

WAIVERS AND EXEMPTIONS

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

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 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 us and the Stock Exchange by way of the following arrangements:

- (a) pursuant to Rule 3.05 of the Listing Rules, our Company has appointed and will continue to maintain two authorized representatives who shall act at all times as the principal channel of communication with the Stock Exchange. Each of our authorized representatives will be readily contactable by the Stock Exchange by telephone, facsimile and/or e-mail to deal promptly with enquiries from the Stock Exchange. Both of our authorized representatives are authorized to communicate on our behalf with the Stock Exchange. At present, our two authorized representatives are Dr. Zhen Lin, our executive Director, and Ms. Shum Kit Han, our joint company secretary;
- (b) pursuant to Rule 3.20 of the Listing Rules, each Director will provide his/her contact information (including their mobile phone numbers, office phone numbers and e-mail addresses (if available)) to the Stock Exchange and to the authorized representatives. This will ensure that the Stock Exchange and the authorized representatives should have means for contacting all Directors promptly at all times as and when required;
- (c) we will endeavor to ensure that each Director who is not ordinarily resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period;
- (d) pursuant to Rule 3A.19 of the Listing Rules, our Company has retained the services of Rainbow Capital (HK) Limited as compliance adviser (the “**Compliance Adviser**”), who will act as an additional channel of communication with the Stock Exchange. The Compliance Adviser will provide our Company with professional advice on ongoing compliance with the Listing Rules. We will ensure that the Compliance Adviser has prompt access to our Company’s authorized representatives and Directors. In turn, they will provide the Compliance Adviser with such information and assistance as the Compliance Adviser may need or may reasonably request in connection with the performance of the Compliance Adviser’s duties. The Compliance Adviser will also provide advice to our Company when consulted by our Company in compliance with Rule 3A.23 of the Listing Rules; and
- (e) meetings between the Stock Exchange and the Directors can be arranged through the authorized representatives or the Compliance Adviser, or directly with the Directors within a reasonable time frame. We will inform the Stock Exchange as soon as practicable in respect of any change in the authorized representatives, the Directors and/or the Compliance Adviser in accordance with the Listing Rules.

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JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the company secretary must be an individual who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

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 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).

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 SFO, 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.

We propose to appoint Ms. Meng Meng of the Company and Ms. Shum Kit Han as our joint company secretaries. See “Directors and Senior Management — Joint Company Secretaries” for their biographies.

Ms. Shum Kit Han is an associate member of The Hong Kong Chartered Governance Institute and an associate member of The Chartered Governance Institute in the United Kingdom, and therefore meets the qualification requirements under Note 1 to Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules.

The Company’s principal business activities are outside Hong Kong. We believe that it would be in the best interests of our Company and the corporate governance of our Group to have as its joint company secretary a person such as Ms. Meng Meng, who has been an employee of the Company and who has day-to-day knowledge of the Company’s affairs. Ms. Meng Meng has the necessary nexus to the Board and close working relationship with management of our 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 Ms. Meng Meng does not possess the academic or professional qualifications required of a company secretary under Rules 3.28 and 8.17 of the Listing Rules, 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 such that Ms. Meng Meng may be appointed as a joint company secretary of our Company.

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The waiver [was granted] for a three-year period from the [REDACTED] on the conditions that: (i) Ms. Shum Kit Han is appointed as a joint company secretary to assist Ms. Meng Meng in discharging her functions as a company secretary and in gaining the relevant experience under Rule 3.28 of the Listing Rules; the waiver will be revoked immediately if Ms. Shum Kit Han, during the three-year period, ceases to provide assistance to Ms. Meng Meng as a joint company secretary; and (ii) the waiver can be revoked if there are material breaches of the Listing Rules by our Company. In addition, Ms. Meng Meng will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance her knowledge of the Listing Rules during the three-year period from the [REDACTED]. Our Company will further ensure that Ms. Meng Meng has access to the relevant training and support that would enhance her understanding of the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange. Before the end of the three-year period, the qualifications and experience of Ms. Meng Meng and the need for on-going assistance of Ms. Shum Kit Han will be further evaluated by our Company. We will liaise with the Stock Exchange to enable it to assess whether Ms. Meng Meng, having benefited from the assistance of Ms. Shum Kit Han 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 AND EXEMPTION IN RELATION TO THE [REDACTED] EMPLOYEE SHARE OPTION 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 (the “Share Option Disclosure Requirements”):

