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**WAIVERS AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE [REDACTED]  
RULES AND EXEMPTIONS FROM COMPLIANCE WITH THE COMPANIES  
(WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

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In preparation for the [REDACTED], our Company has sought the following waivers from strict compliance with relevant provisions of the Hong Kong [REDACTED] Rules:

**MANAGEMENT PRESENCE IN HONG KONG**

Rule 8.12 of the Hong Kong [REDACTED] Rules provides that a new applicant applying for a primary [REDACTED] on the Hong Kong Stock Exchange must have a sufficient management presence in Hong Kong and this normally means that at least two of its executive directors must be ordinarily resident in Hong Kong.

The principal business and operations of our Group are based, managed and conducted through our operating subsidiaries in the PRC, the United States and Japan. None of the executive Directors are Hong Kong permanent residents or ordinarily based in Hong Kong.

While we acknowledge the importance of maintaining management presence in Hong Kong as a way to maintain regular communication with the Hong Kong Stock Exchange, we consider that it would be practically difficult and commercially unnecessary for us to either relocate two executive Directors to Hong Kong or to appoint two additional executive Directors who are ordinarily resident in Hong Kong. Each of our Directors, who is not ordinarily resident in Hong Kong, currently holds valid travel documents that allow them to travel to Hong Kong for meetings with the Hong Kong Stock Exchange within a reasonable period of time.

In that regard, our Company does not, and does not contemplate in the foreseeable future that it will, have a sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 of the Hong Kong [REDACTED] Rules.

We [have obtained] from the Hong Kong Stock Exchange a waiver from compliance with Rule 8.12 of the Hong Kong [REDACTED] Rules subject to the following conditions:

- (a) our Company has appointed two authorized representatives pursuant to Rule 3.05 of the Hong Kong [REDACTED] Rules, who will act as our Company's principal channel of communication with the Hong Kong Stock Exchange and will ensure that they comply with the Hong Kong [REDACTED] Rules at all times. The two authorized representatives are Dr. Zhang and Mr. Meng, both are executive Director of our Company. Each of Dr. Zhang and Mr. Meng confirms that he possesses valid travel documents and can readily travel to Hong Kong. Each of the authorized representatives will be available to meet with the Hong Kong Stock Exchange in Hong Kong within a reasonable period of time upon the request of the Hong Kong Stock Exchange and will be readily contactable by telephone, facsimile and email. Each of the two authorized representatives is duly authorized to communicate on behalf of our Company with the Hong Kong Stock Exchange. Our Company has been registered as a non-Hong Kong company under the Companies Ordinance, and each of Dr. Zhang and Mr. Meng the authorized representative of our Company registered under the Companies Ordinance, is authorized to accept service of legal process and notices in Hong Kong on behalf of our Company;

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- (b) both the authorized representatives have means to contact our other Directors (including the independent non-executive Directors) promptly at all times as and when the Hong Kong Stock Exchange wishes to contact our Directors for any matter;
- (c) to enhance the communication between the Hong Kong Stock Exchange, the authorized representatives and our Directors, our Company will implement a policy that (i) each executive Director and Independent Non-executive Director will provide their respective office phone numbers, mobile phone numbers, residential phone numbers (subject to availability), fax numbers and email addresses to the authorized representatives and their respective alternates; (ii) in the event that an executive Director or independent non-executive Director expects to travel and be out of office, he/she will have to provide valid phone number of the place of his/her accommodation to the authorized representatives; and (iii) all our Directors and authorized representatives will provide their office phone numbers, mobile phone numbers, residential phone numbers (subject to availability), office facsimile numbers and email addresses to the Hong Kong Stock Exchange;
- (d) all of our Directors who are not ordinary residents in Hong Kong possess or can apply for and renew valid travel documents to visit Hong Kong and would be able to meet with the Hong Kong Stock Exchange within a reasonable period. They can normally be contacted at the headquarters of our Company in Nanjing during normal working hours;
- (e) we will retain a Hong Kong legal advisor to advise on its on-going compliance obligations and other issues arising under the [REDACTED] Rules and other applicable laws and regulations in Hong Kong after [REDACTED];
- (f) in compliance with Rule 3A.19 of the [REDACTED] Rules, we have appointed Haitong International Capital Limited as our compliance advisor to act as additional channel of communication with the Stock Exchange for the period commencing on the [REDACTED] Date and ending on the date on which our Company complies with Rule 13.46 in respect of its financial results for the first full financial year commencing after the [REDACTED] Date. The compliance advisor will have access at all times to the authorized representatives, our Directors and the other senior management of our Company. The contact person of the compliance advisor will be available at all times to answer any enquires from the Stock Exchange;
- (g) meetings between the Hong Kong Stock Exchange and our Directors can be arranged through the authorized representatives or our compliance advisor or directly with our Directors within a reasonable time frame. We will inform the Hong Kong Stock Exchange promptly in respect of any change in its authorized representatives and/ or compliance advisor; and
- (h) we will maintain a principal place of business in Hong Kong.

