

WAIVERS AND EXEMPTIONS

In preparation for the [REDACTED], we have sought the following waivers from strict compliance with the Listing Rules and exemption from the CWUMPO.

Rules	Subject matter
Rules 8.12 and 19A.15 of the Listing Rules	Management presence in Hong Kong
Rules 3.28 and 8.17 of the Listing Rules . .	Appointment of joint company secretaries
Paragraph 10 of Part I of the Third Schedule to the CWUMPO	Disclosure requirements in respect of share incentive plans

[REDACTED]

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong. This will normally mean that at least two of its executive directors must be ordinarily resident in Hong Kong. We do not have sufficient management presence in Hong Kong for the purposes of Rule 8.12 and Rule 19A.15 of the Listing Rules.

Our Group’s management headquarters, senior management, business operations and assets are primarily based outside Hong Kong. The Directors consider that the appointment of executive directors who will be ordinarily resident in Hong Kong would not be beneficial to, and appropriate for, our Group and therefore would not be in the best interests of our Company or the Shareholders as a whole. Therefore, our Company does not, and does not contemplate in the foreseeable future that we will, have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under the Listing Rules.

Accordingly, we have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules. We will ensure that there is an effective channel of communication between the Stock Exchange and us by way of the following arrangements:

- (i) pursuant to Rule 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorized representatives who shall act at all times as the principal channel of communication with the Stock Exchange. Each of our authorized representatives will be readily contactable by the Stock Exchange by telephone, facsimile and/or e-mail to deal promptly with enquiries from the Stock Exchange, and will also be available to meet with Stock Exchange to discuss any matter within a reasonable period of time upon request of the Stock Exchange. Both of our authorized representatives are authorized to communicate on our behalf with the Stock Exchange. At present, our two authorized representatives are Mr. WENG Huaqiang, an executive Director and secretary of the Board, and Ms. HO Sze Wah, Cecilia of Global Entity Compliance at Computershare Hong Kong Investor Services;
- (ii) pursuant to Rule 3.20 of the Listing Rules, each Director will provide their contact information to the Stock Exchange and to the authorized representatives. 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;
- (iii) we will endeavor to ensure that 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; and

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- (iv) pursuant to Rule 3A.19 of the Listing Rules, we have retained the services of Altus Capital Limited as compliance advisor (the “**Compliance Advisor**”), who will act as an additional channel of communication with the Stock Exchange. We will ensure that the Compliance Advisor will have access at all times to our authorized representatives, our Directors and other officers. We shall also ensure that such persons will promptly provide such information and assistance as the Compliance Advisor may need or may reasonably request in connection with the performance of the Compliance Advisor’s duties as set forth 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, and other officers and the Compliance Advisor, and will keep the Compliance Advisor fully informed of all communications and dealings between us and the Stock Exchange.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the company secretary must be an individual who, by virtue of their academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary.

Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Hong Kong Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (i) a member of The Hong Kong Chartered Governance Institute;
- (ii) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and
- (iii) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing the “relevant experience”, the Hong Kong Stock Exchange will consider the individual’s:

- (i) length of employment with the issuer and other issuers and the roles he/she played;
- (ii) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the CWUMPO 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 appointed Mr. WENG Huaqiang, an executive Director and secretary of the Board, and Ms. HO Sze Wah, Cecilia of Global Entity Compliance at Computershare Hong Kong Investor Services Limited, as joint company secretaries of our Company. For further details, please see the section headed “Directors and Senior Management — Joint Company Secretaries” for their biographies.

Ms. Ho is a Chartered Secretary, a Chartered Governance Professional and an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Ho meets the qualification requirements under Note 1 to Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules.

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Our Company’s principal business activities are outside Hong Kong. Our Company believes that it would be in the best interests of our Company and the corporate governance of our Group to have as its joint company secretary a person such as Mr. WENG Huaqiang, who is an employee of our Company and who has day-to-day knowledge of our Company’s affairs. Mr. WENG Huaqiang has the necessary nexus to the Board and close working relationship with management of our Company in order to perform the function of a joint company secretary and to take the necessary actions in the most effective and efficient manner.

