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## WAIVERS

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In preparation for the [REDACTED], we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

### WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, our Company must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 of the Listing Rules may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Hong Kong Stock Exchange.

Our headquarters are based, and most of the business operations of our Company and our subsidiaries are managed and conducted in the PRC. Our executive Directors ordinarily reside in the PRC and they play very important roles in our Company’s business operations, it is in our best interests for them to be based in places where our Group has significant operations. We consider it practically difficult and commercially unreasonable for us to arrange for two executive Directors to be ordinarily resident in Hong Kong, either by means of relocation of existing our executive Directors or appointment of additional executive Directors. Therefore, our Company does not have, and does not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rules 8.12 of the Listing Rules.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange [has granted] us, a waiver from strict compliance with Rule 8.12 and Rule 19A.15 of the Listing Rules subject to the following conditions:

- (1) We have appointed Mr. Yu Zhonghao and Ms. Yeung Siu Wai Kitty as our authorized representatives (“**Authorized Representatives**”) pursuant to Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our Company’s principal channel of communication with the Hong Kong Stock Exchange. The Authorized Representatives will be readily contactable by phone, facsimile and email to promptly deal with enquiries from the Hong Kong Stock Exchange, and will also be available to meet with the Hong Kong Stock Exchange to discuss any matter within a reasonable period of time upon request of the Hong Kong Stock Exchange;
- (2) When the Hong Kong Stock Exchange wishes to contact our Directors on any matter, each of the Authorized Representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) and senior management team promptly at all times. Our Company will also inform the Hong Kong Stock Exchange promptly in respect of any changes in the authorized representatives. We have provided the Hong Kong Stock Exchange with the contact details (i.e. mobile phone number, office phone number and email address) of all Directors to facilitate communication with the Hong Kong Stock Exchange;

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- (3) All Directors who do not ordinarily reside in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Hong Kong Stock Exchange within a reasonable period;
- (4) We have appointed Guotai Junan Capital Limited as our compliance advisor (the “**Compliance Advisor**”) upon [REDACTED] pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the [REDACTED] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED]. The Compliance Advisor will have access at all times to our Authorized Representatives, our Directors and our senior management, who will act as the additional channel of communication with the Hong Kong Stock Exchange when the Authorized Representatives are not available; and
- (5) We have provided the Hong Kong Stock Exchange with the names, mobile phone numbers, office phone numbers and email addresses of at least two of the Compliance Advisor’s officers who will act as our Compliance Advisor’s contact persons between the Hong Kong Stock Exchange and our Company.

### WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARY

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Hong Kong Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a member of The Hong Kong Chartered Governance Institute;
- (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).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Hong Kong Stock Exchange considers the following factors in assessing the “relevant experience” of the individual:

- (a) length of employment with the issuer and other issuers and the roles he/she played;
- (b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

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- (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 has appointed Mr. Xiong Fei (熊飛) (“**Mr. Xiong**”), our vice president, as one of our joint company secretaries. He has extensive experience in financing and investment services but presently 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, we have appointed Ms. Yeung Siu Wai Kitty (“**Ms. Yeung**”), who is an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute, 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. Xiong for an initial period of three years from the [REDACTED] to enable Mr. Xiong 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.

Since Mr. Xiong does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Xiong may be appointed as a joint company secretary of our Company. Pursuant to the Guidance Letter HKEX-GL108-20, the waiver will be for a fixed period of time (“**Waiver Period**”) and on the following conditions: (i) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 (“**Qualified Person**”) and is appointed as a joint company secretary throughout the Waiver Period; and (ii) the waiver can be revoked if there are material breaches of the Listing Rules by the issuer. The waiver is valid for an initial period of three years from the [REDACTED], and is granted on the condition that Ms. Yeung will work closely with Mr. Xiong to jointly discharge the duties and responsibilities as company secretary and assist Mr. Xiong in acquiring the relevant experience as required under Rules 3.28 and 8.17 of the Listing Rules. Ms. Yeung will also assist Mr. Xiong in organizing Board meetings and Shareholders’ meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Ms. Yeung is expected to work closely with Mr. Xiong and will maintain regular contact with Mr. Xiong, the Directors, the Supervisors and the senior management of our Company. The waiver will be revoked immediately if Ms. Yeung ceases to provide assistance to Mr. Xiong 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. In addition, Mr. Xiong will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the three-year period from the [REDACTED]. Mr. Xiong will also be assisted by (a) Compliance Advisor of our Company, particularly in relation to compliance with the Listing Rules; and (b) the Hong Kong legal advisors of our Company, on matters concerning our Company’s ongoing compliance with the Listing Rules and the applicable laws and regulations.

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Before the expiration of the initial three-year period, the qualifications of Mr. Xiong will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. We will liaise with the Hong Kong Stock Exchange to enable it to assess whether Mr. Xiong, having benefited from the assistance of Ms. Yeung 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.

