
WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the [REDACTED], our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and the following exemption from compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

1. MANAGEMENT PRESENCE IN HONG KONG

Rule 8.12 of the Listing Rules provides that an 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 ordinary resident in Hong Kong.

We do not have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules. As our Company's principal business, operations, management and senior management are located, managed and conducted in the PRC, our Company considers that it would be unduly burdensome, impractical and not be in the best interests of our Company and our Shareholders as a whole to appoint executive Directors who will be ordinarily resident in Hong Kong. As all of the executive Directors currently reside in the PRC, our Company does not, and for the foreseeable future, will not, have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 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 Rule 8.12 of the Listing Rules, and the following arrangements have been made for maintaining regular and effective communication with the Stock Exchange:

- (a) we have appointed and will continue to maintain two authorized representatives pursuant to Rule 3.05 of the Listing Rules who will act as the principal channel of communication with the Stock Exchange. The two authorized representatives to be appointed are Mr. Wang, one of our executive Directors, our chief executive officer and the chairman of our Board, and Ms. Chan Sau Ling, the joint company secretary of our Company. Although Mr. Wang resides in the PRC, he possesses valid travel documents to visit Hong Kong and is able to renew such travel documents when it expires. Each of the authorized representatives of our Company has confirmed that he/she will be available to meet the Stock Exchange in Hong Kong within a reasonable time upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and e-mail. Each of them will be authorized to communicate on behalf of our Company with the Stock Exchange;

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- (b) each of our authorized representatives will be provided with means to contact all Directors (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact the members of the Board for any matters. To enhance communication between the Stock Exchange, the authorized representatives and our Directors, our Company has implemented a policy whereby each Director will have to provide his/her office phone number, mobile phone number, facsimile number and email address to the authorized representatives and the Stock Exchange; in the event that a Director expects to travel and be out of office, he/she will have to provide the phone number of the place of his/her accommodation or other means of communication to the authorized representatives;
- (c) we will ensure that each Director who is not ordinarily resident in Hong Kong has confirmed that he/she possesses or will apply for valid travel documents to visit Hong Kong and is able to meet with the Stock Exchange within a reasonable period of time when required;
- (d) we have retained the services of a compliance advisor, Shenwan Hongyuan Capital (H.K.) Limited (the "**Compliance Advisor**"), in compliance with Rule 3A.19 of the Listing Rules. The Compliance Advisor will serve as an additional channel of communication with the Stock Exchange in addition to the authorized representatives of our Company. The Compliance Advisor will provide us with professional advice on continuing obligations under the Listing Rules. There will be adequate and efficient means of communication between our Company, the authorized representatives, our Directors and other officers and the Compliance Advisor and we will keep the Compliance Advisor fully informed of all communications and dealings between us and the Stock Exchange. The Compliance Advisor will also provide advice to us when consulted by us in compliance with Rule 3A.23 of the Listing Rules;
- (e) in addition to the Compliance Advisor's role and responsibilities after the [REDACTED] to provide advice to our Company on the continuing requirements under the Listing Rules and applicable laws and regulations, our Company will consider to appoint other professional advisors (including its legal advisors in Hong Kong) after the [REDACTED] to assist our Company in addressing any enquiries which may be raised by the Stock Exchange and to ensure that there will be prompt and effective communication with the Stock Exchange;
- (f) if the circumstances require, meetings of our Board could be arranged and held in such manner as permitted under the articles of association of our Company at short notice to discuss and address any issue with which the Stock Exchange is concerned in a timely manner; and

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- (g) meetings between the Stock Exchange and our Directors could be arranged through the authorized representatives or the Compliance Advisor, or directly with our Directors within a reasonable time frame.

Our Company will inform the Stock Exchange promptly in the event of any change of the authorized representatives or the Compliance Advisor in accordance with the Listing Rules.

