

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

Rule 8.12 of the Listing Rules provides that a listing applicant applying for a primary listing on the Stock Exchange must have sufficient management presence in Hong Kong, and this normally means that at least two of the executive directors of such listing applicant must be ordinarily resident in Hong Kong.

In addition, Guidance Letter HKEX-GL9-09 provides that the listing applicant should normally have the following arrangements for maintaining regular communication with the Stock Exchange for the purpose of its granting waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules: (a) the authorized representatives of the listing applicant will act as the principal channel of communication with the Stock Exchange; (b) the authorized representatives of the listing applicant should have means for contacting all its directors promptly at all times as and when the Stock Exchange wishes to contact the directors on any matters; (c) each director of the listing applicant 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; (d) the compliance advisor(s) of the listing applicant will act as an additional channel of communication with the Stock Exchange; and (e) each director of the listing applicant will provide their respective mobile phone numbers, office phone numbers, email addresses and fax numbers to the Stock Exchange.

Since substantially all of the Group's business operations are managed and conducted outside of Hong Kong, it would be impractical and commercially unnecessary for the Company to appoint Directors based in Hong Kong. As all of the executive Directors currently reside in the PRC, the Company does not have, and for the foreseeable future will not have, sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 of the Listing Rules. We have applied to the Stock Exchange for, and [have obtained], a waiver from strict compliance with the requirements set out in Rule 8.12 of the Listing Rules subject to the following conditions:

- (a) the Company has appointed Gao Tieta and Liu Xinwei as authorized representatives of the Company (the "**Authorized Representatives**") pursuant to Rule 3.05 of the Listing Rules to serve as the principal channel of communication with the Stock Exchange. In addition, Leung Shui Bing, who is ordinarily resident in Hong Kong, has been appointed as the alternative authorized representative of the Company in order to assist the Authorized Representatives to communicate with the Stock Exchange. The Company has provided the Stock Exchange with their contact details, and they will be available to meet with the Stock Exchange within a reasonable period of time upon the request of the Stock Exchange and readily contactable by telephone, facsimile and email. The Company will also inform the Stock Exchange in respect of any changes in the Authorized Representatives as soon as practicable;

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- (b) 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. The Company will implement measures such that (i) each Director will provide their respective mobile phone numbers, office phone numbers, email addresses and facsimile numbers to the Authorized Representatives and the Stock Exchange; and (ii) in the event that a Director expects to travel 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. The Company has provided the Stock Exchange with the contact details of each Director to facilitate communication with the Stock Exchange;
- (c) each Director who is not an ordinary 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 of time, if required;
- (d) the Company has appointed Haitong International Capital Limited as the compliance advisor pursuant to Rules 3A.19 of the Listing Rules, which will act as the Company's additional and alternative channel of communication with the Stock Exchange for a 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], and its representative(s) will be fully available to answer enquiries from the Stock Exchange. The compliance advisor will advise the Company on on-going compliance requirements and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong after the [REDACTED], and will have access at all times to the Authorized Representatives, the Directors and the other senior management of the Company to ensure that it is in a position to provide prompt responses to any queries or requests from the Stock Exchange in respect of the Company; and
- (e) any meeting between the Stock Exchange and the Directors will be arranged through the Authorized Representatives or compliance advisor or directly with the Directors within a reasonable time frame. The Company will inform the Stock Exchange promptly in respect of any changes in the Authorized Representatives or compliance advisor.

WAIVER IN RELATION TO JOINT COMPANY SECRETARY

Rule 8.17 of the Listing Rules provides that a listing applicant 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 company secretary of a listing applicant must be a person who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of 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

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Kong)). Pursuant to Note (2) to Rule 3.28 of the Listing Rules, in assessing “relevant experience,” the Stock Exchange will consider the followings of the individual: (a) length of employment with the listing applicant and other listed issuers and the roles he or she played; (b) familiarity with the Listing Rules and other relevant laws and regulations including but not limited to the SFO, the Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance and The Codes on Takeovers and Mergers and Share Buy-backs; (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.

In addition, Guidance Letter HKEX-GL108-20 provides that the waiver from strict compliance with Rule 3.28 of the Listing Rules, if granted, will be for a fixed period of time (the “**Waiver Period**”) and on the following conditions: (i) 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 (ii) the waiver can be revoked if there are material breaches of the Listing Rules by the Company.

