
WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

In preparation for the [REDACTED], we have applied for the following waivers from strict compliance with the relevant provisions of the Listing Rules and an exemption from the SFC from strict compliance with the disclosure requirements of the Companies Ordinance:

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We have entered into and are expected to continue with certain transaction after the [REDACTED] which will constitute our non-exempt continuing connected transactions under Chapter 14A of the Listing Rules upon [REDACTED]. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us waivers in relation to certain continuing connected transactions between us and certain connected persons under Chapter 14A of the Listing Rules see “Connected Transactions”.

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong, which normally means that at least two executive directors must be ordinarily resident in Hong Kong. Given that (i) our core business operations are principally located, managed and conducted in the PRC and the Company’s head office is situated in Beijing, the PRC; (ii) most of our executive Directors and senior management team principally reside in the PRC; and (iii) the management and operation of the Company have mainly been under the supervision of our executive Directors and senior management, who are principally responsible for the overall management, corporate strategy, planning, business development and control of the Group’s businesses and it is important for them to remain in close proximity to the Group’s operation located in the PRC, the Company considers that it would be more practical for its executive Directors and senior management to remain ordinarily resident in the PRC where the Group has substantial operations. For the above reasons, we do not have, and do not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with Rule 8.12 of the Listing Rules. We will ensure that there are adequate and efficient arrangements to achieve regular and effective communication between us and the Stock Exchange as well as compliance with the Listing Rules by way of the following arrangements:

1. **Authorized Representatives:** we have appointed Mr. Xu Ning (“**Mr. Xu**”), the executive Director, and Mr. Lam Yiu Por, the joint company secretary, (“**Mr. Lam**”) as the authorized representatives (“**Authorized Representatives**”) for the purpose of Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our principal channel of communication with the Stock Exchange and would be readily contactable by phone, facsimile and email to deal promptly with enquiries from the Stock Exchange. Mr. Lam ordinarily resides in Hong Kong whereas Mr. Xu ordinarily resides in the PRC, and Mr. Xu possesses valid travel documents and is able to renew such travel documents when they expire in order to visit Hong Kong. Accordingly, the Authorized Representatives will be able to meet with the relevant members of the Stock Exchange to discuss any matters in relation to our Company within a reasonable period of time. See “Directors and Senior Management” for more information about our Authorized Representatives.

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2. **Directors:** to facilitate communication with the Stock Exchange, we have provided the Authorized Representatives and the Stock Exchange with the contact details of each Director. In the event that any Director expects to travel or otherwise be out of office, he or she will provide the phone number of the place of his/her accommodation to the Authorized Representatives. To the best of our knowledge and information, 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 after requested by the Stock Exchange.
3. **Compliance Advisor:** we have appointed Maxa Capital Limited as our compliance advisor (the “**Compliance Advisor**”) in compliance with Rule 3A.19 of the Listing Rules. The Compliance Advisor will, among other things and in addition to the Authorized Representatives, also provide us with professional advice on continuing obligations under the Listing Rules and act as additional channel of communication of the Company with the Stock Exchange during the period from the [REDACTED] to 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 immediately after the [REDACTED]. The Compliance Advisor will be available to answer enquiries from the Stock Exchange and will act as the principal channel of communication with the Stock Exchange when the Authorized Representatives are not available.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Rule 8.17 of the Listing Rules provides that our Company must appoint a company secretary who satisfies the requirements under Rule 3.28 of the Listing Rules.

According to Rule 3.28 of the Listing Rules, the Company must appoint 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.

Pursuant to Note 1 to Rule 3.28 of the Listing Rules, 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); and
- (c) a certified public accountant (as defined in the Professional Accountants Ordinance).

In addition, pursuant to Note 2 to Rule 3.28 of the Listing Rules, 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 they played;
- (b) familiarity with the Listing Rules and other relevant law and regulations including the Securities and Futures Ordinance, Companies Ordinance, 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.

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The Company has appointed Mr. Wang Yongzhi (“**Mr. Wang**”) and Mr. Lam as the joint company secretaries of the Company. Mr. Wang also serves as the board secretary of the Company and is primarily responsible for the overall secretarial matters of the Group. Mr. Wang served as the deputy general manager and/or board secretary of several listed companies prior to joining the Group and has substantial experience in handling corporate, legal and regulatory compliance and administrative matters. He works closely with the Directors and senior management of the Company and has accumulated abundant knowledge about our business operations and corporate governance with a strong recognition of our corporate culture. However, Mr. Wang currently does not possess the specified 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.

