
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 IN HONG KONG

According to Rule 8.12 of the Listing Rules, a new applicant applying for a primary listing on the Stock Exchange must have sufficient management presence in Hong Kong, and this will normally mean that at least two of the new applicant’s executive directors must be ordinarily resident in Hong Kong.

Since the headquarters and business operations of our Company are based, managed and conducted outside of Hong Kong, and all of our executive Directors and all of the senior management team do not ordinarily reside in Hong Kong, we consider that it would be practically difficult and commercially unreasonable and undesirable for our Company to arrange for two executive Directors to be ordinarily resident in Hong Kong, either by means of relocation of existing executive Directors or appointment of additional executive Directors. Our Company does not, and will not for the foreseeable future, 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], a waiver from strict compliance with the requirements under 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, Mr. Sun, our executive Director and president, and Mr. CHUNG Ming Fai (鍾明輝) (“**Mr. Chung**”), a joint company secretary, to be the principal communication channel at all times between the Stock Exchange and our Company. Each of them has confirmed that he can be readily contactable by phone, facsimile and email to deal promptly with enquiries from the Stock Exchange, and will also be available to meet with the Stock Exchange to discuss any matters on short notice. 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 at all times. Our Company will also inform the Stock Exchange promptly in respect of any change in the authorized representatives;
- (b) in addition to the appointment of the authorized representatives, to facilitate communication with the Stock Exchange, the contact details of each Director, including his or her mobile phone number, office phone number, facsimile number and email address have been provided to each of the authorized representatives, our company secretary, the Compliance Advisor (as defined below) who have means for contacting all Directors promptly at all times as and when the Stock Exchange wishes to contact the Directors on any urgent matters, and the Stock Exchange. Furthermore, 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 as and when required; and
- (c) our Company has appointed China Securities (International) Corporate Finance Company Limited as our compliance advisor (the “**Compliance Advisor**”) in

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compliance with Rule 3A.19 of the Listing Rules. The Compliance Advisor will serve as an additional channel of communication in addition to the authorized representatives of our Company. The Compliance Advisor will provide our Company with professional advice on ongoing compliance with the Listing Rules and will be available to respond to enquiries from the Stock Exchange. Our Company will ensure that the Compliance Advisor has prompt access to the Company’s authorized representatives and Directors who will provide to the Compliance Advisor such information and assistance as the Compliance Advisor may need or may reasonably request in connection with the performance of the Compliance Advisor’s duties. Meetings between the Stock Exchange and the Directors could be arranged through the authorized representatives or the Compliance Advisor, or directly with the Directors within a reasonable time frame. Our Company will inform the Stock Exchange as soon as practicable in respect of any change in the Compliance Advisor.

WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules and the Guidance on experience and qualification requirements of a company secretary (“HKEX-GL108-20”), our Company must appoint a company secretary 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 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 (Chapter 159 of the Laws of Hong Kong)); and
- (iii) a certified public accountant (as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong)).

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 issuers and the roles he or 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 Codes on Takeovers and Mergers and Share Buy-backs;
- (iii) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (iv) professional qualifications in other jurisdictions.

Our Company considers that while it is important for the company secretary to be familiar with the relevant securities regulations in Hong Kong, he/she also needs to have experience relevant to our Company’s operations, nexus to the Board and close working relationship with the management of our Company in order to perform the function of a company secretary and to take the necessary actions in the most effective and efficient manner. It is for the benefit of our Company to appoint a person who

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has been with our Company for a period of time and is familiar with our Company’s business and affairs as company secretary.

Our Company has appointed Mr. ZHANG Wensheng (張文勝) as one of the joint company secretaries. Mr. Zhang is currently the Chief Financial Officer of our Company. Mr. Zhang has extensive experience in financial and business management and corporate governance matters, as well as a thorough understanding of the daily operations, internal administration and financial management of our Group. However, Mr. Zhang currently does not possess any of the 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. Therefore, our Company has appointed Mr. Chung, a member of Hong Kong Institute of Certified Public Accountants, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Mr. Zhang for an initial period of three years from the [REDACTED] to enable Mr. Zhang to acquire the “relevant experience” under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules. For details on Mr. Zhang and Mr. Chung’s qualifications and experience, see “Directors and Senior Management.”

Accordingly, our Company has therefore 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 on the conditions that:

- (i) Mr. Zhang will endeavor to attend relevant training courses, including briefings on the latest changes to the relevant applicable Hong Kong laws and regulations and the Listing Rules from which will be organized by our Company’s Hong Kong legal advisors on an invitation basis and seminars organized by the Stock Exchange for listed issuers time to time;
- (ii) Both Mr. Zhang and Mr. Chung have confirmed that each of them will be attending a total of no less than 15 hours of training courses on the Listing Rules, corporate governance, information disclosure, investors relation as well as the functions and duties of the company secretary of a Hong Kong listed issuer during each financial year as required under Rule 3.29 of the Listing Rules;
- (iii) Mr. Chung will assist Mr. Zhang to enable him to acquire the relevant experience (as required under Rule 3.28 of the Listing Rules) to discharge the duties and responsibilities as our company secretary;
- (iv) Mr. Chung will communicate regularly with Mr. Zhang on matters relating to corporate governance, the Listing Rules and any other laws and regulations which are relevant to our Company and its affairs. Mr. Chung will work closely with, and provide assistance for, Mr. Zhang in the discharge of his duties as a company secretary, including organizing our Board meetings and Shareholders’ general meetings;
- (v) Upon expiry of Mr. Zhang’s initial term of appointment as the company secretary of our Company, our Company will evaluate his experience in order to determine if he has acquired the qualifications required under Rule 3.28 of the Listing Rules, and whether on-going assistance should be arranged so that Mr. Zhang’s appointment as the company secretary of the Company continues to satisfy the requirements under Rules 3.28 and 8.17 of the Listing Rules; and

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- (vi) The Company has appointed China Securities (International) Corporate Finance Company Limited as its Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules which will act as the additional communication channel 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 after the [REDACTED], or until the engagement is terminated, whichever is earlier) and provide professional guidance and advice to the Company and Mr. Zhang as to the compliance with the Listing Rules and all other applicable laws and regulations.

We understand that, pursuant to HKEX-GL108-20, such waiver will be revoked immediately if Mr. Chung ceases to provide assistance to Mr. Zhang as a joint company secretary for the three-year period after the [REDACTED] or where there are material breaches of the Listing Rules by our Company. Before the end of the three-year period, we shall liaise with the Stock Exchange to revisit the situation in the expectation that we should then be able to demonstrate to the Stock Exchange’s satisfaction that Mr. Zhang, having had the benefit of Mr. Chung’s assistance for the preceding three years, would then have acquired the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver would not be necessary.

CONNECTED TRANSACTIONS

We have entered into, and are expected to continue, certain transactions that will constitute 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], a waiver in relation to certain continuing connected transactions between us and our connected persons under Chapter 14A of the Listing Rules. For further details in this respect, see “Connected Transactions.”