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## WAIVERS AND EXEMPTION FROM STRICT COMPLIANCE WITH THE LISTING RULES AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

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In preparation for the Listing, our Company has sought the following waivers from strict compliance with the relevant provision 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. As of the Latest Practicable Date, none of our executive Directors is ordinarily resident in Hong Kong. Furthermore, the business operations of our Group are located in China. Due to the business requirements of our Group, none of our Directors has been, is or will be based in Hong Kong.

We have applied to the Stock Exchange for a waiver from the strict compliance with the requirement under Rule 8.12 of the Listing Rules on the following grounds:

- (a) our Group’s principal business operations are located in the PRC;
- (b) members of our Group’s senior management are, and expect to continue to be, based primarily in the PRC; and
- (c) for the purposes of the management and operations of our Group, the appointment of additional executive Directors who are ordinarily resident in Hong Kong would not only increase the administrative expenses of our Group, but would also reduce the effectiveness and responsiveness of the Board in making decisions for our Group, especially when business decisions are required to be made within a short period of time. In addition, by appointing new executive Directors, who may not be familiar with the operations of our Group, to the Board for the sole purpose of satisfying the requirement of Rule 8.12 of the Listing Rules may not be in the best interest of our Company and our shareholders as a whole.

We have received from the Stock Exchange a waiver from strict compliance with rule 8.12 of the Listing Rules subject to the following conditions:

- (a) We will appoint two authorized representatives pursuant to Rule 3.05 of the Listing Rules who will act as our principal communication channel with the Stock Exchange and will ensure that we comply with the Listing Rules at all times. The two authorized representatives are Mr. CUI Ruicheng (崔瑞成), our executive Director and chief financial officer, and Mr. AU Wai Keung (區偉強), a joint company secretary. Mr. AU Wai Keung (區偉強) is ordinarily resident in Hong Kong. Each of the authorized representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile or e-mail;

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- (b) Each of the authorized representatives has means to contact all members of the Board (including the independent non-executive Directors) promptly at all times and as when the Stock Exchange wishes to contact the members of the Board for any matter. In addition, we have provided all of our Directors’ mobile phone numbers, office phone numbers, e-mail addresses and fax numbers to the Stock Exchange;
- (c) Each Director who is not ordinarily resident in Hong Kong has confirmed that he/she possesses or can apply for valid travel documents to visit Hong Kong for business purpose and will be able to meet with the relevant members of the Stock Exchange in Hong Kong within reasonable notice; and
- (d) In compliance with Rule 3A.19 of the Listing Rules, we retained TC Capital Asia Limited as our compliance adviser, they will act as an additional channel of communication with the Stock Exchange.

**QUALIFICATION OF JOINT COMPANY SECRETARY**

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the secretary of our Company must be a person who has the requisite academic or professional qualifications or relevant experience to discharge the functions of a company secretary.

We have appointed Mr. LI Yundong (李運動) as one of our joint company secretaries. Mr. LI Yundong (李運動) does not possess a qualification as stipulated in Rule 3.28 of the Listing Rules, and therefore he does not meet all the requirements under Rules 3.28 and 8.17 of the Listing Rules. We have appointed Mr. AU Wai Keung (區偉強), who possesses the qualification required under Rule 3.28, to act as another joint company secretary to provide assistance to Mr. LI Yundong (李運動) for an initial period of three years from the Listing Date so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

Mr. AU Wai Keung (區偉強) will work closely with Mr. LI Yundong (李運動) to jointly discharge duties and responsibilities as joint company secretaries and assist Mr. LI Yundong (李運動) to acquire the relevant experience as required under Rule 3.28 of the Listing Rules. In addition, we will ensure Mr. LI Yundong (李運動) has access to relevant training and support to familiarize himself with the Listing Rules and the duties required for a company secretary of a company 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 Rules 3.28 and 8.17 of the Listing Rules. The waiver is valid for an initial period of three years from the Listing Date. Upon the expiry of such three year period, the Stock Exchange will reevaluate the experience of Mr. LI Yundong (李運動) to consider whether he will then have acquired the relevant experience within the meaning of Rules 3.28 and 8.17 of the Listing Rules and decide whether a further waiver will be necessary.