Mr. Lam, an associate member of The Hong Kong Chartered Governance Institute, a member of the Hong Kong Institute of Certified Public Accountants, a chartered financial analyst of the CFA Institute and a fellow of the Association of Chartered Certified Accountants, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules, is the other joint company secretary of our Company. Mr. Lam also serves as the chief financial officer of the Company since January 15, 2021 and works on a full-time basis for our corporate and financial affairs. Further biographical details of Mr. Wang and Mr. Lam are set out in the section headed “Directors and Senior Management” in this document.

The following arrangements have been or will be put in place to assist Mr. Wang to acquire all qualifications and experience as the secretary of the Company as required under Rule 3.28 of the Listing Rules:

- (a) Mr. Lam will work closely with Mr. Wang on matters relating to corporate governance, the Listing Rules and any other laws and regulations which are relevant to the Company and its affairs. Mr. Lam is able to leverage his expertise to assist Mr. Wang to better discharge his responsibilities as the Company’s joint company secretary and will provide guidance and assistance to Mr. Wang to acquire the relevant experience as required under Rule 3.28 of the Listing Rules.
- (b) The Company will ensure that Mr. Wang has access to the relevant trainings and support to enable him to familiarize himself with the Listing Rules and the duties required of a company secretary of a Hong Kong listed company, and Mr. Wang has undertaken to attend such training.
- (c) Mr. Wang undertakes to attend no less than 15 hours of relevant professional training courses in each financial year to familiarize himself with the requirements of the Listing Rules and other legal and regulatory requirements of Hong Kong as required under Rule 3.29 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted us], a waiver from strict compliance with Rules 3.28 and 8.17 of the Listing Rules, for an initial period of three years from the [REDACTED], on the two conditions as set out in the Guidance Letter HKEX-GL108-20 issued by the Stock Exchange, i.e., (i) Mr. Wang must be assisted by Mr. Lam, who possesses the qualification or experience as required under Rule 3.28 and is appointed as a joint company secretary of the Company throughout the three years from the [REDACTED] and (ii) the waiver can be revoked if there are material breaches of the Listing Rules by the Company. The waiver would be immediately revoked if: (a) Mr. Lam ceases to provide assistance to Mr. Wang as the joint company secretary during the three years following the [REDACTED]; or (b) if there are material breaches to the Listing Rules by our Company. Prior to the expiry of the initial three year period, we will demonstrate and seek the Stock Exchange’s confirmation on whether Mr. Wang, having benefited from the assistance of Mr. Lam 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 so that a further waiver will not be necessary.

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WAIVER AND EXEMPTION IN RELATION TO THE COMPANY'S PRE-[REDACTED] SHARE OPTION SCHEME

Rule 17.02(1)(b) of the Listing Rules requires that full details of all outstanding options and their potential dilution effect on the shareholdings upon [REDACTED] as well as the impact on the earnings per Share arising from the exercise of such outstanding options be disclosed in this document.

Under paragraph 27 of Appendix 1A to the Listing Rules, we are required to disclose in this document, particulars of any capital of any member of our Group which is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee.

Under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, we are required to disclose in this document details of the number, description and amount of Shares which a person has, or is entitled to be given, an option to subscribe for, together with certain particulars of each option, namely the period during which it is exercisable, the price to be paid for Shares subscribed for under it, the consideration (if any) given or to be given for it or for the right to it, and the names and addresses of the persons to whom it or the right to it was given.

As of the Latest Practicable Date, our Company has granted options under the Pre-[REDACTED] Share Option Scheme (the "Options") to an aggregate of 96 individuals (the "Grantees") to subscribe for a total of 11,480,000 Shares under the terms and conditions of the Pre-[REDACTED] Share Option Scheme. All of these Grantees are employees within the Group, and none of them are Directors, members of the senior management of the Company or the connected persons of our Group. For further details, see the section headed "Statutory and General Information — Pre-[REDACTED] Share Option Scheme" in Appendix IV to this document.

Our Company has applied to (i) the Stock Exchange for a waiver from strict compliance with the requirements under Rule 17.02(1)(b) of and paragraph 27 of Appendix 1A to the Listing Rules and (ii) the SFC for an exemption from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance pursuant to section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in connection with the disclosure of certain details relating to the Pre-[REDACTED] Share Option Scheme and the Grantees on the ground that full compliance with such disclosure requirements would be unduly burdensome for our Company and the waiver and the exemption would not prejudice the interest of the investing public for the following reasons:

- (a) given that 96 Grantees are involved, our Directors consider that it would be unduly burdensome to disclose full details of all the Options granted by us in this document, which would involve a substantial number of pages of content to be inserted into the document, significantly increasing the cost and timing for information compilation and document preparation. For example, we would need to collect and verify the addresses of all Grantees to meet the disclosure requirement. Further, the disclosure of the personal details of each Grantee, including their names, addresses and the number of Options granted, may require obtaining consent from 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 Grantees;

