
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 Rules 8.12 and 19A.15 of the Listing Rules, our Company must have sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong.

Since all our business operations are not principally located, managed or conducted in Hong Kong, our Company does not, and, for the foreseeable future, will not, have two executive Directors who are ordinarily resident in Hong Kong for the purpose of satisfying the requirements under Rules 8.12 and 19A.15 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 8.12 and 19A.15 of the Listing Rules. We will ensure that there is regular and effective communication between the Stock Exchange and us by way of the following arrangements:

- (i) both of our authorized representatives, Mr. SONG Yang, the Chairman and our executive Director, and Mr. CHUNG Ming Fai, a joint company secretary of our Company, will act as our Company's principal channels of communication with the Stock Exchange. Accordingly, our authorized representatives will be able to meet with the relevant members of the Stock Exchange on reasonable notice and will be readily contactable by telephone and email;
- (ii) each of the authorized representatives of our Company has means of contacting all Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange proposes to contact a Director with respect to any matter;
- (iii) each of our Directors has provided their respective mobile phone number, office phone number, fax number (if any) and email address to the authorized representatives of our Company and the Stock Exchange, and in the event that any Director expects to travel or otherwise be out of the office, they will provide the phone number of the place of their accommodation to the authorized representatives;
- (iv) each of our Directors not ordinarily residing in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and will be able to meet with the relevant members of the Stock Exchange within a reasonable period of time;

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- (v) we have appointed Quam Capital Limited as our Compliance Advisor, in compliance with Rule 3A.19 of the Listing Rules, who will also act as an additional channel of communication with the Stock Exchange from the [REDACTED] to the date when our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year immediately following the [REDACTED]. Pursuant to Rule 3A.23 of the Listing Rules, we shall ensure that the Compliance Advisor will have access at all times to our authorized representatives, our Directors and other officers. We shall also ensure that our authorized representatives, Directors and other officers will promptly provide such information and assistance as the Compliance Advisor may need or may reasonably require in connection with the performance of its duties as set forth in Chapter 3A and Rule 3A.24 of the Listing Rules. We shall ensure that there are adequate and efficient means of communication among our Company, our 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 the Stock Exchange and us;
- (vi) any meeting between the Stock Exchange and our Directors will be arranged through the authorized representatives or the Compliance Advisor or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange promptly in respect of any changes in our authorized representatives or our Compliance Advisor; and
- (vii) we will also retain legal advisors to advise on ongoing compliance requirements as well as other issues arising under the Listing Rules and other applicable laws and regulations of Hong Kong after the [REDACTED].

JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules and Guidance Letter HKEX-GL108-20, the company secretary 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 the company secretary.

Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

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

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Note 2 to Rule 3.28 of the Listing Rules further sets out 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 they played;
- (ii) familiarity with the Listing Rules and other relevant laws and regulations, including the Securities and Futures Ordinance, Companies Ordinance, 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 15 hours of relevant professional training in each financial year 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 secretaries to be familiar with the relevant securities regulation in Hong Kong, they also need 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 has been a member of the senior management for a period of time and is familiar with our Company’s business and affairs as company secretary.

We have appointed Ms. LIU Fang as our joint company secretary. Ms. LIU Fang is currently our chief financial officer. She has extensive experience in corporate governance matters, as well as a thorough understanding of the daily operations, internal administration and financial management of our Group. However, Ms. LIU Fang does not possess a qualification stipulated in Rule 3.28 of the Listing Rules, and she is not able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Mr. CHUNG Ming Fai, a fellow member of the 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, providing assistance to Ms. LIU Fang. Mr. CHUNG Ming Fai’s initial service period will last three years commencing from the [REDACTED]. During his mandate, he would enable Ms. LIU Fang to acquire the “relevant experience” to duly discharge his duties so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

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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 Ms. LIU Fang as our joint company secretary on the conditions that:

- (i) Ms. LIU Fang 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 Ms. LIU Fang and Mr. CHUNG Ming Fai 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 company during each financial year as required under Rule 3.29 of the Listing Rules;
- (iii) Mr. CHUNG Ming Fai will assist Ms. LIU Fang to enable her 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 Ming Fai will communicate regularly with Ms. LIU Fang 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 Ming Fai will work closely with, and provide assistance for Ms. LIU Fang in the discharge of her duties as a company secretary, including organizing our Board meetings and Shareholders’ general meetings;
- (v) before the expiry of Ms. LIU Fang’s initial term of appointment as the company secretary of our Company, our Company will evaluate her experience in order to determine if she has acquired the qualifications required under Rule 3.28 of the Listing Rules, and whether ongoing assistance should be arranged so that Ms. LIU Fang’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
- (vi) we have appointed Quam Capital Limited as our 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]) and provide professional guidance and advice to our Company and Ms. LIU Fang as to the compliance with the Listing Rules and all other applicable laws and regulations.

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We understand that, pursuant to the Guidance Letter HKEX-GL108-20, such waiver will be revoked immediately if Mr. CHUNG Ming Fai ceases to provide assistance to Ms. LIU Fang 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 Ms. LIU Fang, having had the benefit of Mr. CHUNG Ming Fai’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. For details on Ms. LIU Fang and Mr. CHUNG Ming Fai’s qualifications and experience, see “Directors, Supervisors and Senior Management.”