
WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

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

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, the applicant must have sufficient management presence in Hong Kong. This normally means that at least two of its 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 of the Listing Rules may be waived by having regard to, among other considerations, the applicant's arrangements for maintaining regular communication with the Stock Exchange.

Our management headquarters, senior management, business operations and assets are primarily based outside Hong Kong. Our headquarters and business operations are based, managed and conducted in the PRC. Currently, all of our executive Directors ordinarily reside in the PRC. As our executive Directors play very important roles in our business operations, it is in our best interests for them to be based in the places where our Group has significant operations. We consider it practicably difficult and commercially unreasonable for us to arrange for two executive Directors to be ordinarily residents in Hong Kong, either by means of relocation of our executive Directors to Hong Kong or appointment of additional executive Directors. Therefore, we do not have, and in the foreseeable future will not have, sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

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

- (a) we have appointed Mr. Guo Xiaogang (郭孝剛) and Ms. Fung Sin Ting Karin (馮羨婷) ("Ms. Fung") as our authorized representatives pursuant to Rule 3.05 of the Listing Rules. The authorized representatives will act as our principal channel of communication with the Stock Exchange. The authorized representatives will be readily contactable by the Stock Exchange by phone, facsimile and/or email to promptly deal with enquiries from the Stock Exchange. Our Company has provided contact details of the authorized representatives to the Stock Exchange and will inform the Stock Exchange as soon as practicable in respect of any change in our Company's authorized representatives;
- (b) when the Stock Exchange wishes to contact our Directors on any matter, each of the authorized representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) promptly at all times. Each Director must provide his or her contact information to the Stock Exchange and the authorized representatives pursuant to Rule 3.20 of the Listing Rules;
- (c) in the event that a Director expects to travel and/or otherwise be out of office, he or she will provide the phone number of the place of his or her accommodation to the authorized representatives;
- (d) we will endeavor to ensure that all Directors who do not ordinarily reside in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period upon the request of the Stock Exchange;

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

- (e) we have appointed Somerley Capital Limited as our compliance advisor upon [REDACTED] pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the [REDACTED] and ending on the date on which we comply with Rule 13.46 of the [REDACTED] in respect of our financial results for the first full financial year commencing after the [REDACTED]. Our compliance advisor will serve as the additional channel of communication with the Stock Exchange when our authorized representatives are not available and will have access at all times to our authorized representatives, our Directors and our senior management who will provide such information and assistance as our compliance advisor may reasonably request in connection with the performance of its duties as set out in Chapter 3A of the Listing Rules. We shall ensure that there are adequate and efficient means of communication among our Company, our authorized representatives, our Directors, our senior management and our compliance adviser, and will keep our compliance adviser fully informed of all communications and dealings between us and the Stock Exchange; and
- (f) meetings between the Stock Exchange and our Directors could be arranged through our authorized representatives or our compliance advisor, or directly with our Directors within a reasonable time frame.

WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, an issuer must appoint a company secretary 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 the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that 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).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following factors in assessing the "relevant experience" of the individual:

- (a) length of employment with the issuer and other issuers and the roles he/she played;
- (b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, 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.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

Pursuant to Chapter 3.10 of the Guide for New Listing Applicants, the Stock Exchange will consider a waiver application by an issuer 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 Chapter 3.10 of the Guide for New Listing Applicants) or Relevant Experience (as defined under Chapter 3.10 of the Guide for New Listing Applicants) as a company secretary; and
- (c) why the directors consider the individual to be suitable to act as the applicant’s company secretary.

Further, pursuant to Chapter 3.10 of the Guide for New Listing Applicants, such waiver, if granted, will be for a fixed period of time (the “**Waiver Period**”) and on 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 Company’s principal business activities are located outside of Hong Kong and there are practical difficulties in finding persons who possess day-to-day knowledge of our Company’s affairs while also having the academic and professional qualifications as required. Our Company has appointed Mr. Ma Yiding (馬一丁) (“**Mr. Ma**”) as one of our joint company secretaries. Our Directors are of the view that, considering Mr. Ma’s past management experience within our Group, his thorough understanding of the internal administration and business operations of our Group as well as his industry knowledge, he is a suitable person to act as a joint company secretary of our Company. However, he presently 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, we have appointed Ms. Fung, 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 Mr. Ma for an initial period of three years from the [REDACTED] to enable him 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. Further biographical details of Mr. Ma and Ms. Fung are set out in the section headed “Directors and Senior Management” in this document.

Given Ms. Fung’s professional qualification and experience, she will be able to explain to both Mr. Ma and us the relevant requirements under the Listing Rules and other applicable Hong Kong laws and regulations. Ms. Fung will also assist Mr. Ma in organizing Board meetings and Shareholders’ meetings as well as other matters of our Company which are incidental to the duties of a company secretary. Ms. Fung is expected to work closely with Mr. Ma and will maintain regular contact with him, our Directors and our senior management. In addition, Mr. Ma will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules to enhance his knowledge of the Listing Rules during the three-year period from the [REDACTED]. He will also be assisted by our compliance advisor and our legal adviser as to Hong Kong laws on matters in relation to our ongoing compliance with the Listing Rules and the applicable laws and regulations.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

Accordingly, we have 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 Mr. Ma 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) Mr. Ma must be assisted by Ms. Fung 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. Fung ceases to provide assistance to Mr. Ma as a joint company secretary or if there are material breaches of the Listing Rules by our Company.

Before the expiration of the initial three-year period, the qualifications of Mr. Ma 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. Our Company must demonstrate and seek the Stock Exchange's confirmation that Mr. Ma, having benefited from the assistance of Ms. Fung for the preceding three years, has 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.