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In preparation for the [REDACTED], we have sought the following waivers from strict compliance with the Listing Rules and exemptions from the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong. This will normally mean 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 Rule 8.12 of the Listing Rules.

Our Group’s management headquarters, senior management, business operations and assets are primarily based outside Hong Kong, in the mainland China. The 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 or the Shareholders as a whole.

Accordingly, we [have applied for, and the Stock Exchange has granted], a waiver from strict compliance with 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 authorized representatives who shall act at all times as the principal channel of communication with the Stock Exchange. Each of our authorized 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 authorized representatives are authorized to communicate on our behalf with the Stock Exchange. At present, our two authorized representatives are Mr. Yu Zhang, our executive Director and Chief Financial Officer, and Ms. Mei Ying Ko (“**Ms. Ko**”), our joint company secretary;
- (b) pursuant to Rule 3.20 of the Listing Rules, each Director will provide his/her contact details, including mobile phone numbers, office phone numbers, residential phone numbers, e-mail addresses and facsimile numbers to the Stock Exchange and to the authorized representatives. This will ensure that the Stock Exchange and the authorized representatives should have means for contacting all Directors promptly at all times as and when required;
- (c) we will ensure that 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;
- (d) pursuant to Rule 3A.19 of the Listing Rules, we have retained the services of Guotai Junan Capital Limited as compliance adviser (the “**Compliance Adviser**”), who will act as an additional channel of communication with the Stock Exchange. The

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Compliance Adviser will provide us with professional advice on ongoing compliance with the Listing Rules. We will ensure that the Compliance Adviser has prompt access to our authorized representatives and Directors. In turn, they will provide the Compliance Adviser with 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 us when consulted by us in compliance with Rule 3A.23 of the Listing Rules; and

- (e) meetings between the Stock Exchange and our Directors can be arranged through the authorized representatives or the Compliance Adviser, or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange as soon as practicable in respect of any change in the authorized representatives and/or the Compliance Adviser in accordance with the Listing Rules.

JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the company secretary must be an individual who, by virtue of their 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 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).

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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Our Company appointed Ms. Wenbei Wang (“**Ms. Wang**”), our Head of Capital Markets and Investor Relations, and Ms. Ko of Tricor Services Limited, as joint company secretaries. See the section headed “Directors and Senior Management—Joint Company Secretaries” for their biographies.

Ms. Ko is a member of both The Hong Kong Chartered Governance Institute (formerly “The Hong Kong Institute of Chartered Secretaries”) and The Chartered Governance Institute (formerly “The Institute of Chartered Secretaries and Administrators”) in the United Kingdom, and therefore meets the qualification requirements under Note 1 to Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules.

Our Company’s principal business activities are outside Hong Kong. Our Company believes that it would be in the best interests of our Company and the corporate governance of our Group to have as its joint company secretary a person such as Ms. Wang, who is an employee of our Company and who has day-to-day knowledge of our Company’s affairs. Ms. Wang has the necessary nexus to the Board and close working relationship with management of our Company in order to perform the function of a joint company secretary and to take the necessary actions in the most effective and efficient manner.

Accordingly, we [have applied for, and the Stock Exchange has granted], a waiver from strict compliance with Rules 3.28 and 8.17 of the Listing Rules for a three year period from the Listing Date, in accordance with HKEX-GL108-20, on the conditions that: (i) Ms. Ko is appointed as a joint company secretary to assist Ms. Wang in discharging her functions as a company secretary and in gaining the relevant experience under Rule 3.28 of the Listing Rules; the waiver will be revoked immediately if Ms. Ko, during the three-year period, ceases to provide assistance to Ms. Wang as the joint company secretary; and (ii) the waiver can be revoked if there are material breaches of the Listing Rules by our Company. In addition, Ms. Wang will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance her knowledge of the Listing Rules during the three-year period from the [REDACTED]. Our Company will further ensure that Ms. Wang has access to the relevant training and support that would enhance her understanding of the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange. Before the end of the three-year period, the qualifications and experience of Ms. Wang and the need for on-going assistance of Ms. Ko will be further evaluated by our Company. We will liaise with the Stock Exchange to enable it to assess whether Ms. Wang, having benefited from the assistance of Ms. Ko 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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[REDACTED]