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### **CONTINUING CONNECTED TRANSACTIONS**

We have entered into certain transactions which would constitute continuing connected transactions under the Listing Rules upon [REDACTED]. We have received from the Stock Exchange a waiver from strict compliance with the relevant requirement set out in Chapter 14A of the Listing Rules for such continuing connected transactions. Please refer to the section headed “Continuing Connected Transactions” for details of such continuing connected transactions.

### **WAIVER AND EXEMPTION IN RELATION TO THE PRE-[REDACTED] SHARE OPTION SCHEME**

Pursuant to paragraph 10 of Part I of the Third Schedule to Companies (Winding Up and Miscellaneous Provisions) Ordinance, this [REDACTED] is required to include details of the number, description and amount of any [REDACTED] which any person has, or is entitled to be given, an option to subscribe for, together with certain particulars of each option, namely the period during which it is exercisable, the price to be paid for the [REDACTED] subscribed for under it, the consideration (if any) given or to be given for it and the name and address of the person to whom it was given.

Further, pursuant to Rule 17.02(1)(b) of the Listing Rules, a new listing applicant must disclose in the [REDACTED] full details of all outstanding options. Paragraph 27 of Part A of Appendix 1 to the Listing Rules also requires the disclosure of particulars of any capital of any member of our Group which is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantees.

Pursuant to the Pre-[REDACTED] Share Option Scheme, an offer of the grant of an option shall be deemed to have been accepted and such option to which such offer relates shall be deemed to have been granted and to have taken effect when the duplicate letter comprising acceptance of such offer duly signed by the grantee, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for each tranche of grant thereof is received by the Company. The subscription price per Share of the options granted under the Pre-[REDACTED] Share Option Scheme is HK\$1.56.

As of the Latest Practicable Date, the Company has granted options to a total of [REDACTED] grantees (“Grantees”) under the Pre-[REDACTED] Share Option Scheme, including Directors, directors of the subsidiaries of the Company, senior management of the Company and other employees of the Group and Shengmu Forage to subscribe for a total of [REDACTED] [REDACTED], representing (i) approximately [REDACTED] of the issued share capital of the Company immediately [REDACTED] or any option that may be granted under the Share Option Scheme), and (ii) approximately [REDACTED] of the issued share capital of the Company immediately upon completion of the [REDACTED], assuming that all options granted under the Pre-[REDACTED] Share Option Scheme are exercised, but without taking into account any [REDACTED] which may be allotted and issued upon the exercise of the [REDACTED] or the exercise of any options which may be granted under the Share Option Scheme.

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We have applied for (i) a waiver from strict compliance with the requirements under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix 1A to the Listing Rules and (ii) an exemption from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance regarding certain of the options granted under the Pre-[REDACTED] Share Option Scheme on the following grounds:

- (i) in light of the large number of Grantees involved, strict compliance with such disclosure requirements in setting out full details of all grantees under the Pre-[REDACTED] Share Option Scheme would be unduly burdensome for us;
- (ii) the grant and exercise in full of the options granted under the Pre-[REDACTED] Share Option Scheme would not cause any material adverse impact on our financial position;
- (iii) non-compliance with the disclosure requirements would not prevent us from providing our potential investors with an informed assessment of our activities, assets, liabilities, financial position, management and prospects;
- (iv) the information contained herein regarding the Pre-[REDACTED] Share Option Scheme, including the dilution effect and impact on earnings per Share upon full exercise of the options granted under the Pre-[REDACTED] Share Option Scheme, provides potential investors with sufficient information to make a relevant assessment of us in their investment decision making process; and
- (v) the exemption will not prejudice the interest of the investing public.

