
WAIVERS AND EXEMPTIONS

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

WAIVER IN RESPECT OF 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. The Directors consider that the appointment of two 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 the Stock Exchange and us 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 authorised representatives who shall act at all times as the principal channel of communication with the Stock Exchange. Each of our authorised representatives will be readily contactable by the Stock Exchange by telephone and/or e-mail to deal promptly with enquiries from the Stock Exchange. Both of our authorised representatives are authorised to communicate on our behalf with the Stock Exchange. At present, our two authorised representatives are Mr. Fei Chen (“**Mr. Chen**”) and Ms. Fung Wai Sum (“**Ms. Fung**”) (as the designated primary authorised representative).
- (b) pursuant to Rule 3.20 of the Listing Rules, each Director has provided their contact information to the Stock Exchange and to the authorised representatives. This will ensure that the Stock Exchange and the authorised representatives should have means for contacting all Directors promptly at all times as and when required;
- (c) we will endeavour to ensure that each Director who is not ordinarily resident in Hong Kong must possess or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period; and
- (d) pursuant to Rules 3A.19 of the Listing Rules, we have retained the services of Maxa Capital Limited as compliance adviser, who will act as an additional channel of communication with the Stock Exchange.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the company secretary of a listed company 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.

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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.

Our Company appointed Mr. Chen and Ms. Fung, as joint company secretaries. See “Directors and senior management—Company secretaries” for their biographies.

Ms. Fung is a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Fung obtained her master’s degree in professional accounting and corporate governance from City University of Hong Kong in November 2008. Ms. Fung therefore meets the qualification requirements under Rule 3.28 Note 1 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules.

As set out in Code Provision C.6 in Part 2 of the Corporate Governance Code under Appendix 14 to the Listing Rules, the company secretary should be an employee of the Company and have day-to-day knowledge of the Company’s affairs. The Company’s principal business activities are outside Hong Kong. There are practical difficulties finding persons who possesses Mr. Chen’s day-to-day knowledge of the Company’s affairs while also having the academic and professional qualifications required. The Company believes that Mr. Chen, by virtue of his knowledge and past experience in handling corporate administrative matters of the Company, is capable of discharging the functions of a joint company secretary. Further, the Company believes that it would be in the best interests of the Company and the corporate governance of the Group to have as its joint company secretary a person such as Mr. Chen, who is an employee of the Company and who has day-to-day knowledge of the Company’s affairs. Mr. Chen has the necessary nexus to the Board and close working relationship with management of the 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, while Mr. Chen does not possess the formal qualifications required of a company secretary, we have applied 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.

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Pursuant to Guidance Letter HKEX-GL108-20 issued by the Stock Exchange, the waiver [is granted] on two conditions:

- (a) Mr. Chen must be assisted by Ms. Fung, who possesses all the requisite qualifications and experience required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the three-year waiver period; and
- (b) the waiver will be revoked if there are material breaches of the Listing Rules by our Company.

Prior to the end of the three-year period, the qualifications and experience of Mr. Chen and the need for on-going assistance of Ms. Fung will be further evaluated by our Company and our Company will liaise with the Stock Exchange to enable it to assess whether Mr. Chen, having benefited from the assistance of Ms. Fung 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 Rule 3.28 Note 2 of the Listing Rules so that a further waiver will not be necessary.

WAIVER IN RESPECT OF CONTINUING CONNECTED TRANSACTIONS

We have entered into, and expect to continue, the Contractual Arrangements that will constitute continuing connected transactions of our Company under the Listing Rules upon Listing. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], waivers from strict compliance with Chapter 14A of the Listing Rules. See “Connected Transactions” for further details, including the conditions for the waiver.

WAIVER AND EXEMPTION IN RESPECT OF THE 2019 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:

- (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 shares 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 shares.
- (b) Paragraph 27 of Part A of Appendix 1 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.
- (c) Paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires our Company to set out in this document, among other things, details of the number, description and amount of any shares in or debentures of our Company which any person has, or is entitled to be given, an option to subscribe for, together with the certain particulars of the option, namely the period during which it is exercisable, the price to be paid for shares or debentures subscribed for under it, the consideration (if any) given or to be given for it or for the right to it and the names and addresses of the persons to whom it was given.

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As at the Latest Practicable Date, our Company had granted [18,514,044] outstanding options under the 2019 Share Incentive Plan to [597] grantees to subscribe for an aggregate of [37,028,088] Shares, representing approximately [REDACTED] of the total number of Shares in issue immediately following the [REDACTED] (subject to the Assumptions). See “Statutory and general information—Share Incentive Plan” in Appendix IV for further details.

