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

In preparation for the Listing, our Company has sought the following waivers from strict compliance with the relevant provision of the Listing Rules:

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, we 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.

Our business operations are located in the PRC. All of our executive Directors are ordinarily resident in the PRC. We do not and, in the foreseeable future, will not 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 a waiver from strict compliance with the requirement under Rule 8.12 of the Listing Rules on the following grounds:

- (a) the business operations of our Group at present and are expected in the foreseeable future to be primarily located, conducted and managed in the PRC;
- (b) for the purpose of the operations of the Group, it is not necessary for the Group to have a management presence in Hong Kong to oversee and/or discharge management functions for our Group's operations; and
- (c) appointment of an additional executive Director who is ordinarily resident in Hong Kong to the Board or relocation of one or all of our executive Directors to Hong Kong would not only increase the administrative expenses of our Group, but would be of minimal commercial benefit of our Company and also reduce the responsiveness and efficiency of our Board in its decision-making process, especially when business decisions are required to be made within a short period of time.

We have received a waiver from the Stock Exchange from strict compliance with the requirement under Rule 8.12 of the Listing Rules subject to the condition that the following measures and arrangements are implemented for ensuring effective and regular communication is maintained between the Stock Exchange and our Company:

- (a) our Company have appointed and will continue to maintain two authorized representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal communication channel with the Stock Exchange and will ensure that our Company will comply with the Listing Rules at all times. The two authorized representatives are Mr. Zeng, an executive Director of our Company and Ms. Wong Wai Ling (黃慧玲), the joint company secretary of our Company who is ordinarily resident in Hong Kong. Each of the two authorized representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon request of the Stock Exchange and will be readily contactable by their respective correspondences address, phone numbers and e-mail address, and any other contact details prescribed by the Stock Exchange from time to time. Each of the two authorized representatives is duly authorized to communicate on behalf of our Company with the Stock Exchange;

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- (b) both the authorized representatives have means to contact all Directors (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters. Our Company will implement a policy whereby (i) each Director (including the independent non-executive Directors) will provide his correspondences address, phone number and e-mail address to the authorized representative; (ii) each Director (including the independent non-executive Directors) will provide valid phone numbers or means of communication to the authorized representatives when he travels; and (iii) each Director (including the independent non-executive Directors) will provide his phone numbers, e-mail address and correspondences address to the Stock Exchange;
- (c) all our Directors (including the independent non-executive Directors) have confirmed that they possess or will apply for valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time, when required;
- (d) CMB International Capital Limited has been appointed by our Company as the compliance advisor of our Company who will act as our alternative channel of communication with the Stock Exchange for a term commencing on the Listing Date and ending on the date on which our Company shall comply with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the Listing Date. Our compliance advisor will have access at all times promptly to our authorized representatives, Directors and other senior officers who will provide to the compliance advisor such information and assistance as the compliance may reasonably require in connection with the performance of the compliance advisor's duties; and
- (e) our Company will also appoint other professional advisors after the Listing 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.

QUALIFICATION OF COMPANY SECRETARY

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the secretary of our Company must be a person who has the requisite academic or professional qualifications or relevant experience to discharge the functions of a company secretary.

We have appointed Ms. Qian Xiaoning (錢曉寧) as one of our joint company secretaries. Ms. Qian does not possess a qualification as stipulated in Rule 3.28 of the Listing Rules, and therefore she does not meet all the requirements under Rules 3.28 and 8.17 of the Listing Rules.

We have appointed Ms. Wong Wai Ling (黃慧玲), who possesses the qualification required under Rule 3.28, to act as another joint company secretary to provide assistance to Ms. Qian for an initial period of three years from the Listing Date so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

Ms. Wong will work closely with Ms. Qian to jointly discharge duties and responsibilities as joint company secretaries and assist Ms. Qian to acquire the relevant experience as required under Rule 3.28 of the Listing Rules. In addition, we will ensure Ms. Qian has access to relevant training and support to familiarize herself with the Listing Rules and the duties required for a company secretary of a company listed on the Stock Exchange.