We have received a waiver from the Stock Exchange from strict compliance with the requirements under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix 1A to the Listing Rules regarding certain of the options granted under the Pre-[REDACTED] Share Option Scheme, subject to the following conditions:

- (i) a certificate of exemption from strict compliance with the relevant Companies (Winding Up and Miscellaneous Provisions) Ordinance requirements be granted by the SFC and the particulars of the exemption be disclosed in this [REDACTED]; and
- (ii) the following information will be clearly disclosed in the [REDACTED]:
  - (a) full details of all options granted by the Company under the Pre-[REDACTED] Share Option Scheme to grantees being Directors, directors of the subsidiaries of the Company, senior management of the Company and all the Grantees who are entitled to subscribe for not less than [REDACTED] upon full exercise of his option under the Pre-[REDACTED] Share Option Scheme, such details to include all the particulars required under Rule 17.02(1)(b) of and paragraph 27 of Part A of Appendix 1 to the Listing Rules;

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- (b) in respect of the options granted by the Company under the Pre-[REDACTED] Share Option Scheme other than those referred to in sub-paragraph (ii)(a) above, (1) the aggregate number of the grantees and the number of [REDACTED] subject to the Pre-[REDACTED] Share Options; (2) the consideration paid for the grant of such Pre-[REDACTED] Share Options; and (3) the exercise period and the exercise price for such Pre-[REDACTED] Share Options;
  - (c) the aggregate number of [REDACTED] subject to the outstanding Pre-[REDACTED] Share Options and the percentage to the Company’s total issued share capital represented by such number of [REDACTED]; and
  - (d) the dilutive effect upon full exercise of the Pre-[REDACTED] Share Options, and
- (iii) a list of all the grantees (including those persons whose details have already been disclosed in the [REDACTED]) who have been granted options under the Pre-[REDACTED] Share Option Scheme (including the persons referred to in sub-paragraph (ii)(a) above) containing all the particulars as required under Rule 17.02(1)(b) and paragraph 27 of Appendix 1A of the Listing Rules be made available for public inspection in accordance with the section headed “Documents Delivered to the Registrar of Companies and Available for Inspection” in Appendix V to the [REDACTED].

We have received from the SFC a certificate of exemption from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance regarding certain of the options granted under the Pre-[REDACTED] Share Option Scheme subject to the following conditions:

- (i) full details of all options granted by us under the Pre-[REDACTED] Share Option Scheme to grantees being Directors, directors of the subsidiaries of the Company, senior management of our Company and all the Grantees who are entitled to subscribe for not less than [REDACTED] upon full exercise of his option under the Pre-[REDACTED] Share Option Scheme, are disclosed in this [REDACTED], such details to include all the particulars required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
- (ii) in respect of the options granted by us under the Pre-[REDACTED] Share Option Scheme other than those referred to in paragraph (i) above, (a) the aggregate number of grantees and the number of [REDACTED] subject to the options, (b) the consideration paid for the grant of the Pre-[REDACTED] Share Options and (c) the exercise period and the exercise price for the Pre-[REDACTED] Share Options will be clearly disclosed in this [REDACTED];

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- (iii) a list of all the grantees (including those persons whose details have already been disclosed in the [REDACTED]) who have been granted options under the Pre-[REDACTED] Share Option Scheme (including the persons referred to in paragraph (i) above) containing all the particulars as required under paragraph 10 of Part 1 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance be made available for public inspection in accordance with the section headed “Documents Delivered to the Registrar of Companies and Available for Inspection” in Appendix V to this [REDACTED]; and
- (iv) the particulars of such exemption be disclosed in this [REDACTED].

Further details of the Pre-[REDACTED] Share Option Scheme are set forth in the section headed “Appendix IV — Statutory and General Information — Pre-[REDACTED] Share Option Scheme.”