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**WAIVER AND EXEMPTION IN RELATION TO [REDACTED] SHARE OPTION SCHEME**

Under Rule 17.02(1)(b) of and paragraph 27 of Appendix 1A to the [REDACTED] Rules and paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, this document is required to include, among other things, details of the number, description and amount of any of our Shares which any person has, or is entitled to be given, an option to subscribe for, together with certain particulars of each option, namely the period during which it is exercisable, the price to be paid for Shares subscribed for under it, the consideration (if any) given or to be given for it or for the right to it and the names and addresses of the persons to whom it was given, full details of all outstanding options and their potential dilution effect on the shareholdings upon the [REDACTED], as well as the impact on the earnings per Share arising from the exercise of such outstanding options under the [REDACTED] Share Option Scheme. We have granted options to 170 Grantees to subscribe for 155,538,420 Shares representing approximately [REDACTED]% of the issued share capital of our Company immediately following completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] Share Options are exercised in full and without taking into account of any Shares which may be issued pursuant to the exercise of the [REDACTED] and the options which have been or may be granted under the [REDACTED] Share Option Scheme) on the terms set forth in the section headed "Statutory and General Information — 8. [REDACTED] Share Option Scheme" in Appendix V of this document. Among the 170 Grantees, two of them are executive Directors, one of them is a non-executive Director, and four of them are members of the senior management of our Group, and 163 of them are employees of our Group (the "Employee Grantees"). Except as disclosed above, no Guarantee under the Share Option Scheme is a Director or a member of the senior management or a connected person of our Group.

We have applied for (i) an exemption from the SFC under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with the disclosure requirements of paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance; and (ii) a waiver from the Stock Exchange from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of and paragraph 27 of Appendix 1A to the [REDACTED] Rules, on the ground that disclosure of the names and addresses as well as the number of Shares in respect of which options have been granted to each of the 170 Grantees of the [REDACTED] Share Option Scheme, other than the Grantees who are Directors and members of senior management would be unduly burdensome for us due to the following reasons:

- (i) in light of the large number of Grantees under the [REDACTED] Share Option Scheme, strict compliance with the disclosure requirements on an individual basis in this document would be costly and unduly burdensome for our Company and cause unnecessary wastage of paper, and of limited information value to the investing public;

