
WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the Global Offering, we have 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, except as otherwise permitted by the Stock Exchange at its discretion, our Company must have sufficient management presence in Hong Kong, and this normally means that at least two of the new applicant's executive Directors must be ordinarily resident in Hong Kong.

Our Group's business and operations are all located in the PRC. Substantially all of the executive Directors and senior management of our Company principally reside in the PRC. For the purpose of the proposed Listing, our Company has established a place of business in Hong Kong and has registered as a non-Hong Kong company under Part XI of the Companies Ordinance.

Based on the above, 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 have made the following arrangements in order to maintain effective communication between the Stock Exchange and us:

A. Authorized representatives

Pursuant to Rules 3.05 of the Listing Rules, our Company has designated Mr. Li Yanjun, an executive Director, and Ms. Kwong Yin Ping, Yvonne, the joint company secretary (who is ordinarily resident in Hong Kong), as its authorized representatives. The authorized representative will act as our principal channel of communication with the Stock Exchange and would be available to meet with the Stock Exchange. The authorized representatives have provided their usual contact details to the Stock Exchange and will be readily contactable by the Stock Exchange if necessary.

As an executive Director and the joint company secretary of our Company respectively, Mr. Li Yanjun and Ms. Kwong Yin Ping, Yvonne have means for contacting all Directors (including the independent non-executive Directors) and senior management promptly at all times as and when the Stock Exchange wishes to contact the Directors on any matters.

Ms. Kwong Yin Ping, Yvonne, one of the authorized representatives and the joint company secretary of our Company, is a Hong Kong resident. Accordingly, she will be able to meet with the relevant members of the Stock Exchange on short notice. Our Company will also inform the Stock Exchange as soon as practicable in respect of any change in our Company's authorized representatives.

B. Directors

To facilitate communication with the Stock Exchange, our Company has provided the authorized representatives of our Company and the Stock Exchange with the contact details of each Director, including mobile phone numbers, office phone numbers, e-mail addresses and fax numbers.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

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 Company's 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 requests from the Stock Exchange.

C. Compliance advisor

Our Company will retain the services of Somerley Limited to act 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 our Company's authorized representatives, act as an additional channel of communication of our Company with the Stock Exchange and be available to answer enquiries from the Stock Exchange. Our Company will ensure that there are adequate and efficient means of communication among itself, its authorized representatives, Directors, other officers, and the Compliance Adviser.

APPOINTMENT OF JOINT COMPANY SECRETARIES

Rule 8.17 of the Listing Rules provides that an issuer must appoint a company secretary who satisfies Rule 3.28 of the Listing Rules. Rule 3.28 of the Listing Rules provides that a new applicant applying for a primary listing on the Stock Exchange must have a company secretary 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 a 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 played;
- (b) familiarity with the Listing Rules and other relevant law and regulations including the SFO, the Companies 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.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

Our Company was originally incorporated in the BVI with limited liability and subsequently redomiciled to the Cayman Islands on May 2, 2013, and is primarily engaged in iron ore mining, processing and the sale of iron ore products in the PRC. The Directors believe that its company secretary should, apart from being able to meet the professional qualifications or the relevant experience requirements under the Listing Rules, have sufficient knowledge about (a) our Group's business, operations and corporate culture; and (b) the regulatory requirements in the PRC.

All members of the senior management of our Company who are familiar with the activities of our Company and who have acquired knowledge of the relevant Hong Kong regulatory requirements during the preparation of the Listing Application, including Mr. Meng Ziheng, lack the requisite professional qualifications required under Rule 3.28 of the Listing Rules. Our Company has made efforts to search for suitable candidates in the open market since commencement of the listing preparation, but so far has been unable to find a professionally qualified candidate with sufficient understanding of the business and operations of our Group who would be suitable for the position of the company secretary. Accordingly, our Company proposes to appoint Mr. Meng Ziheng and Ms. Kwong Yin Ping, Yvonne as the joint company secretaries to jointly discharge the duties and responsibilities of the company secretary of our Company with reference to their work experience and qualifications.