- (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. The Company is also required to disclose in this document full details of all outstanding options 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 options.
- (b) Paragraph 27 of Appendix D1A to the Listing Rules requires the Company to set out in this document particulars of any capital of any member of the 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) Under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the number, description and amount of any shares in or debentures of the company which any person has, or is entitled to be given, an option to subscribe for, together with the particulars of the option, that is to say, (a) the period during which it is exercisable; (b) the price to be paid for shares or debentures subscribed for under it; (c) the consideration (if any) given or to be given for it or for the right to it; and (d) the names and addresses of the persons to whom it or the right to it was given or, if given to existing shareholders or debenture holders as such, the relevant shares or debentures must be specified in the document.

As of the date of this document, our Company had granted options that remain outstanding under the [REDACTED] Employee Share Option Plan to 216 grantees (including Directors, senior management and other employees of our Group), to subscribe for an aggregate of 40,507,042 Shares. As of the Latest Practicable Date, among the outstanding options, 6,460,037 were held by Directors, 3,257,246 were held by members of the senior management of the Company (who are not Directors), and 30,789,759 were held by other grantees. The Shares underlying the granted outstanding options represent [REDACTED] of the total number of Shares in issue immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account any Shares which may be allotted and issued pursuant to the

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exercise of share options). For further details of our [REDACTED] Employee Share Option Plan, see “Statutory and General Information — [REDACTED] Employee Share Option Plan” in Appendix IV to this document.

We [have applied] to (i) the Stock Exchange for a waiver from strict compliance with the requirements under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix D1A to the Listing Rules and (ii) the SFC for an exemption from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance pursuant to section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in connection with the disclosure of certain details relating to the options and certain grantees in this document on the ground that the waiver and the exemption will not prejudice the interest of the investing public and strict compliance with the Share Option Disclosure Requirements would be unduly burdensome for our Company for the following reasons:

- (a) as of the Latest Practicable Date, we have granted outstanding options to a total of 216 grantees under the [REDACTED] Employee Share Option Plan to acquire an aggregate of 40,507,042 Shares, representing approximately [REDACTED] of the total number of Shares in issue immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the [REDACTED] Employee Share Option Plan). The grantees under the [REDACTED] Employee Share Option Plan include 3 Directors, 2 members of the senior management (who are not Directors), and 211 other grantees, who are current or former employees of our Group;
- (b) our Directors consider that it would be unduly burdensome to disclose in the document full details of all the options granted by us to each of the grantees, which would significantly increase the cost and time required for information compilation, document preparation and printing for strict compliance with such disclosure requirements. For example, the Company would need to collect and verify the addresses of 211 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 the Company to obtain such consents given the number of grantees;
- (c) material information on the options has been disclosed in the document to provide prospective investors 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 investment decision, and such information includes:
 - (i) a summary of the principal terms of the [REDACTED] Employee Share Option Plan;
 - (ii) the aggregate number of Shares subject to the options and the 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 completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the [REDACTED] Employee Share Option Plan);
 - (iv) full details of the options granted to Directors, members of the senior management of our Company and other connected persons, on an individual basis, are disclosed in the document, and such details include all the particulars required under Rule 17.02(1)(b) of the Listing Rules, paragraph 27 of Appendix D1A to the Listing Rules and paragraph 10 of Part 1 of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance;

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- (v) with respect to the options granted to other grantees (other than those referred to in (iv) above), the aggregate number of such grantees and the number of Shares subject to the options, the consideration paid for the grant of the options and the exercise period and the exercise price for the options will be disclosed in the document; and
 - (vi) the particulars of the waiver and exemption granted by the Stock Exchange and the SFC, respectively;
- (d) the 211 grantees who are not Directors, members of the senior management or connected persons of the Company, have been granted options under the [REDACTED] Employee Share Option Plan to acquire an aggregate of 30,789,759 Shares, which is not material in the circumstances of our Company, and the exercise in full of such options will not cause any material adverse change in the financial position of our Company;
- (e) our Directors consider that non-compliance with the Share Option Disclosure Requirements would not prevent our Company from providing potential investors with sufficient information for an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Group. Strict adherence to the disclosure requirements, including to disclose the names, addresses, and entitlements on an individual basis of over 211 grantees without reflecting the materiality of the information does not provide any additional meaningful information to the investing public; and
- (f) a full list of all the grantees containing all the particulars as required under Rule 17.02(1)(b) and paragraph 27 of Appendix D1A of the Listing Rules and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance will be made available for public inspection in accordance with “Documents Delivered to the Registrar of Companies and Available on Display — Documents Available on Display” in Appendix V of this document.

