
WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES (WUMP) ORDINANCE

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

MANAGEMENT PRESENCE

An application has been submitted to the Stock Exchange for a waiver from strict compliance with Rule 8.12 of the Listing Rules which requires a new applicant applying for primary listing on the Main Board to have sufficient management presence in Hong Kong. This normally means that at least two of the issuer's executive directors must be ordinarily resident in Hong Kong. Since the principal business operation of our Group is located in the PRC, our executive Directors and senior management team are and will continue to be based in the PRC. At present, all of the executive Directors are not ordinarily resident in Hong Kong. Our Directors consider that it would be practically difficult and not commercially feasible for our Company to appoint one or more Hong Kong resident as executive Director or to relocate any of the existing executive Directors to Hong Kong merely for the purpose of complying with Rule 8.12 of the Listing Rules. Accordingly, we do not and, in the foreseeable future, will not have a sufficient management presence in Hong Kong for the purposes of satisfying the requirement under Rule 8.12 of the Listing Rules.

In this regard, the Stock Exchange has granted a waiver to our Company from strict compliance with the requirement under Rule 8.12 of the Listing Rules on the basis that our Company will have proper arrangements in place to maintain regular communication with the Stock Exchange, which are in line with the conditions set out in the Guidance Letter HKEx-GL9-09 issued by the Stock Exchange in October 2009 and updated in July 2010 and June 2016. In this respect, our Company has appointed two authorised representatives pursuant to Rule 3.05 of the Listing Rules, namely, Mr. Ye Zhijie, an executive Director, and Mr. Yuen Chi Wai, one of our joint company secretaries, who will act as our principal channel of communication with the Stock Exchange. Each of the authorised representatives of our Company has confirmed that each of them will be available to meet with the Stock Exchange in Hong Kong within a reasonable period of time upon request of the Stock Exchange and will be readily contactable by telephone, facsimile and e-mail and that each of them has the means to contact all Directors promptly at all times as and when the Stock Exchange wishes to contact our Directors on any matters. Each of them is authorised to communicate on behalf of our Company with the Stock Exchange.

Each Director who is not ordinarily resident in Hong Kong has confirmed that he possesses valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange in Hong Kong within a reasonable period of time when required. Each Director has provided his/her mobile phone number, office phone number, email address and fax number to the authorised representatives and the Stock Exchange.

In addition, our Company has appointed Kingsway Capital Limited as compliance adviser pursuant to Rule 3A.19 of the Listing Rules for the period commencing on the Listing Date and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our Company's financial results for the first full financial year after the Listing Date. The compliance adviser will act as an additional channel of communication with the Stock Exchange.

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Furthermore, our Company will also appoint other professional advisers (including legal advisers and accountants) after Listing to assist our Company in dealing with any questions which may be raised by the Stock Exchange and to ensure that there will be efficient communication with the Stock Exchange.

JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint as our company secretary an individual who, by virtue of his academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary. The Stock Exchange considers (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)) to be acceptable academic or professional qualifications. 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 played; (ii) familiarity with the Listing Rules and other relevant law and regulations including the SFO, the Companies Ordinance, the Companies (WUMP) Ordinance and the Takeovers Code; (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.

We have appointed Mr. Zhong Dezhu (“**Mr. Zhong**”) as one of our joint company secretaries. Mr. Zhong joined our Group in 2013 as the financial manager of our Group and is responsible for our Group’s financial accounting and audit, and corporate secretarial matters. However, Mr. Zhong does not possess any of the qualifications as stipulated in Rule 3.28 of the Listing Rules. Therefore, we have appointed Mr. Yuen Chi Wai (“**Mr. Yuen**”), *F CPA*, who meets the requirements under Rules 3.28 and 8.17 of the Listing Rules, as our joint company secretary to provide assistance to Mr. Zhong for an initial period of three years commencing from the Listing Date so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules. Please refer to the section headed “Directors and senior management” in this prospectus for further information about the biography of Mr. Zhong and Mr. Yuen.

Our principal business activities are primarily in the PRC and Mr. Zhong has joined our Group since December 2013 as financial manager. Our Directors are of the view that Mr. Zhong possesses the relevant industry knowledge as well as experience in communicating with the management of our Group, and has built close working relationship with our Board and the management of our Group over the years. Therefore, our Directors believe that Mr. Zhong is suitable to act as our joint company secretary and is able to perform the function of a company secretary and to take the necessary actions in an effective and efficient manner.