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We have received a waiver from the Stock Exchange in respect of Rules 3.28 and 8.17 of the Listing Rules. The waiver will be valid for an initial period of three years from the Listing Date. Upon the expiry of such three-year period, the Stock Exchange will re-evaluate the experience of Ms. Qian Xiaoning (錢曉寧) to consider whether she will then have acquired the relevant experiences within the meaning of Rules 3.28 and 8.17 of the Listing Rules and decide whether a further waiver will be necessary.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transactions and expect to continue such transactions after the Listing, which would constitute non-exempt continuing connected transactions under the Listing Rules after the Listing. As such, pursuant to Chapter 14A of the Listing Rules, we are subject to the reporting, annual review, announcement and independent shareholders' approval requirements. Accordingly, we have received a waiver in relation to:

- (a) the continuing connected transactions with Sinopec, as aggregated, in relation to certain design and environmental protection facility engineering projects, the agreement in relation to an environmental protection facility engineering project entered into with Yangmei Group Shouyang Boqi Electric Co., Ltd (陽煤集團壽陽博奇發電有限責任公司) (previously known as Shanxi Shouyang Mingtai Guoneng Power Co., Ltd* (山西壽陽明泰國能發電有限公司)) (“**Shouyang Power**”) and the Yangxi Agreements for each of the three financial years ending December 31, 2018, 2019 and 2020 under Rules 14A.35, 14A.36, 14A.49 and 14A.71 of the Listing Rules in relation to the announcement and the independent Shareholders' approval requirements; and
- (b) a technology licensing contract entered into with Sinopec Fushun Research Institute of Petroleum and Petrochemicals (中國石油化工股份有限公司撫順石油化工研究院) (“**Fushun Research Institute**”) and the Yangxi Agreements under Rule 14A.52 of the Listing Rules for a waiver from strict compliance with the three year term requirement for continuing connected transactions.

Further details of such non-exempt continuing connected transactions and the waiver, please refer to the section headed “Connected Transactions” in this prospectus.

WAIVER FROM STRICT COMPLIANCE WITH RULE 4.04(1) OF THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH SECTION 342(1) IN RELATION TO PARAGRAPH 27 OF PART I AND PARAGRAPH 31 OF PART II OF THE THIRD SCHEDULE TO THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Rule 4.04(1) of the Listing Rules requires a listing applicant to include in the prospectus the consolidated results of the listing group in respect of each of the three financial years immediately preceding the issue of the prospectus or such shorter period as may be acceptable to the Stock Exchange.

Section 342(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance provides that, subject to section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, it shall not be lawful for any person to issue, circulate or distribute in Hong Kong any

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prospectus offering for subscription or purchase shares in a company incorporated outside Hong Kong unless, among other things, the prospectus states the matters specified in Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance and sets out the reports specified in Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

Paragraph 27 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (“**Paragraph 27**”) requires the listing applicant to include in the prospectus a statement as to, among others, the gross trading income or sales turnover (as may be appropriate) of the listing applicant during each of the three financial years immediately preceding the issue of the prospectus, including an explanation of the method used for the computation of such income or turnover, and a reasonable break-down between the more important trading activities.

Paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (“**Paragraph 31**”) requires the listing applicant to include in the prospectus a report by its auditors with respect to, among others, its profits and losses and assets and liabilities of the listing applicant in respect of each of the three financial years immediately preceding the issue of the prospectus.

Pursuant to section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the SFC may issue, subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from compliance with the relevant requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interest of the investing public and compliance with any or all of such requirements would be irrelevant or unduly burdensome, or is otherwise unnecessary or inappropriate.

We have adopted December 31 as our financial year end date. This prospectus contains the audited financial results of our Company for the three years ended December 31, 2014, 2015 and 2016 and the nine months ended September 30, 2017, but does not include the financial results of our Company in respect of the full year immediately preceding the proposed date of issue of this prospectus, being the full year ended December 31, 2017, as required under Rule 4.04(1), Paragraph 27 and Paragraph 31. In light of that, we have applied for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rule 4.04(1) of the Listing Rules, by permitting the non-inclusion of the financial results of our Company for the full year ended December 31, 2017, subject to the following conditions:

- (a) this prospectus will be issued on or before February 28, 2018 and the Shares will be listed on the Stock Exchange on or before March 31, 2018;
- (b) our Company has obtained a certificate of exemption from the SFC on strict compliance with the requirements under Paragraph 27 and Paragraph 31;
- (c) a loss estimate for the year ended December 31, 2017 (which must comply with Rules 11.17 to 11.19 of the Listing Rules) is included in this prospectus;
- (d) a Directors’ statement is included in this prospectus that, save for the listing expenses and the estimated fair value losses on Class B and Class C Shares, there is no material adverse

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change to its financial and trading positions or prospect with specific reference to the trading results from the end of the stub period to the latest financial year end; and

- (e) we shall publish our results announcement for the financial year ended December 31, 2017 no later than March 31, 2018 in compliance with Rule 13.49(1)(ii) of the Listing Rules.

We have also applied for, and the SFC has granted us, a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with Paragraph 27 and Paragraph 31 on the conditions that:

- (a) the particulars of the exemption are set out in this prospectus; and
- (b) this prospectus will be issued on or before February 28, 2018 and the Shares will be listed on the Stock Exchange on or before March 31, 2018.

The applications to the Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules and to the SFC for a certificate of exemption from strict compliance with Paragraph 27 and Paragraph 31 were made on grounds that the strict compliance with the requirements thereunder would be unduly burdensome and the waiver and exemption thereof would not prejudice the interest of the investing public for the following reasons:

- (a) there would not be sufficient time for us and the Reporting Accountants to complete the audit work on the financial information for the full year ended December 31, 2017 for inclusion in this prospectus, which shall be issued on or about February 28, 2018. If the financial information is required to be audited up to December 31, 2017, we and the Reporting Accountants would have to undertake a considerable amount of work, costs and expenses to prepare, update and finalize the Accountants' Report and the relevant sections of this prospectus will also need to be updated to cover such additional period within a short period of time;
- (b) our Directors and the Sole Sponsor are of the view that the benefits of such additional work to be done by the Reporting Accountants to the potential investors would not justify the additional amount of work, costs and expenses as (i) the Accountants' Report covering the three years ended December 31, 2016 and the nine-month period ended September 30, 2017, together with the loss estimate of our Group for the year ended December 31, 2017 as set out in Appendix III to this prospectus (which complies with Rules 11.17 to 11.19 of the Listing Rules) already provide potential investors with adequate and reasonably up-to-date information in the circumstances to form a view on the track record and earnings trend of our Group; and (ii) all information that is necessary for the potential investors to make an informed assessment of the activities, assets and liabilities, financial position, management and prospect of our Group has been included in this prospectus; and
- (c) the Sole Sponsor and our Directors confirmed that they have performed sufficient due diligence to ensure that, save for the listing expenses and the estimated fair value losses on Class B and Class C Shares, up to the date of this prospectus, there has been no material adverse change in our financial and trading positions or prospects since September 30, 2017 and there is no event since September 30, 2017 which would materially affect the information shown in the Accountants' Report set out in Appendix I to this prospectus, the loss estimate of our Group for the year ended December 31, 2017 as included in

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Appendix III to this prospectus and the section headed “Financial Information” in this prospectus and other parts of this prospectus.

Our Directors further confirmed:

- (a) that all information necessary for the public to make an informed assessment of the activities, assets and liabilities, financial position, management and prospect of our Company has been included in this prospectus and that, as such, the waiver granted by the Stock Exchange and the exemption granted by the SFC from strict compliance with Rule 4.04(1) of the Listing Rules and Paragraph 27 and Paragraph 31, respectively, will not prejudice the interest of the investing public; and
- (b) that our Company will comply with Rules 13.46(2) and 13.49(1) of the Listing Rules in respect of the publication of annual results and annual report for the year ended December 31, 2017.