

## WAIVERS

In preparation for the [REDACTED], our Company has 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, we must have sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Pursuant to Rule 19A.15 of the Listing Rules, the requirement in Rule 8.12 of the Listing Rules may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Stock Exchange.

Since the business operations of our Group are managed and conducted outside of Hong Kong, and all of the executive Directors of our Company ordinarily reside outside Hong Kong, our Company considers that it would be practically difficult and commercially unreasonable and undesirable for our Company to arrange for two executive Directors to be ordinarily resident in Hong Kong, either by means of relocation of existing executive Directors or appointment of additional executive Directors. Therefore, our Company does not have, and does not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

Accordingly, we have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with Rule 8.12 and Rule 19A.15 of the Listing Rules, subject to the following conditions. We will ensure that there is an effective channel of communication between us and the Stock Exchange by way of the following arrangements:

- *Authorized representatives and joint company secretaries:* we have appointed Mr. HONG Yunfei (“**Mr. Hong**”) and Ms. CHAN Ching Nga as the authorized representatives (“**Authorized Representatives**”) for the purpose of Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our principal channel of communication with the Stock Exchange and would be readily contactable by phone, facsimile and email to deal promptly with enquiries from the Stock Exchange. Accordingly, the Authorized Representatives will be able to meet with the relevant members of the Stock Exchange to discuss any matters in relation to our Company within a reasonable period of time. The Company will also inform the Stock Exchange promptly in respect of any change in the Authorized Representatives. Mr. Hong and Ms. CHAN Ching Nga have also been appointed as our joint company secretaries. Ms. CHAN Ching Nga, a Hong Kong resident, is particularly well placed to facilitate communications between the Company and the Stock Exchange. See “Directors, and Senior Management” for more information about our Authorized Representatives and joint company secretaries;
- *Directors:* to facilitate communication with the Stock Exchange, we have provided the Authorized Representatives and the Stock Exchange with the contact details (such as mobile phone numbers, office phone numbers, facsimile number and e-mail addresses, to the extent possible) of each of our Directors such that the Authorized Representatives would have the means for contacting all our Directors promptly at all times as and when the Stock Exchange wishes to contact our Directors on any matters. In the event that any Director expects to travel or otherwise be out of office, he/she will provide the phone number of the place of his/her accommodation to the Authorized Representatives. Each Director who does not ordinarily

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reside in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and is able to meet with the Stock Exchange within a reasonable period upon request of the Stock Exchange;

- *Compliance advisor:* we have appointed Rainbow Capital (HK) Limited as our compliance advisor (the “**Compliance Advisor**”) pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the [REDACTED] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED]. The Compliance Advisor will have access at all times to our Authorized Representatives, the Directors and other senior management and act as the additional channel of communication with the Stock Exchange and answer enquiries from the Stock Exchange. The contact details of the Compliance Advisor have been provided to the Stock Exchange. We will also inform the Stock Exchange promptly in respect of any change in the Compliance Advisor; and
- *Hong Kong legal advisor:* we will retain a Hong Kong legal advisor to advise us on the on-going compliance requirements, any amendment or supplement to and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong after the [REDACTED].

### WAIVER IN RELATION TO JOINT COMPANY SECRETARIES

Pursuant to Rule 8.17 of the Listing Rules, we must appoint a company secretary who satisfies the requirements under Rule 3.28 of the Listing Rules. According to Rule 3.28 of the Listing Rules, we must appoint as our company secretary an individual, who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- a member of The Hong Kong Chartered Governance Institute;
- a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and
- a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

In addition, pursuant to Note 2 to Rule 3.28 of the Listing Rules provides that, in assessing “relevant experience,” the Stock Exchange will consider the individual’s:

- length of employment with the issuer and other issuers and the roles he/she played;
- familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

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- relevant training taken and/or to be taken in addition to be the minimum requirement under Rule 3.29 of the Listing Rules; and
- professional qualifications in other jurisdictions.

Pursuant to the section 3.10 of the Guide, the waiver will be for a fixed period of time and on the following conditions: (1) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 and is appointed as a joint company secretary throughout the Waiver Period (as defined below); and (2) the waiver can be revoked if there are material breaches of the Listing Rules by the issuer.

