
WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

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 Rules 8.12 and 19A.15 of the Listing Rules, our Company 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. Given that (i) our Group’s principal business and operations are located, managed and conducted in the PRC through our PRC operating subsidiaries; (ii) none of our executive Directors is a Hong Kong permanent resident or is ordinarily based in Hong Kong; and (iii) our executive Directors will continue to be based in the PRC after the [REDACTED] to manage our business, our Company does not, and will not, in the foreseeable future, have a sufficient management presence in Hong Kong as required under Rules 8.12 and 19A.15 of the Listing Rules. Further, it would be impractical and commercially unnecessary for our Company to appoint additional executive Directors who are ordinarily residents in Hong Kong or to relocate its existing PRC based executive Directors to Hong Kong.

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 8.12 and 19A.15 of the Listing Rules, subject to the condition that the following measures and arrangements are made for maintaining regular and effective communication with the Stock Exchange:

- (i) we have appointed two authorized representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our Company’s principal channel of communication with the Stock Exchange. The two authorized representatives of our Company are Mr. Wang Limin, our chairman and an executive Director and Mr. Zhang Xiaodong, one of our joint company secretaries (the “**Authorized Representatives**”). Each of the Authorized Representatives will be available to meet with the Stock Exchange within a reasonable period of time upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and/or email. Each of the Authorized Representatives is authorized to communicate on behalf of our Company with the Stock Exchange;
- (ii) each of the Authorized Representatives has means to contact all members of the Board (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters. To enhance the communication between the Stock Exchange, the Authorized Representatives and our Directors, we have provided the Stock Exchange with the respective office phone number, mobile phone number, facsimile number and email address of each Director and Authorized Representative. In the event that a Director expects to travel or is out of the office, he/she will provide the phone number of the place of his/her accommodation or other means of communication to the Authorized Representatives;

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- (iii) our Directors, who are not ordinarily resident in Hong Kong, possess or can apply for valid travel documents to visit Hong Kong and are able to come to Hong Kong and, when required, meet with the Stock Exchange upon reasonable notice;
- (iv) we have, in compliance with Rules 3A.19 and 19A.05(2) of the Listing Rules, appointed Shanxi Securities International Capital Limited as our Compliance Advisor who will, among other things, in addition to the Authorized Representatives, act as additional channel of communication between the Stock Exchange and our Company 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 in respect of its financial results for the first full financial year commencing after the [REDACTED]. The Compliance Advisor will have full access at all times to the Authorized Representatives, our Directors and other officers as prescribed by Rule 19A.05(2) of the Listing Rules, who will act as the additional channel of communication with the Stock Exchange when the Authorized Representatives are not available; and
- (v) we have provided the Stock Exchange with the names, mobile phone numbers, office phone numbers and email addresses of at least two officers of the Compliance Advisor who will act as the Compliance Advisor’s contact persons between the Stock Exchange and the Company pursuant to Rule 19A.06(4) of the Listing Rules.

APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary 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 the company secretary. Note 1 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a member of The Hong Kong Chartered Governance Institute;
- (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).

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

- (i) length of employment with the issuer and other issuers and the roles he/she played;

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- (ii) familiarity with the Listing Rules and other relevant law and regulations including the Securities and Futures Ordinance, Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and Takeovers Code;
- (iii) relevant training taken and/or to be taken in addition to the minimum requirements under Rule 3.29 of the Listing Rules; and
- (iv) professional qualifications in other jurisdictions.

Our Company has appointed Mr. Zhang Xiaodong as one of the joint company secretaries. Mr. Zhang has extensive experience in board and corporate management matters but presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, thus may not be able to fulfill the requirements of the Listing Rules. Therefore, we have appointed Ms. Chan Sze Ting, a Chartered Secretary (CS), a Chartered Governance Professional (CGP) and an Associate of both The Hong Kong Chartered Governance Institute (HKCGI) (formerly The Hong Kong Institute of Chartered Secretaries (HKICS)) and The Chartered Governance Institute (CGI) (formerly The Institute of Chartered Secretaries and Administrators (ICSA)) in the United Kingdom, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary. Ms. Chan will provide assistance to Mr. Zhang for an initial period of three years from the [REDACTED] to enable Mr. Zhang 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.

Both the Compliance Advisor and the Hong Kong legal advisors of our Company will assist Mr. Zhang in relation to Hong Kong corporate governance practices and regulatory compliance, ongoing compliance obligations under the Listing Rules and the applicable laws and regulations as and when required. In addition, Mr. Zhang will endeavor to attend relevant trainings and familiarize himself with the Listing Rules and duties required of a company secretary of a PRC 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 of Rule 3.28 and 8.17 of the Listing Rules. The waiver is valid for an initial period of three years from the [REDACTED], and is granted on the condition that we engage Ms. Chan, who possesses all the requisite qualifications under Rule 3.28 of the Listing Rules, to assist Mr. Zhang in discharging his duties as a joint company secretary and in gaining the “relevant experience” as required under Note 2 to Rule 3.28 of the Listing Rules. Such waiver can be revoked immediately if there are material breaches of the Listing Rules by our Company pursuant to Guidance Letter HKEx-GL108-20.

Before the expiration of the initial three-year period, the qualifications of Mr. Zhang will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for on-going assistance will continue. It is expected that Mr. Zhang will be able to fulfill all the requirements stipulated at the end of the initial three-year period.

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CONTINUING CONNECTED TRANSACTIONS

Our Group entered into and is expected to continue with certain transactions which would constitute non-exempt continuing connected transactions under Chapter 14A of the Listing Rules, following completion of the [REDACTED]. We have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with the relevant requirements under Chapter 14A of the Listing Rules in respect of such non-exempt continuing connected transactions. For details, please refer to “Continuing Connected Transactions” in this document.