

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

Rule 8.12 of the Listing Rules requires that a new applicant applying for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong. This normally means that at least two of its executive directors must be ordinarily resident in Hong Kong. The business operations of the Group are mostly located in China. Due to the business requirements of the Group, the executive Director has not been, is not or will not be based in Hong Kong. Our Company considers that it would be impracticable and commercially infeasible to appoint two Hong Kong residents as executive Directors or to relocate the existing executive Director to Hong Kong considering that the operations of our Group are based outside of Hong Kong. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirement of Rule 8.12 of the Listing Rules. In order to maintain effective communication with the Stock Exchange, we will adopt, among others, the following measures:

- (1) our Company has appointed two authorized representatives pursuant to Rule 3.05 of the Listing Rules who will act as our principal communication channel with the Stock Exchange and will ensure that we comply with the Listing Rules at all times. These two authorized representatives appointed are Ms. Yu Dan (于丹), the executive Director of our Company and Ms. Lai Janette Tin Yun (賴天恩), joint company secretary of our Company. Each of the authorized representatives will be available to meet with the Stock Exchange within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and e-mail. Each of the two authorized representatives has been duly authorized to communicate on our Company’s behalf with the Stock Exchange. The Company will inform the Stock Exchange promptly in respect of any change in its authorized representatives;
- (2) both authorized representatives have means to contact all Directors (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters. Our Company will implement a policy whereby (1) the executive Director will provide valid phone numbers or other means of communication to the authorized representatives when they are traveling or out of office; and (2) each Director will provide his mobile phone number, office phone number, e-mail address and, where available, fax number to the Stock Exchange and will inform the Stock Exchange promptly if there are any changes to the contact details of the Directors;

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- (3) all our executive Director, non-executive Directors and independent non-executive Directors who are not ordinarily resident in Hong Kong have confirmed that they possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with relevant members of the Stock Exchange in Hong Kong upon reasonable notice, when required; and
- (4) our Company has appointed Goldlink Capital (Corporate Finance) Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules, who will act as our additional communication channel with the Stock Exchange and will be available to respond to enquiries from the Stock Exchange.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules and the Stock Exchange’s Guidance Letter HKEX-GL108-20 regarding experience and qualification requirement of a company secretary, the company secretary must be an individual 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. The Stock Exchange considers the following academic or professional qualifications to be acceptable: (1) a member of The Hong Kong Chartered Governance Institute; (2) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and (3) a certified public accountant (as defined in the Professional Accountants Ordinance).

In assessing “relevant experience,” the Stock Exchange will consider the individual’s: (1) length of employment with the issuer and other listed companies and the roles he/she played, (2) familiarity with the Listing Rules and other relevant law and regulations including SFO, Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code, (3) relevant training taken and/or to be taken in addition to the minimum requirement of taking not less than fifteen hours of relevant professional training in each financial year under Rule 3.29 of the Listing Rules, and (4) professional qualifications in other jurisdictions.

We have appointed Ms. Lai Janette Tin Yun (賴天恩) and Mr. Jiao Yang (焦陽) as our joint company secretaries. Biographical information of Ms. Lai Janette Tin Yun and Mr. Jiao Yang is set out in the section headed “Directors and Senior Management” in this document. Mr. Jiao Yang is currently our vice president and a joint company secretary of our Company. We have appointed him due to his past management experience within our company and his thorough understanding of our internal administration, business operations and corporate culture. Since Mr. Jiao Yang does not possess a qualification stipulated in Rule 3.28 of the Listing Rules, he is not able to solely fulfill the requirements as a company secretary of a listed issuer stipulated under Rules 3.28 and 8.17 of the Listing Rules. Accordingly, we have 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 in relation to the appointment of Mr. Jiao Yang as our joint company secretary for an initial period of three years commencing from the [REDACTED].

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Although Mr. Jiao Yang does not possess the specified qualification required by Rule 3.28 of the Listing Rules, the Directors believe that considering Mr. Jiao Yang’s past experience in capital market-related affairs and corporate governance matters, he is capable of discharging the functions of a joint company secretary with the assistance of Ms. Lai Janette Tin Yun, the other joint company secretary of our Company who fully complies with the requirements under Rules 3.28 and 8.17 of the Listing Rules. In addition, the principal business activities of the Group are conducted in China. Mr. Jiao Yang, who resides in China, is familiar with and has a thorough understanding of the operations of our internal business and finance. Therefore, we believe that the appointment of Mr. Jiao Yang as a joint company secretary is in our Company’s and the Shareholders’ best interests and beneficial to our corporate governance.

Given the important role of the company secretary in the corporate governance of a listed issuer, particularly in assisting with the listed issuer as well as its directors in complying with the Listing Rules and other relevant laws and regulations, we have made the following arrangements for the waiver:

- (i) Mr. Jiao Yang will endeavor to attend relevant training courses, including briefing on the latest changes to the applicable Hong Kong laws and regulations as well as the Listing Rules organized by our legal advisor as to the laws of Hong Kong on an invitation basis, and seminars organized by the Stock Exchange or other professional bodies from time to time, in addition to the 15-hour minimum requirement under Rule 3.29 of the Listing Rules;
- (ii) We have appointed Ms. Lai Janette Tin Yun, an associate member of both The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute in the United Kingdom, who fully complies with the requirements under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary. Ms. Lai Janette Tin Yun will work closely with and to provide assistance to Mr. Jiao Yang in the discharge of her duties as a company secretary for an initial period of three years commencing from the [REDACTED] so as to enable Mr. Jiao Yang to acquire the relevant experience (as required under Rule 3.28(2) of the Listing Rules) to discharge the duties and responsibilities as a company secretary; and
- (iii) Mr. Jiao Yang will also be assisted by the Company’s compliance advisor and legal advisor as to the laws of Hong Kong on matters in relation to the Company’s continuing compliance obligations under the Listing Rules and the applicable laws and regulations.

Such waiver will be revoked immediately if and when Ms. Lai Janette Tin Yun ceases to provide such assistance or if there are material breaches of the Listing Rules by us. We will liaise with the Stock Exchange before the end of the three-year period to enable it to assess whether Mr. Jiao Yang, having had the benefit of Ms. Lai Janette Tin Yun’s assistance for three years, will have acquired relevant experience within the meaning of Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

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See the section headed “Directors and Senior Management” in this document for further information of Ms. Lai Janette Tin Yun and Mr. Jiao Yang.

WAIVERS IN RESPECT OF CONTINUING CONNECTED TRANSACTIONS

We have entered into, and are expected to continue, certain transactions that will constitute non-exempt continuing connected transactions of our Company under the Listing Rules upon [REDACTED].

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], waivers from strict compliance with (1) the announcement, circular and/or independent shareholders’ approval requirements, and/or (2) the annual cap and terms requirement set out in Chapter 14A of the Listing Rules for such continuing connected transactions. Please refer to the section headed “Connected Transactions” for further information.