
WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the Global Offering, we have applied for the following waivers from strict compliance with the relevant provisions of the Listing Rules.

MANAGEMENT PRESENCE IN HONG KONG

According 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 the executive Directors must be ordinarily resident in Hong Kong. Since our principal business and operations, principal clients and assets are primarily located in the PRC, we do not, and for the foreseeable future, will not, have executive Directors who are ordinarily resident in Hong Kong, for the purposes of satisfying the requirements under Rules 8.12 and 19A.15 of the Listing Rules. Currently, all of our executive Directors and senior management members reside in the PRC.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted to us, a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules. We have made arrangements to maintain effective communication with the Stock Exchange as follows:

- (i) Both of our authorized representatives, Mr. Meng Yanbin and Mr. Wu Laishui, will act at all times as our principal channel of communication with the Stock Exchange and ensure our Company complies with the Listing Rules at all times. Although Mr. Meng Yanbin and Mr. Wu Laishui reside in the PRC, they possess valid travel documents and are able to renew such travel documents when they expire in order to visit Hong Kong. Accordingly, our authorized representatives will be able to meet with the relevant members of the Stock Exchange on short notice.
- (ii) Both of our authorized representatives have means of contacting all our Directors (including our independent non-executive Directors) and senior management members promptly at all times and when the Stock Exchange wishes to contact a Director or a senior management member for any reason.
- (iii) Ms. Kam Mei Ha, Wendy, one of our joint company secretaries, who is a Hong Kong resident, will, among other things, act as our alternative channel of communication with the Stock Exchange and be able to answer enquiries from the Stock Exchange.
- (iv) Each of our Directors has provided their mobile phone number, office phone number, fax number and e-mail address (if applicable) to the authorized representatives of our Company and the Stock Exchange, and in the event that any Director expects to travel or otherwise be out of office, he/she will provide the phone number of the place of his/her accommodation to the authorized representatives.
- (v) We will ensure that we have at least one independent non-executive Director ordinarily resides in Hong Kong.
- (vi) Each of our Directors who does not ordinarily reside in Hong Kong possesses valid travel documents to visit Hong Kong and will be able to meet with the relevant members of the Stock Exchange within a reasonable period of time.
- (vii) We have appointed China International Capital Corporation Hong Kong Securities Limited as our compliance advisor in accordance with Rule 3A.19 of the Listing Rules. The compliance advisor 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.

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We will ensure that there are adequate and efficient means of communication among our Company, our Company's Directors, authorized representatives, other officers and the compliance advisor.

COMPANY SECRETARY

Rule 8.17

Pursuant to Rule 8.17 of the Listing Rules, we must appoint a company secretary who satisfies Rule 3.28 of the Listing Rules.

Rule 3.28

Pursuant to Rule 3.28 of the Listing Rules, the secretary of our Company must be a person 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 company secretary. The Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (i) a member of The Hong Kong Institute of Chartered Secretaries;
- (ii) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and
- (iii) a certified public accountant (as defined in the Professional Accountants Ordinance).

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

Our Company has appointed Mr. Wu Laishui as one of the joint company secretaries. Mr. Wu Laishui joined our Group in April 2009 and has served as the chief accountant of our Company since December 2015 and chief legal officer of our Company since August 2016. Mr. Wu Laishui possesses extensive knowledge of, and abundant experience in, the business and operation of our Company. For further details, please see the section headed "Directors, Supervisors and Senior Management."

Since Mr. Wu Laishui does not possess the acceptable professional or academic qualifications under Rule 3.28 of the Listing Rules, our Company has appointed Ms. Kam Mei Ha, Wendy, a fellow member of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in United Kingdom, who fully complies with the requirements under Rule 3.28 of the Listing Rules to act as the other joint company secretary. Over a period of three years from the Listing Date, we propose to implement the following measures to assist Mr. Wu Laishui to become a company secretary with the requisite qualifications or relevant experience as required under the Listing Rules:

- (i) Ms. Kam Mei Ha, Wendy, has been appointed as a joint company secretary of our Company. She will provide training and ongoing assistance to Mr. Wu Laishui by

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introducing him to the relevant provisions and requirements of the Listing Rules to enhance and improve Mr. Wu Laishui's knowledge of and familiarity with the requirements of the Listing Rules. We will further ensure that Mr. Wu Laishui has access to the relevant training and support that would enable him to familiarize himself with the Listing Rules and the duties required of a company secretary of an issuer listed on the Stock Exchange. In addition, Mr. Wu Laishui will endeavor to familiarize himself with the Listing Rules during the three-year period from the Listing Date and will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules.

- (ii) We will reapply to the Stock Exchange in the event that Ms. Kam Mei Ha, Wendy, ceases to meet the requirements under Rules 3.28 and 8.17 of the Listing Rules or otherwise ceases to serve as a joint company secretary of our Company.
- (iii) Before expiry of Mr. Wu Laishui's initial term of appointment as the joint company secretary of our Company, we will re-evaluate Mr. Wu Laishui's experience in order to determine if he has acquired the qualifications required under Rule 3.28 of the Listing Rules, and whether the above joint company secretaries arrangement would still be necessary.

We have applied to the Stock Exchange for, and the Stock Exchange has granted to us, a waiver from strict compliance with Rules 3.28 and 8.17 of the Listing Rules. The waiver will be revoked immediately if Ms. Kam Mei Ha, Wendy, ceases to provide assistance and guidance to Mr. Wu Laishui. In the event that Mr. Wu Laishui has obtained relevant experience under Rule 3.28 of the Listing Rules at the end of the said initial three-year period, the above joint company secretaries arrangement will no longer be required by our Company.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Our Group has entered into certain transactions which would constitute continuing connected transactions of our Company pursuant to Chapter 14A of the Listing Rules upon the Listing. We have applied to the Stock Exchange for, and the Stock Exchange has granted to us, a waiver under Rule 14A.105 of the Listing Rules from strict compliance with the announcement and/or independent shareholders' approval requirements (as the case may be) under the Listing Rules in relation to certain continuing connected transactions. For further details, please see the section headed "Connected Transactions."