WAIVERS AND EXEMPTIONS

[REDACTED]

WAIVERS AND EXEMPTIONS

[REDACTED]

WAIVERS AND EXEMPTIONS

[REDACTED]

WAIVERS AND EXEMPTIONS

[REDACTED]

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[REDACTED]

WAIVER AND EXEMPTION IN RELATION TO THE 2020 SHARE INCENTIVE PLAN

The Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance prescribes certain disclosure requirements in relation to the share options granted by our Company (the “**Share Option Disclosure Requirements**”):

- (a) Rule 17.02(1)(b) of the Listing Rules stipulates that all the terms of a scheme must be clearly set out in this document. Our Company is also required to disclose in this document full details of all outstanding options and their potential dilution effect on the shareholdings upon listing as well as the impact on the earnings per share arising from the exercise of such outstanding options;
- (b) Paragraph 27 of Appendix 1A to the Listing Rules requires our Company to set out in this document particulars of any capital of any member of our Group that 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; and
- (c) Under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the number, description and amount of any shares in or debentures of the company which any person has, or is entitled to be given, an option to subscribe for, together with the particulars of the option, that is to say, (a) the period during which it is exercisable; (b) the price to be paid for shares or debentures subscribed for under it; (c) the consideration (if any) given or to be given for it or for the right to it; and (d) the names and addresses of the persons to whom it or the right to it was given or, if given to existing shareholders or debenture holders as such, the relevant shares or debentures must be specified in the [REDACTED].

As of the Latest Practicable Date, our Company had granted outstanding options under the 2020 Share Incentive Plan to [823] grantees (including Directors and senior management of our Company and other employees of our Group) to subscribe for an aggregate of 72,012,674 Shares. As of the Latest Practicable Date, among the outstanding options, 12,614,924 Shares were held by five Directors and 59,397,750 Shares were held by 818 employees of our Group (who are not Directors, members of senior management or connected persons of our Company). The Shares underlying the granted options represent approximately [REDACTED]% of the total number of issued and outstanding Shares immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no further Shares are issued under the 2020 Share Incentive Plan). No further options will be granted

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pursuant to the 2020 Share Incentive Plan between the Latest Practicable Date and the [REDACTED]. For further details of our 2020 Share Incentive Plan, see the section headed “Statutory and General Information—D. Share Incentive Plan—1. 2020 Share Incentive Plan” in Appendix IV to this document.

We [have applied] to (i) the Stock Exchange for a waiver from strict compliance with the requirements under Rule 17.02(1)(b) of the Listing Rules 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 options and certain grantees in this document on the ground that the waiver and the exemption will not prejudice the interest of the [REDACTED] public and strict compliance with the above requirements would be unduly burdensome for our Company for the following reasons, among others:

- (a) as of the Latest Practicable Date, we had granted outstanding options to a total of 823 grantees under the 2020 Share Incentive Plan to acquire an aggregate of 72,012,674 Shares, representing approximately [REDACTED]% of the total number of Shares in issue immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no further Shares are issued under the 2020 Share Incentive Plan). The grantees under the 2020 Share Incentive Plan include five Directors and 818 employees of our Group (who are not Directors, members of senior management or connected persons of our Company);
- (b) our Directors consider that it would be unduly burdensome to disclose in this document full details of all the options granted by us to each of the grantees, which would significantly increase the cost and time required for information compilation and [REDACTED] preparation for strict compliance with such disclosure requirements. For example, we would need to collect and verify the addresses of over eight hundred 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;
- (c) material information on the options has been disclosed in this document to provide prospective [REDACTED] with sufficient information to make an informed assessment of the potential dilutive effect and impact on earnings per Share of the options in making their [REDACTED] decision, and such information includes:
 - (i) a summary of the latest terms of the 2020 Share Incentive Plan;
 - (ii) the aggregate number of Shares subject to the options and the percentage of our Shares of which such number represents;