We have appointed Li Wenqi (李文奇) (“**Ms. Li**”) as one of the joint company secretaries. Ms. Li joined our Group in August 1998 and served as our vice president since January 2018 and is responsible for the financial management of our Group’s overall operation in the PRC (including Hong Kong). She has accumulated abundant knowledge about the business operations and corporate governance with a strong recognition of the corporate culture of the Company. However, Ms. Li does not possess the specified qualifications strictly required by Rule 3.28 of the Listing Rules. Therefore, we has also appointed Leung Shui Bing (梁瑞冰) (“**Ms. Leung**”), who meets the requirements under Rule 3.28 of the Listing Rules, to act as the other joint company secretary. For more details of Ms. Li’s and Ms. Leung’s biographies, see “Directors and Senior Management.”

Over the initial period of the three years from the [REDACTED], we will implement the following measures to assist Ms. Li to satisfy the requisite qualifications as prescribed in Rules 3.28 and 8.17 of the Listing Rules:

- (a) Ms. Leung will assist Ms. Li to enable her to discharge her duties and responsibilities as a joint company secretary of the Company. Given Ms. Leung’s relevant experience, Ms. Leung will be able to advise both Ms. Li and us on the relevant requirements of the Listing Rules as well as other applicable laws and regulations of Hong Kong;
- (b) Ms. Li will be assisted by Ms. Leung for an initial period of three years commencing from the [REDACTED], which should be sufficient for Ms. Li to acquire the requisite knowledge and experience under Rule 3.28 of the Listing Rules;
- (c) we will ensure that Ms. Li has access to the relevant trainings and support to enable her to familiarize herself with the Listing Rules and the duties required of a company secretary of a Hong Kong [REDACTED] company, and Ms. Li has undertaken to attend such trainings;

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- (d) Ms. Leung will communicate with Ms. Li on a regular basis regarding matters in relation to corporate governance, the Listing Rules as well as other applicable laws and regulations of Hong Kong which are relevant to the operations and affairs of the Company. Ms. Leung will work closely with, and provide assistance to Ms. Li with a view to discharging her duties and responsibilities as a company secretary, including but not limited to organizing the Board meetings and Shareholders’ meetings; and
- (e) pursuant to Rule 3.29 of the Listing Rules, Ms. Li and Ms. Leung will also attend no less than 15 hours of relevant professional training courses in each financial year to familiarize themselves with the requirements of the Listing Rules and other legal and regulatory requirements of Hong Kong. Both Ms. Li and Ms. Leung will be advised by the Company’s legal advisers as to Hong Kong laws and the Company’s compliance advisor as and when appropriate and required.

Accordingly, we have applied to the Stock Exchange for, and [have obtained], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules for an initial period of three years from the [REDACTED], on the condition that (i) Ms. Leung is engaged as a joint company secretary and provides assistance to Ms. Li during this period; and (ii) there are no material breaches of the Listing Rules by the Company. Prior to the expiry of the three-year period, we will conduct a further evaluation of the qualification and experience of Ms. Li to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied, and we will liaise with the Stock Exchange to assess whether Ms. Li, having had the benefit of Ms. Leung’s assistance for three years, would have acquired the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules such that there is no need to further apply for a waiver.

WAIVER IN RESPECT OF DISCLOSURE OF PRE-ACQUISITION FINANCIAL INFORMATION

Rule 4.05A of the Listing Rules provides that where a new applicant acquires any material subsidiary or business during the trading record period and such an acquisition if made by a listed issuer would have been classified at the date of application as a major transaction or a very substantial acquisition, it must disclose pre-acquisition financial information on that material subsidiary or business from the commencement of the trading record period (or if the material subsidiary or business commenced its business after the commencement of the trading record period, then from the date of the commencing of its business) to the date of acquisition. Pre-acquisition financial information on the material subsidiary or business must normally be drawn up in conformity with accounting policies adopted by the new applicant and be disclosed in the form of a note to the accountants’ report or in a separate accountants’ report.

We completed the acquisition of 100% of the equity interests in Teleon Holding B.V. on January 4, 2021, and the financial statements of Teleon had been consolidated into our Group since then. For details of the acquisition of Teleon, see “History, Reorganization and Development — Corporate development — Our Major Subsidiaries in Germany and the Netherlands — Acquisition of Teleon.”

