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**WAIVERS AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE [REDACTED]  
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) Pursuant to Rule 3.05 of the [REDACTED] Rules, our Company has appointed Dr. Zhang, our executive Director, chairman and chief executive officer, and Mr. Meng, our executive Director as our authorized representatives. Dr. Zhang and Mr. Meng are jointly and severally authorized as our Company's principal channel of communication with the Stock Exchange and will make themselves readily available to communicate with the Stock Exchange. Both of the authorized representatives will be readily available for meetings with the Stock Exchange in person, if necessary, and will be readily contactable by the Stock Exchange by telephone, fax and email, if necessary, to deal with enquiries from the Stock Exchange from time to time.

Each Director will provide his/her contact details (mobile phone numbers, office phone numbers, residential phone numbers, email addresses and fax numbers) to our authorized representatives and to the Stock Exchange. In the event that a Director expects to travel and be out of office, he/she will provide the phone number of the place of his/her accommodation or other contact details to our authorized representatives. This would ensure that each of the authorized representatives would have the means to contact all our Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors on any matters.

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To the best knowledge of our Company, all of our Directors who are not ordinary residents in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and would be able to come to Hong Kong to meet with the Hong Kong Stock Exchange within a reasonable period when required;

- (b) in compliance with Rule 3A.19 of the [REDACTED] Rules, we have appointed Haitong International Capital Limited as our compliance advisor to serve as an alternative 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 of the [REDACTED] Rules in respect of its financial results for the first full financial year commencing after the [REDACTED] Date;
- (c) we will retain our Hong Kong legal advisors to advise on its on-going compliance obligations and other issues which are material for a [REDACTED] issuer in Hong Kong; and
- (d) we have and will continue to maintain a principal place of business in Hong Kong.

**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 [REDACTED] Shares (immediately before the [REDACTED] Reorganization) or [REDACTED] Shares (immediately before Completion of the [REDACTED]) on the terms set forth in the section headed “Statutory and General Information — 8. [REDACTED] Share Option Scheme” in Appendix V of this document. The [REDACTED] to be subjected to the [REDACTED] Share Option Scheme shall be [REDACTED] 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 Share Option Schemes). Among the 170 Grantees, two of them are executive Directors, one of them is a non-executive Director, four of them are members of the senior management of our Group, five of them are other grantees who have been granted [REDACTED] Share Options to subscribe for more than [REDACTED] (the “Grantees With More Than [REDACTED]”) and 158 of them are employees of our Group (the “Employee Grantees”). Except as disclosed above, no Grantee under the Share Option Scheme is a Director, a member of the senior management of our Group, a connected person of the Company or Grantees With More Than [REDACTED].

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

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to the [REDACTED], 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 our Directors, members of senior management of our Group, connected persons of the Company or Grantees With More Than [REDACTED] would be unduly burdensome for us due to the following reasons:

- (i) non-compliance with the disclosure requirements does not prevent our Company from providing an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Company to its potential investors;
- (ii) our Directors and the Sole Sponsor are of the view that the granting of the waivers by the Stock Exchange and the exemption by the SFC will not prejudice the interest of the investing public;
- (iii) the disclosure of important information of the options granted to the Employee Grantees, as disclosed under the section headed “Statutory and General Information — 8. [REDACTED] Share Option Scheme” in Appendix V to this document, should provide potential investors with sufficient information to make a relevant assessment of our Company in their investment decision-making process; and
- (iv) setting out the names, addresses and numbers of Shares represented by options for the Employee Grantees on an individual basis would increase a numerous amount of pages in this document and therefore would be costly and unduly burdensome on our Company in light of the increase in cost for document printing.

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 of our Group, connected persons of the Company and Grantees With More Than [REDACTED], including all the particulars required under Rule 17.02(1)(b) of and paragraph 27 of Appendix 1A to the [REDACTED] 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 Employee Grantees, the following details are fully disclosed in this document:
  - (a) the number of Grantees and the number of Shares subject to such options;
  - (b) consideration paid for the grant of such options; and
  - (c) exercise periods and exercise prices of such options;
- (iv) the potential 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;

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- (v) the aggregate number of Shares subject to the options granted by our Company under the [REDACTED] Share Option Scheme and the percentage to our Company’s total issued share capital represented by them as set out in this document;
- (vi) the particulars of the waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the [REDACTED] to be granted are set out in this document; and
- (vii) the list of all the Grantees, with all particulars of the waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the [REDACTED] Rules and the exemption from strict compliance with the disclosure requirements under 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.

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 (Winding Up and Miscellaneous Provisions) 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 of our Group, connected persons of the Company and Grantees With More Than [REDACTED], 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 Grantees and the number of Shares subject to such options;
  - (b) consideration paid for the grant of such options; and
  - (c) exercise period and exercise price of such options;
- (iii) a full list of all the Grantees 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 from strict compliance with the disclosure requirements under paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance to be granted are 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.