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- (iii) the dilutive effect and the impact on earnings per Share upon full exercise of the options immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no further Shares are issued under the 2020 Share Incentive Plan);
- (iv) full details of the options granted to Directors and members of the senior management and connected persons (if any) of our Company are disclosed in this document, and such details include all the particulars required under Rule 17.02(1)(b) of the Listing Rules, paragraph 27 of Appendix 1A to the Listing Rules and paragraph 10 of Part 1 of the Third Schedule to the Companies Ordinance;
- (v) with respect to the options granted to other grantees (other than those referred to in (iv) above), disclosure are made on an aggregate basis and the following details are disclosed in this document, including (1) the aggregate number of such grantees and the number of Shares subject to the options; (2) the consideration paid for the grant of the options; and (3) the exercise period and the exercise price for the options;
- (vi) the particulars of the waiver and exemption granted by the Stock Exchange and the SFC, respectively;

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.

- (d) the 818 grantees who are not Directors, members of the senior management or connected persons of our Company, have been granted options under the 2020 Share Incentive Plan to acquire an aggregate of 59,397,750 Shares, which is not material in the circumstances of our Company, and the exercise in full of such options will not cause any material adverse change in the financial position of our Company; and
- (e) our Directors consider that non-compliance with the above disclosure requirements would not prevent our Company from providing potential [REDACTED] with sufficient information for an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Group. Strict adherence to the disclosure requirements, including to disclose the names, addresses, and entitlements on an individual basis of over eight hundred grantees without reflecting the materiality of the information does not provide any additional meaningful information to the [REDACTED] public.

In light of the above, our Directors are of the view that the grant of the waiver and exemption sought under this application and the non-disclosure of the required information will not prejudice the interests of the [REDACTED] public.

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The Stock Exchange has granted to our Company 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 2020 Share Incentive Plan on the condition that:

- (a) on an individual basis, full details of the options granted under the 2020 Share Incentive Plan to each of the Directors and the senior management and connected persons (if any) of our Company are disclosed in the section headed “Statutory and General Information—D. Share Incentive Plan—1. 2020 Share Incentive Plan” in Appendix IV as required under Rule 17.02(1)(b) of, and paragraph 27 of Appendix 1A to, the Listing Rules, and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
- (b) in respect of the options granted under the 2020 Share Incentive Plan to other grantees (other than those set out in (a) above), disclosure will be made on an aggregate basis, and the following details are disclosed in this document, including (1) the aggregate number of the grantees other than those set out in (a) above and the number of Shares subject to the options granted to them under the 2020 Share Incentive Plan; (2) the consideration paid for the grant of the options under the 2020 Share Incentive Plan; and (3) the exercise period and the exercise price for the options granted under the 2020 Share Incentive Plan;
- (c) the aggregate number of Shares underlying the outstanding options granted under the 2020 Share Incentive Plan and the percentage of our Company’s total issued share capital represented by such number of Shares as of the Latest Practicable Date are disclosed in this document
- (d) the dilutive effect and impact on earnings per Share upon the full exercise of the options under the 2020 Share Incentive Plan are disclosed in the section headed “Statutory and General Information—D. Share Incentive Plan—1. 2020 Share Incentive Plan” in Appendix IV;
- (e) a summary of the major terms of the 2020 Share Incentive Plan are disclosed in the section headed “Statutory and General Information—D. Share Incentive Plan—1. 2020 Share Incentive Plan” in Appendix IV;
- (f) the particulars of this waiver are disclosed in this document; and
- (g) the grant of certificate of exemption under the Companies (Winding Up and Miscellaneous Provisions) Ordinance from the SFC exempting our Company from the disclosure requirements provided in paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

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The SFC [has agreed to grant] to our Company the certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance with respect to the options granted under the 2020 Share Incentive Plan 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 on the conditions that:

