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

In preparation for the Global Offering, we have sought and have been granted the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemption from the Companies (Winding up and miscellaneous provisions) Ordinance:

CONNECTED TRANSACTIONS

Members of our Group have entered into, and are expected to continue after the Listing, certain transactions, which will constitute non-exempt continuing connected transactions under the Listing Rules. We have applied waivers in relation to non-exempt continuing connected transactions with BAIC Group and/or its associates and with Daimler AG and/or its associates to the Stock Exchange, under Rules 14A.49 and 14A.71 of the Listing Rules in relation to annual reporting requirements, Rules 14A.34 and 14A.52 of the Listing Rules in relation to written agreement requirements, under Rule 14A.53 of the Listing Rules in relation to annual cap requirements, and pursuant to Rule 14A.105 of the Listing Rules in relation to announcement and independent Shareholders' approval requirements, and the Stock Exchange has granted us, waivers from strict compliance with the annual reporting, announcement, written agreements, annual cap, and/or independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the said transactions. The details of such waivers are set out in "Connected Transactions" in this prospectus.

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, our executive Director resides in the PRC.

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

- (i) both of the Company's authorized representatives, Mr. Li Feng, a PRC resident, and Mr. Yan Xiaolei, a PRC resident, will act as our principal channel of communication with the Stock Exchange. Although Mr. Li Feng and Mr. Yan Xiaolei reside in the PRC, each of them 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 reasonable notice;
- (ii) both of the authorized representatives of the Company have means of contacting all Directors (including our independent non-executive Directors) promptly when the Stock Exchange wishes to contact a Director for any reason;
- (iii) each Director has provided his or her 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

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office, he or she will provide the phone number of the place of his or her 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 time;
- (v) Ms. Yung Mei Yee, our Company's company secretary assistant, who is a Hong Kong resident, will, among other things, act as our Company's additional channel of communication with the Stock Exchange and be able to answer enquiries from the Stock Exchange. Ms. Yung Mei Yee will maintain constant contact with the Directors and senior management of the Company through various means, including regular meetings, telephone discussions whenever necessary; and
- (vi) We have appointed Shenyin Wanguo as our compliance adviser who will also serve as an additional channel of communication with the Stock Exchange from the Listing Date to the date when our Company dispatches our annual reports to our Shareholders for the first full financial year immediately after the listing of our H Shares. Shenyin Wanguo 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 COMPANY SECRETARY AND COMPANY SECRETARY ASSISTANT

Rule 8.17

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

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/her 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/she played;
- (b) familiarity with the Listing Rules and other relevant law and regulations including the Securities and Future Ordinance, Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance, and the Takeovers Code;

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- (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.

We have appointed Mr. Yan Xiaolei as our company secretary. Mr. Yan has 14 years of experience in financial and corporate management, and has a thorough understanding of the operation of the Board and our Company. Before joining us, Mr. Yan served as the executive director, deputy general manager and authorized representative at the Hong Kong Stock Exchange of Sound Global Ltd. (stock code: 00967.HK). Since Mr. Yan does not possess the acceptable professional or academic qualifications as stipulated in Rule 3.28 of the Listing Rules, our Company has appointed Ms. Yung Mei Yee, a fellow member of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in United Kingdom, as the company secretary assistant. Over a period of one year from the Listing Date, our Company proposes to implement the following measures to assist Mr. Yan to become a company secretary with the requisite qualifications or relevant experience as required under the Listing Rules:

Mr. Yan 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.

Ms. Yung will assist Mr. Yan 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 the company secretary of the Company.

Ms. Yung will communicate regularly with Mr. Yan 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. Yung will work closely with, and provide assistance for Mr. Yan in the discharge of his duties as a company secretary, including organizing the Company's board meetings and shareholders' meetings.

The appointment of Mr. Yan has an initial period of one year commencing from the Listing Date on condition that Mr. Yan will be assisted by Ms. Yung.

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. Provided that Mr. Yan has obtained relevant experience under Rule 3.28 of the Listing Rules at the end of the initial one-year period of the above arrangement, the above company secretary assistant arrangement will no longer be required by the Company.

DISCLOSURE OF RESIDENTIAL ADDRESS

We have applied for, and the SFC has granted, a certificate of exemption pursuant to Section 342A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with the requirements of paragraph 6 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, in respect of the disclosure of the residential addresses of Mr. Hubertus Troska ("**Mr. Troska**") and Mr. Bodo Uebber ("**Mr. Uebber**"), two of the Company's non-executive Directors.

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It is inappropriate to disclose the residential addresses of Mr. Troska and Mr. Uebber for the following reasons:

