

WAIVERS FROM STRICT COMPLIANCE WITH THE HONG KONG LISTING RULES

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

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 and Rule 19A.15 of the Listing Rules, a new applicant applying for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong. This normally means that at least two of the new applicant’s 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.

Our Company’s headquarters, management, business operations and assets are primarily located in the PRC. Our executive Directors are based in the PRC, as our Board believes it would be more effective and efficient for its executive Directors to be based in a location where our Company’s significant operations are located. Our executive Directors are not or will not be ordinarily resident in Hong Kong upon the proposed [REDACTED]. Our Directors consider that relocation of the executive Directors to Hong Kong will be burdensome and costly for our Company, and it may not be in the best interests of our Company and our Shareholders as a whole to appoint additional executive Directors who are ordinarily resident in Hong Kong.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, our Company has applied to the Stock Exchange for, and the Stock Exchange [has granted] our Company, a waiver from strict compliance with the requirements under Rule 8.12 and Rule 19A.15 of the Listing Rules, provided that our Company implements the following arrangements:

- (a) pursuant to Rule 3.05 of the Listing Rules, our Company has appointed and will continue to maintain two authorized representatives (the “**Authorized Representatives**”), namely Mr. Yin Hao (殷浩) and Ms. Lam Wing Chi (林穎芝) (“**Ms. Lam**”). The Authorized Representatives are authorized to communicate on our Company’s behalf with the Stock Exchange. Each of the Authorized Representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone and email. As and when the Stock Exchange wishes to contact our Directors on any matters, each of the Authorized Representatives will have means to contact all of our Directors promptly at all times. Our Company will inform the Stock Exchange promptly in respect of any change in the Authorized Representatives;
- (b) our Company has provided the contact details of each Director (such as mobile phone numbers, office phone numbers and email addresses) to each of the Authorized Representatives and to the Stock Exchange. This will ensure that the Authorized Representatives and the Stock Exchange will have the means to promptly contact any of our Directors (including the independent non-executive Directors) promptly as and when required, as well as means to communicate with our Directors when they are travelling;
- (c) our Company confirms and will ensure that all Directors who are not ordinarily resident in Hong Kong possess, or can 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; and
- (d) our Company has appointed Red Sun Capital Limited as our Compliance Adviser, pursuant to Rule 3A.19 of the Listing Rules. The Compliance Adviser will have access at all times to the Authorized Representatives, Directors and senior management of our Company, and will act as an additional channel of communication between the Stock Exchange and our Company for the period commencing on the [REDACTED] and ending on 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 commencing after the [REDACTED]. The Compliance Adviser will maintain constant contact with the Authorized Representatives, Directors and senior management of our Company through various means, including regular meetings and telephone discussions whenever necessary. The Authorized Representatives, Directors and other officers will promptly provide such information and assistance as the Compliance Adviser may reasonably require in connection with the performance of the Compliance Adviser’s duties as set forth in Chapter 3A of the Listing Rules.

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JOINT COMPANY SECRETARIES

Rule 8.17 of the Listing Rules provides that the issuer must appoint a company secretary who satisfies the requirements under Rule 3.28 of the Listing Rules. Rule 3.28 of the Listing Rules provides that the issuer must appoint as its company secretary 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.

Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers that 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); and (c) a certified public accountant (as defined in the Professional Accountants Ordinance).

Note 2 to Rule 3.28 of the Listing Rules provides that 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 Securities and Futures Ordinance, the Companies Ordinance, the 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.

Paragraph 11 of Chapter 3.10 of the Guide provides that the Stock Exchange will consider waiver applications in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include: (a) whether the applicant has principal business activities primarily outside Hong Kong; (b) whether the applicant is able to demonstrate the need to appoint a person who does not have the Acceptable Qualification (as defined under paragraph 9 of Chapter 3.10 of the Guide) or Relevant Experience (as defined under paragraph 9 of Chapter 3.10 of the Guide) as a company secretary; and (c) why the directors consider the proposed company secretary to be suitable to act as the applicant’s company secretary.

Further, pursuant to Chapter 3.10 of the Guide, such waiver, if granted, will be for a fixed period of time (the “**Waiver Period**”) subject to the following conditions: (a) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (b) the waiver will be revoked if there are material breaches of the Listing Rules by the applicant.

Our Group’s principal business operations are in the PRC. Our Company considers that apart from being able to meet the professional qualification or the relevant experience requirements under the Listing Rules, its company secretary also needs to have (i) experience relevant to our Company’s operations; (ii) nexus to our Board; and (iii) close working relationship with the management of our Company, in order to perform the function of a company secretary and to take the 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 a company secretary.

Our Company has appointed Ms. Long Jiaxin (龍佳欣) (“**Ms. Long**”), who is the financing director of our Company, as one of the joint company secretaries. Our Company believes that Ms. Long has past experience in corporate governance, as well as a thorough understanding of the daily operations, internal administration and financial management of our Group. However, Ms. Long currently 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. Lam, 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 meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Ms. Long for an initial period of three years from the [REDACTED] to enable Ms. Long 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. For details on Ms. Long’s and Ms. Lam’s qualifications and experience, see “Directors and Senior Management.”

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Given Ms. Lam’s professional qualification and experience, she will be able to explain to both Ms. Long and our Company the relevant requirements under the Listing Rules and other applicable Hong Kong laws and regulations. Ms. Lam will also assist Ms. Long 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. Lam is expected to work closely with Ms. Long and will maintain regular contact with Ms. Long, our Directors and the senior management of our Company. In addition, Ms. Lam will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules to enhance her knowledge of the Listing Rules during the three-year period from the [REDACTED]. Ms. Lam will also be assisted by our Compliance Adviser and our legal advisors as to the Hong Kong laws on matters in relation to our Company’s ongoing compliance with the Listing Rules and the applicable laws and regulations.

Since Ms. Long does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, our Company has applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Ms. Long may be appointed as a joint company secretary of our Company. The waiver is valid for an initial period of three years from the [REDACTED] on the conditions that (a) Ms. Long must be assisted by Ms. Lam who possesses the qualifications and experience required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (b) the waiver will be revoked immediately if and when Ms. Lam ceases to provide such assistance during the three-year period, and this waiver is subject to revocation in the event of any material breaches of the Listing Rules by our Company. Prior to the end of the three-year period, our Company will demonstrate and seek the confirmation from the Stock Exchange that Ms. Long, having had the benefit of Ms. Lam’s assistance during the three years, has attained the relevant experience and is capable of discharging the functions of our company secretary.

CONTINUING CONNECTED TRANSACTIONS

We have entered into, and are expected to continue, certain transactions that will constitute continuing connected transactions of our Company under the Listing Rules upon [REDACTED]. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], waivers in relation to certain continuing connected transactions between us and our connected persons under Chapter 14A of the Listing Rules. For further details in this respect, see “Connected Transactions” in this document.