- (a) full details of the options under the 2020 Share Incentive Plan granted to each of the Directors and the senior management and connected persons (if any) of our Company are disclosed in the section headed “Statutory and General Information—D. Share Incentive Plan—1. 2020 Share Incentive Plan” in Appendix IV as required by paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
- (b) in respect of the options granted under the 2020 Share Incentive Plan to grantees (other than those referred to in (a) above), disclosure will be made on an aggregate basis and the following details are disclosed in this document: (1) the aggregate number of the grantees and the number of Shares subject to the options granted to them under the 2020 Share Incentive Plan; (2) the consideration paid for the grant of the options under the 2020 Share Incentive Plan; and (3) the exercise period and the exercise price for the options granted under the 2020 Share Incentive Plan; and
- (c) the particulars of this exemption are disclosed in this document and that this document will be issued on or before [REDACTED].

Further details of the 2020 Share Incentive Plan are set forth in the section headed “Statutory and General Information—D. Share Incentive Plan—1. 2020 Share Incentive Plan” in Appendix IV.

THE DISCLOSURE REQUIREMENTS WITH RESPECT TO CHANGES IN SHARE CAPITAL

We [have applied for, and the Stock Exchange has granted], a waiver from strict compliance with the requirements of paragraph 26 of Part A of Appendix 1 to the Listing Rules in respect of disclosing the particulars of any alterations in the capital of any member of our Group within two years immediately preceding the issue of this document.

We have identified three entities that we consider are the major subsidiaries primarily responsible for the track record results of our Group (the “**Principal Entities**,” and each a “**Principal Entity**”). For further details, see the section headed “History, Development and Corporate Structure—Our Major Subsidiaries and Operating Entities”. Globally, our Group has approximately 61 subsidiaries, Consolidated Affiliated Entities and branches as of the Latest Practicable Date. None of the non-Principal Entities is individually material to us in terms of its contribution to our Company’s total net revenues or total assets or holds any major assets and intellectual property rights. By way of illustration, after intercompany eliminations, the Principal Entities contributed substantially all of our Group’s total revenues for each of the fiscal years ended December 31, 2019, 2020 and 2021 and for the six months ended June 30, 2022. Accordingly, the remaining subsidiaries in our Group are not significant to the overall operations and financial results of our Group.

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Particulars of the changes in the share capital of our Company and the Principal Entities have been disclosed in the section headed “Statutory and General Information—A. Further Information about Our Company and Our Subsidiaries—2. Changes in share capital of our Company” and “Statutory and General Information—A. Further Information about Our Company and Our Subsidiaries—3. Changes in the share capital of our Major Subsidiaries” in Appendix IV to this document.

WAIVER IN RESPECT OF ACQUISITIONS AFTER THE TRACK RECORD PERIOD

Pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules, the accountant’s report to be included in a listing document must include the income statements and balance sheets of any subsidiary or business acquired, agreed to be acquired or proposed to be acquired since the date to which its latest audited accounts have been made up in respect of each of the three financial years immediately preceding the issue of the listing document.

Pursuant to Rule 4.02A of the Hong Kong Listing Rules, acquisitions of business include acquisitions of associates and any equity interest in another company. Pursuant to Note 4 to Rule 4.04(4) of the Hong Kong Listing Rules, the Hong Kong Stock Exchange may consider granting a waiver of the requirements under Rules 4.04(2) and 4.04(4) on a case-by-case basis, and having regard to all relevant facts and circumstances and subject to certain conditions set out thereunder.

Acquisition since June 30, 2022

Background

Since June 30, 2022 and up to the Latest Practicable Date, our Group has agreed to make an acquisition (the “**Acquisition**”), details of which are set out in below:

No.	Name of the target company ⁽¹⁾	Investment amount ⁽²⁾	Percentage of shareholding/equity interest ⁽²⁾	Principal business activities
1.	Company A	RMB10,000,000	100%	Provide executive search services to employers

Notes:

- (1) None of the core connected persons at the level of our Company is a controlling shareholder of the Acquisition target.
- (2) The approximate consideration disclosed in the table represents the Acquisition after June 30, 2022. The percentage of shareholding/equity interest represents our Company’s total pro forma shareholding in the Acquisition target after the completion of disclosed transaction.

