

## DIRECTORS AND SENIOR MANAGEMENT

### DIRECTORS AND SENIOR MANAGEMENT

The following table sets forth certain information regarding our Directors and senior management:

Name	Age	Date of joining our Group	Date of appointment as Director/ senior management	Position	Roles and responsibilities	Relationship with the other Directors
<b>Directors</b>						
Mr. Lai Zhi Tian (賴智填)	47	27 September 1999	30 January 2015	Executive Director, Chairman of the Board and general manager of our Group	Formulating the corporate strategies and planning the business development of our Group	The spouse of Ms. Jiang Li Xia
Ms. Jiang Li Xia (江麗霞)	50	24 February 2009	12 September 2014	Executive Director	Supervising business administration	The spouse of Mr. Lai Zhi Tian
Ms. Mou Li (牟莉)	52	1 March 2002	30 January 2015	Executive Director and chief financial officer	Supervising financial management and control	Not applicable
Mr. Cao Xiaojun (曹曉俊)	47	8 March 2010	30 January 2015	Executive Director and deputy general manager	Supervising business development and overseeing sales and marketing activities	Not applicable
Mr. Ng Kwun Wan (吳冠雲)	51	8 June 2015	8 June 2015	Independent non-executive Director	Providing independent advice to the Board	Not applicable
Mr. Wong Kam Wah (黃錦華)	46	8 June 2015	8 June 2015	Independent non-executive Director	Providing independent advice to the Board	Not applicable
Mr. Zhou Dai Han (周岱翰)	74	8 June 2015	8 June 2015	Independent non-executive Director	Providing independent advice to the Board	Not applicable
<b>Senior management</b>						
Ms. Jiang Mei Fang (姜梅芳)	53	1 June 2000	1 June 2003	General Manager of Zhongzhi Chain Pharmacies	Responsible for the overall management of Zhongzhi Chain Pharmacies and our chain pharmacies operations	Not applicable
Mr. Li Wu Yi (李武毅)	43	12 July 2010	2 September 2013	General Manager of Zhongzhi Herb Pieces	Responsible for the overall management of Zhongzhi Herb Pieces	Not applicable

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Name	Age	Date of joining our Group	Date of appointment as Director/ senior management	Position	Roles and responsibilities	Relationship with the other Directors
Mr. Chen Jiong (陳炯)	41	31 August 2007	1 January 2010	General Manger of Honeson Pharmaceutical	Responsible for the overall management of Honeson Pharmaceutical	Not applicable
Mr. Tang Lin (唐琳)	51	31 August 2007	1 January 2014	Head of the technical department of Zhongzhi Pharmaceutical and chief engineer of Honeson Pharmaceutical	Responsible for the management of the technical department of Zhongzhi Pharmaceutical, supervising the engineering department of Honeson Pharmaceutical and reviewing the quality control procedures performed by our quality control team	Not applicable

### DIRECTORS

Our Board consists of seven Directors, comprising of four executive Directors and three independent non-executive Directors. For the residential addresses of each Director, please refer to the “Directors and Parties Involved in the [REDACTED]” section in this [REDACTED].

#### Executive Directors

**Mr. Lai Zhi Tian (賴智填)**, aged 47, is the spouse of Mrs. Lai. He is the founder, Controlling Shareholder, an executive Director, Chairman of the Board and general manager of our Group. He joined our Group on 27 September 1999 and is responsible for formulating the corporate strategies and planning the business development of our Group.

Mr. Lai was qualified as a medicine operator\* (醫藥經營技師) of the Department of Labour of Guangdong Province\* (廣東省勞動廳) in October 1998. He was qualified as a pharmacist (藥師) of the Human Resources Department of Puning City\* (普寧市人事局) in November 1999.

