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

In preparation for the Global Offering, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and certificates of exemption from the Companies (Winding Up and Miscellaneous Provisions) Ordinance:

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong. This normally means 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 satisfying the requirements under Rule 8.12 of the Listing Rules. The Group's management, business operations and assets are primarily based outside Hong Kong. The principal management headquarters and senior management of the Group are primarily based in the PRC. 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, the Group and therefore would not be in the best interests of the Company and the Shareholders as a whole. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under 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, we have appointed and will continue to maintain two authorised representatives, namely Ronald Hao Xi Ede, executive Director and Chief Financial Officer, and Lok Yee Chan, joint company secretary and their alternate representative Yanju Wang, to be the principal communication channel at all times between the Stock Exchange and the Company. Each of our authorised 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 authorised representatives are authorised to communicate on our behalf with the Stock Exchange;
- (b) we will implement a policy to provide the contact details of each Director (such as mobile phone numbers, office phone numbers, residential phone numbers, email addresses and fax numbers) to each of the authorised representatives, to their alternate representative and to the Stock Exchange. This will ensure that each of the authorised representatives, the alternate representative and the Stock Exchange will have the means to contact all the Directors (including the independent non-executive Directors) promptly as and when required, including means to communicate with the Directors when they are travelling;
- (c) we will ensure that all Directors who are not ordinarily resident in Hong Kong possess or are able to apply for valid travel documents to visit Hong Kong and will be able to come to Hong Kong to meet with the Stock Exchange within a reasonable period of time when required;

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- (d) we have retained the services of a compliance adviser, being Guotai Junan Capital Limited (the “**Compliance Adviser**”), in accordance with Rule 3A.19 of the Listing Rules. The Joint Sponsors submit, on behalf of our Company, that the Compliance Adviser will serve as an additional channel of communication with the Stock Exchange in addition to the authorised representatives of our Company. 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 authorised representatives and Directors who will provide to the Compliance Adviser 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 in compliance with Rule 3A.23 of the Listing Rules; and

- (e) meetings between the Stock Exchange and the Directors could be arranged through the authorised representatives or directly with the Directors within a reasonable time frame. Our Company will inform the Stock Exchange as soon as practicable in respect of any change in the authorised representatives and/or the Compliance Adviser in accordance with the Listing Rules.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

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

- (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 roles he or she played;

- (b) familiarity with the Listing Rules and other relevant law and regulations including the Securities and Futures Ordinance, Companies Ordinance and the Takeovers Code;

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- (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.

Our Company appointed Yanju Wang and Lok Yee Chan of Vistra Corporate Services (HK) Limited as joint company secretaries of our Company on June 4, 2018. Lok Yee Chan is an associate member of the Hong Kong Institute of Chartered Secretaries 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.

Ms. Yanju Wang, aged 29, was appointed as our joint company secretary on June 4, 2018. She joined the Group in October 2015 as Executive Assistant. Her main responsibilities include managing company documents, revising institutional processes, organizing board and management meetings, and taking charge of the company's foreign investment and industrial registration. Prior to joining the Group, Ms. Wang worked as an analyst at Boshi Automobile Parts (Suzhou) Co., Ltd. (博世汽車零部件(蘇州)有限公司) from 2014 to 2015.

Ms. Wang received her Bachelor in Management degree from the Nanjing University of Posts and Telecommunications in June 2012 and her Master of Economics degree from Jiangsu University in June 2015. She obtained an accounting qualification certificate in August 2014 and a banking qualification certificate in October 2014.

Ms. Lok Yee Chan, aged 28, was appointed as our joint company secretary on June 4, 2018. She joined Vistra Corporate Services (HK) Limited in 2016 and is an Assistant Manager of Corporate Services. Ms. Chan has over four years of experience in providing a full range of company secretarial and compliance services and is currently serving a portfolio of clients including public listed companies and private companies.

Ms. Chan obtained a Bachelor of Arts from The Hong Kong Polytechnic University in October 2011 and a Master of Science in Professional Accounting and Corporate Governance in July 2015 from City University of Hong Kong.

She has been an associate member of The Hong Kong Institute of Chartered Secretaries and an associate member of The Institute of Chartered Secretaries and Administrators in United Kingdom since 2015.

Accordingly, while Yanju Wang does not possess the formal qualifications required of a company secretary under Rule 3.28 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. Wang may be appointed as a joint company secretary of our Company.

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The waiver was granted for a three-year period on the condition that Lok Yee Chan, as a joint company secretary of our Company, will work closely with, and provide assistance to, Yanju Wang in the discharge of her duties as a joint company secretary and in gaining the relevant experience under Rule 3.28 of the Listing Rules. The waiver will be revoked immediately if Ms. Chan ceases to provide assistance to Ms. Wang as the joint company secretary for the three-year period after Listing. In addition, Ms. Wang 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 Listing Date. Our Company will further ensure that Ms. Wang 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.

Prior to the end of the three-year period, the qualifications and experience of Yanju Wang and the need for on-going assistance of Lok Yee Chan will be further evaluated by our Company. We will liaise with the Stock Exchange to enable it to assess whether Ms. Wang, having benefited from the assistance of Ms. Chan 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 Rule 3.28 Note 2 of the Listing Rules so that a further waiver will not be necessary.

