

WAIVERS FROM STRICT COMPLIANCE WITH LISTING RULES

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

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We have entered into and are expected to continue with certain transactions after the [REDACTED] which will constitute our non-exempt continuing connected transactions under Chapter 14A of Listing Rules upon [REDACTED]. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us waivers in relation to certain continuing connected transactions between us and certain connected person under Chapter 14A of the Listing Rules.

See “Connected Transactions”.

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, our Company must have sufficient management presence in Hong Kong, which normally means that at least two executive directors must be ordinarily resident in Hong Kong. Given that (i) our core business operations are principally located, managed and conducted in the PRC and the Company’s head office is situated in Henan province, the PRC; (ii) our executive Director and senior management team principally reside in the PRC; and (iii) the management and operation of the Company have mainly been under the supervision of our executive Directors and senior management, who are principally responsible for the overall management, corporate strategy, planning, business development and control of the Group’s businesses and it is important for them to remain in close proximity to the Group’s operation located in the PRC, the Company considers that it would be more practical for its executive Directors and senior management to remain ordinarily resident in the PRC where the Group has substantial operations. For the above reasons, we do not have, and do not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted us], a waiver from strict compliance with Rule 8.12 of the Listing Rules. We will ensure that there are adequate and efficient arrangements to achieve regular and effective communication between us and the Stock Exchange as well as compliance with the Listing Rules by way of the following arrangements:

1. **Authorized representatives:** we have appointed Mr. PENG Hongzhi, the executive Director, and Mr. LI Kin Wai, the joint company secretary, 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. Mr. LI Kin Wai ordinarily resides in Hong Kong whereas Mr. PENG Hongzhi ordinarily resides in the PRC, and Mr. PENG Hongzhi 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 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. See

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“Directors and Senior Management” in this document for more information about our Authorized Representatives.

2. **Directors:** to facilitate communication with the Stock Exchange, we have provided the Authorized Representatives and the Stock Exchange with the contact details of each of our Director. In the event that any Director expects to travel or otherwise be out of office, he or she will provide the phone number of the place of his/her accommodation to the Authorized Representatives. To the best of our knowledge and information, each Director who is not ordinarily resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period after requested by the Stock Exchange.
3. **Compliance adviser:** we have appointed Mont Avenir Capital Limited as our compliance adviser (the “**Compliance Adviser**”) in compliance with Rule 3A.19 of the Listing Rules. The Compliance Adviser will, among other things and in addition to the Authorized Representatives, provide us with professional advice on continuing obligations under the Listing Rules and act as additional channel of communication of the Company with the Stock Exchange during the period from the [REDACTED] to the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year immediately after the [REDACTED]. The Compliance Adviser will be available to answer enquiries from the Stock Exchange and will act as the principal channel of communication with the Stock Exchange when the Authorized Representatives are not available.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Rule 8.17 of the Listing Rules provides that our Company 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, the Company must appoint 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 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) 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 addition, pursuant to Note 2 to Rule 3.28 of the Listing Rules, 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 they played;

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- (b) 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;
- (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 Ms. SHEN Xiaochun as the one of the joint company secretaries of the Company. See “Directors and Senior Management” in this document for further biographical details of Ms. SHEN Xiaochun.

Ms. SHEN Xiaochun has substantial experience in handling corporate, legal and regulatory compliance and administrative matters but personally does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, the Company has appointed Mr. LI Kin Wai, an associate member of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators), who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as one of our joint company secretaries and to provide assistance to Ms. SHEN Xiaochun for an initial period of three years from the [REDACTED] to enable Ms. SHEN Xiaochun to acquire the “relevant experience” under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules. See the section headed “Directors and Senior Management” in this document for further biographical details of Ms. SHEN Xiaochun and Mr. LI Kin Wai.

The following arrangements have been, or will be, put in place to assist Ms. SHEN Xiaochun in acquiring the qualifications and experience as the company secretary of our Company required under Rule 3.28 of the Listing Rules:

- (a) Ms. SHEN Xiaochun will endeavor to attend relevant training courses, including briefings on the latest changes to the relevant applicable Hong Kong laws and regulations and the Listing Rules which will be organized by our Company’s Hong Kong legal advisers on an invitation basis and seminars organized by the Stock Exchange for listed issuers from time to time.
- (b) Mr. LI Kin Wai will assist Ms. SHEN Xiaochun to enable her 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 our Company.
- (c) Mr. LI Kin Wai will communicate regularly with Ms. SHEN Xiaochun on matters relating to corporate governance, the Listing Rules and any other laws and regulations which are relevant to our Company and its affairs. Mr. LI Kin Wai will work closely with, and provide assistance to, Ms. SHEN Xiaochun in the discharge of her duties as a company secretary, including organizing our Company’s Board meetings and Shareholders’ general meetings.

