is subject to the condition that we comply with the disclosure requirements under Rule 8.08(1)(d) of the Listing Rules and that we and the Joint Sponsors be able to demonstrate satisfactory compliance with Rules 8.08(2) and 8.08(3) of the Listing Rules at the time of the Listing. We will make appropriate disclosure of the lower prescribed percentage of public float and confirm sufficiency of the public float in its successive annual reports after the Listing. In addition, we will, with a view to ensuring compliance with our obligations under the Listing Rules in relation to the minimum number of Shares which must be in public hands, (i) monitor our register of members, relevant disclosures made under Part XV of the SFO and other relevant sources of information available to us and (ii) (if at any time we become aware that the number of Shares which are in public hands is less than such minimum number) take such steps as are legally available to us to restore the number of Shares in public hands to ensure the minimum percentage of public float prescribed by the Stock Exchange above is complied with.