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---

- (ii) the grant of options to each Grantee under the [REDACTED] Share Option Scheme (the “[REDACTED] Share Options”) is made on a case by case basis and is determined by the Directors, taking into account the performance and contribution of each Grantee to our Group. As such, to disclose the full particulars of the entitlements of all Grantees on an individual basis in this document may create dissatisfaction and competition amongst the Grantees which would negatively affect the morale of our Group and completely defeat the purpose of the [REDACTED] Share Option Scheme. A full list of all Grantees under the [REDACTED] Share Option Scheme with the particulars required under the Companies Ordinance and the [REDACTED] Rules will be made available for public inspection;
- (iii) the grant and exercise in full of the [REDACTED] Share Options is not expected to cause any material adverse change in the financial position of our Company;
- (iv) non-disclosure of the full details required by the above disclosure requirements would not prevent our Company from providing its potential investors with an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Company and will not prejudice the interest of the investing public;
- (v) there will be full disclosure on all [REDACTED] Share Options granted to our Directors and senior management on an individual basis under the section headed “Statutory and General Information — 8. [REDACTED] Share Option Scheme” in Appendix V to this document. Further, details of [REDACTED] Share Options granted to Directors will be disclosed under the section headed “Statutory and General Information — 7. Further Information about our Directors and Substantial Shareholders” in Appendix V to the document;
- (vi) for the Employee Grantees, there will be full disclosure on all [REDACTED] Share Options granted to them on an aggregate basis, including (a) the aggregate number of Employee Grantees; (b) the number of Shares underlying the [REDACTED] Share Options; (c) the consideration paid for the [REDACTED] Share Options; (d) the exercise period of each [REDACTED] Share Option; and (e) the exercise price of the [REDACTED] Share Options; and
- (vii) apart from the disclosure of the full particulars of the entitlements of such persons as mentioned in paragraphs (v) and (vi) above, all other relevant information in relation to the [REDACTED] Share Option Scheme, including the aggregate number of Grantees under the [REDACTED] Share Option Scheme, the aggregate number of Shares to be subscribed pursuant to the exercise of the [REDACTED] Share Options and the relevant percentage of our Company’s issued share capital represented by such Shares, the dilution effect and impact on earnings per Share upon full exercise of the [REDACTED] Share Options, will be fully disclosed under the section headed “Statutory and General Information — 8. [REDACTED] Share Option Scheme” in Appendix V to the document.

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RULES AND EXEMPTIONS FROM COMPLIANCE WITH THE COMPANIES  
(WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

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The Stock Exchange [has granted] the waiver to us subject to the following conditions:

- (i) the grant of a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with the disclosure requirements of paragraph 10(d) of Part I of the Third Schedule to the Ordinance by the SFC;
- (ii) on individual basis, full details of all the options granted by our Company under the [REDACTED] Share Option Scheme to our Directors, senior management, connected persons of the Company, including all the particulars required under Rule 17.02(1)(b) of and paragraph 27 of Appendix 1A to the [REDACTED] Rules and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, be disclosed in this document;
- (iii) in respect of the options granted by our Company to the Employees Grantees, the following details be fully disclosed in this document:
  - (a) the aggregate number of the Employees Grantees;
  - (b) the number of Shares subject to such options;
  - (c) the consideration paid for the grant of such options;
  - (d) the exercise period of the options; and
  - (e) the exercise price for the options;
- (iv) the dilution effect and impact on earnings per Share upon full exercise of the options granted under the [REDACTED] Share Option Scheme be disclosed in this document;
- (v) the aggregate number of Shares subject to the outstanding options granted by our Company under the [REDACTED] Share Option Scheme and the percentage of our Company's issued share capital of which such number represents be disclosed in this document;
- (vi) a summary of the [REDACTED] Share Option Scheme be disclosed in this document; and
- (vii) the list of all the Grantees, containing all details as required under Rule 17.02(1)(b) of and paragraph 27 of Appendix 1A to the [REDACTED] Rules and paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance be made available for public inspection.

**WAIVERS AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE [REDACTED]  
RULES AND EXEMPTIONS FROM COMPLIANCE WITH THE COMPANIES  
(WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

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The SFC [has issued] a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies Ordinance subject to the conditions that:

- (i) on individual basis, full details of all the options granted by our Company under the [REDACTED] Share Option Scheme to each of our Directors, senior management, connected persons of our Company, such details to include all the particulars required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
- (ii) in respect of the options granted by our Company to the Employees Grantees, the following details are disclosed in this document:
  - (a) the aggregate number of Employees Grantees;
  - (b) the aggregate number of Shares subject to the options;
  - (c) the consideration paid for the grant of the options; and
  - (d) the exercise period and the exercise price for the options;
- (iii) a full list of all the Grantees who have been granted options to subscribe for Shares under the [REDACTED] Share Option Scheme, containing all the details as required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, be made available for public inspection in accordance with “Documents Delivered to the Registrar of Companies in Hong Kong and Available for Inspection — 2. Documents available for inspection” in Appendix VI to this document; and
- (iv) the particulars of the exemption will be set out in this document.

Further details of the [REDACTED] Share Option Scheme are set out in “Statutory and General Information — 8. [REDACTED] Share Option Scheme” in Appendix V to this document.