We confirm that the investment amount for the Acquisition is entered into at commercial arm’s length negotiations, based on factors including market dynamics, a mutually agreed valuation, and/or capital required for the target company’s operations.

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Our Directors believe that the Acquisition will complement our Group’s businesses and support the growth of its business. Therefore, the Acquisition is expected to create synergies, strengthen and support our long-term business development. Accordingly, our Directors believe that the Acquisition, if consummated, will be fair and reasonable and in the interests of the Shareholders as a whole. The consideration for the Acquisition, if consummated, will be satisfied by the Group’s own source of funds. For the avoidance of doubt, the [REDACTED] of the [REDACTED] will not be used to fund the Acquisition.

Conditions for granting the waiver and its scope in respect of the Acquisition

We have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Listing Rules in respect of the Acquisition on the following grounds:

The percentage ratios of the Acquisition are all less than 5% by reference to the most recent fiscal year of the Track Record Period

The relevant percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules for the Acquisition are all less than 5% by reference to the most recent fiscal year of the Track Record Period.

Accordingly, we do not expect the Acquisition to result in any significant changes to our Company’s financial position since June 30, 2022, and all information that is reasonably necessary for the potential [REDACTED] to make an informed assessment of our Company’s activities or financial position has been included in this document. As such, we consider that a waiver from compliance with the requirements under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules would not prejudice the interests of the [REDACTED].

Historical financial information is not available and would be unduly burdensome to obtain or prepare

Our Company confirms that the target company in respect of the Acquisition does not have available historical financial information which is readily available for disclosure in this document in accordance with the Listing Rules. It would require considerable time and resources for our Company and our reporting accountant to fully familiarize ourselves with the management accounting policies of the target company and compile the necessary financial information and supporting documents for disclosure in this document. As such, we believe that it would be impractical and unduly burdensome for our Company to disclose the audited financial information of the target company as required under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules.

In addition, having considered the Acquisition to be immaterial and that our Company does not expect the Acquisition to have any material effect on its business, financial condition or operations, we believe that it would not be meaningful and would be unduly burdensome for it to prepare and include the financial information of the targets during the Track Record Period

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in this document. As we do not expect the Acquisition to result in any material changes to its financial position after the Track Record Period, we do not believe the non-disclosure of the required information pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules would prejudice the interests of the [REDACTED].

Alternative disclosure of the Acquisition in this document

We have provided alternative information about the Acquisition in this document. Such information includes that which would be required for a discloseable transaction under Chapter 14 of the Listing Rules that our Directors consider to be material, including, for example, descriptions of the Company A's principal business activity, the investment amount, and a statement as to whether the core connected persons at the level of our Company is a controlling shareholder of Company A. Since the relevant percentage ratio of the Acquisition is less than 5% by reference to the most recent fiscal year of our Track Record Period, we believe the current disclosure is adequate for potential [REDACTED] to form an informed assessment of our Company. For the avoidance of doubt, the names of Company A is not disclosed in the waiver application or this [REDACTED] because (i) we do not have consent from Company A for such disclosure and (ii) given the competitive nature of the industry in which we operate, it is commercially sensitive for our Company to disclose the identity of Company A as such disclosure may allow our competitors anticipate our plans of business growth.

[REDACTED]

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[REDACTED]

USE OF U.S. GAAP

Rules 4.10 and 4.11 of, and Note 2.1 to Paragraph 2 of Appendix 16 to, the Listing Rules require the Company to prepare its financial statements in the [REDACTED] and the subsequent financial reports issued after listing to be in conformity with: (a) Hong Kong Financial Reporting Standards (“**HKFRS**”); (b) IFRS; or (c) China Accounting Standards for Business Enterprises in the case of companies incorporated in China, subject to Note 2.6 to Paragraph 2 of Appendix 16 to the Listing Rules.

Note 2.6 to Paragraph 2 of Appendix 16 to the Listing Rules provides that the Stock Exchange may allow the annual financial statements of an overseas issuer to be drawn up otherwise than in conformity with financial reporting standards referred to in Note 2.1 above.