Mr. Lai has over 30 years of experience in the pharmaceutical industry and has extensive experience in pharmaceutical products development, manufacturing and distribution. From September 1981 to April 1994, he worked as a salesperson at the Puning Zhang Mei Herbs Shop\* (普寧市長美藥材站). From May 1994 to September 1998, he worked as a salesperson at Zhongshan Herbs Company\* (中山市藥材公司). Mr. Lai was a manager of Zhongzhi Pharmaceutical before its transformation from a collective enterprise to a limited liability company. In September 1999, he

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became a shareholder of our Group. Under the leadership of Mr. Lai, our Group’s business expanded from the distribution of pharmaceutical products to the operation of chain pharmacies and the production of pharmaceutical products.

Mr. Lai is currently the vice chairman of China Pharmaceutical Materials Association\* (中國醫藥物資協會) and the president of Guangdong Pharmacies Union\* (廣東藥店聯盟).

Mr. Lai is an adjunct associate professor and a mentor of the Master’s programme at the Research Centre of Chinese Herbal Resources (Science and Engineering)\* (中藥資源科學與工程研究中心) of Guangzhou University of Chinese Medicine\* (廣州中醫藥大學).

Our Company’s corporate governance practices are based on principles and code provisions as set out in the Corporate Governance Code (“CG Code”) in Appendix 14 to the Listing Rules. Except for the deviation from CG Code provision A.2.1, our Company’s corporate governance practices have complied with the CG Code.

CG Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Lai is the Chairman and the general manager of our Group. In view of Mr. Lai is the founder of our Group and has been operating and managing our Group since 1999, our Board believes that it is in the best interest of our Group to have Mr. Lai taking up both roles for effective management and business development. Therefore our Directors consider that the deviation from the CG Code provision A.2.1 is appropriate in such circumstance.

**Ms. Jiang Li Xia (江麗霞)**, aged 50, is the spouse of Mr. Lai and is a Controlling Shareholder and an executive Director of our Group. Mrs. Lai graduated from Puning City Hua Qiao Secondary School\* (普寧市華僑中學) in July 1982. Prior to joining our Group, Mrs. Lai has been a volunteer in the local community centre in a suburb of Vancouver, Canada from 2005 to 2008. She assisted in the operation of the centre where she gained her relevant experience in administration. Mrs. Lai joined our Group on 24 February 2009 and is responsible for supervising business administration of our Group. Her duties include overseeing human resources matters and co-ordinating among different departments to ensure sufficiency of office support for the operation of our Group.

**Ms. Mou Li (牟莉)**, aged 52, is an executive Director and chief financial officer of our Group. She joined our Group on 1 March 2002 and is responsible for supervising the financial management and control of our Group. She has extensive experience in financial management, with particular expertise in financial control and management, internal control and internal audit. Ms. Mou graduated from the Central Party School of the Communist Party of the PRC\* (中央黨校經濟管理專業本科) in December 1996. She was licensed as a senior accountant by the Heilongjiang Department of Human Resource\* (黑龍江省人事廳) in September 1997.

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Ms. Mou has over 30 years of experience in accounting and finance. Prior to joining our Group, she worked as an accountant in the Heilongjiang Hao Liang He Fertiliser Plant\* (黑龍江浩良河化肥廠) from July 1982 to October 1989. She served as the financial manager in Heilongjiang Nongken Investment Invitation Bureau\* (黑龍江農墾招商局) from November 1989 to July 1997. She worked as the financial manager in Heilongjiang Nongken Production Information Company\* (黑龍江農墾生產資料總公司) from August 1997 to June 2001.

**Mr. Cao Xiao Jun (曹曉俊)**, aged 47, is an executive Director and is the deputy general manager of our Group. He joined our Group on 8 March 2010 and is responsible for supervising business development and overseeing sales and marketing activities of our Group. He obtained a Bachelor degree of Chemistry and Pharmacy Training from China Pharmaceutical University\* (中國藥科大學) in July 1989. Mr. Cao was qualified as a pharmaceutical manufacturing engineer\* (製藥工程師) and obtained a professional qualification in pharmacy\* (藥學) in July 1999 and October 2002 respectively.

Mr. Cao has over 25 years of experience in the pharmaceutical industry. He served as the marketing manager in Guangdong Shiqi Pharmaceutical Company Limited\* (廣東石岐製藥公司) from July 1989 to March 1997 and since then to June 2000, he became the deputy general manager of Shenzhen Wedge Pharmaceutical Chains Company Limited\* (深圳市萬澤醫藥有限公司). From June 2000 to July 2009, he served as the deputy general manager of Shenzhen Naber Medicine Company Limited\* (深圳市南北醫藥有限公司).

### Independent Non-executive Directors

**Mr. Ng Kwun Wan (吳冠雲)**, aged 51, an independent non-executive Director of our Group. He obtained the Bachelor of Arts degree in Accounting and Finance from the Manchester Polytechnic in July 1988 and the Master of Commerce majoring in Accounting from the University of New South Wales in May 1990. He has been an associate member of the Hong Kong Institute of Certified Public Accountants since 1993.

Mr. Ng has over 20 years of experience in management. From November 1994 to October 1995 and from October 1995 to June 1998, Mr. Ng worked as a project manager for New World Development (China) Limited and New World Infrastructure Limited respectively. From July 1998 to August 2004, he worked for New World China Enterprises Projects Limited, a wholly owned subsidiary of New World Development Company Limited (Stock Code: 17), and his last position was deputy general manager. From September 2006 to March 2009, he worked as the general manager of industrial operations in the real estate department of Smart Faith Management Limited (a subsidiary of South China (China) Limited (Stock Code: 413)). Mr. Ng has been an independent non-executive director of China Flavors and Fragrances Company Limited (Stock Code: 3318) since December 2009.

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**Mr. Wong Kam Wah (黃錦華)**, aged 46, an independent non-executive Director of our Group. He obtained his Bachelor’s degree in Laws from the City Polytechnic of Hong Kong, the predecessor institution of the City University of Hong Kong, in December 1994. He obtained a postgraduate certificate in laws from the City University of Hong Kong in November 1995 and a Master degree in Laws from the King’s College London, the University of London in November 1996. He further completed the Diploma in Insolvency held by the Hong Kong Institute of Certified Public Accountants in June 2010. Mr. Wong was admitted as a solicitor of Hong Kong in August 1999.

Mr. Wong has over 15 years of experience in legal practice. He is currently a partner of Messrs. Lau Edward, Wong & Lou.

**Mr. Zhou Dai Han (周岱翰)**, aged 74, an independent non-executive Director of our Group. He obtained a Bachelor degree of Medical Treatment awarded by the Guangzhou College of Chinese Medicine\* (廣州中醫學院) (the predecessor institution of the Guangzhou University of Chinese Medicine\* (廣州中醫藥大學)) in August 1966. Mr. Zhou was accredited as an instructor of the Teaching and Inheritance of Experience of Famous and Veteran Doctors of Traditional Chinese Medicine\* (全國老中醫藥專家學術經驗繼承指導老師) in November 2002. He was accredited as a Renowned Chinese Medical Practitioner of Guangdong Province\* (廣東省名中醫) in October 2012.

Mr. Zhou has over 30 years of experience in the field of Chinese medicines. Since 1976, Mr. Zhou has been working at the Guangzhou College of Chinese Medicine as a lecturer, associate professor, associate dean of the tumor research center\* (腫瘤研究室副主任), chief medical practitioner\* (主任醫師), dean of the tumor department\* (腫瘤科主任) and professor.

Mr. Zhou completed the Listed Companies Independent Directors Training Programme\* (上市公司獨立董事培訓班) co-organised by the Securities Association of China and the Shenzhen Stock Exchange in January 2003.

### **Other disclosure pursuant to Rule 13.51(2) of the Listing Rules**

Save as disclosed above, each Director does not have any relationship with other Directors, senior management, substantial shareholder or controlling shareholder of our Company.