We have applied (i) to the Stock Exchange for a waiver from strict compliance with the requirements under Rule 17.02(1)(b) of, and paragraph 27 of Appendix 1A to, the Listing Rules (the “**ESOP Waiver**”); and (ii) to the SFC for a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting the Company from strict compliance with the disclosure requirements under paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the options granted under the 2019 Share Incentive Plan (the “**ESOP Exemption**”), on the ground that the ESOP Waiver and the ESOP Exemption will not prejudice the interest of the [REDACTED] and strict compliance with the above requirements would be unduly burdensome for our Company for the following reasons, among others:

- (a) as at the Latest Practicable Date, (i) our Company granted options which remain outstanding under the 2019 Share Incentive Plan to [597] grantees, comprising (i) [4] Directors, senior management and other connected persons of our Company, who collectively have an aggregate interest in [15,434,366] Shares underlying their outstanding options; and (ii) [593] grantees who are not Directors, members of the senior management or otherwise connected persons of our Company, who collectively have an aggregate interest in [21,593,722] Shares underlying their outstanding options;
- (b) our Directors consider that it would be unduly burdensome to disclose in this document full details of all the outstanding options granted by our Company to each of the grantees, which would significantly increase the cost and time required for information compilation and preparation for strict compliance with such disclosure requirements. For example, we would need to collect and verify the addresses of over 600 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) the grant and exercise in full of the shares under the 2019 Share Incentive Plan would not cause any material adverse impact in the financial position of our Company and non-compliance with all of the disclosure requirements set out above would not prevent our Company from providing its potential [REDACTED] with an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Company; and
- (d) 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 2019 Share Incentive Plan; (ii) the aggregate number of Shares subject to the options and percentage of our Shares of which such number represents; (iii) the dilutive effect and the impact on earnings per Share upon full exercise of the options immediately following

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the [REDACTED] (subject to the Assumptions); (iv) full details of outstanding options granted to Directors and members of the senior management and connected persons of our Company, on an individual basis, are disclosed in this document, and such details include all particulars 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; (v) in respect of the outstanding options granted under the 2019 Share Incentive Plan to grantees other than those referred to in item (iv) of this paragraph, by bands of (A) options to subscribe for 1 to [20,000] Shares; (B) options to subscribe for [20,001] to [40,000] Shares; (C) options to subscribe for [40,001] to [60,000] Shares; (D) options to subscribe for [60,001] to [80,000]; and (E) options to subscribe for more than [80,000] Shares, details including (1) the aggregate number of the grantees and the number of Shares subject to such band; (2) the consideration paid for the grant of such options; and (3) the exercise period and the exercise price for such options; and (vi) the particulars of the ESOP Waiver and ESOP Exemption [granted by] the Stock Exchange and the SFC, respectively. This 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.

In light of the above, the Directors are of the view that the grant of the ESOP Waiver and the ESOP Exemption will not prejudice the interests of the [REDACTED].

The Stock Exchange [has granted] the ESOP Waiver on the conditions that:

- (a) on an individual basis, full details of the outstanding options granted under the 2019 Share Incentive Plan to each of the Directors and the senior management and connected persons of the Company, will be disclosed in “Statutory and general information—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) for outstanding options granted under the 2019 Share Incentive Plan to other grantees (being other than those set out in (a) above), by bands of (A) options to subscribe for 1 to [20,000] Shares; (B) options to subscribe for [20,001] to [40,000] Shares; (C) options to subscribe for [40,001] to [60,000] Shares; (D) options to subscribe for [60,001] to [80,000]; and (E) options to subscribe for more than [80,000] Shares, details including (1) the aggregate number of the grantees and the number of Shares subject to such band; (2) the consideration paid for the grant of such options; and (3) the exercise period and the exercise price for such options, will be disclosed in this document;
- (c) the aggregate number of Shares underlying outstanding options granted under the 2019 Share Incentive Plan and the percentage of our Company’s total issued share capital represented by such number of Shares as at the Latest Practicable Date will be disclosed in this document;
- (d) the dilutive effect and impact on earnings per Share upon the full exercise of the options granted under the 2019 Share Incentive Plan will be disclosed in this document;
- (e) a summary of the major terms of the 2019 Share Incentive Plan will be disclosed in this document;

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- (f) the particulars of the waiver will be disclosed in this document; and
- (g) the ESOP Exemption will be granted by the SFC.

The SFC [has granted] the ESOP Exemption on the conditions that:

- (a) on an individual basis, full details of the outstanding options granted under the 2019 Share Incentive Plan to each of the Directors and the senior management and connected persons of the Company, will be disclosed in “Statutory and general information—Share Incentive Plans” in Appendix IV as required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
- (b) for outstanding options granted under the 2019 Share Incentive Plan to other grantees (being other than those set out in (a) above), by bands of (A) options to subscribe for 1 to [20,000] Shares; (B) options to subscribe for [20,001] to [40,000] Shares; (C) options to subscribe for [40,001] to [60,000] Shares; (D) options to subscribe for [60,001] to [80,000]; and (E) options to subscribe for more than [80,000] Shares, details including (1) the aggregate number of the grantees and the number of Shares subject to such band; (2) the consideration paid for the grant of such options; and (3) the exercise period and the exercise price for such options, will be disclosed in this document; and
- (c) the particulars of this exemption will be disclosed in this document and this document will be issued on or before [REDACTED].

Further details of the 2019 Share Incentive Plan are set out in “Statutory and general information—Share Incentive Plans” in Appendix IV.