

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the [REDACTED], we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

MANAGEMENT PRESENCE IN HONG KONG

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

We do not have sufficient management presence in Hong Kong for the purposes of satisfying the requirements under Rule 8.12 of the Listing Rules. The Group’s management, business operations and assets are primarily based outside Hong Kong. The principal management headquarters and senior management of the Group are primarily based in China. The Directors consider that the appointment of executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, the Group and therefore would not be in the best interests of the Company and the Shareholders as a whole. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules. We will ensure that there is a regular and effective communication between us and the Stock Exchange by way of the following arrangements:

- (a) pursuant to Rule 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorised representatives, who will act as our principal channel of communication with the Stock Exchange and ensure that our Company complies with the Listing Rules at all times. The two authorised representatives are Mr. Zhang Yong, the executive Director, and Ms. Chan Lok Yee, the joint company secretary. Each of our authorised 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 authorised representatives is authorised to communicate on our behalf with the Stock Exchange;
- (b) both authorised representatives have means to contact all our Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters. Our Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time, when required. To enhance communication between the Stock Exchange, our authorised representatives and Directors, we will implement a policy that (i) each Director will have to provide their respective mobile phone number, office phone number, fax number and email address to the authorised representatives; (ii) in the event that a Director expects to travel or is otherwise out of office, he/she will endeavour to provide his/her phone number of the place of his/her accommodation to the authorised representatives or maintain an

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open line of communication via his/her mobile phone; and (iii) all Directors and authorised representatives of our Company will provide their respective mobile phone numbers, office phone numbers, fax numbers and email addresses to the Stock Exchange;

- (c) in compliance with Rules 3A.19 of the Listing Rules, we have appointed SPDB International Capital Limited as our compliance adviser (the “**Compliance Adviser**”) which has access at all times to our authorised representatives, Directors, senior management and other officers of our Company, and will act as an additional channel of communication with the Stock Exchange. We will keep the Stock Exchange up to date in respect of any change to such details. Our authorised representatives, Directors and other officers of our Company will provide promptly such information and assistance as the Compliance Adviser may reasonably require in connection with the performance of the Compliance Adviser’s duties as set forth in Chapter 3A of the Listing Rules. There will be adequate and efficient means of communication between our Company, authorised representatives, Directors and other officers and the Compliance Adviser, and to the extent reasonably practicable and legally permissible, we will keep the Compliance Adviser informed of all communications and [REDACTED] between the Stock Exchange and us; and
- (d) meetings between the Stock Exchange and our Directors could be arranged through our authorised representatives or the Compliance Adviser, or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange as soon as practicable in respect of any change of authorised representatives and/or the Compliance Adviser.

Our Directors are of the view that the above-mentioned arrangements for maintaining regular communication with the Stock Exchange are in line with the conditions set out in the Guidance Letter GL9-09.

JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the company secretary must be 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 the functions of the company secretary. The Stock Exchange considers the following academic or professional qualifications to be acceptable: (i) a member of The Hong Kong Institute of Chartered Secretaries; (ii) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and (iii) a certified public accountant (as defined in the Professional Accountants Ordinance).

In assessing “relevant experience”, the Stock Exchange will consider the individual’s: (i) length of employment with the issuer and other listed companies and the roles he/she played, (ii) familiarity with the Listing Rules and other relevant law and regulations including the Securities and Futures Ordinance, Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code, (iii) relevant training taken

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and/or to be taken in addition to the minimum requirement of taking not less than fifteen hours of relevant professional training in each financial year under Rule 3.29 of the Listing Rules, and (iv) professional qualifications in other jurisdictions.

Our Company considers that while it is important for the company secretary to be familiar with the relevant securities regulation in Hong Kong, he/she also needs to have experience relevant to our Company’s operations, nexus to the Board and close working relationship with the management of our Company in order to perform the function of a company secretary and to take the necessary actions in the most effective and efficient manner. It is for the benefit of our Company to appoint a person who has been a member of the senior management for a period of time and is familiar with our Company’s business and affairs which are primarily outside Hong Kong as company secretary.

We have appointed Mr. Lin Yingjia and Ms. Chan Lok Yee as our joint company secretaries. Mr. Lin is our chief financial officer. Since Mr. Lin does not possess a qualification stipulated in Rule 3.28 of the Listing Rules, he is not able to solely fulfill the requirements as a company secretary of a listed issuer stipulated under Rules 3.28 and 8.17 of the Listing Rules.

Mr. Lin was admitted as a fellow of the Institute of Public Accountant in July 2007 by the Institute of Public Accountants, Australia (澳大利亞公共會計師協會). He obtained his PRC certified public accountant (non-practicing member) certificate in January 2010 from the Guangdong Provisional Institute of Certified Public Accountants (廣東省註冊會計師協會) and was awarded the professional designation of Certified Internal Auditor in November 2009 by The Institute of Internal Auditor (內部稽核協會). Ms. Chan Lok Yee is an associate member of each of the Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators (currently known as The Chartered Governance Institute) in the United Kingdom.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules in relation to the appointment of Mr. Lin as our joint company secretary on the conditions that: (i) Ms. Chan Lok Yee is appointed as a joint company secretary to assist Mr. Lin in discharging his functions as a company secretary and in gaining the relevant experience under Rule 3.28 of the Listing Rules; and (ii) the waiver will be revoked immediately if Ms. Chan Lok Yee, during the three-year period, ceases to provide assistance to Mr. Lin as the joint company secretary or if there are material breaches of the Listing Rules by our Company. We expect that Mr. Lin will acquire the qualifications or relevant experience required under Rule 3.28 of the Listing Rules prior to the end of the three-year period after the [REDACTED]. We will liaise with the Stock Exchange before the end of the three-year period to enable it to assess whether Mr. Lin, having had the benefit of Ms. Chan Lok Yee’s assistance for three years and has acquired relevant experience within the meaning of Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

See the section headed “Directors and Senior Management” in this document for further information regarding the qualifications of Mr. Lin and Ms. Chan.

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CONTINUING CONNECTED TRANSACTIONS

We have entered into, and are expected to continue to engage in certain transactions which will constitute non-exempt continuing connected transactions of our Company under the Listing Rules upon the [REDACTED]. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver in relation to such continuing connected transactions between us and certain connected persons pursuant to Rule 14A.105 under Chapter 14A of the Listing Rules. Please see “Connected Transactions” of this document for further details of these transactions.