Accordingly, we have applied 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 for a three-year period from the [REDACTED], in accordance with paragraphs 11 to 16 of Chapter 3.10 of the Guide for New Listing Applicants, on the conditions that: (i) Ms. Ho is appointed as a joint company secretary to assist Mr. WENG Huaqiang in discharging his functions as a company secretary and in gaining the relevant experience under Rule 3.28 of the Listing Rules; the waiver will be revoked immediately if Ms. Ho, during the three-year period, ceases to provide assistance to Mr. WENG Huaqiang as the joint company secretary; and (ii) the waiver will be revoked if there are material breaches of the Listing Rules by our joint company secretaries. In addition, Mr. WENG Huaqiang will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the three-year period from the [REDACTED]. Our Company will further ensure Mr. WENG Huaqiang has access to the relevant training and support that would enhance his understanding of the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange. Before the end of the three-year period, the qualifications and experience of Mr. WENG Huaqiang and the need for on-going assistance of Ms. Ho will be further evaluated by our Company. We will demonstrate Mr. WENG Huaqiang, having benefited from the assistance of Ms. Ho 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 and is capable of discharging the functions of a company secretary, so that a further waiver will not be necessary.

WAIVER AND EXEMPTION IN RELATION TO THE SHARE INCENTIVE PLANS DISCLOSURE REQUIREMENTS

Rule 17.02(1)(b) of the Listing Rules requires a [REDACTED] to, inter alia, disclose in the document full details of all outstanding options and awards and their potential dilution effect on the shareholdings upon [REDACTED] as well as the impact on the earnings per share arising from the issue of shares in respect of such outstanding options or awards. Pursuant to paragraphs 6 to 7 of Chapter 3.6 of the Guide for New Listing Applicants, the Hong Kong Stock Exchange would normally grant waivers from disclosing the names and addresses of certain grantees if the [REDACTED] could demonstrate that such disclosures would be irrelevant or unduly burdensome, subject to certain conditions specified therein.

As of the Latest Practicable Date, our Company had granted outstanding restricted Shares respectively under the Restricted Share Incentive Plans to 135 grantees (the “Grantees”), entitling them to subscribe for 2,381,425 A Shares, representing approximately [REDACTED] of the total number of Shares in issue immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised, no new Shares are issued under the Restricted Share Incentive Plans and no other changes are made to the issued share capital of the Company between the Latest Practicable Date and the [REDACTED], respectively). Among the outstanding restricted Shares, one Director and 134 Grantees (who are employees of our Group and are not Directors, members of senior management, consultants or connected persons of our Company) were granted restricted Shares for 29,500 A Shares and 2,351,925 A Shares, respectively. Save for the aforementioned, no restricted Shares were granted to any Director, member of senior management, connected person or consultant of our Company. No restricted Shares under the Restricted Share Incentive Plans will be further granted after the [REDACTED] and all restricted Shares have been granted to specific individuals under the Restricted Share Incentive Plans.

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Assuming full vesting and exercise of all outstanding restricted Shares under the Restricted Share Incentive Plans, the shareholding of our Shareholders immediately following completion of the [REDACTED] (assuming that no changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]) will be diluted by a maximum of approximately [REDACTED]. The maximum dilution effect on our earnings per share would be approximately [REDACTED]. For further details on the diluted earnings per share, including the relevant assumptions used in that calculation, please refer to Note 14 to the Accountants’ Report set out in Appendix I to this document.

We have applied to the Hong Kong Stock Exchange for a waiver from strict compliance with the requirements under Rule 17.02(1)(b) in connection with the disclosure of certain details relating to the Restricted Share Incentive Plans and the Grantees in this document on the ground that the waiver will not prejudice the interest of the [REDACTED] and full compliance with such disclosure requirements would be unduly burdensome for our Company for the following reasons:

- (a) given that 135 Grantees are involved in the grant of outstanding restricted Shares under the Restricted Share Incentive Plans, our Directors consider that it would be unduly burdensome to disclose in this document full details of all the restricted Shares granted by us to each of the Grantees, which would significantly increase the cost and time required for information compilation and document preparation for strict compliance with such disclosure requirements as the Company would need to collect and verify the addresses of a large number of the Grantees to meet the disclosure requirement;
- (b) the disclosure of the personal details of each Grantee, including their names, addresses for the Grantees and the number of restricted Shares granted, may require obtaining consent from all the Grantees in order to comply with personal data privacy laws and principles and it would be unduly burdensome for our Company to obtain such consents given the number of the Grantees;
- (c) the grant and vesting in full of the restricted Shares under the Restricted Share Incentive Plans will not cause any material adverse impact to the financial position of our Group;
- (d) there will not be any new H Shares issued under the Restricted Share Incentive Plans as the foregoing plans are A-share incentive schemes;
- (e) our Directors consider that non-compliance with the above disclosure requirements would not prevent our Company from providing potential [REDACTED] with sufficient information for an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Group;
- (f) full disclosure of details of the Grantees (which include their names and addresses), as well as the restricted Shares granted to each of them, would provide the Group’s competitors with the Group’s employees’ compensation details and facilitate their soliciting activities which may impact the Group’s ability to recruit and retain valuable personnel;
- (g) material information on the restricted Shares under the Restricted Share Incentive Plans have been disclosed in “Appendix IV — Statutory and General Information — Restricted Share Incentive Plans” to provide prospective [REDACTED] with sufficient information to make an informed assessment of the potential dilutive effect and impact on earnings per Share of the restricted Shares in making their [REDACTED] decision, and such information includes: (1) a summary of the terms of the Restricted Share Incentive Plans; (2) the aggregate number of A Shares subject to the outstanding restricted Shares; (3) and the percentage in our total issued Shares of which such number represents; (4) the details of the outstanding restricted Shares granted under the Restricted Share Incentive Plans by the range of underlying A Shares, including date of grant, vesting period, purchase price and the percentage of our Company’s total issued share capital represented upon completion of the [REDACTED].

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In light of the above, our Directors believe that the grant of the waiver sought under this application and the non-disclosure of the required information will not hinder potential [REDACTED] from making an informed assessment of the activities, assets and liabilities, financial position, management and prospects of our Group and will not prejudice the interest of the public [REDACTED].

The Stock Exchange [has granted] to us a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules with respect to the restricted Shares granted under the Restricted Share Incentive Plans, subject to the conditions that:

- (a) on an individual basis, full details of the outstanding restricted Shares granted by the Company under the Restricted Share Incentive Plans to each of the Directors, members of the senior management, consultants and connected persons of the Company, will be disclosed in the section headed “Appendix IV — Statutory and General Information — D. Our Incentive Plans” as required under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules, and paragraph 10 of Part 1 of the Third Schedule to the CWUMPO;
- (b) in respect of the restricted Shares granted by our Company under the Restricted Share Incentive Plans to the remaining Grantees other than those referred to in subparagraph above (the “**Other Grantee(s)**”), the following details will be disclosed in the section headed “Appendix IV — Statutory and General Information — D. Our Incentive Plans”, on an aggregate basis, (i) the number of the Other Grantees and the number of A Shares underlying the restricted Shares, (ii) date of grant, the vesting period, and purchase price of the restricted Shares granted, and (iii) the percentage of our Company’s total issued share capital represented by such restricted Shares upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised, no further Shares are issued under the Restricted Share Incentive Plans, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]);
- (c) the aggregate number of A Shares underlying the outstanding restricted Shares and the percentage of our Company’s total issued share capital represented by such number of A Shares as of the Latest Practicable Date will be disclosed in the section headed “Appendix IV — Statutory and General Information — D. Our Incentive Plans”;
- (d) a summary of the principal terms of the Restricted Share Incentive Plans will be disclosed in the section headed “Appendix IV — Statutory and General Information — D. Our Incentive Plans” in this document; and
- (e) the particulars of this waiver are set out in this document; and a full list of all the Grantees with outstanding restricted Shares for A Shares under the Restricted Share Incentive Plans, containing all details as required under Rule 17.02(1)(b) the Listing Rules be made available for public inspection in accordance with “Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display — Document Available for Inspection” in Appendix V to this document.

[REDACTED]

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[REDACTED]

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[REDACTED]

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[REDACTED]