Please refer to the section headed “Directors and Senior Management” for further information regarding the qualifications of Yanju Wang and Lok Yee Chan.

WAIVER AND EXEMPTION IN RELATION TO THE PRE-IPO SHARE INCENTIVE PLAN

Rule 17.02(1)(b) of, and paragraph 27 of Appendix 1A to, the Listing Rules, and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, requires the Company to disclose, among other things, details of the number, description and amount of any shares in or debentures of our Company 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 or debentures 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 (the “**Share Option Disclosure Requirements**”).

As of the Latest Practicable Date, our Company had granted options under the Pre-IPO Share Incentive Plan to 322 grantees to subscribe for an aggregate of 71,910,000 Shares, representing approximately 6.43% of the total number of Shares in issue immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised and no shares are issued pursuant to the Equity Plans) on the terms set out in the section headed “Statutory and General Information – D. Equity Plans – 1. Pre-IPO Share Incentive Plan” in Appendix IV. These grantees primarily consist of our current employees, and also include external consultants and ex-employees. No options have been granted to the Directors, members of senior management, and other connected persons of the Company which are outstanding.

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Our Company has applied to the Stock Exchange and the SFC, respectively for, (i) a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of, and paragraph 27 of Appendix 1A to, the Listing Rules; and (ii) a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting the Company 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, on the ground that strict compliance with the above requirements would be unduly burdensome for our Company for the following reasons:

- (a) given that 322 grantees are involved, strict compliance with such disclosure requirements in setting out full details of all the grantees under the Pre-IPO Share Incentive Plan in the prospectus would be costly and unduly burdensome for the Company in light of a significant increase in cost and timing for information compilation, prospectus preparation and printing;
- (b) strict compliance with such disclosure requirements in setting out full details of all the grantees requires the Company to seek and obtain consent from each of the 322 grantees, which would be significantly time consuming, administratively burdensome and costly;
- (c) given the nature of the business of the Company, it is extremely important for the Company to recruit and retain talents and the success of the Company's long-term development plan will very much depend on the loyalty and contribution of the grantees;
- (d) the grant and exercise in full of the share options under the Pre-IPO Share Incentive Plan will not cause any material adverse impact in the financial position of our Company;
- (e) non-compliance with the above disclosure requirements would not prevent the Company from providing its potential investors with an informed assessment of the activities, assets, liabilities, financial position, management and prospects of the Company; and

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- (f) material information relating to the share options under the Pre-IPO Share Incentive Plan will be disclosed in this prospectus, including the aggregate number of grantees and total number of Shares subject to the Pre-IPO Share Incentive Plan, the consideration paid for the grant of the share options under the Pre-IPO Share Incentive Plan, the exercise price per Share, the potential dilution effect on the shareholding and impact on earnings per Share upon full exercise of the share options granted under the Pre-IPO Share Incentive Plan. The Directors consider that the information that is reasonably necessary for the potential investors to make an informed assessment of the Company in their investment decision making process has been included in this prospectus.

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

The Stock Exchange has agreed to grant to our Company a waiver under the Listing Rules on condition that:

- (a) in respect of the options granted under the Pre-IPO Share Incentive Plan to grantees who are not Directors, the senior management or the other connected persons of the Company, disclosure will be made, on an aggregate basis, of (1) their aggregate number of grantees and number of Shares underlying the share options under the Pre-IPO Share Incentive Plan, (2) the consideration paid for the grant of the share options under the Pre-IPO Share Incentive Plan and (3) the exercise period and the exercise price of the share options granted under the Pre-IPO Share Incentive Plan in the section headed “Statutory and General Information – D. Equity Plans – 1. Pre-IPO Share Incentive Plan” in Appendix IV;
- (b) in respect of the grantees who are not our employees and are granted options with more than 2,000,000 underlying Shares under the Pre-IPO Share Incentive Plan, full details of all options granted to these grantees, including all the particulars as required under Rule 17.02(1)(b) and paragraph 27 of Appendix 1A to the Listing Rules and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance will, on an individual basis be disclosed in the section headed “Statutory and General Information – D. Equity Plans – 1. Pre-IPO Share Incentive Plan” in Appendix IV;
- (c) aggregate number of Shares underlying the options granted under the Pre-IPO Share Incentive Plan and the percentage to the Company’s total issued share capital represented by such number of Shares immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no shares are issued pursuant to the Equity Plans) will be made in the section headed “Statutory and General Information – D. Equity Plans – 1. Pre-IPO Share Incentive Plan” in Appendix IV;
- (d) the dilutive effect and impact on earnings per Share upon the full exercise of the options under the Pre-IPO Share Incentive Plan will be disclosed in the section headed “Statutory and General Information – D. Equity Plans – 1. Pre-IPO Share Incentive Plan” in Appendix IV;