We have appointed Mr. Hong as our joint company secretary. Our Group's key operations and principal business activities are conducted outside of Hong Kong. We believe that the company secretary role requires a person to be deeply familiar with our operations and the specific industry context, and to be able to cultivate strong relationships with both the Board and the management. It would be in the best interests of our Company and our corporate governance to have as its joint company secretary a person such as Mr. Hong who has been with our Company since July 2005. As the executive Director and Board secretary of the Company, Mr. Hong is deeply familiar with our operations and has been able to cultivate strong relationships with both the Board and the management. Our Directors believe that Mr. Hong's close familiarity with our Company and operations is essential for the performance of company secretary duties in the most effective and efficient manner. For biographical details of Mr. Hong, see "Directors and Senior Management."

Since Mr. Hong presently does not possess any of the qualifications required under Rules 3.28 and 8.17 of the Listing Rules, he is not able to fulfill the requirements to act as a company secretary of a listed issuer stipulated under the Listing Rules. To support Mr. Hong in performing the duties of company secretary, we have appointed Ms. CHAN Ching Nga ("**Ms. Chan**") as the other joint company secretary. Ms. Chan is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, and therefore meets the qualification requirements under Note 1 to Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules. For further information regarding the qualifications of Mr. Hong and Ms. Chan, see "Directors and Senior Management".

The joint company secretaries will be jointly discharging the duties and responsibilities of a company secretary. Ms. Chan will be assisting Mr. Hong in gaining the relevant experience required under Rules 3.28 and 8.17 of the Listing Rules. Also, Mr. Hong will be assisted by (1) the Compliance Advisor of our Company for the first full financial year starting from the [REDACTED], particularly in relation to Hong Kong corporate governance practice and compliance matters; and (2) the Hong Kong legal advisor of our Company, on matters regarding our Company's ongoing compliance with the Listing Rules and the applicable Hong Kong laws and regulations. In addition, Mr. Hong will endeavor to attend relevant trainings and familiarize himself with the Listing Rules and duties required of a company secretary of an issuer listed on the Stock Exchange.

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 such that Mr. Hong may be appointed as a joint company secretary of our Company. The waiver is valid for an initial period of a three-year period ("**Waiver Period**") on the condition that Ms. Chan, as a joint company secretary of our Company, will work closely with, and provide assistance to, Mr. Hong in the discharge

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of his duties as a joint company secretary and in gaining the relevant experience as required under Rule 3.28 of the Listing Rules and to become familiar with the requirements of the Listing Rules and other applicable Hong Kong laws and regulations. The waiver will be revoked immediately if Ms. Chan ceases to provide assistance to Mr. Hong as the joint company secretary or if there are material breaches of the Listing Rules by us.

Our Company will further ensure that Mr. Hong has access to the relevant training and support that would enhance his understanding of the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange, and to receive updates on the latest changes to the applicable Hong Kong laws, regulations and the Listing Rules. Prior to the end of the three-year period, the qualifications and experience of Mr. Hong and the need for on-going assistance of Ms. Chan will be further evaluated by our Company. We will liaise with the Stock Exchange to enable it to assess whether Mr. Hong, having benefited from the assistance of Ms. Chan for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the "relevant experience" within the meaning of Rule 3.28 Note 2 of the Listing Rules so that a further waiver will not be necessary.

### **[REDACTED] OF OUR H SHARES TO EXISTING MINORITY SHAREHOLDERS AND THEIR CLOSE ASSOCIATES**

Rule 10.04 of the Listing Rules requires that a person who is an existing shareholder of a listing applicant may only subscribe for or purchase any securities for which listing is sought that are being marketed by or on behalf of a listing applicant either in his/her/its own name or through nominees if the conditions in Rule 10.03 of the Listing Rules are fulfilled, namely that (i) no securities are to be offered to the existing shareholders on a preferential basis and no preferential treatment is given to them in the allocation of the securities; and (ii) the minimum prescribed percentage of public shareholders required by Rule 8.08(1) of the Listing Rules is achieved. Paragraph 1C(2) of Appendix F1 to the Listing Rules states that, without the prior written consent of the Stock Exchange, no allocations will be permitted to be made to directors or existing shareholders of a listing applicant or their close associates, unless the conditions set out in Rules 10.03 and 10.04 are fulfilled.

Chapter 4.15 of the Guide for New Listing Applicants provides that the Stock Exchange will consider giving consent, pursuant to paragraph 1C(2) of Appendix F1 to the Listing Rules, and granting waiver from Rule 10.04 of the Listing Rules to an applicant's existing shareholders or their close associates to participate in an initial public offering if any actual or perceived preferential treatment arising from their ability to influence the applicant during the allocation process can be addressed.