Save as disclosed above, each of our Directors has confirmed that he/she has not held any other directorships in listed companies during the three years immediately prior to the date of this [REDACTED] and that there are no other matters concerning our Directors’ appointment that need to be brought to the attention of our Shareholders and the Stock Exchange or shall be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

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### SENIOR MANAGEMENT

**Ms. Jiang Mei Fang (姜梅芳)**, aged 53, joined our Group on 1 June 2000 as a pharmacist (藥師) of Zhongzhi Chain Pharmacies. In March 1980, Ms. Jiang graduated from the School of Hygiene of Huangshi City of Hubei\* (湖北省黃石市衛生學校). In 1995, Ms. Jiang became a licensed pharmacist as approved by the Ministry of Personnel of the PRC\* (中華人民共和國人事部). In December 2011, she was qualified as a medical devices enterprise supervisor\* (醫療器械企業負責人).

Prior to joining our Group, from March 1980 to May 1987, Ms. Jiang worked as a pharmacist (藥師) at Huangshi Hua Xin Hospital Company Limited\* (黃石市華新醫院有限責任公司), formerly known as Hua Xin Cement Group Worker’s Hospital\* (華新水泥集團職工醫院). From June 1987 to June 2000, she worked as a supervisor at the pharmaceutical department of the same company. She has been the general manager of Zhongzhi Chain Pharmacies since June 2003. She is responsible for the overall management of Zhongzhi Chain Pharmacies.

**Mr. Li Wu Yi (李武毅)**, aged 43, joined our Group on 12 July 2010 as the general manager of Zhongshan Zeus Pharmaceutical Manufacturing Limited. In January 2003, he became a licensed pharmacist as approved by the Ministry of Personnel of the PRC\* (中華人民共和國人事部). In January 2010, Mr. Li obtained a Bachelor degree of Science in pharmacy awarded by the China Pharmaceutical University\* (中國藥科大學).

Prior to joining our Group, from July 1995 to September 1997, Mr. Li worked as the laboratory supervisor at Guangxi Nanning Wan Shi Da Pharmaceutical Factory\* (廣西南寧萬士達製藥廠). From April 1999 to April 2002, he worked as the qualitative analyst at Guangzhou Nan Xin Pharmaceutical Company Limited\* (廣州南新製藥有限公司). From February 2002 to September 2006, he worked as the qualitative manager at Honeson Pharmaceutical. From October 2006 to June 2010, he worked as production manager at Dupont China Group Company Limited\* (杜邦中國集團有限公司).

From July 2010 to March 2011, he worked as the general manager of Zhongshan Zeus Pharmaceutical Manufacturing Limited. From April 2011 to March 2012, he worked as an assistant general manager of Zhongzhi Pharmaceutical. From July 2012 to August 2013, he worked as the production supervisor of Dongguan Jin Mei Ji Pharmaceutical Company Limited\* (東莞市金美濟藥業有限公司). He has been the general manager of Zhongzhi Herb Pieces since 2 September 2013. He is responsible for the overall management of Zhongzhi Herb Pieces.

**Mr. Chen Jiong (陳炯)**, aged 41, joined our Group on 31 August 2007 as the production manager of Honeson Pharmaceutical. In July 1997, Mr. Chen obtained a Bachelor degree of Science in pharmacy awarded by the Guangdong Pharmaceutical University\* (廣東藥學院). In February 2001, Mr. Chen became a licensed pharmacist as approved by the Ministry of Personnel of the PRC\* (中華人民共和國人事部).



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Prior to joining our Group, from July 1997 to November 2001, Mr. Chen served as the production worker of Guangzhou Chen Li Ji Pharmaceutical Factory\* (廣州陳李濟藥廠) responsible for the operation of the production line and maintaining the GMP production standard.