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Pursuant to Rule 4.05A of the Listing Rules, the acquisition of Teleon is classified as a major transaction and thus the pre-acquisition financial information of Teleon from the commencement of the Track Record Period to the date of acquisition is required to be presented in this Document. The pre-acquisition financial information of Teleon for the period from January 1, 2019 to December 31, 2020, which was drawn up in conformity with the accounting policies adopted by our Group, has been disclosed in the section headed “III. Supplementary Pre-Acquisition Financial Information of Teleon Holding B.V. (the “**Target Company**”) and its Subsidiaries (together, the “**Target Group**”)” in Appendix I to this Document and the section headed “Financial Information — Financial Information of Teleon” in this Document. To strictly comply with the requirements of Rule 4.05A of the Listing Rules, we are also required to disclose the pre-acquisition financial information (the “**Four-day Financials**”) of Teleon from January 1 to January 4, 2021 (the “**Four-day Period**”).

We have applied to the Stock Exchange for, and [have obtained], a waiver from strict compliance with the requirements under Rule 4.05A of the Listing Rules to present in this Document the Four-day Financials based on the following grounds:

- (1) The financial information disclosed in this Document will be sufficiently comprehensive for the investors to assess the financial performance of Teleon and the combined business of our Group, and there will be no gap in financial information of Teleon which would prejudice the interest of the investors or result in any undue risks to the investors. This is primarily due to the following:
 - (a) The pre-acquisition financial information of Teleon for the two years ended December 31, 2019 and 2020 has been disclosed in this Document, which provides sufficiently comprehensive financial information to enable the investors to assess the overall financial performance of Teleon over a meaningful period of time prior to acquisition;
 - (b) The addition of the Four-day Period does not provide any meaningful information to investors. The Four-day Financials is of minor importance and would not be materially useful for investors to evaluate the business and financial performance of Teleon, not simply because the Four-day Period is an extremely short period of time but also because three days in the Four-day Period are public and bank holidays when Teleon was closed for business; and
 - (c) No material revenue-generating transactions of Teleon took place during the Four-day Period and no material operating expenses were recorded in Teleon’s accounting ledgers during the Four-day Period.
- (2) Requiring us to prepare the Four-day Financials would be unduly burdensome since it would require our Group and certain third parties to undertake a considerable amount of work, which would be onerous in terms of time, resources and costs, and disproportionate to the necessity and meaningfulness of such disclosure.

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Particularly, it would take considerable amount of time for the Reporting Accountants to conduct audit procedures in order to prepare the audited financial statements for the Four-day Period, including a consolidated statement of profit or loss and other comprehensive income, a consolidated statement of financial position, a consolidated statement of changes in equity and a consolidated statement of cash flows, with notes to the financial statements. This would present challenges, including but not limited to the following:

- (a) Prior to the acquisition, the financial statements of Teleon were prepared under Dutch GAAP. Even if the Four-day Financials can be prepared on the basis of the accounting policies adopted by our Group under IFRS, the Reporting Accountants would still need to conduct the audit procedures in relation to these conversions between IFRS and Dutch GAAP; and
 - (b) In order to prepare the Four-day Financials, Teleon would need to seek audit confirmations from certain third parties such as customers and suppliers for the Four-day Period ending January 4, 2021. However, it would be impractical or difficult for the customers and suppliers of Teleon to respond to these confirmations given that companies in general seldom close their books and reconcile their own records on the fourth day of a month.
- (3) With a view of providing investors with sufficient information, the following information which is comparable to the Four-day Financials that is required to be disclosed under Rule 4.05A of the Listing Rules, would provide appropriate and fair indicators and will be presented in this Document:
- (a) the unaudited revenue, operating profit and net profit of Teleon for the Four-day Period ended January 4, 2021, which were prepared in accordance with IFRSs, were EUR0.35 million, EUR0.22 million, and EUR0.16 million, respectively; and
 - (b) the fair value of the identifiable assets and liabilities of Teleon as of the date of acquisition of Teleon (i.e. January 4, 2021). For details, see Note 35(d) in the Accountants' Report set out in Appendix I to this Document.