

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:

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 [REDACTED] 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.

The Company’s headquarters, management, business operations and assets are primarily located in the PRC. The executive Directors are based in the PRC as the Board believes it would be more effective and efficient for its executive Directors to be based in a location where the Company’s significant operations are located. The executive Directors are not or will not be ordinarily resident in Hong Kong upon the proposed [REDACTED]. The Directors consider that relocation of the executive Directors to Hong Kong will be burdensome and costly for the Company, and it may not be in the best interests of the Company and the 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, the Company [has] applied to the Stock Exchange for, and the Stock Exchange [has] granted the Company, a waiver from strict compliance with the requirements under Rule 8.12 and Rule 19A.15 of the Listing Rules, provided that the Company implements the following arrangements:

- (a) pursuant to Rule 3.05 of the Listing Rules, the Company has appointed and will continue to maintain two authorized representatives (the “**Authorized Representatives**”), namely Mr. Chen Shouxian (陳首先) and Ms. Zhang Yexi (張燁茜). The Authorized Representatives are authorized to communicate on the 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 the Directors on any matters, each of the Authorized Representatives will have means to contact all of the Directors promptly at all times. The Company will inform the Stock Exchange promptly in respect of any change in the Authorized Representatives;
- (b) the 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 contact any of the Directors (including the independent non-executive Directors) promptly as and when required, including means to communicate with the Directors when they are traveling;
- (c) the 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) the Company has appointed Rainbow Capital (HK) Limited as its 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 the Company, and will act as an additional channel of communication between the Stock Exchange and the Company for the 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 commencing after the [REDACTED]. The Compliance Adviser will maintain constant contact with the Authorized Representatives, Directors and senior management of the Company through various means, including regular meetings and telephone discussions whenever necessary. The Authorized Representatives, Directors and other officers will

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

provide promptly 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.

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.

Paragraph 13 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 11 of Chapter 3.10 of the Guide) nor Relevant Experience (as defined under paragraph 11 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**”) 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 can be revoked if there are material breaches of the Listing Rules by the issuer.

The Group’s principal business operations are in the PRC. The 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 the Company’s operations; (ii) nexus to the Board; and (iii) close working relationship with the management of the 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 the Company to appoint a person who is familiar with the Company’s business and affairs as a company secretary.

The Company has appointed Ms. Zhang Yexi (張燁茜) (“**Ms. Zhang**”), who is chief financial officer of the Company and Board secretary, as one of its joint company secretaries. The Company believes that Ms. Zhang has extensive experience in business management and corporate governance matters, as well as a thorough understanding of the daily operations, internal administration and financial management of the Group accumulated since his joining the Group. However, Ms. Zhang 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, the Company has appointed Ms. Tam Wing Tsz (譚詠子) (“**Ms. Tam**”), an associate member 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. Zhang for an initial period of three years from the [REDACTED] to enable Ms. Zhang 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” for details of Ms. Zhang’s and Ms. Tam’s qualifications and experience.

Given Ms. Tam’s professional qualification and experience, she will be able to explain to both Ms. Zhang and the Company the relevant requirements under the Listing Rules and other applicable Hong Kong laws and regulations. Ms. Tam will also assist Ms. Zhang in organizing Board meetings and Shareholders’ meetings of the Company as well as other matters of the Company which are incidental to the duties of a company secretary. Ms. Tam is expected to work closely with Ms. Zhang and will maintain regular contact with Ms. Zhang, the Directors

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

and the senior management of the Company. In addition, Ms. Zhang 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]. Ms. Zhang will also be assisted by the Company’s compliance adviser and its legal advisors as to the Hong Kong laws on matters in relation to the Company’s ongoing compliance with the Listing Rules and the applicable laws and regulations.

Since Ms. Zhang does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, the 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. Zhang may be appointed as a joint company secretary of the Company. The waiver is valid for an initial period of three years from the [REDACTED] on the conditions that (a) Ms. Zhang must be assisted by Ms. Tam 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. Tam ceases to provide such assistance during the three-year period, and the Company undertakes to re-apply to the Stock Exchange for a waiver in the event that Ms. Tam ceases to meet the requirements under Rule 3.28 of the Listing Rules or otherwise ceases to serve as a joint company secretary of the Company, and this waiver is subject to revocation in the event of any material breaches of the Listing Rules by the Company. Prior to the end of the three-year period, the Company will demonstrate and seek the confirmation from the Stock Exchange that Ms. Zhang, having had the benefit of Ms. Tam during the three years, has attained the relevant experience and is capable of discharging the functions of our company secretary.