From January 2004 to December 2007, he worked as the manager of the production department of Honeson Pharmaceutical. From January 2008 to June 2008, he was the production supervisor of the same department. From July 2008 to December 2009, he worked as the assistant to the general manager of Honeson Pharmaceutical and was promoted to general manager in January 2010. Mr. Chen is now responsible for the overall management of Honeson Pharmaceutical.

**Mr. Tang Lin (唐琳)**, aged 51, joined our Group on 31 August 2007 as the head of the technical development department of Honeson Pharmaceutical. In June 1985, Mr. Tang obtained a Bachelor degree of Science in Chinese Medicine awarded by the Hunan College of Chinese Medicine\* (湖南中醫學院), the predecessor institution of the Hunan University of Chinese Medicine\* (湖南中醫藥大學). In September 1996, he became a licensed pharmacist as approved by the Ministry of Personnel of the PRC\* (中華人民共和國人事部).

Prior to joining our Group, from August 1985 to May 1987, Mr. Tang worked as a pharmacist at Fuchuan Yaozu Autonomous Region People’s Hospital\* (富川瑤族自治縣人民醫院). From May 1987 to October 1994, he worked as an assistant factory manager of Guangxi Province Wuzhou Third Medicinal Factory\* (廣西梧州地區第三製藥廠). From December 1997 to December 2000, he worked as a deputy head of the production department of Europharm Laboratories Co., Ltd.\* (廣州歐化藥業有限公司). From March 2001 to October 2001, he worked as the head of the production department of Guangdong Jiangmen Ming Sheng Medicine Manufacturing Limited\* (廣東江門名盛製藥有限公司). From November 2001 to December 2009, Mr. Tang worked as the head of technical development of Honeson Pharmaceutical. From January 2010 to December 2013, he worked as the general manager of the technical department of Zhongzhi Pharmaceutical. Since January 2010 and January 2014, he has been the chief engineer of Honeson Pharmaceutical and the head of the technical department of Zhongzhi Pharmaceutical respectively. Mr. Tang is also responsible for reviewing the quality control procedures performed by our quality control team.

None of our senior management had any directorships in any publicly listed company over the past three years and none of them has any relationship with the other senior management, the Directors, substantial shareholder or controlling shareholder of our Company.

## COMPANY SECRETARY

**Ms. Chow Fung Ling (周鳳玲)**, aged 47, the company secretary of our Group. She joined our Group on 9 March 2015 and is responsible for our Group’s secretarial works. Ms. Chow obtained a Professional Diploma in Company Secretaryship and Administration from the Hong Kong Polytechnic University in November 1990. She was admitted as an associate of The Institute of Chartered Secretaries and Administrators in January 1994 and an associate of The Hong Kong Institute of Company Secretaries in August 1994. She obtained the Bachelor of Laws from the University of London in August 2002.

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Ms. Chow has over 21 years of experience working in the fields including corporate secretarial services, corporate governance and in-house legal services. From April 1991 to May 1993, Ms. Chow worked as a trainee and semi-senior at Coopers & Lybrand. From June 1995 to May 1998, she worked as an assistant manager and a senior assistant manager at Insinger Secretaries (HK) Limited. From September 1998 to May 1999, she worked as an assistant company secretary at the company secretarial department of Integrated Display Technology Ltd.. From January 2000 to November 2000, she worked as an assistant company secretary at Guangnan (Holdings) Limited (Stock Code: 1203). From November 2000 to July 2013, she worked as the company secretary at Sun Innovation Holdings Limited, which presently named as Digital Domain Holdings Limited (Stock Code: 547). Since April 2014, Ms. Chow has been a part-time company secretary of S.I. Management Limited.

### **CORPORATE GOVERNANCE**

We have put in place our corporate governance structure with a view to safeguarding the interests of our Shareholders. Our Board, which includes three independent non-executive Directors out of a total of seven Directors, is responsible for setting strategic, management and financial objectives and ensuring that the interests of our Shareholders, including those of minority Shareholders are protected. To this end, our Board has established an audit committee, a remuneration committee and a nomination committee.