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- (d) Prior to expiry of Ms. SHEN Xiaochun’s initial three-year term of appointment as the company secretary of our Company, we will evaluate her experience and liaise with the Stock Exchange to determine if Ms. SHEN Xiaochun, having had the benefit of Mr. LI Kin Wai’s assistance for three years, has acquired the qualifications required under Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted us], a waiver from strict compliance with Rules 3.28 and 8.17 of the Listing Rules. Such waiver will be revoked immediately if and when Ms. SHEN Xiaochun ceases to be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 or if there are material breaches of Listing Rules by us.

WAIVER IN RELATION TO CLAWBACK MECHANISM

Paragraph 4.2 of Practice Note 18 of the Hong Kong Listing Rules requires a clawback mechanism to be put in place, which would have the effect of increasing the number of [REDACTED] to certain percentages of the total number of the [REDACTED] offered in the [REDACTED] if certain prescribed total demand levels are reached.

We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange [has granted] us, a waiver from strict compliance with paragraph 4.2 of Practice Note 18 of the Hong Kong Listing Rules such that, provided the initial allocation of [REDACTED] under the [REDACTED] shall not be less than [REDACTED]% of the [REDACTED], in the event of [REDACTED], the [REDACTED] shall apply a clawback mechanism following the closing of the application lists on the following basis:

- (i) if the number of the [REDACTED] validly applied for under the [REDACTED] represents [REDACTED] times or more but less than [REDACTED] times of the number of the [REDACTED] initially available for subscription under the [REDACTED], then the number of [REDACTED] to be reallocated to the [REDACTED] from the [REDACTED] will be increased, so that the total number of [REDACTED] available under the [REDACTED] will be [REDACTED], representing approximately [REDACTED]% of the [REDACTED] initially available under the [REDACTED];
- (ii) if the number of the [REDACTED] validly applied for under the [REDACTED] represents [REDACTED] times or more but less than [REDACTED] times of the number of the [REDACTED] initially available for subscription under the [REDACTED], then the number of [REDACTED] to be reallocated to the [REDACTED] from the [REDACTED] will be increased, so that the total number of the [REDACTED] available under the [REDACTED] will be [REDACTED], representing approximately [REDACTED]% of the [REDACTED] initially available under the [REDACTED]; and
- (iii) if the number of the [REDACTED] validly applied for under the [REDACTED] represents [REDACTED] times or more of the number of the [REDACTED] initially available for subscription under the [REDACTED], then the number of [REDACTED] to be reallocated to the [REDACTED] from the [REDACTED] will be increased, so that the total

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number of the [REDACTED] available under the [REDACTED] will be [REDACTED], representing approximately [REDACTED]% of the [REDACTED] initially available under the [REDACTED].

In each case, the additional [REDACTED] reallocated to the [REDACTED] will be allocated between pool A and pool B and the number of [REDACTED] allocated to the [REDACTED] will be correspondingly reduced in such manner as the [REDACTED] deem appropriate.

In addition, the [REDACTED] may allocate [REDACTED] from the [REDACTED] to the [REDACTED] to satisfy valid applications under the [REDACTED]. If the [REDACTED] is not fully subscribed, the [REDACTED] have the authority to reallocate all or any unsubscribed [REDACTED] to the [REDACTED], in such proportions as the [REDACTED] deem appropriate. See “Structure of the [REDACTED] – [REDACTED] – Reallocation.”

WAIVER IN RELATION TO PUBLIC FLOAT

Rule 8.08(1) of the Listing Rules requires that there must be an open market for the securities for which listing is sought, and that a sufficient public float of an issuer’s listed securities shall be maintained. Generally, at least 25% of an 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.

Based on the minimum [REDACTED] HK\$[REDACTED] and assuming no exercise of the [REDACTED], we expect to achieve a minimum market capitalization of at least HK\$[REDACTED] upon [REDACTED].

Accordingly, we have applied to the Stock Exchange to request the Stock Exchange to exercise, and the Stock Exchange [has confirmed that] it will exercise, its discretion under Rule 8.08(1)(d) of the Listing Rules, pursuant to which the public float of the Company may fall below 25% of the issued share capital of the Company, to allow a minimum public float of the Company to be the highest of:

- (i) [REDACTED]% of the Company’s total issued share capital;
- (ii) such percentage of Shares held by the public (including the Pre-[REDACTED] Investors) after completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), which is expected to be [REDACTED]%; and
- (iii) such percentage of Shares held by the public (including the Pre-[REDACTED] Investors) after the full or partial exercise of the [REDACTED], subject to a maximum percentage of 25% pursuant to Rule 8.08(1)(a) of the Listing Rules.

In support for the application of the waiver, we have confirmed to the Stock Exchange that:

- (a) we will have a market capitalization at the time of the Listing of over HK\$[REDACTED];

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- (b) the quantity and scale of the issued securities would enable the market to operate properly with a lower percentage of public float;
- (c) we will make appropriate disclosure of the lower prescribed percentage of public float in this document;
- (d) we will implement appropriate measures and mechanisms to ensure continual maintenance of the minimum public float; and
- (e) we will confirm sufficiency of public float in our successive annual reports after the **[REDACTED]**.