For biographical details of Mr. Meng Ziheng, see "Directors and Senior Management." Although Mr. Meng Ziheng does not possess the qualifications set out in Rule 3.28 of the Listing Rules, our Company would like to appoint him as one of the joint company secretaries due to his past management experience within our Group and his thorough understanding of the internal administration and business operations of our Group. The term of the appointment of Ms. Kwong Yin Ping, Yvonne as one of the joint company secretaries will be three years commencing from the date of the listing of our Company's Shares.

Our Company proposes to appoint Ms. Kwong Yin Ping, Yvonne as one of the joint company secretaries of our Company to assist Mr. Meng Ziheng in discharging the duties of a company secretary of our Company. Ms. Kwong Yin Ping, Yvonne is currently a vice president of SW Corporate Services Group Limited, a professional services provider specializing in corporate services. Ms. Kwong Yin Ping, Yvonne is qualified to act as our company secretary as required in Rule 3.28 of the Listing Rules. Ms. Kwong Yin Ping, Yvonne is a fellow member of The Hong Kong Institute of Chartered Secretaries and a fellow member of The Institute of Chartered Secretaries and Administrators. Ms. Kwong Yin Ping, Yvonne has extensive experience in the corporate secretarial and compliance areas, and is currently the company secretary of Chengdu Putian Telecommunications Cable Company Limited (stock code: 01202), HC International, Inc. (stock code: 08292) and Xinhua News Media Holdings Limited (stock code: 00309) and a joint company secretary of China Tianrui Group Cement Company Limited (stock code: 01252) and IGG Inc (stock code: 08002). See "Directors and Senior Management – Joint Company Secretaries."

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

Based on the above, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with Rule 3.28 and 8.17 of the Listing Rules. The following arrangements have been, or will be, put in place to assist Mr. Meng Ziheng to acquire all qualifications and experience as the company secretary of our Company as required under Rule 3.28 of the Listing Rules:

- (a) **Work Arrangement between the Joint Companies Secretaries.** Apart from discharging her functions in her role as one of the joint company secretaries, Ms. Kwong Yin Ping, Yvonne will assist Mr. Meng Ziheng to enable Mr. Meng Ziheng to acquire the relevant company secretary experience as required under Rule 3.28 of the Listing Rules and to become familiar with the requirements of the Listing Rules. Given Ms. Kwong Yin Ping, Yvonne's relevant experience as a company secretary, she will be able to explain to both Mr. Meng Ziheng and our Company the relevant requirements under the Listing Rules and other applicable Hong Kong laws and regulations. She will also assist Mr. Meng Ziheng in organizing board meetings and Shareholders' meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Ms. Kwong Yin Ping, Yvonne is expected to work closely with Mr. Meng Ziheng, and will maintain regular contact with Mr. Meng Ziheng and the Directors and senior management of our Company. The waiver will be revoked immediately when Ms. Kwong Yin Ping, during the three-year period, ceases to provide assistance to Mr. Meng Ziheng.
- (b) **Training and Legal Advice.** In the course of preparing for our Company's proposed Listing on the Stock Exchange, Mr. Meng Ziheng has received a memorandum and has attended a training seminar on the respective obligations of Directors, senior management and our Company under the relevant Hong Kong laws and the Listing Rules, both provided by our Company's Hong Kong legal advisors Clifford Chance. Our Company will ensure that Mr. Meng Ziheng continues to have access to relevant training and support to familiarize himself with the Listing Rules and the duties required of a company secretary of an issuer listed on the Stock Exchange, and to receive updates on the latest changes to the applicable Hong Kong laws, regulations and the Listing Rules. Furthermore, both Mr. Meng Ziheng and Ms. Kwong Yin Ping, Yvonne will seek advice from our Company's Hong Kong legal and other professional advisors as and when required.
- (c) **Compliance Advisor.** Our Company has appointed Somerley Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules, which will act as our Company's additional channel of communication with the Stock Exchange, and provide professional guidance and advice to our Company and its joint company secretaries as to compliance with the Listing Rules and all other applicable laws and regulations.
- (d) **Review of Qualifications and Experience.** At the end of the three-year period, the Company has to liaise with the Stock Exchange. The Stock Exchange will re-visit the situation in the expectation that the Company should then be able to demonstrate to the satisfaction of the Stock Exchange that Mr. Meng Ziheng, having had the benefit of Ms. Kwong Yin Ping's assistance for three years, would have acquired relevant experience within the meaning of Rule 3.28 so that a further waiver would not be necessary.