

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

In preparation for the [REDACTED], our Company has sought and [has been granted] the following waivers from strict compliance with the relevant provisions of the Listing Rules and the following exemption from compliance with the Listing Rules:

WAIVER IN RELATION TO MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, our Company must have sufficient management presence in Hong Kong, which normally means that at least two executive Directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 may be waived by having regard to, among other considerations, the applicant’s arrangements for maintaining regular communication with the Stock Exchange.

Given that (i) our Company’s head office is located in Zhejiang, the PRC and our core business operations are principally located, managed and conducted in the PRC and Japan under the supervision of our executive Directors and senior management; and (ii) our executive Directors and senior management principally reside in the PRC and Japan, our Company considers that it would be more practical for the executive Directors and senior management of our Company to remain ordinarily resident in the PRC and Japan where our Group has substantial operations. For the above reasons, we do not have, and do not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 of the Listing Rule.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied to the Stock Exchange for[, and the Stock Exchange has granted us,] a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules. We will ensure that there are adequate and efficient arrangements to achieve regular and effective communication between us and the Stock Exchange as well as compliance with the Listing Rules by way of the following arrangements:

- (a) we have appointed Mr. Lin Kuo Hsiung and Mr. Liu Yandi (“**Mr. Liu**”), one of our joint company secretaries as the authorized representatives (the “**Authorized Representatives**”) for the purpose of Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange and would be readily contactable by phone and email to deal promptly with enquiries from the Stock Exchange. The Authorized Representatives possess valid travel documents and are able to renew such travel documents when they expire in order to visit Hong Kong, and accordingly, they will be available to meet with the Stock Exchange to discuss any matters within a reasonable period. We have also appointed Ms. Leung Kwan Wai (“**Ms. Leung**”), our joint company secretary and who is ordinarily resident in Hong Kong, as an alternate to the Authorized Representatives.
- (b) to facilitate communication with the Stock Exchange, we have provided the Authorized Representatives, the alternate authorized representative and the Stock Exchange with the contact details of our Directors (i.e. mobile phone number, office phone number and email address (as applicable)). In the event that any of our Directors 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 and the alternate authorized representative, so that the Authorized Representatives and the alternate authorized representative would be able to contact all our Directors (including the independent non-executive Directors) promptly at all times if and when the Stock Exchange wishes to contact our Directors. To the best of our 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 requested by the Stock Exchange.

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- (c) we have appointed Somerley Capital Limited as our compliance advisor (the “**Compliance Advisor**”) in compliance with Rule 3A.19 of the Listing Rules. The Compliance Advisor will, among other things and in addition to the Authorized Representatives, provide us with professional advice on continuing obligations under the Listing Rules and act as an additional channel of communication of our Company with the Stock Exchange during the period from the [REDACTED] to 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 immediately after the [REDACTED]. The Compliance Advisor will be available to answer enquiries from the Stock Exchange and will act as an additional channel of communication with the Stock Exchange when the Authorized Representatives are not available.

WAIVER IN RELATION TO JOINT COMPANY SECRETARIES

Rule 8.17 of the Listing Rules provides that our Company must appoint a company secretary who satisfies the requirements under Rule 3.28 of the Listing Rules. According to Rule 3.28 of the Listing Rules, our Company must appoint an individual, 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 company secretary. Pursuant to Note 1 to Rule 3.28 of the Listing Rules, 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 (Chapter 159 of the Laws of Hong Kong)); and
- (c) a certified public accountant (as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong)).

In addition, pursuant to Note 2 to Rule 3.28 of the Listing Rules, 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 laws and regulations including the Securities and Futures Ordinance, Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) 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.

Our Company considers that while it is important for the company secretaries to be familiar with the relevant securities regulation in Hong Kong, they also need to have experience relevant to our Company’s operations, nexus to the Board and close working relationship with the management of our Company in order to perform the function of a company secretary and to take necessary actions in the most effective and efficient manner. It is for the benefit of our Company to appoint a person who is familiar with our Company’s business and affairs as company secretary.

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We have appointed Mr. Liu as one of the joint company secretaries of our Company. Mr. Liu currently serves as the board secretary of the Company and has substantial experience in handling corporate, legal and regulatory compliance and administrative matters but personally does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, our Company has appointed Ms. Leung, a chartered secretary, a chartered governance professional and an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as one of our joint company secretaries and to provide assistance to Mr. Liu for an initial period of three years from the [REDACTED] to enable Mr. Liu 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. See “Directors and Senior Management” in this document for further biographical details of Mr. Liu and Ms. Leung. The following arrangements have been, or will be, put in place to assist Mr. Liu in acquiring the qualifications and experience as the company secretary of our Company required under Rule 3.28 of the Listing Rules:

- (a) Mr. Liu will endeavor to attend relevant training courses, including briefings on the latest changes to the relevant applicable Hong Kong laws and regulations and the Listing Rules which will be organized by our Company’s Hong Kong legal advisors on an invitation basis and seminars organized by the Stock Exchange for listed issuers from time to time.
- (b) Both Mr. Liu and Ms. Leung have confirmed that each of them will be attending a total of no less than 15 hours of training courses on the Listing Rules, corporate governance, information disclosure, investors relation as well as the functions and duties of the company secretary of a Hong Kong listed issuer during each financial year as required under Rule 3.29 of the Listing Rules.
- (c) Ms. Leung will assist Mr. Liu to enable him to acquire the relevant experience (as required under Rule 3.28 of the Listing Rules) to discharge the duties and responsibilities as the company secretary of our Company.
- (d) Ms. Leung will communicate regularly with Mr. Liu on matters relating to corporate governance, the Listing Rules and any other laws and regulations which are relevant to our Company and its affairs. Ms. Leung will work closely with, and provide assistance to, Mr. Liu in the discharge of his duties as a company secretary, including organizing our Company’s Board meetings and Shareholders’ general meetings.
- (e) Prior to the expiry of Mr. Liu’s initial term of appointment as the company secretary of our Company, we will evaluate his experience to determine if he has acquired the qualifications required under Rule 3.28 of the Listing Rules, and whether on-going assistance should be arranged so that Mr. Liu’s appointment as the company secretary of our Company continues to satisfy the requirements under Rules 3.28 and 8.17 of the Listing Rules.
- (f) The Company has appointed Somerley Capital Limited as its Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules which will act as the additional communication channel with the Stock Exchange (for a period commencing on the [REDACTED] and ending on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year immediately after the [REDACTED], or until the engagement is terminated, whichever is earlier) and provide professional guidance and advice to the Company (including Mr. Liu) as to the compliance with the Listing Rules and all other applicable laws and regulations.

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Accordingly, we have applied to the Stock Exchange for[, and the Stock Exchange has granted us], a waiver from strict compliance with Rules 3.28 and 8.17 of the Listing Rules. Such waiver will be revoked immediately if and when (i) Mr. Liu ceases to be assisted by a person with qualifications under Rules 3.28 and 8.17 of the Listing Rules, or (ii) if there are material breaches of the Listing Rules by our Company. Before the end of the initial three-year period, we shall demonstrate to the Stock Exchange’s satisfaction and seek its confirmation that Mr. Liu, having had the benefit of Ms. Leung’s assistance during the initial three-year period, has attained the relevant experience under Note 2 to Rule 3.28 of the Listing Rules and is capable of discharging the functions of company secretary so that a further waiver would not be necessary.

[REDACTED]

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[REDACTED]

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[REDACTED]