Mr. Yuen will work closely with Mr. Zhong to jointly discharge the duties and responsibilities as company secretary and assist Mr. Zhong to acquire the relevant experience as required under Rule 3.28 of the Listing Rules. In addition, Mr. Zhong will endeavour to attend relevant training

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and familiarise himself with the Listing Rules and duties required for a company secretary of an overseas issuer listed on the Stock Exchange, including briefing on the latest changes to the applicable Hong Kong laws and regulations and the Listing Rules organised by our Company's Hong Kong legal advisers on an invitation basis and seminars organised by the Stock Exchange for overseas issuers from time to time.

Mr. Yuen, who will familiarise himself with the affairs of our Company, will communicate regularly with Mr. Zhong on matters relating to corporate governance, the Listing Rules as well as other laws and regulations which are relevant to our Company and its other affairs. Mr. Yuen will work closely with, and provide assistance to, Mr. Zhong in the discharge of his duties as company secretary. Mr. Zhong will also be assisted by the compliance adviser and the Hong Kong legal advisers of our Company, particularly in relation to Hong Kong corporate governance practices and regulatory compliance, on matters concerning our Company's ongoing compliance obligations under the Listing Rules and the applicable laws and regulations.

We have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver under and in respect of Rules 3.28 and 8.17 of the Listing Rules on certain conditions, among others:

- (a) Mr. Zhong and Mr. Yuen are appointed as joint company secretaries of our Company, and Mr. Zhong must be assisted by Mr. Yuen, who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules throughout the period of three years commencing from the Listing Date (the "**Waiver Period**"); and
- (b) the waiver can be revoked during the Waiver Period if Mr. Yuen ceases to provide assistance to Mr. Zhong or if there are material breaches of the Listing Rules by the Company.

Upon the expiry of the initial three-year period, the qualifications of Mr. Zhong will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 of the Listing Rules can be satisfied. In the event that Mr. Zhong, having had the benefit of the assistance from Mr. Yuen for three years and that Mr. Zhong has obtained relevant experience under Rules 3.28 of the Listing Rules at the end of the said initial three-year period, the above joint company secretaries arrangement would no longer be necessary.

**WAIVER FROM STRICT COMPLIANCE WITH RULE 4.04(1) OF THE LISTING RULES
AND EXEMPTION FROM STRICT COMPLIANCE WITH SECTION 342(1) OF THE
COMPANIES (WUMP) ORDINANCE IN RELATION TO PARAGRAPH 27 OF PART I AND
PARAGRAPH 31 OF PART II OF THE THIRD SCHEDULE TO THE COMPANIES
(WUMP) ORDINANCE**

Rule 4.04(1) of the Listing Rules provides that the Accountant's Report contained in this prospectus must include, among others, the consolidated results of our Company and its subsidiaries in respect of each of the three financial years immediately preceding the issue of this prospectus, or such shorter period as may be acceptable to the Stock Exchange.

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Section 342(1)(b) of the Companies (WUMP) Ordinance requires all prospectuses to include an accountant's report which contains the matters specified in the Third Schedule to the Companies (WUMP) Ordinance.

According to paragraph 27 of Part I of the Third Schedule to the Companies (WUMP) Ordinance, we are required to include in this prospectus a statement as to, among others, the gross trading income or sales turnover (as may be appropriate) of our Company for each of the three financial years immediately preceding the issue of this prospectus, including an explanation of the method used for the computation of such income or turnover, and a reasonable breakdown of the more important trading activities.

According to paragraph 31 of Part II of the Third Schedule to the Companies (WUMP) Ordinance, we are required to include in this prospectus a report by our auditors, with respect to, among others, the profits and losses of our Company for each of the three financial years immediately preceding the issue of this prospectus and assets and liabilities as at the date to which our financial statements were prepared.

Section 342A(1) of the Companies (WUMP) Ordinance provides that the SFC may issue, subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from compliance with the relevant requirements under the Companies (WUMP) Ordinance if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interests of the investing public and compliance with any or all of such requirements would be irrelevant or unduly burdensome, or is otherwise unnecessary or inappropriate.

The Accountant's Report for each of the three years ended 31 December 2017, 2018, 2019 and the ten months ended 31 October 2020 has been prepared and is set out in the Appendix I to this prospectus.