WAIVER FROM STRICT COMPLIANCE WITH RULES 4.04(2) AND 4.04(4) OF THE LISTING RULES

Pursuant to Rules 4.04(2) and 4.04(4) of the Listing Rules, the issuer shall include in its accountants' report the results and statement of financial position of any subsidiaries and/or businesses acquired, agreed to be acquired or proposed to be acquired since the date to which the latest audited accounts of the issuer have been made up in respect of each of the three financial years immediately preceding the issue of the listing document.

The Company has acquired and/or proposed to acquire certain assets and/or businesses after the Track Record Period and up to the Latest Practicable Date, including:

- i. on December 7, 2017, the Company established CNNC Taizhou with Saiwang, in which the Company and Saiwang hold 86% and 14% equity interest, respectively. As of the

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Latest Practicable Date, Mr. Cao Maofen was a beneficial owner of Saiwang and served as the general manager of Saiwang. On December 14, 2017, the Company, CNNC Taizhou, Mr. Cao Maofen and Saiwang entered into an Asset Acquisition Agreement (the “**Asset Acquisition Agreement**”), pursuant to which CNNC Taizhou agreed to purchase all the operating assets of Saiwang, including but not limited to production plant, warehouse, land and operating equipment, at the consideration of RMB35 million (the “**Saiwang Acquisition**”). On December 26, 2017 and January 23, 2018, CNNC Taizhou paid RMB7 million and RMB0.7 million, respectively, for part of the target assets, including the lands and buildings of Saiwang. However, as of the Latest Practicable Date, the Saiwang Acquisition was not completed yet and therefore constitutes a post-track-record-period acquisition pursuant to Rules 4.04(2) and 4.04(4) of the Listing Rules and the Guidance Letter HKEx-GL43-12.

- ii. on April 27, 2018, the Company entered into a Share Purchase Agreement (the “**Share Purchase Agreement**”) with Liuhe Zhongxin, pursuant to which the Company agreed to purchase 100% of the equity interest in Sanjin held by Liuhe Zhongxin at the consideration of RMB 211.5 million (the “**Sanjin Acquisition**”). On April 27, 2018 and April 28, 2018, the Company paid RMB80 million and RMB120 million, respectively, as part of the consideration to Liuhe Zhongxin.
- iii. as of the Latest Practicable Date, the Company is considering to acquire certain businesses of Meiquan (the “**Possible Meiquan Acquisition**”) (the Saiwang Acquisition, the Sanjin Acquisition and the Possible Meiquan Acquisition are collectively referred to as the “**Post-TRP Acquisitions**”).

For details of the Post-TRP Acquisitions, please see “History, Development and Corporate Structure — Post Track Record Period Acquisitions” in this prospectus.

Based on the following reasons, the Company has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules:

- **Immateriality of the Post-TRP Acquisitions:** The scale of the business to be acquired by the Company through the Post-TRP Acquisitions as compared to that of the Group is not material. Each of the assets ratio, revenue ratio and profits ratio in relation to the Post-TRP Acquisitions is, individually or in aggregate, well below 5% that of the Company for the financial year ended December 31, 2017. In addition, notwithstanding that the Post-TRP Acquisitions represent suitable strategic acquisition targets of the Group, the Company is of the view that the Post-TRP Acquisitions, as and if completed or materialized, would not significantly affect the financial position of the Group as a whole. Furthermore, that the Company believes that each of CNNC Taizhou and Sanjin does not constitute a material subsidiary of the Company.
- **Undue burden to obtain and prepare historical financial information of the target companies to be acquired:** The Saiwang Acquisition and Sanjin Acquisition are still subject to completion by the parties, and the Company has not entered into any form of agreement (binding or otherwise) with the counterparties with respect to the Possible Meiquan Acquisition. There is no assurance as to whether the Possible Meiquan Acquisition would proceed as at the date of this Prospectus. Since the Group is still in the process of acquiring the target assets of Saiwang and Sanjin, and is not previously

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involved in the day-to-day management of Saiwang, Sanjin and Meiquan, it will require considerable time and resources for the Company and its reporting accountant to become fully familiar with the accounting policies of Saiwang, Sanjin and Meiquan and gather and compile the necessary financial information and supporting documents for disclosure in this prospectus. Accordingly, having considered the immateriality of the business as well as the time and resources required to obtain, compile and audit such historical financial information in conformity with the Company's accounting policies, it would be unduly burdensome and impracticable for the Company to prepare and include the financial information of the business under the Post-TRP Acquisitions in this prospectus.

- **Disclosure of necessary information in the prospectus:** With a view to allowing the potential investors to understand the Post-TRP Acquisitions in greater details, the Company has included in this prospectus the relevant information in relation to the Post-TRP Acquisitions which is comparable to the information that is required to be included in the announcement of a disclosable transaction under Chapter 14 of the Listing Rules, including (a) general description of the scope of principal business activities of the target companies and the counterparties, and financial information on the target companies available to our Company; (b) the consideration of the transaction; (c) the basis on which the consideration is determined; (d) how the consideration will be satisfied and the payment terms; (e) reasons for and benefits of the transactions; and (f) any other material terms in relation to the Post-TRP Acquisitions.

For details, please see “History, Development and Corporate Structure — Post Track Record Period Acquisitions” in this prospectus.