

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 of the Listing Rules, an issuer 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.

We do not have sufficient management presence in Hong Kong for the purposes of satisfying the requirements under Rule 8.12 of the Listing Rules. Our management, business operations and assets are primarily based outside Hong Kong. The principal management headquarters and senior management of our Group are primarily based in China. Our Directors consider that the appointment of executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group and therefore would not be in the best interests of our Company and our Shareholders as a whole. Accordingly, we have applied to the Stock Exchange for, and [the Stock Exchange has agreed to grant], a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules. We will ensure that there is an effective channel of communication between us and the Stock Exchange by way of the following arrangements:

- (a) pursuant to Rule 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorised representatives, namely Mr. SU and Mr. NG Cheuk Ming, to be the principal communication channel at all times between the Stock Exchange and our Company. Each of our authorised 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. Both of our authorised representatives are authorised to communicate on our behalf with the Stock Exchange;
- (b) we will implement a policy to provide the contact details of each Director (such as mobile phone numbers, office phone numbers, residential phone numbers, email addresses and fax numbers) to each of the authorised representatives, to their alternate representative and to the Stock Exchange. This will ensure that each of the authorised representatives, the alternate representative and the Stock Exchange will have the means to contact all our Directors (including the independent non-executive Directors) promptly as and when required, including means to communicate with our Directors when they are traveling;
- (c) we will ensure that all our Directors who are not ordinarily resident in Hong Kong have valid travel documents to visit Hong Kong and will be able to come to Hong Kong to meet with the Stock Exchange within a reasonable period of time when required;

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- (d) we have retained the services of the Compliance Adviser, in accordance with Rule 3A.19 of the Listing Rules. The Sole Sponsor submits, on behalf of our Company, that the Compliance Adviser will serve as an additional channel of communication with the Stock Exchange in addition to the authorised representatives of our Company. The Compliance Adviser will provide our Company with professional advice on ongoing compliance with the Listing Rules. We will ensure that the Compliance Adviser has prompt access to our Company’s authorised representatives and Directors who will provide to the Compliance Adviser such information and assistance as the Compliance Adviser may need or may reasonably request in connection with the performance of the Compliance Adviser’s duties. The Compliance Adviser will also provide advice to our Company when consulted by our Company in compliance with Rule 3A.23 of the Listing Rules; and
- (e) meetings between the Stock Exchange and our Directors could be arranged through the authorised representatives or the Compliance Adviser, or directly with our Directors within a reasonable time frame. Our Company will inform the Stock Exchange as soon as practicable in respect of any change in the authorised representatives and/or the Compliance Adviser in accordance with the Listing Rules.

APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we 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 further provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a member of The Hong Kong Institute of Chartered Secretaries;
- (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 assessing the “relevant experience”, the Stock Exchange will consider the individual’s:

- (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 Codes;
- (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.

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Our Company has appointed Mr. ZHOU Fangchao (“**Mr. ZHOU**”), an executive Director, as a joint company secretary with effect on 22 December 2020. Mr. ZHOU has joined our Group since April 2014 and has extensive experience in the daily business operations and administration of our Group. Since September 2018, Mr. ZHOU has acted as the secretary of the board of directors of Chesir Pearl. Mr. ZHOU is capable of discharging his function as a company secretary of our Company. However, Mr. ZHOU does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules and may not be able to fulfil the requirements of the Listing Rules. Therefore, our Company has also appointed Mr. NG Cheuk Ming (“**Mr. NG**”), an associate member of both The Hong Kong Institute of Chartered Secretaries and the Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom, to act jointly with Mr. ZHOU as a joint company secretary of our Company for an initial period of three years from the [REDACTED] to enable Mr. ZHOU to acquire the “relevant experience” under Note 2 to Rule 3.28 of the Listing Rules for the purpose of complying with the requirements under Rules 3.28 and 8.17 of the Listing Rules.

Accordingly, 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 on the basis of the following:

- (a) The waiver is valid for an initial period of three years from the [REDACTED] and is granted on condition that we engage Mr. NG to assist Mr. ZHOU in discharging his duties as a company secretary and in obtaining the “relevant experience” as required under Rule 3.28 of the Listing Rules. The waiver can be revoked if there are material breaches of the Listing Rules by our Company.
- (b) Our Company undertakes to re-apply to the Stock Exchange for a waiver from strict compliance with the company secretary qualification requirements under Rules 3.28 and 8.17 of the Listing Rules if Mr. NG ceases to meet the requirements under Rule 3.28 of the Listing Rules or otherwise ceases to act as a joint company secretary of our Company.
- (c) Mr. ZHOU will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will endeavour to attend relevant training courses, including introduction on the latest changes to the relevant applicable Hong Kong laws and regulations and the Listing Rules, that may be organised by our Hong Kong legal advisers on an invitation basis and seminars organised by the Stock Exchange (or other recognised course providers in Hong Kong) for [REDACTED] issuers from time to time.
- (d) Before the expiration of the initial period of three years, the qualifications and experience of Mr. ZHOU will be re-assessed by the Stock Exchange for the purpose of determining whether the requirements under Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for the ongoing assistance of Mr. NG will be required. We will liaise with the Stock Exchange to enable the Stock Exchange to assess whether Mr. ZHOU, having benefited from the assistance of Mr. NG for the preceding three years, has acquired the skills and the knowledge 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.

See the section headed “Directors, Senior Management and Employees” in this document for further information on Mr. ZHOU and Mr. NG’s qualifications and experience.