Rule 19.25A of the Listing Rules provides that the annual accounts are required to conform with financial reporting standards acceptable to the Stock Exchange, which are normally HKFRS or IFRS. Where the Stock Exchange allows annual accounts to be drawn up otherwise than in conformity with HKFRS or IFRS, the annual accounts will be required to conform with financial reporting standards acceptable to the Stock Exchange. In such cases the Stock Exchange will normally require the annual accounts to contain a reconciliation statement setting out the financial effect of the material differences (if any) from either HKFRS or IFRS.

In Guidance Letter HKEX-GL111-22 (“**GL111-22**”), the Stock Exchange has indicated that it has accepted that the financial statements and accountants’ reports of overseas issuers with, or seeking, a dual-primary or secondary listing in the United States and on the Stock Exchange can be prepared in conformity with U.S. GAAP. GL111-22 further provides that, an overseas issuer adopting a body of financial reporting standards other than HKFRS or IFRS for

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the preparation of its financial statements must include a reconciliation statement setting out the financial effect of any material differences between those financial statements and financial statements prepared using HKFRS or IFRS in its accountants’ reports and annual/interim/quarterly reports.

As a company listed on Nasdaq, the Company uses Generally Accepted Accounting Principles in the United States, or U.S. GAAP, and corresponding audit standards for the filing of its financial statements with the SEC as determined by the United States Public Company Accounting Oversight Board. U.S. GAAP is well recognized and accepted by the international investment community, particularly among technology companies, and significant progress has been made in the convergence between U.S. GAAP and IFRS. Additionally, we note that it might lead to confusion among the Company’s investors and shareholders if the Company was required to adopt different accounting standards for its disclosures in Hong Kong from those in the United States. Aligning the accountings standards used for disclosures in both markets will alleviate any such confusion.

Our Company has applied to the Hong Kong Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements of Rules 4.10 and 4.11 of, and note 2.1 to paragraph 2 of the Appendix 16 to, the Listing Rules to allow the financial statements and accountants’ report in the listing document to be prepared based on U.S. GAAP, subject to the following conditions:

- (a) the Company will include (i) a description of the relevant key differences between U.S. GAAP and IFRS; and (ii) a statement showing the financial effect of any material differences between the financial statements during the Track Record Period prepared using U.S. GAAP and IFRS (“**Reconciliation Statement**”) in the accountant’s report with a view to enabling [REDACTED] to appraise the impact of the two accounting standards on the Company’s financial statements; such Reconciliation Statement is included as a note to the audited accountant’s report;
- (b) the Company will include a similar Reconciliation Statement mentioned in paragraph (a) above for its interim and annual reports issued after its [REDACTED] on the Stock Exchange; such Reconciliation Statements will be included as a note to the audited financial statements in the annual reports or reviewed financial statements in the interim reports. When the relevant financial statements are not audited or reviewed by auditors, the Reconciliation Statements required to be included as a note to such financial statements will be reviewed by its auditor in accordance with a standard comparable to International Standard on Assurance Engagements 3000 or Hong Kong Standard on Assurance Engagements 3000;
- (c) the Company will comply with Rules 4.08, 19.12, 19.14 and 19.25A of the Listing Rules and paragraphs 30-33 of GL111-22;

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- (d) the Company will use Hong Kong Financial Reporting Standards or IFRS in the preparation of the Company’s financial statements in the event that the Company is no longer listed in the United States or has no obligation to make financial disclosure in the United States; and
- (e) this waiver request will not be applied generally and is based on the specific circumstances of the Company.

CONNECTED TRANSACTIONS

We have entered into certain transactions which will constitute continuing connected transactions of our Company under the Listing Rules following the completion of the [REDACTED]. We [have applied to the Stock Exchange for, and the Stock Exchange has granted], a waiver from strict compliance with (where applicable) (i) the announcement, independent shareholders’ approval and circular requirements, (ii) the annual cap requirement, and (iii) the requirement of limiting the term of the continuing connected transactions set out in Chapter 14A of the Listing Rules for such continuing connected transactions. For further details in this respect, see the section headed “Connected Transactions.”