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- (e) a summary of the major terms of the Pre-IPO Share Incentive Plan will be disclosed in the section headed “Statutory and General Information – D. Equity Plans – 1. Pre-IPO Share Incentive Plan” in Appendix IV;
- (f) the particulars of the waiver will be disclosed in this prospectus;
- (g) a list of all the grantees (including those persons whose details have already been disclosed in this prospectus) containing all the particulars as required under Rule 17.02(1)(b) and paragraph 27 of Appendix 1A 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 as disclosed in the section headed “Documents Delivered to the Registrar of Companies in Hong Kong and Available for Inspection” in Appendix V; 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 on the conditions that:

- (a) full details of the options granted by the Company under the Pre-IPO Share Incentive Plan to each of the Directors, senior management and other connected persons of the Company, if any, and grantees who are not employees of the Company and have been granted options to subscribe for more than 2,000,000 shares are disclosed in this prospectus, 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;
- (b) in respect of the options granted by the Company under the Pre-IPO Share Incentive Plan for grantees other than Directors, the senior management or the other connected persons of the Company, disclosures are made on an aggregate basis and categorized by reference to number of shares underlying the outstanding options and exercise price. For each category, the following details are disclosed in this prospectus: (1) aggregate number of grantees and number of shares subject to the options, (2) the consideration paid for the grant of the options and (3) the exercise period and the exercise price for the options;
- (c) a full list of all the grantees (including the persons referred to in (a) above) who have been granted options to subscribe for shares under the Pre-IPO Share Incentive Plan, containing all the particulars 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 the section headed “Documents Delivered to the Registrar of Companies in Hong Kong and Available for Inspection” in Appendix V to this prospectus; and
- (d) the particulars of the exemption are set out in this prospectus which would be issued on or before October 18, 2018.

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WAIVER IN RELATION TO EXEMPTION FROM COMPLIANCE WITH PARAGRAPH 27 OF PART I AND PARAGRAPH 31 OF PART II OF THE THIRD SCHEDULE TO THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

According to section 342(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, this prospectus shall include an accountants' report which contains the matters specified in the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

According to paragraph 27 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Company is required to include in the prospectus a statement as to the gross trading income or sales turnover (as the case may be) of the Company during each of the three financial years immediately preceding the issue of the prospectus as well as an explanation of the method used for the computation of such income or turnover and a reasonable breakdown of the more important trading activities.

According to paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Company is required to include in the prospectus a report prepared by the Company's auditor with respect to profits and losses and assets and liabilities of the Company in respect of each of the three financial years immediately preceding the issue of the prospectus.

According to section 342A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the SFC may issue, subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from compliance with the relevant requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interests of the investing public and compliance with any or all of such requirements would be irrelevant or unduly burdensome, or is otherwise unnecessary or inappropriate.

According to Rule 4.04(1) of the Listing Rules, the Accountant's Report contained in the prospectus must include, inter alia, the results of the Company in respect of each of the three financial years immediately preceding the issue of this prospectus or such shorter period as may be acceptable to the Stock Exchange.

According to Rule 18A.06 of the Listing Rules, an eligible biotech company shall comply with Rule 4.04. modified so that references to "three financial years" or "three years" in that rule shall instead reference to "two financial years" or "two years", as the case may be.

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Accordingly, we applied to the SFC for, and the SFC has granted, a certificate of exemption from strict compliance with the requirements under paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the following grounds:

- (a) our Company is primarily engaged in the research and development, application and commercialisation of biotech products, and falls within the scope of biotech company as defined under Chapter 18A of the Listing Rules;
- (b) the Accountant's Report for each of the two financial years ended December 31, 2016 and 2017, and the six months ended June 30, 2018 has been prepared and is set out in Appendix I to this prospectus in accordance with Rule 18A.06 of the Listing Rules;
- (c) as of the Latest Practicable Date, we had not commercialized any products and therefore did not generate any revenue from product sales. The details of our major activities have been fully disclosed in the section headed "Business" in the Prospectus;
- (d) notwithstanding that the financial results set out in this prospectus are only for the two years ended December 31, 2016 and 2017, and the six months ended June 30, 2018 in accordance with Chapter 18A of the Listing Rules, other information required to be disclosed under the Listing Rules and requirements under the Companies (Winding up and Miscellaneous Provisions) Ordinance has been adequately disclosed in this prospectus pursuant to the relevant requirements; and
- (e) given that the Company is only required to disclose its financial results for each of the two financial years ended December 31, 2016 and 2017 under Chapter 18A of the Listing Rules and the six months ended June 30, 2018 and preparation of the financial results for the year ended December 31, 2018 would require additional work to be performed by the Company and its auditors, it will be unduly burdensome for the Company to comply with the relevant requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance as stated above.

Our Company is of the view that the Accountant's Report covering the two years ended December 31, 2016 and 2017, and the six months ended June 30, 2018, together with other disclosure in this prospectus, has already provided the potential investors with adequate and reasonably up-to-date information in the circumstances to form a view on the track record of our Company; and our Directors confirm that all information which is necessary for the investing public to make an informed assessment of the business, assets and liabilities, financial position, management and prospects has been included in this prospectus. Therefore, the exemption would not prejudice the interests of the investing public.