Our A Shares have been listed on the Shenzhen Stock Exchange (stock code: 002020) since July 2004. As such, our A Shares are widely held and actively traded.

We have applied to the Stock Exchange for, and the Stock Exchange [has granted] to us, a waiver from strict compliance with the requirements under Rule 10.04 of, and a consent under paragraph 1C(2) of Appendix F1 to the Listing Rules, to permit H Shares in the [REDACTED] to be [REDACTED] to certain existing minority A Shareholders who (i) hold less than 5% of the total number of A Shares of our Company in [REDACTED] prior to the completion of the [REDACTED]; and (ii) are not and will

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not become (upon the completion of the [REDACTED]) core connected persons of our Company or the close associates of any such core connected persons (collectively, the “**Existing Minority A Shareholders**”, and each an “**Existing Minority A Shareholder**”), subject to the following conditions:

- (a) each Existing Minority A Shareholder to whom our Company may [REDACTED] H Shares in the [REDACTED] is interested in less than 5% of the total number of A Shares of our Company in [REDACTED] prior to the completion of the [REDACTED];
- (b) each Existing Minority A Shareholder is not, and will not be, a core connected person of our Company or any close associate of any such core connected person upon completion of the [REDACTED];
- (c) none of the Existing Minority A Shareholders has the right to appoint any Director and/or any other special rights;
- (d) [REDACTED] to the Existing Minority A Shareholders and/or their close associates will not affect our ability to satisfy the public float requirement as prescribed by the Stock Exchange under Rule 19A.13A(2) of the Listing Rules;
- (e) each of our Company, the Sole Sponsor and the [REDACTED] shall confirm to the Stock Exchange in writing that, to the best of its knowledge and belief, it has no reason to believe that the Existing Minority A Shareholders or their close associates received any preferential treatment in any [REDACTED] in the [REDACTED] by virtue of their relationship with our Company;
- (f) our Company will confirm to the Stock Exchange in writing that no preferential treatment has been, nor will be, given to the Existing Minority A Shareholders or their close associates, nor is the Existing Minority A Shareholder in a position to exert influence on our Company to obtain actual or perceived preferential treatment, by virtue of their relationship with our Company in any [REDACTED] in the [REDACTED] tranche;
- (g) the [REDACTED] will confirm to the Stock Exchange (in the form satisfactory to the Stock Exchange) that, to the best of their knowledge and belief, no preferential treatment has been, nor will be, given to the Existing Minority A Shareholders or their close associates by virtue of their relationship with our Company in any [REDACTED] in the [REDACTED] tranche; and
- (h) the Sole Sponsor confirms to the Stock Exchange in writing that based on (i) its discussions with our Company and the [REDACTED]; and (ii) the confirmations provided to the Stock Exchange by our Company and the [REDACTED], and to the best of their knowledge and belief, they have no reason to believe that any of the Existing Minority A Shareholders or their close associates received any preferential treatment, or is in a position to exert influence on our Company to obtain actual or perceived preferential treatment in the [REDACTED] as a [REDACTED] by virtue of their relationship with our Company, and details of the [REDACTED] to the Existing Minority A Shareholders holding more than 1% of the issued [REDACTED] of our Company immediately prior to the completion of the [REDACTED] will be disclosed in this document and/or the allotment results announcement, as the case may be.

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We expect to satisfy all the conditions set out in paragraph 13 of Chapter 4.15 of the Guide so that no actual or perceived preference will be given to the Existing Minority A Shareholders or their close associates due to their existing shareholdings in our Company.

[REDACTED] to the Existing Minority A Shareholders and/or their close associates will not be disclosed in our Company’s allotment results announcement unless such Existing Minority A Shareholders are interested in 1% or more of the issued share capital of our Company after the [REDACTED], as our A Shares are listed and trading on the Shenzhen Stock Exchange, and there are practical difficulties for our Company to ascertain all the Existing Minority A Shareholders.

### **WAIVER IN RELATION TO CONTINUING CONNECTED TRANSACTIONS**

We have entered into certain transactions which will constitute continuing connected transactions of our Company under the Listing Rules following the completion of the [REDACTED]. We have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the announcement requirements under the Listing Rules. For further details in this respect, see the section headed “Connected Transactions.”