

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the [REDACTED], our Group has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules.

MANAGEMENT PRESENCE

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

Our Group is headquartered in the PRC with its principal business operations located, managed and conducted in the PRC, and substantially all of our Group’s assets are based in the PRC. Our executive Directors, Mr. Luan Linjiang, Mr. Luan Xiaolong and Mr. Luan Linxin, are ordinarily resident in the PRC and are involved in the day-to-day business operation of our Group in the PRC. Therefore, it is of paramount importance for them to remain in the PRC where our Group has substantial operations. Our Company does not, and for the foreseeable future will not, have executive Directors who are ordinarily resident in Hong Kong, for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

For the reasons set out above, our Directors consider that it would be practically difficult and commercially unfeasible for our Company to either relocate two of its existing executive Directors, who have a vital role in the business and operations of our Company, to Hong Kong in order to comply with the requirements under Rule 8.12 of the Listing Rules. In addition, our Group does not have any employee/senior management who is ordinarily resident in Hong Kong, and therefore it is difficult to appoint two additional executive Directors who are ordinarily resident in Hong Kong.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] to us, a waiver from strict compliance with the requirements set out in Rule 8.12 of the Listing Rules subject to the following conditions:

- (a) pursuant to Rule 3.05 of the Listing Rules, we have appointed two authorised representatives, Mr. Luan Xiaolong (our executive Director) and Ms. Ho Wing Nga (何詠雅女士) (“**Ms. Ho**”) (one of our joint company secretaries), who will jointly act as our principal channel of communication with the Stock Exchange. Ms. Ho is ordinarily resident in Hong Kong. Each of our authorised 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 and email. Each of our authorised representatives is authorised to communicate on our behalf with the Stock Exchange;
- (b) each of our authorised representatives has means to contact our Directors (including our independent non-executive Directors) and all members of our senior management team promptly at all times as and when the Stock Exchange wishes to contact them or any of them on any matters. To enhance the communication between the Stock Exchange, the authorised representatives and our Directors, our Company has implemented a number of policies whereby (i) each Director shall provide (if available) his/her mobile phone numbers, office phone numbers, fax numbers and email addresses to the authorised representatives; (ii) in the event that such Director expects to travel and be out of office,

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he/she shall provide the phone number of the place of his/her accommodation to the authorised representatives; and (iii) all of our Directors and authorised representatives will provide (if available) their respective mobile phone numbers, office phone numbers, fax numbers and email addresses to the Stock Exchange;

- (c) each of our Directors and authorised representatives has provided or will provide (if available) their respective mobile phone numbers, office phone numbers, fax numbers and email addresses to the Stock Exchange. Our Company shall promptly inform the Stock Exchange of any changes to the contact details of the authorised representatives of our Company and our Directors;
- (d) pursuant to Rule 3A.19 of the Listing Rules, we have appointed China Industrial Securities International Capital Limited as our compliance adviser to provide our Company with professional advice on continuing obligations under the Listing Rules, and to act at all times, in addition to the two authorised representatives of our Company, as our Company's additional channel of communication with the Stock Exchange for the period commencing on the [REDACTED] and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules and publishes the annual report in respect of our Company's first full financial year after the [REDACTED];
- (e) each of our Directors (including our independent non-executive Directors) 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 and would be able to meet with the Stock Exchange in Hong Kong upon reasonable notice; and
- (f) our Company will also appoint other professional advisers (including its legal advisers in Hong Kong) after the [REDACTED] to assist our Company in addressing any enquiries which may be raised by the Stock Exchange and to ensure that there will be prompt and effective communication with the Stock Exchange.

Our Company and Directors believe that the above-mentioned arrangements will ensure that all members of our Board will be promptly informed of any matters raised by the Stock Exchange and that disclosure of information and communication with the Stock Exchange will be made on a timely basis.

JOINT COMPANY SECRETARIES

According to Rules 3.28 and 8.17 of the Listing Rules, the secretary of an issuer must be a person who has the requisite knowledge and experience to discharge the functions of the company secretary and is either (i) a member of the Hong Kong Institute of Chartered Secretaries, a solicitor or a barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong) or a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong), or (ii) 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.

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We have appointed Mr. Zhang Yupeng (張聿鵬先生) (“**Mr. Zhang**”) and Ms. Ho as our joint company secretaries (the “**Joint Company Secretaries**”). Mr. Zhang joined our Group on 1 January 2016 and since then he has been deputy director of human resources department of Jiaoyun Gas, one of our major operating subsidiaries, and is mainly responsible for the management of salary, performance appraisal, provident fund and enterprise information communication etc. of Jiaoyun Gas. Given that Mr. Zhang has over 14 years of experience in human resources fields with substantial involvement in the administration and human resources management of Jiaoyun Gas, our Directors are of the view that, having regard to Mr. Zhang’s thorough understanding of the business operation and corporate governance of our Group, he is therefore considered as a suitable person to act as a company secretary of our Company. In addition, as our headquarters and principal place of business are located in the PRC, there are practical difficulties in finding a company secretary who possesses day-to-day knowledge of our affairs and the relevant experience specified by Rule 3.28 of the Listing Rules. Our Directors believe that it would be in the best interests of our Company and our corporate governance practice to appoint Mr. Zhang as one of our Joint Company Secretaries, notwithstanding that he does not possess the requisite qualifications and is not able to solely fulfil the requirements of company secretary under Rules 3.28 and 8.17 of the Listing Rules. Therefore, we have appointed Ms. Ho, an associate of The Hong Kong Chartered Governance Institute (previously known as The Hong Kong Institute of Chartered Secretaries), who meets the requirements under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary to work closely with and provide assistance to Mr. Zhang.

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. Zhang as one of our Joint Company Secretaries on the condition that Mr. Zhang will be assisted by Ms. Ho as our Joint Company Secretary throughout the three-year period from the [REDACTED]. By virtue of Ms. Ho’s experience in corporate secretarial practice, she is, in our Directors’ opinion, a person who is qualified and suitable to provide assistance to Mr. Zhang for a three-year period from the [REDACTED] pursuant to the Stock Exchange’s Guidance Letter HKEX-GL108-20 so as to enable Mr. Zhang to acquire the relevant experience (as required under Rule 3.28(2) of the Listing Rules) to discharge the duties and responsibilities as a joint company secretary stipulated under Rules 3.28 and 8.17 of the Listing Rules.

Such waiver will be revoked immediately if and when Ms. Ho ceases to provide such assistance or if there are material breaches of the Listing Rules by our Company. Before the end of the expiry of the initial three-year period, the Stock Exchange will be contacted by our Company to assess the qualifications and experience of Mr. Zhang to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied. In the event that Mr. Zhang has obtained relevant qualifications and experience under Rules 3.28 and 8.17 of the Listing Rules before the end of the said initial three-year period, the foregoing arrangement regarding the joint company secretaries would no longer be necessary.

Please refer to “Directors and Senior Management” in this document for the biographical details of Mr. Zhang and Ms. Ho.

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE. THE INFORMATION IN THIS DOCUMENT MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

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CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transactions which would constitute continuing connected transactions for our Company under the Listing Rules following completion of the [REDACTED]. We have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, waivers from strict compliance with certain requirements set out in Chapter 14A of the Listing Rules for certain continuing connected transactions. For further details of such continuing connected transactions and the waivers, please refer to “Connected Transactions” in this document.