Pursuant to the relevant requirements set forth above, we are required to produce audited accounts for the three years ended 31 December 2020. However, an application was made to the Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules, and such waiver was granted by the Stock Exchange on the conditions that:

- (i) this Prospectus must be issued on or before 16 March 2021 and our Company shall be listed on the Stock Exchange by 26 March 2021 (i.e. within three months after the end of our Company's latest financial year immediately preceding the issue of this prospectus);
- (ii) our Company obtaining a certificate of exemption from the SFC on strict compliance with section 342(1)(b) in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (WUMP) Ordinance;

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- (iii) this prospectus must include the preliminary unaudited financial information for the financial year ended 31 December 2020 and a commentary on the results for the year. Such financial information to be included in this prospectus must (a) be prepared in compliance with the content requirements as for preliminary results announcements under Rule 13.49 of the Listing Rules; and (b) be agreed with the reporting accountant of our Company (the “**Reporting Accountant**”) following their review under Practice Note 730 “Guidance for Auditors Regarding Preliminary Announcements of Annual Results” issued by the Hong Kong Institute of Certified Public Accountants; and
- (iv) our Company will not be in breach of its constitutional documents or laws and regulations of the Cayman Islands or other regulatory requirements regarding its obligation to publish preliminary results announcements.

The application has also been made to the SFC for a certificate of exemption from strict compliance with the requirements under section 342(1) in relation to paragraphs 27 of Part I and 31 of Part II of the Third Schedule to the Companies (WUMP) Ordinance and a certificate of exemption has been granted by the SFC under section 342A of the Companies (WUMP) Ordinance on the conditions that:

- (i) the particulars of the exemption be set forth in this prospectus;
- (ii) this prospectus be issued on or before 16 March 2021; and
- (iii) our Shares be listed on the Stock Exchange on or before 31 March 2021.

The applications to the Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules and to the SFC for a certificate of exemption from strict compliance with the requirements under section 342(1) in relation to paragraphs 27 of Part I and 31 of Part II of the Third Schedule to the Companies (WUMP) Ordinance were made on the grounds that strict compliance with the above requirements would be unduly burdensome and the exemption would not prejudice the interests of the investing public given the followings:

1. it was expected that this prospectus would be issued on 16 March 2021. There would not be sufficient time for our Company and the Reporting Accountant to finalise the audited financial statements for the year ended 31 December 2020 for inclusion in this prospectus. If the financial information for the year ended 31 December 2020 is required to be audited, our Company and the Reporting Accountant would have to carry out substantial volume of work to prepare, update and finalise the Accountant’s Report and this prospectus, and the relevant sections of this prospectus will need to be updated to cover such additional period. This would involve additional time and costs since substantial work is required to be carried out for audit purposes. It would be unduly burdensome for the audited results for the year ended 31 December 2020 to be finalised in a short period of time. Our Directors consider that the benefits of such work to the existing and prospective shareholders of our Company may not justify the additional

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work and expenses involved and the delay of the timetable for Listing, given that there has been no significant change in the financial position and operations of our Group since 31 October 2020; and

2. our Directors confirm that all information necessary for the public to make an informed assessment of our Group's activities, assets and liabilities, financial position, management and prospects has been included in this prospectus and that, as such, the waiver to be granted by the Stock Exchange and the exemption granted by the SFC from strict compliance with Rule 4.04(1) of the Listing Rules and the requirements under section 342(1) of the Companies (WUMP) Ordinance in respect of section 342(1)(b) in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (WUMP) Ordinance, respectively, will not prejudice the interests of the investing public. Our Directors and the Sole Sponsor confirm that they have performed sufficient due diligence work on our Group to ensure that, other than the listing expenses, there has been no material adverse change in our Group's business, assets and liabilities, financial position, trading position, management and prospects since 1 November 2020 (immediately following the date of the latest audited statement of financial position in the Accountant's Report set out in Appendix I to this prospectus) and up to the date of this prospectus, there has been no event since 1 November 2020 which would materially affect the information shown in the Accountant's Report as set out in Appendix I to this prospectus, the unaudited financial information of our Group for the year ended 31 December 2020 as set out in Appendix III to this prospectus and in the section headed "Financial Information" of this prospectus and other parts of this prospectus.

Our Company will comply with the requirements under Rules 13.46(2) of the Listing Rules in respect of the publication of its annual report. Our Company currently expects to issue its annual report for the financial year ended 31 December 2020 on or before 30 April 2021. In this regard, our Directors consider that the shareholders of our Company, the investing public as well as potential investors of our Company will be kept informed of the financial results of our Group for the financial year ended 31 December 2020.

Furthermore, our Directors confirm that they do not contemplate any material change to the share capital structure of our Company and each of the subsidiaries immediately following the Listing.