2. 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 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: (i) a member of The Hong Kong Institute of Chartered Secretaries; (ii) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and (iii) a certified public accountant (as defined in the Professional Accountants Ordinance).

Note 2 to Rule 3.28 of the Listing Rules provides that, in assessing “relevant experience,” the Stock Exchange will consider the individual’s: (i) length of employment with the issuer and other listed companies and the roles he/she played, (ii) familiarity with the Listing Rules and other relevant law and regulations including the Securities and Futures Ordinance, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code, (iii) 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 (iv) professional qualifications in other jurisdictions.

In the Guidance Letter HKEX-GL108-20, the Stock Exchange stated that in considering waiver applications under Rule 3.28 of the Listing Rules, it will consider, among others, the following factors: (i) whether the issuer has principal business activities primarily outside Hong Kong; (ii) whether the issuer was able to demonstrate the need to appoint a person who does not have the acceptable qualification nor “relevant experience” as a company secretary; and (iii) why the directors consider the individual to be suitable to act as the issuer’s company secretary.

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We have appointed Mr. Li Yao and Ms. Chan Sau Ling (“**Ms. Chan**”) as our joint company secretaries on December 13, 2021. Mr. Li Yao is an executive Director, secretary to the Board and vice president of our Company. He also has extensive experience in board and corporate management matters. Since Mr. Li Yao does not possess a qualification stipulated in Rule 3.28 of the Listing Rules, he is not able to solely fulfil 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. Li Yao as our joint company secretary. In order to provide support to Mr. Li Yao, we have appointed Ms. Chan, fellow of both The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom and The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries), who meets the requirements under Rule 3.28 and 8.17, as a joint company secretary to provide assistance to Mr. Li Yao, for a three-year period from the [REDACTED] so as to enable him to acquire the relevant experience (as required under Note 2 to Rule 3.28(2) of the Listing Rules) to duly discharge his duties and to comply with the requirements under Rules 3.28 and 8.17 of the Listing Rules.

Ms. Chan will work closely with Mr. Li Yao to jointly discharge the duties and responsibilities as company secretaries and assist Mr. Li Yao in acquiring the relevant experience as required under Rule 3.28 of the Listing Rules. Mr. Li Yao will also be assisted by the Compliance Advisor for the first full financial year from the [REDACTED], particularly in relation to Hong Kong corporate governance practices and compliance issues on matters concerning our Company’s ongoing compliance with the Listing Rules and the applicable Hong Kong laws and regulations. In addition, Mr. Li Yao will endeavor to attend relevant trainings and familiarize himself with the Listing Rules and duties required of a company secretary of an issuer [REDACTED] on the Stock Exchange.

Such waiver will be revoked immediately if there are material breaches of the Listing Rules by our Company, or and when Ms. Chan ceases to provide such assistance. We will liaise with the Stock Exchange before the end of the three-year period to enable it to assess whether Mr. Li Yao, having had the benefit of Ms. Chan’s assistance for three years and 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.

See the section headed “Directors and Senior Management” in this document for further information regarding the qualifications of Mr. Li Yao and Ms. Chan.

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3. CONNECTED TRANSACTIONS

We have entered into the Contractual Arrangements which would constitute continuing connected transactions of our Company under the Listing Rules following the completion of the [REDACTED]. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with (where applicable) (i) the announcement and independent shareholders' approval requirements pursuant to Rule 14A.105 of the Listing Rules, (ii) the annual cap requirement pursuant to Rule 14A.53 of the Listing Rules, and (iii) the requirement of limiting the term of the continuing connected transactions under Rule 14A.52 of the Listing Rules as set out in Chapter 14A of the Listing Rules for such continuing connected transactions. Should there be any amendment of terms of the Contractual arrangements or any proposed transaction to be entered into between our Group and its connected person(s), our Group shall comply with the requirements under Chapter 14A of the Listing Rules unless a waiver from the Stock Exchange is obtained as appropriate. For further details, see the section headed "Connected Transactions" in this document.