
WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the [REDACTED], we have sought the following waivers and exemptions from strict compliance with the relevant provisions of the Listing Rules.

MANAGEMENT PRESENCE

Rule 8.12 of the Listing Rules requires that a new applicant must have a sufficient management presence in Hong Kong. This normally means that at least two of its executive directors must be ordinarily resident in Hong Kong. The business operations of our Group are located in China. Due to the business requirements of our Group, none of the executive Directors has been, is or will be based in Hong Kong. Our Company considers that it would be impracticable and commercially infeasible to appoint two Hong Kong residents as executive Directors or to relocate the existing executive Directors to Hong Kong considering that the operations of our Group are based outside Hong Kong. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the requirement of Rule 8.12 of the Listing Rules. In order to maintain effective communication with the Stock Exchange, we will adopt, among others, the following measures which are in line with Chapter 3.10 of the Listing Guide:

- (a) Our Company has appointed 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 we comply with the Listing Rules at all times. These two authorized representatives appointed are Mr. ZHOU Shikun, our executive Director, chief financial officer and joint company secretary and Mr. YAU Tsz Lun, our joint company secretary. Each of the authorized representatives will be available to meet with the Stock Exchange within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and e-mail. Each of the two authorized representatives has been duly authorized to communicate on our Company’s behalf with the Stock Exchange. Our Company will inform the Stock Exchange promptly in respect of any change in the authorized representatives;
- (b) Both 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. Pursuant to Rule 3.20 of the Listing Rules, each Director has provided his/her respective mobile phone number, office phone number, e-mail address and fax number (if any) to the Stock Exchange and to the authorized representatives and will inform the Stock Exchange promptly if there are any changes to the contact of the Directors. This will ensure that the Stock Exchange and the authorized representatives should have means for contacting all Directors promptly at all times as and when required. In the event that a Director expects to travel or is otherwise out of office, he/she will endeavor to provide his/her phone number of the place of his/her accommodation to the authorized representatives or maintain an open line of communication via his/her mobile phone;
- (c) All our Directors who are not ordinarily resident in Hong Kong have confirmed that they possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with relevant members of the Stock Exchange in Hong Kong upon reasonable notice, when required; and
- (d) Our Company has appointed Rainbow Capital (HK) Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules, who will act as our additional communication channel with the Stock Exchange and will be available to respond to enquiries from the Stock Exchange.

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Our Company has designated to relevant staff members, the responsibilities regarding maintaining day-to-day communication with Mr. YAU Tsz Lun, our joint company secretary who is ordinarily resident in Hong Kong, and our Company’s professional advisors in Hong Kong, including but not limited to our compliance advisor, to keep abreast of any correspondences and/or enquiries from the Stock Exchange and report to our Directors to further facilitate communication between the Stock Exchange and our Company.

JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, our Company secretary must be an individual 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 our Company secretary. The Stock Exchange considers the following academic or professional qualifications to be acceptable: (1) a member of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries); (2) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and (3) a certified public accountant (as defined in the Professional Accountants Ordinance).

In assessing “relevant experience,” the Stock Exchange will consider: (1) the individual’s length of employment with the issuer and other listed companies and the roles he/she played, (2) the individual’s familiarity with the Listing Rules and other relevant law and regulations including SFO, Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code, (3) relevant training taken and/or to be taken in addition to the minimum requirement of taking not less than fifteen hours of relevant professional training in each financial year under Rule 3.29 of the Listing Rules, and (4) the individual’s professional qualifications in other jurisdictions.

We have appointed Mr. ZHOU Shikun and Mr. YAU Tsz Lun as our joint company secretaries. Biographical information of Mr. ZHOU Shikun and Mr. YAU Tsz Lun is set out in the section headed “Directors and Senior Management” in this document.

Since Mr. ZHOU Shikun does not possess a qualification stipulated in Rule 3.28 of the Listing Rules, he is not able to solely fulfill the requirements as a company secretary of a listed issuer stipulated under Rules 3.28 and 8.17 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 the requirements under Rules 3.28 and 8.17 of the Listing Rules in relation to the appointment of Mr. ZHOU Shikun as our joint company secretary.

Although Mr. ZHOU Shikun does not possess the specified qualification required by Rule 3.28 of the Listing Rules, our Directors believe that considering Mr. ZHOU Shikun’s past financial and management experience in our subsidiaries, he is capable of discharging the functions of a joint company secretary with the assistance of Mr. YAU Tsz Lun, the other joint company secretary of our Company who fully complies with the requirements under Rule 3.28 and 8.17 of the Listing Rules. In addition, Mr. ZHOU Shikun is familiar with and has a thorough understanding of the operations of our internal business and finance. Therefore, we believe that the appointment of Mr. ZHOU Shikun as a joint company secretary is in our Company’s and the Shareholders’ best interests and beneficial to our corporate governance.

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Given the important role of company secretary in the corporate governance of a listed issuer, particularly in assisting with the listed issuer as well as its directors in complying with the Listing Rules and other relevant laws and regulations, we have made the following arrangements for the waiver:

- Mr. ZHOU Shikun will endeavor to attend relevant training courses, including briefing on the latest changes to the applicable Hong Kong laws and regulations as well as the Listing Rules organized by our legal advisor as to the laws of Hong Kong on an invitation basis, and seminars organized by the Stock Exchange or other professional bodies from time to time, in addition to the 15-hour minimum requirement under Rule 3.29 of the Listing Rules;
- We have appointed Mr. YAU Tsz Lun, a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, who fully complies with the requirements under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary. Mr. YAU Tsz Lun will work closely with and provide assistance to Mr. ZHOU Shikun in the discharge of his duties as a company secretary for an initial period of three years commencing from the [REDACTED] (“Initial Three-year Period”) so as to enable Mr. ZHOU Shikun to acquire the relevant experience (as required under Rule 3.28 of the Listing Rules) to discharge the duties and responsibilities as a joint company secretary;
- Mr. ZHOU Shikun will also be assisted by our compliance advisor and legal advisor as to the laws of Hong Kong on matters in relation to our continuing compliance obligations under the Listing Rules and the applicable laws and regulations.

Such waiver will be revoked immediately if and when Mr. YAU Tsz Lun ceases to provide such assistance or if there are material breaches of the Listing Rules by us. Before the expiration of the Initial Three-year Period, the qualifications of Mr. ZHOU Shikun 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 ongoing assistance will continue. We will demonstrate and seek the Stock Exchange’s confirmation on whether Mr. ZHOU Shikun, having benefited from the assistance of Mr. YAU Tsz Lun for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We have entered into, and are expected to continue, certain transactions that will constitute non-exempt continuing connected transactions of our Company under Chapter 14A of the Listing Rules following the completion of the [REDACTED]. We have applied for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the requirements under Chapter 14A of the Listing Rules in relation to non-exempt continuing connected transactions. Details of such non-exempt continuing connected transactions and the waiver are set out in the section headed “Connected Transactions” in this document.