- (a) Daimler AG is one of the largest and most well-known companies in Europe. Mr. Troska and Mr. Uebber are members of the board of management of Daimler AG. They also represent the Mercedes-Benz brand, one of the most prestigious brands in the world. Being well-known figures and leaders of Daimler AG inevitably attract high public attention, both domestically and abroad. The vehicles manufactured by Daimler AG have been sold all over the world. There may be chances that due to cultural difference or user expectation difference and some customers, no matter how small in number, may want to make their voices heard by Daimler AG management. Besides, they have on various occasions given different and, at times, controversial opinions on economic and social issues. Therefore, there is an inherent increased risk to Mr. Troska's and Mr. Uebber's personal safety and privacy if their residential addresses are disclosed publicly in the prospectus.
- (b) As a result of the risks posed by disclosing the residential addresses of Mr. Troska and Mr. Uebber publicly, Daimler AG has implemented protective measures internally to safeguard both the personal safety and privacy of themselves and their families. One of such protective measures implemented is a ban on disclosing their respective residential addresses issued by their respective register of residents in Germany. Such ban is only issued by the German Registry Offices if a person can prove that the existence of a threat to his life, health, personal freedom or similar legitimate interests.
- (c) Pursuant to the Art. 28 Paragraph 2 in connection with Art. 46 Paragraph 2 German Data Protection Act (the "Act"), the legitimate interests of Mr. Troska and Mr. Uebber are to be taken into account when assessing whether a transmission of their personal data is permissible. Specifically, in accordance with Article 28 Paragraph 2 of the Act, it would be unlawful for Daimler AG to transmit the residential addresses of Mr. Troska and Mr. Uebber if there are reasons to believe that they have a legitimate interest in preventing such a transfer. As the transmission of the residential addresses of Mr. Troska and Mr. Uebber for disclosure in the prospectus would pose a significant risk to the personal safety and privacy of themselves and their families, the transmission of their residential addresses by Daimler AG for disclosure in the prospectus will breach the Act.
- (d) Non-disclosure of the residential addresses of Mr. Troska and Mr. Uebber in the prospectus will not hinder the Company from providing an informed assessment of the character, experience and integrity of Mr. Troska and Mr. Uebber to the Company's potential investors, or cause any prejudice to the interests of the investing public.
- (e) All other material information in relation to Mr. Troska and Mr. Uebber as non-executive Directors of the Company as required to be disclosed under the Listing Rules has already been disclosed in the prospectus.

Due to the above reasons, the Company believes that it would create unwanted risk on the personal safety of Mr. Troska and Mr. Uebber to disclose their residential addresses. As a result of these and their particular circumstances, the business addresses of Mr. Troska and Mr. Uebber are disclosed in place of their residential addresses in the prospectus.

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PUBLIC FLOAT REQUIREMENTS

According to Rule 8.08(1)(a) of the Listing Rules, there must be an open market in the securities for which listing is sought and for a sufficient public float of an issuer's listed securities to be maintained. This normally means that at least 25% of the issuer's total issued share capital must at all times be held by the public. Pursuant to Rule 8.08(1)(d) of the Listing Rules, the Stock Exchange may, subject to certain conditions and at its discretion, accept a lower percentage of between 15% and 25% in the case of issuers with an expected market capitalization at the time of listing of over HK\$10 billion.

We have applied to the Stock Exchange (after taking into account the H Shares held by Daimler AG upon Listing which will not be counted towards the public float for), and the Stock Exchange has granted us, a waiver from strict compliance with the requirement under Rule 8.08(1)(a) of the Listing Rules to allow a minimum public float for the H Share to be the higher of (i) 15% of the total issued Shares (assuming the Over-allotment Option is not exercised); or (ii) such a higher percentage of H Shares to be held by the public if the Over-allotment Option is fully or partially exercised.

In support of such application, the Company has confirmed to the Stock Exchange that it will (a) make appropriate disclosure of the lower percentage of public float required by the Stock Exchange in the prospectus; and (b) confirm sufficiency of public float in its successive annual reports after the Listing.

CLAWBACK MECHANISM UNDER PARAGRAPH 4.2 OF PRACTICE NOTE 18 OF THE LISTING RULES

Paragraph 4.2 of Practice Note 18 of the Listing Rules requires a clawback mechanism to be put in place, which would have the effect of increasing the number of Hong Kong Offer Shares to certain percentages of the total number of Offer Shares offered in the Global Offering if certain prescribed total demand level in the Hong Kong Public Offering are reached. We have applied to the Stock Exchange for, and the Stock Exchange has granted to us, a waiver from strict compliance with paragraph 4.2 of Practice Note 18 of the Listing Rules such that the initial allocation of Offer Shares under the Hong Kong Public Offering shall be 5% of the Global Offering. In the event of over-subscription under the Hong Kong Public Offering, the Joint Global Coordinators and the Joint Sponsors, after consultation with us, shall apply an alternative clawback mechanism to the provisions under Paragraph 4.2 of Practice Note 18 of the Listing Rules, following the closing of the application lists as follows:

- (i) 61,941,000 Offer Shares are initially available in the Hong Kong Public Offering, representing approximately 5% of the Offer Shares initially available under the Global Offering;
- (ii) if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 15 times or more but less than 50 times the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, then Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of the Offer Shares available under the Hong Kong Public Offering will be 92,912,000 H Shares, representing approximately 7.5% of the Offer Shares initially available under the Global Offering;

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- (iii) if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 50 times or more but less than 100 times the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, then Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of the Offer Shares available under the Hong Kong Public Offering will be 123,882,000 H Shares, representing approximately 10% of the Offer Shares initially available under the Global Offering; and
- (iv) if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 100 times or more than the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, then Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of the Offer Shares available under the Hong Kong Public Offering will be 247,764,000 H Shares, representing approximately 20% of the Offer Shares initially available under the Global Offering.

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Joint Global Coordinators and the Joint Sponsors. Subject to the foregoing paragraph, the Joint Global Coordinators and the Joint Sponsors may in their discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In addition, if the Hong Kong Public Offering is not fully subscribed, the Joint Global Coordinators and the Joint Sponsors will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such amounts as they deem appropriate. For details of the clawback mechanism, please see the section headed “Structure of the Global Offering” in this prospectus.