WAIVERS FROM STRICT COMPLIANCE WITH THE REQUIREMENTS UNDER THE LISTING RULES

In preparation for the **[REDACTED]**, our Group has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules.

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong and, in normal circumstances, at least two of the issuer's executive directors must be ordinarily resident in Hong Kong.

Our Company has four executive Directors, of which all are not, and for the foreseeable future will not be, ordinarily resident in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules. Notwithstanding that our Company is incorporated in the BVI, our Group's management headquarters and our executive Directors are in the PRC, and our business operations and assets are primarily based outside Hong Kong. As such, this would be practically difficult and not commercially necessary for us to relocate our executive Directors to Hong Kong, or to appoint additional executive Directors solely for the purpose of satisfying Rule 8.12 of the Listing Rules. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has] granted us, a waiver from compliance with Rule 8.12 of the Listing Rules on the basis that the following measures have been adopted by us:

(a) we have appointed Mr. Wang, our Chairman, executive Director and chief executive officer, and Ms. Ho Wing Nga (何詠雅) ("**Ms. Ho**"), one of our joint company secretaries, pursuant to Rule 3.05 of the Listing Rules who will act as our Company's principal channel of communication with the Stock Exchange. Ms. Ho is ordinarily resident in Hong Kong. Each of our authorized representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and email. Each of our two authorized representatives is authorized to communicate on our behalf with the Stock Exchange;

(b) both our authorized representatives have means to contact all members of our Board (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact the members of our Board for any matters. Our Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time, when required. All Directors have provided his/her mobile phone numbers, fax numbers and e-mail addresses (where available) to our authorized representatives. In the event that a Director expects to travel, he/she will endeavor to provide the phone number of the place of his/her accommodation to our authorized representatives or maintain an open line of communication via his/her mobile phone and all Directors and authorized representatives have provided his/her mobile numbers, office phone numbers, fax numbers and email addresses (where available) to the Stock Exchange;

(c) we have appointed China Sunrise Capital Limited as our Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules, which has access at all times to our authorized representatives, Directors, senior management and other officers of our Company, and will act as an additional channel of communication with the Stock Exchange in addition to the authorized representatives of our Company; and

(d) meetings between the Stock Exchange and our Directors could be arranged through our authorized representatives or the Compliance Advisor, or directly with our Directors within a reasonable time frame. We will promptly inform the Stock Exchange of any changes of our authorized representatives and/or the Compliance Advisor.

JOINT COMPANY SECRETARIES

Pursuant to Rule 3.28 of the Listing Rules, an issuer must appoint a company secretary who satisfies the requirements under Rule 3.28 of the Listing Rules.

Pursuant to Rule 8.17 of the Listing Rules, the secretary of the issuer 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 Institute of Chartered Secretaries;

(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 Securities and Futures Ordinance, 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.

In addition, pursuant to Chapter 3.10 of the New Listing Guide, the waiver from strict compliance with Rule 3.28 of the Listing Rules, if granted, will be for a fixed period of time (the "**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 of the Listing Rules 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.

Our Company has appointed Ms. Ho and Mr. Hu Fan (胡帆) ("**Mr. Hu**") as the joint company secretaries of our Company. Our Company is of the view that with the assistance of Ms. Ho, Mr. Hu is capable of discharging the functions of a company secretary of our Company. See "Directors and Senior Management — Joint Company Secretaries" for their biographies.

Mr. Hu is the assistant to our chief executive officer and is primarily responsible for overseeing our Group's investment, financing, and administrative affairs. Mr. Hu has over a decade of experience in the pharmaceutical industry, as well as extensive experience in investment and financing. Our Directors are of the view that, given Mr. Hu's thorough understanding of investment and financing, legal, and administrative affairs of our Group, he is considered as a suitable person to act as a company secretary of our Company. In addition, as the headquarters of our Group are located in Hangzhou, the PRC, our Directors believe that it is necessary to appoint Mr. Hu as a company secretary whose presence in Hangzhou enables him to attend to the day-to-day company secretarial matters concerning our Group. However, as Mr. Hu does not possess a qualification as stated in Rule 3.28 of the Listing Rules, he is not able to solely fulfill the requirements as a company secretary of a listed issuer stipulated under Rules 3.28 and 8.17 of the Listing Rules. Therefore, our Company has appointed Ms.

Ho, a member of The Hong Kong Chartered Governance Institute ("**HKCGI**"), who is qualified under Rule 3.28 of the Listing Rules, to act as the other joint company secretary to provide support to Mr. Hu on an ongoing basis.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has] granted us, a waiver from strict compliance with the requirements under Rule 3.28 and 8.17 of the Listing Rules on the conditions that Mr. Hu will be assisted by Ms. Ho as our joint company secretary throughout the three-year period from the **[REDACTED]**. Being an associate of HKCGI, a fellow of The Chartered Governance Institute, a holder of the practitioner's endorsement of HKCGI, a member of The Hong Kong Institute of Directors and by virtue of her experience in company secretarial practice, Ms. Ho is, in our Company's opinion, a suitably qualified person to render assistance to Mr. Hu, for a three-year period from the **[REDACTED]** so as to enable him to acquire the relevant experience (as required under Note 2 to Rule 3.28 of the Listing Rules) to duly discharge his duties. In addition, Mr. Hu 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]**. Our Company will further ensure that Mr. Hu has access to the relevant training and support that would enhance his understanding of the Listing Rules and the duties of a company secretary of an **[REDACTED]** on the Stock Exchange.

It is expected that Ms. Ho will, subject to her resignation or the termination of the agreement between our Company and Ms. Ho in designating her acting as a joint company secretary of our Company, assist Mr. Hu for the initial three-year period from the **[REDACTED]** and will provide training and guidance to Mr. Hu up to three years from the **[REDACTED]**. Such waiver will be revoked immediately if and when Ms. Ho ceases to provide such assistance or if our Company commits any material breaches of the Listing Rules during the three-year period from the **[REDACTED]**. Before the end of the three-year period, we will demonstrate and seek confirmation from the Stock Exchange that Mr. Hu (i.e. the proposed company secretary not fulfilling the requirement under Rule 3.28), having had the benefit of Ms. Ho's (i.e. the qualified person) assistance during the three-year period, has attained the relevant experience under note 2 to Rule 3.28 and is capable of discharging the functions of company secretary so that a further waiver would not be necessary. In addition, our Company has appointed China Sunrise Capital Limited as compliance adviser under Rule 3A.19 of the Listing Rules for a period commencing on the **[REDACTED]** and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing from the **[REDACTED]** to provide our Company with professional advice on continuing obligations under the Listing Rules. Mr. Hu will have access to the compliance adviser during the term of appointment, which will provide Mr. Hu with an additional source of guidance to assist him to familiarize himself with the functions of a company secretary of a company **[REDACTED]** on the Stock Exchange.

The biographical information of Ms. Ho and Mr. Hu is set out in "Directors and Senior Management" in this document.