### **AUDIT COMMITTEE**

An audit committee was established by our Board on 8 June 2015 with written terms of reference in compliance with Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. The members of the audit committee are Mr. Ng Kwun Wan, Mr. Wong Kam Wah and Mr. Zhou Dai Han, all being independent non-executive Directors. Mr. Ng Kwun Wan is the chairman of the audit committee. The primary duties of the audit committee are, among others, to make recommendations to the Board on the appointment and removal of the external auditor, to review the financial statements and related materials and provide advice in respect of the financial reporting process, and to oversee the internal control procedures of our Group.

### **REMUNERATION COMMITTEE**

A remuneration committee was established by our Board on 8 June 2015 with written terms of reference in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. The members of the remuneration committee are Mr. Wong Kam Wah, Mr. Lai, Ms. Mou, Mr. Ng Kwun Wan and Mr. Zhou Dai Han. Mr. Wong Kam Wah is the chairman of the remuneration committee. The primary duties of the remuneration committee are mainly to make recommendations to the Board on the overall remuneration policy and structure relating to the Directors and senior management of our Group, to review and evaluate their performance in order to make recommendations on the remuneration package of each of the Directors and senior management personnel as well as other employee benefit arrangements.



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### NOMINATION COMMITTEE

We established a nomination committee on 8 June 2015 with written terms of reference in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. The nomination committee comprises Mr. Wong Kam Wah, Mr. Lai, Ms. Mou, Mr. Ng Kwun Wan and Mr. Zhou Dai Han. Mr. Wong Kam Wah is the chairman of the nomination committee. The nomination committee is mainly responsible for making recommendations to the Board on the appointment of Directors and the handling of the Board succession.

### MANAGEMENT PRESENCE

According to Rule 8.12 of the Listing Rules, we 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. Currently, most of our executive Directors ordinarily reside in the PRC. Since our main business operations are in the PRC, we do not and, for the foreseeable future, will not have sufficient management presence in Hong Kong.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirements of Rule 8.12 of the Listing Rules, subject to the conditions that, among others, we maintain the following arrangements to maintain effective communication between us and the Stock Exchange:

- (a) We have appointed two authorised representatives pursuant to Rules 2.11 and 3.05 of the Listing Rules, who will act as our Company’s principal channel of communication with the Stock Exchange. The authorised representatives are Ms. Mou and Ms. Chow Fung Ling. Ms. Mou is an executive Director and Ms. Chow Fung Ling is our Company Secretary. Each of the authorised representatives will be able to meet with the Stock Exchange within a reasonable period upon request, if required. Our authorised representatives will be readily contactable by telephone, facsimile and email, and is authorised to communicate on behalf of our Company with the Stock Exchange.
- (b) The authorised representatives have means of contacting our Directors promptly at all times and as and when the Stock Exchange wishes to contact our Directors on any matters. To enhance communication among the Stock Exchange, the authorised representatives, our Directors and our Company, we have implemented a policy whereby: (i) each Director is to provide his/her office phone number, facsimile number and email address to the authorised representatives and the Stock Exchange; and (ii) in the event that a Director expects to travel or be out of the office, he/she is to provide the phone number of the place of his/her accommodation to the authorised representatives. Further, for convenience of communication, each Director has provided his/her means of contact to the Stock Exchange.

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- (c) We have, in accordance with Rule 3A.19 of the Listing Rules, appointed Guosen Securities (HK) Capital Company Limited as our compliance advisor, who will, among others, act as an additional channel of communication with the Stock Exchange.
- (d) All of our Directors who are not ordinarily resident in Hong Kong have confirmed that they possess valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange in Hong Kong, within a reasonable period, upon the request of the Stock Exchange.