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- (b) the disclosure of key information of the Pre-[REDACTED] Share Option Scheme, including (i) a summary of the latest terms of the Pre-[REDACTED] Share Option Scheme; (ii) the aggregate number of Shares subject to the Options and the percentage of our Shares of which such number represents; (iii) the impact on earnings per Share upon full exercise of the options immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised); (iv) the details of the Options granted under the Pre-[REDACTED] Share Option Scheme by the range of underlying Shares, including the date of grant, the exercise period and the exercise price for the Options; and (v) the particulars of the waiver and exemption granted by the Stock Exchange and the SFC, in this document provides potential investors sufficient information to make an informed assessment in their investment decision making process. The above disclosure is consistent with the conditions ordinarily expected by the Stock Exchange in similar circumstances as set out in Guidance Letter HKEX-GL11-09 issued in July 2009 and updated in March 2014 by the Stock Exchange;
- (c) the grant and exercise in full of the Options under the Pre-[REDACTED] Share Option Scheme will not cause any material adverse impact to the financial position of our Group. Further, there is no potential dilution effect on the shareholding as the Shares underlying the Options granted under the Pre-[REDACTED] Share Option Scheme are already in issue and held by Excel Returns Group Limited;
- (d) the lack of full compliance of the disclosure requirements set out above will not prevent potential investors from making an informed assessment of the activities, assets and liabilities, financial position, management and prospects of the Group and will not prejudice the interest of any potential investors. Strict adherence to the disclosure requirements, including to disclose the names, addresses, and entitlements on an individual basis of all Grantees without reflecting the materiality of the information does not provide any additional meaningful information to the investing public; and
- (e) the full disclosure of the details of the Grantees (including their names and addresses) as well as the Options granted to each of them, would provide the Group's competitors with our Group's employees' compensation details and facilitate their soliciting activities which could adversely impact our Group's ability to recruit and retain valuable personnel.

In light of the above, our Directors believe that the grant of the waiver and exemption sought under this application and the non-disclosure of the required information will not hinder potential investors 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 investors.

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 and paragraph 27 of Appendix 1A to the Listing Rules with respect to the options granted under the Pre-[REDACTED] Share Option Scheme subject to the conditions that:

- (a) the grant of a certificate of exemption from strict compliance with the relevant Companies (Winding Up and Miscellaneous Provisions) Ordinance requirements by the SFC;
- (b) a summary of the principal terms of the Pre-[REDACTED] Share Option Scheme will be disclosed in the section headed "Statutory and General Information — Pre-[REDACTED] Share Option Scheme" in Appendix IV to this document;
- (c) the aggregate number of Shares subject to the outstanding Options and the percentage of our Company's issued share capital represented by such number of Shares as of the Latest Practicable Date will be disclosed in the document;

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- (d) the impact on earnings per Share upon full exercise of the Options will be disclosed in the section headed “Statutory and General Information — Pre-[REDACTED] Share Option Scheme” in Appendix IV to this document;
- (e) disclosure will be made on an aggregate basis by range of underlying Shares, including (i) the aggregate number of the Grantees and the number of Shares subject to the outstanding Options granted to them under the Pre-[REDACTED] Share Option Scheme, (ii) the consideration paid for the Options; (iii) the exercise period for the outstanding Options, and (iv) the exercise price for the outstanding Options granted under the Pre-[REDACTED] Share Option Scheme;
- (f) a full list of all the Grantees who have been granted Options, containing all details as required under Rule 17.02(1)(b) of and paragraph 27 of Appendix 1A to the Listing Rules and paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance be made available for public inspection in accordance with “Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display” in Appendix V to the document; and
- (g) the particulars of the waiver and the exemption be set out in this document.

The SFC [has granted] a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance pursuant to section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance subject to the conditions that:

- (a) the following details be fully disclosed in this document: (i) the aggregate number of the Grantees; (ii) the aggregate number of Shares underlying the Options of the Grantees; (iii) the consideration paid for the Options; (iv) the exercise period of the Options; and (v) the exercise price of the Options;
- (b) a full list of all the Grantees who have been granted Options, containing all details as required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance be made available for public inspection in accordance with “Documents Delivered to the Registrar of Companies and Available on Display” in Appendix V to the document;
- (c) the particulars of the exemption be set out in the document; and
- (d) this document is issued on or before [REDACTED].

Further details of the Pre-[REDACTED] Share Option Scheme are set out in the section headed “Statutory and General Information — Pre-[REDACTED] Share Option Scheme” in Appendix IV to this document.