In light of the above, our Directors are of the view that the grant of the waiver and exemption sought under this application and the non-disclosure of the required information will not prejudice the interests of the investing public.

The Stock Exchange [has granted] to our Company a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix D1A to the Listing Rules with respect to the options granted under the [REDACTED] Employee Share Option Plan on the condition that:

- (a) on an individual basis, full details of the options granted under the [REDACTED] Employee Share Option Plan to each of the Directors, the senior management of the Company and the other connected persons of the Company, will be disclosed in “Statutory and General Information — [REDACTED] Employee Share Option Plan” in Appendix IV as required under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules, and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
- (b) in respect of the options granted under the [REDACTED] Employee Share Option Plan to grantees other than those set out in (a) above, disclosure will be made on an aggregate basis, including (1) the aggregate number of the grantees other than those set out in (a) above and the number of Shares subject to the options granted to them under the [REDACTED] Employee Share Option Plan, (2) the consideration paid for the grant of the options under the [REDACTED] Employee Share Option Plan, and (3) the exercise period and the exercise price for the options granted under the [REDACTED] Employee Share Option Plan;
- (c) the aggregate number of Shares underlying the outstanding options granted under the [REDACTED] Employee Share Option Plan and the percentage of the Company’s total issued share capital represented by such number of Shares as of the Latest Practicable Date will be disclosed in this document;

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- (d) the dilutive effect and impact on earnings per Share upon the full exercise of the options under the [REDACTED] Employee Share Option Plan will be disclosed in “Statutory and General Information — [REDACTED] Employee Share Option Plan” in Appendix IV to this document;
- (e) a summary of the major terms of the [REDACTED] Employee Share Option Plan will be disclosed in “Statutory and General Information — [REDACTED] Employee Share Option Plan” in Appendix IV to this document;
- (f) the particulars of this waiver will be disclosed in this document;
- (g) a full list of all the grantees containing all the particulars as required under Rule 17.02(1)(b) and paragraph 27 of Appendix D1A of the Listing Rules and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance will be made available for physical public inspection in accordance with “Documents Delivered to the Registrar of Companies and Available on Display — Documents Available on Display” in Appendix V of this document; and
- (h) the grant of certificate of exemption under the Companies (Winding Up and Miscellaneous Provisions) Ordinance from the SFC exempting the Company from the disclosure requirements provided in paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

The SFC [has agreed to grant] to our Company the certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance with respect to the options granted under the [REDACTED] Employee Share Option Plan exempting the Company from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the conditions that:

- (a) full details of the options under the [REDACTED] Employee Share Option Plan to each of the Directors, the senior management of the Company and other connected persons will be disclosed in “Statutory and General Information — [REDACTED] Employee Share Option Plan” in Appendix IV to this document as required by paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
- (b) in respect of the options granted under the [REDACTED] Employee Share Option Plan to grantees other than those referred to in (a) above, disclosure will be made on an aggregate basis, including (1) the aggregate number of the grantees and the number of Shares subject to the options granted to them under the [REDACTED] Employee Share Option Plan, (2) the consideration paid for the grant of the options under the [REDACTED] Employee Share Option Plan, and (3) the exercise period and the exercise price for the options granted under the [REDACTED] Employee Share Option Plan;
- (c) a full list of all the grantees containing all the particulars as required under Rule 17.02(1)(b) and paragraph 27 of Appendix D1A of the Listing Rules and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance will be made available for physical public inspection in accordance with “Documents Delivered to the Registrar of Companies and Available on Display — Documents Available on Display” in Appendix V of this document; and
- (d) the particulars of this exemption will be disclosed in this document and that this document will be issued on or before [REDACTED]

Further details of the [REDACTED] Employee Share Option Plan are set forth in “Statutory and General Information — [REDACTED] Employee Share Option Plan” in Appendix IV to this document.