## DIRECTORS’ AND SENIOR MANAGEMENT’S REMUNERATION

Remuneration packages of our Directors and senior management are generally structured with reference to market terms and individual merits. Salaries are normally reviewed and discretionary bonuses are paid on annual basis based on our results, individual performance and other relevant factors.

The aggregate emoluments and benefits paid by us to our Directors and senior management during each of the three years ended 31 December 2014 were approximately RMB1.4 million, RMB0.2 million and RMB1 million respectively.

The aggregate amount of remuneration (including fees, salaries, allowances and benefits in kind and contributions to pension scheme) which were paid by us to our five highest paid individuals, including our Directors, for each of the three years ended 31 December 2014 were approximately RMB4.8 million, RMB1 million and RMB1.6 million respectively.

Save as disclosed above, no other payments have been paid or are payable in respect of the Track Record Period by us or any of our subsidiaries to our Directors and senior management.

Going forward, our remuneration committee will review and determine the remuneration and compensation of our Directors and senior management with reference to salaries paid by comparable companies, time commitment and responsibilities of our Directors and senior management and performance of our Group.

## SHARE OPTION SCHEME

The purpose of the Share Option Scheme is to provide us with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to participants and potential participants comprising of, among others, employees and Directors (including independent non-executive Directors) of any member of our Group. For further details, please refer to the paragraph headed “Share Option Scheme” in Appendix V headed “Statutory and General Information” to this [REDACTED].

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### EMPLOYEES

As at the Latest Practicable Date, we had 2,256 full-time employees who are located in the PRC. For each of the three years ended 31 December 2014, our total staff costs including directors’ remuneration were approximately RMB83.7 million, RMB115.3 million and RMB121.2 million respectively. For a breakdown of our employees by function as at the Latest Practicable Date, please refer to the paragraph headed “Business — Employees” in this [REDACTED]. The relationship and cooperation between our management and employees has been good and is expected to remain amicable in the future.

Our employees may be entitled to participate in the Share Option Scheme, details of which are set out in the paragraph headed “Share Option Scheme” in Appendix V headed “Statutory and General Information” to this [REDACTED].

### COMPLIANCE ADVISOR

We have appointed Guosen Securities (HK) Capital Company Limited as our compliance advisor upon [REDACTED] in compliance with Rule 3A.19 of the Listing Rules.

An agreement has been entered into with the compliance advisor, the material terms of which we expect to be as follows:

- (a) the term of appointment of the compliance advisor will commence on the date of [REDACTED] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of publication of our financial results for the first full financial year after the [REDACTED], unless terminated earlier in accordance with the terms of the compliance advisor’s agreement;
- (b) the compliance advisor shall provide us with such advisory services as are required to be provided by a compliance advisor pursuant to Chapter 3A of the Listing Rules and advise us in the following circumstances:
  - (i) before the publication of any regulatory announcement, circular or financial report;
  - (ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including but not limited to share issues and share repurchases;
  - (iii) where our Company proposes to use the proceeds of the [REDACTED] in a manner different from that detailed in this [REDACTED] or where its business activities, developments or results deviate from any forecast, estimate, or other information in this [REDACTED]; and
  - (iv) where the Stock Exchange makes an inquiry with us regarding unusual movements in the price or trading volume of the shares of our Company;

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- (c) the compliance advisor will, in a timely manner, inform us of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange. The compliance advisor will also inform us of any amendment or supplement to applicable laws and guidelines;
- (d) the compliance advisor will act as our additional channel of communication with the Stock Exchange where our authorised representatives are expected to be frequently out of Hong Kong;
- (e) the appointment of the compliance advisor may be terminated if the compliance advisor’s work is of an unacceptable standard or if there is a material dispute (which cannot be resolved within 30 days) over fees payable to the compliance advisor as permitted by Rule 3A.26 of the Listing Rules. The compliance advisor will have the right to terminate its appointment by giving not less than 14 days’ notice to us or if we commit a material breach of the agreement.