### **WAIVER IN RELATION TO BUSINESS ACQUIRED AFTER THE TRACK RECORD PERIOD**

Rules 4.04(2) and 4.04(4) of the Listing Rules require that the new applicant include in its accountants' report the results and balance sheet of any business or subsidiary acquired, agreed 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 note (4) of Rule 4.04(4) of the Listing Rules, the Stock Exchange may consider an application for a waiver of Rules 4.04(2) and 4.04(4) of the Listing Rules taking into account the following factors:

- (a) that all the percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) are less than 5% by reference to the most recent audited financial year of the new applicant's trading record period;
- (b) if the acquisition will be financed by the proceeds raised from a public offer, the new applicant has obtained a certificate of exemption from the SFC in respect of the relevant requirements under paragraphs 32 and 33 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance; and
- (c) (i) where a new applicant's principal activities involve the acquisition of equity securities (the Stock Exchange may require further information where securities acquired are unlisted), the new applicant is not able to exercise any control, and does not have any significant influence over the underlying company or business to which Rule 4.04(2) and 4.04(4) of the Listing Rules relate, and has disclosed in its listing document the reasons for the acquisition and a confirmation that the counterparties and their respective ultimate beneficial owners are independent of the new applicant and its connected persons. In this regard, "control" means the ability to exercise or control the exercise of 30% (or any amount specified in the Hong Kong Code on Takeovers and Mergers as the level for triggering a mandatory general offer) or more of the voting power at general meeting, or being in a position to control the composition of a majority of the board of directors of the underlying company or business; or

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- (ii) with respect to an acquisition of a business (including acquisition of an associated company and any equity interest in a company other than in the circumstances covered under sub-paragraph (a) above) or a subsidiary by a new applicant, the historical financial information of such business or subsidiary is unavailable, and it would be unduly burdensome for the new applicant to obtain or prepare such financial information; and the new applicant has disclosed in its listing document information required for the announcement for a discloseable transaction under Rules 14.58 and 14.60 of the Listing Rules on each acquisition. In this regard, “unduly burdensome” will be assessed based on each new applicant’s specific facts and circumstances (e.g. why the financial information of the acquisition target is not available and whether the new applicant or its controlling shareholder has sufficient control or influence over the seller to gain access to the acquisition target’s books and records for the purpose of complying with the disclosure requirements under Rules 4.04(2) and 4.04(4) of the Listing Rules).

### **Background of the acquisition**

#### ***Data Element Equity Interest Subscription***

In April 2023, 4Paradigm Technology entered into a subscription agreement (the “**Subscription Agreement**”) with Beijing Data Element Intelligent Technology Co., Ltd. (北京數據項素智能科技有限公司) (“**Data Element**”), a limited liability company established in the PRC, pursuant to which we agree to subscribe for the increased registered capital in Data Element in an aggregate amount of RMB3,333,333 at a consideration of RMB15 million, representing approximately 25.0% equity interest in Data Element immediately after the subscription (the “**Data Element Equity Interest Subscription**”).

The registration with the relevant Administration for Market Registration was completed on April 27, 2023, and the expected date of settlement of consideration in respect of the Data Element Equity Interest Subscription is to be agreed among the parties.

To the best knowledge of our Directors, Data Element and its ultimate beneficial owners are Independent Third Parties. The total consideration payable by us in the Data Element Equity Interest Subscription was determined through arm’s length negotiation and with reference to the preliminary series of pre-IPO financing valuation of comparable companies which engage in big data and document processing businesses as well as Data Element’s funding needs.

Our Directors considered that the Data Element Equity Interest Subscription is on normal commercial terms, fair and reasonable and in the interest of our Company and the Shareholders as a whole.

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Data Element was founded in 2022 and is principally engaged in offering intelligent document processing solutions and products with self-developed content processing and analysis engine for corporate customers in finance, government, retail and manufacturing sectors. Our Company believes that there is potential business prospect of Data Element because there is a growing need for enterprises to utilize intelligent document processing tools in enhancing operational efficiencies, and Data Element is a good match to our long term strategic business plan.

According to the unaudited management accounts of Data Element, (i) its total assets amounted to approximately RMB3.5 million as at December 31, 2022, and (ii) its net loss before and after tax was approximately RMB1.1 million for the year ended December 31, 2022.

### **Conditions to the waiver granted by the Stock Exchange**

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) of the Listing Rules in respect of the Data Element Equity Interest Subscription on the following grounds:

*(a) Immateriality*

Under Rule 14.04(9) of the Listing Rules, all the applicable percentage ratios in relation to the Data Element Equity Interest Subscription are below 5% by reference to the most recent audited financial year of the Track Record Period. We consider the Data Element Equity Interest Subscription to be immaterial in the context of our Company’s operations as a whole and therefore a waiver from strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules will not affect potential [REDACTED] assessment of our business and future prospects when considering an [REDACTED] in our Company.

*(b) Acquisition of minority interests only and absence of control*

As mentioned above, we only acquired approximately 25.0% equity interest in Data Element after the Data Element Equity Interest Subscription. As is typical for minority investments, we will not be able to control a majority of its board of directors of Data Element, and will not be involved in the daily management of Data Element. In addition, Data Element has its independent management and operations team, in which our Group has no participation. Data Element will not be treated as our Company’s subsidiary upon completion of the Data Element Equity Interest Subscription as we will not control Data Element. As Data Element will not become subsidiary of our Company, its financial information will not be consolidated into our Company’s financial information.

*(c) Impracticality and undue burden*

As (i) we only acquired minority interest in Data Element after the Data Element Equity Interest Subscription, and will not control Data Element, and (ii) Data Element will not be consolidated into our financial information, we are unable to provide our reporting accountant with full access to the financial record of Data Element in order to fully familiarize with the accounting policies of Data Element and to gather and compile the necessary financial information and supporting documents to prepare the financial information of Data Element in strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules. As such, it would be impracticable and unduly burdensome for us to disclose the financial information of Data Element in the Document in strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules.