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In preparation for the Listing, we have sought the following waivers from strict compliance with the Listing Rules and exemptions 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 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, in China. 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, we have 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 Lijun Xin and Chiu Ming King;
- (b) we will implement a policy to provide the contact details of each Director to the Stock Exchange, their alternate representative and to the authorized representatives. This will ensure that the Stock Exchange, their alternate representative and the authorized representatives should have means for contacting all Directors promptly at all times as and when required, including means to communicate with the Directors when they are traveling;
- (c) we will 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, we have retained the services of Haitong International Capital 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

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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 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 and/or the Compliance Adviser in accordance with the Listing Rules.

WAIVER IN RESPECT OF CONTINUING CONNECTED TRANSACTIONS

We have entered into, and expect to continue, certain transactions that will constitute partially-exempt and non-exempt continuing connected transactions of our Company under the Listing Rules upon Listing. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted, waivers from strict compliance with Chapter 14A of the Listing Rules. See "Connected transactions" for more details.

WAIVER IN RELATION TO PRINTED COPIES OF THE PROSPECTUS

We have adopted a fully electronic application process for the Hong Kong Public Offering and we will not provide printed copies of this document or printed copies of any application forms to the public in relation to the Hong Kong Public Offering. We have applied for, and the Stock Exchange has granted, waivers from strict compliance with Rule 12.04(3), Rule 12.07 and Rule 12.11 of the Listing Rules in respect of the availability of copies of the prospectus in printed form based on the following grounds: our Group's corporate and social responsibility to reduce printed materials, electronic application being the most used and popular channel for application in Hong Kong public offerings nowadays and the circumstances brought about by the COVID-19 pandemic.

We will adopt additional communication measures to inform the potential investors that they can only subscribe for the Hong Kong Public Offer Shares electronically, including (i) publishing a formal notice of the Global Offering on our website and in selected English and Chinese local newspapers describing the fully electronic application process including the available channels for share subscription; (ii) advertising through the White Form eIPO Service Provider the electronic methods for subscription of the Hong Kong Offer Shares; (iii) the enhanced support provided by our Hong Kong Share Registrar and White Form eIPO Service Provider in relation to the Hong Kong Public Offering (including additional enquiry hotlines for questions about the application for the Hong Kong Offer Shares and increasing its server capacity); and (iv) issuing a press release to remind investors that no printed prospectuses or application forms will be provided.

WAIVER IN RESPECT OF INVESTMENT AND ACQUISITION AFTER THE TRACK RECORD PERIOD

Pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules, the accountants' report to be included in a listing document must include the income statements and balance sheets of any subsidiary or business acquired, agreed to be acquired or proposed to be acquired since the date to which its latest audited accounts have been made up in respect of each of the three financial years immediately preceding the issue of the listing document (the "**Target Historical Financial Information**").

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Pursuant to guidance letter HKEX-GL32-12 issued by the Stock Exchange (“GL32-12”), acquisitions of business include acquisitions of associates and any equity interest in another company. Pursuant to GL32-12, the Stock Exchange may consider granting a waiver of the requirements under Rules 4.04(2) and 4.04(4) of the Listing Rules on a case-by-case basis, and having regard to all relevant facts and circumstances.

The Stock Exchange will ordinarily grant a waiver in relation to acquisitions of equity securities in the ordinary and usual course of business subject to the following conditions: (i) the percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) of each acquisition are all less than 5% by reference to the most recent financial year of the applicant’s trading record period; (ii) the applicant is neither able to exercise any control, nor has any significant influence, over the underlying company or business; and (iii) the listing document should include the reasons for the acquisitions and a confirmation that the counterparties and the ultimate beneficial owners of the counterparties are independent third parties of the applicant and its connected persons.

In addition, the Stock Exchange will ordinarily grant a waiver in relation to acquisitions of a business or subsidiary subject to the following conditions: (i) the percentage ratio (as defined under Rule 14.04(9) of the Listing Rules) of the acquired or to be acquired business or subsidiary are all less than 5% by reference to the most recent financial year of the applicant’s trading record period; (ii) the historical financial information of the acquired or to be acquired business or subsidiary is not available or would be unduly burdensome to obtain or prepare; and (iii) the listing document should include at least the information that would be required for a discloseable transaction under Chapter 14 of the Listing Rules on each acquisition.

Ordinary course of Investment since June 30, 2020

During the Track Record Period, the Company has made minority investments in a number of companies in China in the ordinary and usual course of business to further its strategic objectives.

Since June 30, 2020 and up to the Latest Practicable Date, the Company has proposed to make minority investment in a company (the “Investment”). Details of the Investment up to the Latest Practicable Date include:

<u>No.</u>	<u>Name of the target company⁽²⁾</u>	<u>Investment amount⁽¹⁾</u>	<u>Percentage of shareholding / equity interest⁽¹⁾</u>	<u>Principal business activities</u>
1.	Shanghai Jinshida Weining Software Technology Co., Ltd. (上海金仕達衛寧軟件科技有限公司)	RMB150,000,000	7.71%	Medical related technology services

Notes:

- (1) The approximate consideration disclosed in the table represents the Investment after June 30, 2020. The percentage of shareholding / equity interest represents the Company’s approximate total pro forma shareholding in the target company after the completion of the disclosed transaction.
- (2) None of the core connected persons at the level of the Company is a controlling shareholder of the target company.

The Company confirms that the investment amount for the Investment is the result of commercial arm’s length negotiations, based on factors including market dynamics, a mutually agreed valuation, and/or capital required for the relevant company’s operations.

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Conditions for granting the waiver and its scope in respect of the Investment

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Listing Rules in respect of the Investment on the following grounds:

Ordinary and usual course of business

The Company makes strategic equity investments in sectors relating to its business as part of its ordinary and usual course of business. The Company has a history of making minority investments and have conducted a number of minority investments during the Track Record Period.

The percentage ratios of the Investment are all less than 5% by reference to the most recent fiscal year of the Track Record Period

The applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules for the Investment are all significantly less than 5% by reference to the most recent fiscal year of the Track Record Period.

Accordingly, the Company believes that the Investment has not resulted in any significant changes to its financial position since June 30, 2020, and all information that is reasonably necessary for potential investors to make an informed assessment of its activities or financial position has been included in this document. As such, the Company considers that a waiver from compliance with the requirements under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules would not prejudice the interests of the investors.

The Company is not able to exercise any control over the underlying company or business

The Company confirms that: (i) it only holds and/or will only hold a minority equity interest in the Investment and does not control its board of directors; and (ii) the Company is also not involved in the day to day management of the Investment and only enjoys minority strategic shareholder rights. The minority rights given to the Company are generally commensurate to its status as a minority shareholder and are for the protection of its interests as a minority stakeholder in the Investment. These rights are neither intended, nor sufficient to compel or require the relevant companies to prepare or to disclose in this document audited financial statements for the purposes of compliance with Rules 4.04(2) and 4.04(4)(a) of the Listing Rules. It could be prejudicial and potentially harmful to the Company's portfolio relationships and commercial interests to make such disclosures. In addition, as some portfolio companies are private, disclosing this information could harm their interests and bring them into an unfavorable competitive position. Accordingly, as the Company does not expect the Investment to result in any material changes to its financial position after the Track Record Period, the Company does not believe the non-disclosure of the required information pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules would prejudice the interest of investor.

Alternative disclosure of the Investment in this document

The Company has disclosed alternative information about the Investment in this document. Such information includes that which would be required for a discloseable transaction under Chapter

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14 of the Listing Rules that the Company’s directors consider to be material, including, for example, description of the relevant companies’ principal business activities, the investment amount, and a statement that whether the core connected persons at the level of the Company is a controlling shareholder of any of the Investment. Since the relevant percentage ratio of the Investment is substantially less than 5% by reference to the most recent fiscal year of the Company’s Track Record Period, the current disclosure is adequate for potential investors to form an informed assessment of the Company. The Company does not expect to use any proceeds from the Listing to fund the Investment.

Acquisition since June 30, 2020

Background to the acquisition

Since June 30, 2020 (being the date to which its latest audited accounts have been made up) and up to the Latest Practicable Date, the Group has proposed to make an acquisition (the “**Acquisition**”), details of which are set out in below:

No.	Name of the target company ⁽²⁾	Investment amount ⁽¹⁾	Percentage of shareholding / equity interest ⁽¹⁾	Principal business activities
1.	Company B	RMB7,000,000	100.0%	Pharmaceutical products retail

Notes:

- (1) The approximate consideration disclosed in the table represents the Acquisition after June 30, 2020. The percentage of shareholding/ equity interest represents the Company’s total pro forma shareholding in the target company after the completion of disclosed transaction.
- (2) None of the core connected persons at the level of the Company is a controlling shareholder of any of the target companies.

The acquisition amount for the Acquisition is the result of commercial arm’s length negotiations, based on factors including market dynamics, a mutually agreed valuation, and/or capital required for the target company’s operations.

Conditions for granting the waiver and its scope in respect of the Acquisition

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Listing Rules in respect of the Acquisition on the following grounds:

The percentage ratios of the Acquisition are all less than 5% by reference to the most recent fiscal year of the Company’s Track Record Period.

The relevant percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules for the Acquisition are all less than 5% by reference to the most recent fiscal year of the Track Record Period.

Accordingly, the Company believes that the Acquisition has not resulted in any significant changes to the Company’s financial position since June 30, 2020, and all information that is reasonably necessary for the potential investors to make an informed assessment of the Company’s activities or financial position has been included in this document. As such, the Company considers that a waiver from compliance with Rules 4.04(2) and 4.04(4)(a) of the Listing Rules would not prejudice the interests of the investors.

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The historical financial information of the target would be unduly burdensome to obtain or prepare

The Company confirms that the target in respect of the Acquisition does not have the historical financial information which is readily available for disclosure in this document in accordance with the Listing Rules and the target may not maintain proper records and data for audit purpose. As a result, it would create substantial practical difficulties and require us and our reporting accountant to undertake a considerable amount of work and considerable time and resources to prepare the necessary financial information and supporting documents for disclosure in this document. As such, the Company believes that it would be impractical and unduly burdensome for the Company to disclose the audited financial information of the target as required under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules.

In addition, having considered the Acquisition to be immaterial and that the Company does not expect the Acquisition to have any material effect on its business, financial condition or operations, the Company believes that it would not be meaningful and would be unduly burdensome for it to prepare and include the financial information of the target during the Track Record Period in this document. As the Company does not expect the Acquisition to result in any material changes to its financial position after the Track Record Period, the Company does not believe the non-disclosure of the required information pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules would prejudice the interests of the investors.

Alternative disclosure of the Acquisition in this document

The Company has provided alternative information about the Acquisition in this document. Such information includes that which would be required for a discloseable transaction under Chapter 14 of the Listing Rules that the Company's directors consider to be material, including, for example, description of the target's principal business activities, the investment amount, and a statement that whether the core connected persons at the level of the Company is a controlling shareholder of any of the target. The Company has however excluded disclosure on the name of the target in connection with the Acquisition because (i) the Company has entered into confidentiality agreement with the target and does not have consent from them for such disclosure and/or (ii) given the competitive nature of the industries in which the Company operates, disclosure of the name of the target in this document is commercially sensitive and may jeopardize the Company's ability to consummate the proposed Acquisition. It is commercially sensitive to disclose the identify of the target the Company propose to acquire as such information may enable its competitors to anticipate the Company's investment strategy. Since the relevant percentage ratios of the Acquisition is less than 5% by reference to the most recent fiscal year of our Track Record Period, the current disclosure is adequate for potential investors to form an informed assessment of the Company. The Company does not expect to use any proceeds from the Listing to fund the Acquisition.

WAIVER AND EXEMPTION IN RELATION TO DISCLOSURE OF INTERESTS INFORMATION

As disclosed in the prospectus of JD.com dated June 8, 2020 (the "**JD.com Prospectus**"), JD.com is subject to the U.S. Exchange Act, which requires any person (including directors and officers of the company concerned) who acquires beneficial ownership, as determined in accordance with the rules and regulations of the U.S. SEC, of more than 5% of a class of equity securities

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registered under Section 12 of the U.S. Exchange Act, to file beneficial ownership reports with the U.S. SEC. These persons must also promptly report any material change in the information provided (including any acquisition or disposition of 1% or more of the class of equity securities concerned), unless exceptions apply. JD.com applied for, and was granted, (a) a partial exemption by the SFC under section 309(2) of the SFO from the provisions of Part XV of the SFO (other than Divisions 5, 11 and 12 of Part XV of the SFO) and (b) a waiver by the Stock Exchange from strict compliance with Practice Note 5 and paragraphs 41(4) and 45 of Part A of Appendix 1 to the Listing Rules (the “**JD.com Disclosure Exemption and Waiver**”) subject to the conditions that: (a) the bulk of trading in the shares of JD.com is not considered to have migrated to Hong Kong on a permanent basis in accordance with Rule 19C.13 of the Listing Rules; (b) all disclosures of interests filed with the SEC are also filed with the Hong Kong Stock Exchange as soon as practicable, which will then publish such disclosures in the same manner as disclosures made under Part XV of the SFO; and (c) JD.com shall advise the SFC if there is any material change to any of the information which has been provided to the SFC, including any significant changes to the disclosure requirements in the United States and any significant changes in the volume of JD.com’s worldwide share turnover that takes place on the Hong Kong Stock Exchange.

We have applied for, and the SFC has granted a certificate of exemption from strict compliance with Part XV of the SFO (other than Divisions 5, 11 and 12 of Part XV of the SFO) to the directors or chief executives of the Company who is/are also a director or chief executive of JD.com (the “**Common Directors/Chief Executives**”) with respect to their disclosure of interest, and short positions, in any shares in JD.com and associated corporations of the Company which are subsidiaries of JD.com (“**Associated Corporations**”), subject to the conditions that (i) the Company continues to be a subsidiary of JD.com; (ii) JD.com maintains its secondary listing on the Stock Exchange pursuant to Chapter 19C of the Listing Rules; (iii) the Common Directors/Chief Executives must file with the Hong Kong Stock Exchange all disclosure of interests notices filed with the SEC in respect of interests in JD.com and the Associated Corporations as soon as practicable on the basis that the Hong Kong Stock Exchange will publish these disclosures in the same way as those it receives from other listed corporations pursuant to Part XV; (iv) the Company shall advise the SFC if there is any change to the Common Directors/Chief Executives set out in the Company’s Part XV exemption application to the SFC; and (v) the Company shall advise the SFC if there is any material change to any of the information which has been provided to the SFC, including any significant changes to the disclosure requirements in the United States or any material change to the facts set out in the Company’s Part XV exemption application to the SFC. For the avoidance of doubt, this exemption does not apply to disclosure obligations of the Company’s directors or chief executives in respect of their interests, and short positions, in any shares in the Company (or any of its subsidiaries or 20%-owned corporations) and their interests in any debentures of the Company (or any of its subsidiaries or 20%-owned corporations). The exemption is given based on the particular circumstances of the Company and should not be regarded as a precedent for other applications. This exemption may be reconsidered by the SFC in the event there is any material change in the information provided to the SFC.

We have also applied for, and the Stock Exchange has granted, a waiver from strict compliance with Practice Note 5 and paragraphs 41(4) and 45 of Part A of Appendix 1 to the Listing Rules such that the Common Directors/Chief Executives will not be required to disclose their interests and short positions in any shares or underlying shares in the Associated Corporations in accordance with Part XV of the SFO, subject to the conditions that (i) the SFC granting the Common Directors/Chief

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Executives a partial exemption from strict compliance with Part XV of the SFO; (ii) JD.com maintains its secondary listing on the Stock Exchange under Chapter 19C of the Listing Rules.

WAIVER AND EXEMPTION IN RELATION TO THE PRE-IPO ESOP

Under 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, this document is required to include, 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, the names and addresses of the persons to whom it or the right to it was given, and their potential dilution effect on the shareholding upon listing as well as the impact on the earnings per share arising from the exercise of such outstanding options (the “**Pre-IPO ESOP Disclosure Requirements**”).

As of the Latest Practicable Date, our Company had granted outstanding options under the Pre-IPO ESOP to 237 grantees, including two Directors, one senior management and four other connected persons of the Company and 230 other employees of our Group, to subscribe for an aggregate of 94,731,468 Shares. As of the date of this document, 93,056,322 Shares have been issued to Amazing Start Management Limited, which is wholly owned by The Core Trust Company Limited, being the trustee holding the Shares on trust for the benefit of the participants of the Pre-IPO ESOP. The remaining 1,675,146 Shares underlying the granted options represent 0.05% of the total number of Shares in issue immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised and Shares to be issued under the Pre-IPO ESOP, Post-IPO Share Option Scheme and Post-IPO Share Award Scheme). For further details of our Pre-IPO ESOP, see the section headed “Statutory and General Information—D. Share Incentive Schemes—1. Pre-IPO ESOP” in Appendix IV.

Our Company has applied to the Stock Exchange and the SFC for: (i) a waiver from strict compliance with the applicable Pre-IPO ESOP Disclosure Requirements; and (ii) a certificate of exemption from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with the applicable Pre-IPO ESOP Disclosure Requirements, respectively, on the ground that strict compliance with the above requirements would be unduly burdensome for our Company for the following reasons, among others:

- (a) given that 237 grantees are involved, strict compliance with such disclosure requirements in setting out full details of all the grantees under the Pre-IPO ESOP 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) the grant and exercise in full of the options under the Pre-IPO ESOP will not cause any material adverse impact in the financial position of our Company;
- (c) 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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- (d) material information relating to the options under the Pre-IPO ESOP will be disclosed, including the total number of Shares subject to the Pre-IPO ESOP, the exercise price per Share, the potential dilution effect on the shareholding and impact on earnings per Share upon full exercise of the options granted under the Pre-IPO ESOP. 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 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 granted to us a waiver from strict compliance with the applicable Pre-IPO ESOP Disclosure Requirements on the conditions that:

- (i) on an individual basis, full details of the options granted under the Pre-IPO ESOP to each of the Directors, senior management and other connected persons of the Company, and one grantee who has been granted options to subscribe for 1,500,000 shares or above under the Pre-IPO ESOP, will be disclosed in the section headed “Appendix IV—Statutory and General Information—D. Share Incentive Schemes—1. Pre-IPO ESOP” in this document as required under 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;
- (ii) in respect of the options granted under the Pre-IPO ESOP to remaining grantees (being the other grantees who are not Directors, senior management or other connected persons of the Company, or other grantees who have been granted options to subscribe for 1,500,000 shares or above under the Pre-IPO ESOP), disclosure will be made, on an aggregate basis, of (1) their aggregate number of grantees and number of Shares underlying the options under the Pre-IPO ESOP, (2) the consideration (if any) paid for the grant of the options under the Pre-IPO ESOP and (3) the exercise period and the exercise price of the options granted under the Pre-IPO ESOP;
- (iii) aggregate number of Shares underlying the options granted under the Pre-IPO ESOP and the percentage to the Company’s total issued share capital represented by such number of Shares as of the Latest Practicable Date;
- (iv) the dilutive effect and impact on earnings per Share upon the full exercise of the options under the Pre-IPO ESOP will be disclosed in the section headed “Appendix IV—Statutory and General Information—D. Share Incentive Schemes—1. Pre-IPO ESOP” in this document;
- (v) a summary of the major terms of the Pre-IPO ESOP will be disclosed in the section headed “Appendix IV—Statutory and General Information—D. Share Incentive Schemes—1. Pre-IPO ESOP” in this document;
- (vi) the particulars of the waiver will be disclosed in this document; and

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- (vii) 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 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 an individual basis, full details of the options granted under the Pre-IPO ESOP to each of the Directors, senior management and other connected persons of the Company, and one grantee who has been granted options to subscribe for 1,500,000 shares or above under the Pre-IPO ESOP, will be disclosed in the section headed “Appendix IV—Statutory and General Information—D. Share Incentive Schemes—1. Pre-IPO ESOP” in this document as 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 under the Pre-IPO ESOP to remaining grantees (being the other grantees who are not Directors, senior management or other connected persons of the Company, or other grantees who have been granted options to subscribe for 1,500,000 shares or above under the Pre-IPO ESOP), disclosure will be made, on an aggregate basis, of (1) their aggregate number of grantees and number of Shares underlying the options under the Pre-IPO ESOP, (2) the consideration (if any) paid for the grant of the options under the Pre-IPO ESOP and (3) the exercise period and the exercise price of the options granted under the Pre-IPO ESOP;
- (iii) the particulars of the waiver will be disclosed in this document, and the prospectus will be issued on or before November 26, 2020;
- (iv) a list of all the grantees (including those persons whose details have already been disclosed) containing all the particulars as required under Pre-IPO ESOP Disclosure Requirements will be made available for public inspection in “Documents delivered to the Registrar of Companies and available for inspection” in Appendix V to this document; and
- (v) further details of the Plan will be set forth in the section headed “Appendix IV—Statutory and General Information—D. Share Incentive Schemes—1. Pre-IPO ESOP”.

WAIVER AND CONSENT IN RELATION TO THE SUBSCRIPTION OF OFFER SHARES BY SUM XI (THROUGH ITS AFFILIATE)

Rule 10.04 of the Listing Rules provides that a person who is an existing shareholder of the issuer may only subscribe for or purchase any securities for which listing is sought which are being marketed by or on behalf of a new applicant either in his or its own name or through nominees if the conditions in Rules 10.03(1) and (2) are fulfilled. The conditions in Rules 10.03(1) and (2) of the Listing Rules are that (1) no securities are offered to the existing shareholder on a preferential basis and no preferential treatment is given to the existing shareholder in the allocation of the securities; and (2) the minimum prescribed percentage of public shareholders required by Rule 8.08(1) of the Listing Rules is achieved.

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Paragraph 5(2) of Appendix 6 to the Listing Rules prohibits allocations of shares in a global offering to existing shareholders of the applicant or their close associates, whether in their own names or through nominees, unless the conditions in Rules 10.03 and 10.04 of the Listing Rules are fulfilled or prior written consent of the Stock Exchange has been obtained.

Hillhouse Capital Management, Ltd. (“**Hillhouse Capital**”) acts as the sole management company of Hillhouse Fund IV, L.P., which owns SUM XI Holdings Limited (“**SUM XI**”), an exempted company incorporated under the laws of Cayman Islands. As at the date of this document, Hillhouse Capital, through SUM XI, holds approximately 4.34% of the total issued share capital of the Company. Please refer to the section headed “History, Reorganization and Corporate Structure—2. Principal terms of the Pre-IPO Investments—5. Information on the Pre-IPO Investors” of this document for further information on Hillhouse Capital.

Pursuant to a letter agreement entered into between the Company and SUM XI on August 21, 2020, SUM XI and/or one or more of its designated affiliates is entitled to, on certain conditions, purchase, as a cornerstone investor and at the Offer Price, Shares to be issued by the Company as part of the Global Offering up to an amount that is equal to a percentage of the total offering size of the Global Offering, with such percentage being the lower of (a) 4.5% or (b) the shareholding percentage that SUM XI holds in the total Shares of the Company on a fully diluted basis immediately prior to the Global Offering (the “**Anti-Dilution Right**”).

Given that, if the Anti-Dilution Right is exercised:

1. the subscription for additional Shares by SUM XI’s affiliate will be made at the Offer Price and on the same terms and conditions as other investors pursuant to the Global Offering;
2. the subscription for additional Shares by SUM XI’s affiliate will form part of the International Offering, and will not have an impact on the Shares to be offered to public investors in Hong Kong under the Hong Kong Public Offering;
3. the Anti-Dilution Right is a pre-existing contractual arrangement between the Company and SUM XI and was agreed on an arm’s length basis, and the subscription for additional Shares by SUM XI’s affiliate is necessary to give effect to the Anti-Dilution Right;
4. the Anti-Dilution Right is, in substance, similar in nature to the typical anti-dilution rights granted to pre-IPO investors and, in particular, the subscription for additional Shares by SUM XI’s affiliate will not result in SUM XI’s aggregate percentage interest in the Company increasing above its percentage interest immediately prior to the Global Offering. Such rights are permitted to be exercised in connection with an initial public offering pursuant to paragraph 3.10 of Guidance Letter HKEX-GL43-12;
5. full disclosure of the Anti-Dilution Right will be made in this document, including the number of Shares to be subscribed for by SUM XI’s affiliate and the fact that the subscription price per Share will be at the Offer Price. In addition, the allotment results announcement of the Company will contain details of the Anti-Dilution Right and any allocation made to SUM XI’s affiliate. On the basis of full disclosure, no investor will be prejudiced or unfairly treated in their investment decision making process; and

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6. the subscription for additional Shares by SUM XI's affiliate will facilitate the marketing of, and boost investors' confidence in, the Global Offering,

we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with Rule 10.04 of and consent pursuant to paragraph 5(2) of Appendix 6 to the Listing Rules in respect of the exercise of the Anti-Dilution Right by SUM XI's affiliate to subscribe for additional Shares.

The waiver is subject to the following conditions:

- (a) the allocation is in compliance with the minimum public float percentage of 25%, or such other percentage as may be accepted by the Stock Exchange;
- (b) full disclosure of the Anti-Dilution Right, the number of Shares to be subscribed for by SUM XI's affiliate and the fact that the subscription price per Share will be at the Offer Price will be made in this document;
- (c) the subscription for additional Shares by SUM XI's affiliate will be made at the Offer Price and, in any event, will not result in SUM XI's aggregate percentage interest in the Company increasing above its percentage interest immediately prior to the Global Offering; and
- (d) information on the amount of Shares allocated to SUM XI's affiliate will be disclosed in the allotment results announcement of the Company and the placee lists to be submitted to the Stock Exchange before Listing.

In addition, the Stock Exchange has confirmed that SUM XI can elect to exercise its Anti-Dilution Right by subscribing for additional Shares as a cornerstone investor at the Offer Price. For further information on the subscription by SUM XI's affiliate, please see the section headed "Cornerstone Investors—The Cornerstone Investors—1. Hillhouse" of this document.

WAIVER AND CONSENT IN RELATION TO ALLOCATION OF ADDITIONAL OFFER SHARES TO PARTICIPATING SHAREHOLDERS HOLDING LESS THAN 5% OF THE COMPANY'S VOTING RIGHTS AND THEIR CLOSE ASSOCIATES UNDER RULE 10.04 OF AND PARAGRAPH 5(2) OF APPENDIX 6 TO THE LISTING RULES

Rule 10.04 of the Listing Rules provides that a person who is an existing shareholder of the issuer may only subscribe for or purchase any securities for which listing is sought which are being marketed by or on behalf of a new applicant either in his or its own name or through nominees if the conditions in Rules 10.03(1) and (2) of the Listing Rules are fulfilled. The conditions in Rules 10.03(1) and (2) of the Listing Rules are that (1) no securities are offered to the existing shareholders on a preferential basis and no preferential treatment is given to them in the allocation of the securities; and (2) the minimum prescribed percentage of public shareholders required by Rule 8.08(1) of the Listing Rules is achieved.

Paragraph 5(2) of Appendix 6 to the Listing Rules provides that, unless with the prior written consent of the Stock Exchange, no allocations will be permitted to directors or existing shareholders of the applicant or their close associates, whether in their own names or through nominees unless the conditions set out in Rules 10.03 and 10.04 of the Listing Rules are fulfilled.

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As part of the International Offering, the Company may allocate additional Offer Shares at the Offer Price to certain existing shareholders of the Company (“**Participating Shareholders**”), each of which holds less than 5% of the Company’s voting rights as at the date of this document and before the Listing, or their respective affiliates as placees (the “**Allocation to Participating Shareholders**”), subject to customary lock-up restrictions and in compliance with all applicable requirements under the Listing Rules and guidance letters issued by the Stock Exchange. The Participating Shareholders, which may subscribe for Offer Shares either in their own names or through their respective affiliates, are the Pre-IPO Investors (excluding SUM XI). Please refer to the section headed “History, Reorganization and Corporate Structure—2. Principal terms of the Pre-IPO Investments—5. Information on the Pre-IPO Investors” of this document for information on such Participating Shareholders.

We have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirements of Rule 10.04 of and consent pursuant to paragraph 5(2) of Appendix 6 to the Listing Rules to permit the Company to allocate additional Shares in the Global Offering to the Participating Shareholders or their respective affiliates as placees under the International Offering subject to the following conditions:

1. each of the Participating Shareholders together with its affiliate(s) (if applicable) is interested in less than 5% of the Company’s voting rights before the Listing;
2. none of the Participating Shareholders nor any of their respective affiliates is a core connected person of the Company or a close associate of any such core connected person;
3. each of the Participating Shareholders (i) is a minority financial investor of the Company and does not participate in the day-to-day operations or management of the Company; and (ii) does not have the power to appoint Directors or any other special rights in the Company which may influence the allocation process. Accordingly, none of the Participating Shareholders can assert influence over the allocation of the Offer Shares;
4. the allocation to each of the Participating Shareholders or their respective affiliates pursuant to the Allocation to Participating Shareholders will not affect the Company’s ability to satisfy the minimum public float requirement under Rule 8.08(1) of the Listing Rules;
5. written confirmations pursuant to paragraph 4.20 of Guidance Letter HKEX-GL85-16 will be provided to the Stock Exchange:
 - (a) the Joint Sponsors shall confirm that, based on (i) their discussions with the Company and the Joint Bookrunners; and (ii) the confirmations to be provided to the Stock Exchange by the Company and the Joint Bookrunners (as referred to in subparagraphs (b) and (c) below), and to the best of their knowledge and belief, they have no reason to believe that any of the Participating Shareholders or their close associates received any preferential treatment in the allocation in the International Offering as a placee by virtue of their relationship with the Company, and details of the allocation will be disclosed in the allotment results announcement of the Company;
 - (b) the Company shall confirm that no preferential treatment has been, nor will be, given to any Participating Shareholder or its close associates by virtue of their relationship with the Company in any allocation in the International Offering, and details of the

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allocation will be disclosed in the allotment results announcement of the Company;
and

- (c) the Joint Bookrunners shall confirm, to the best of their knowledge and belief, that no preferential treatment has been, nor will be, given to any Participating Shareholder or its close associates by virtue of their relationship with the Company in any allocation in the International Offering, and details of the allocation will be disclosed in the allotment results announcement of the Company.

CONSENT IN RELATION TO ALLOCATION OF SHARES TO A CONNECTED CLIENT OF ONE OF THE JOINT BOOKRUNNERS

Paragraph 5(1) of Appendix 6 to the Listing Rules provides that no allocations will be permitted to “connected clients” of the lead broker or of any distributors without the prior written consent of the Stock Exchange.

Paragraph 13(7) of Appendix 6 to the Listing Rules states that a “connected client” in relation to an exchange participant means any client which is a member of the same group of companies as such exchange participant.

ICBC International Capital Limited has been appointed by the Company as one of the Joint Global Coordinators and Joint Bookrunners, while ICBC International Securities Limited has been appointed by the Company as one of the Joint Lead Managers and Underwriters (together, the “**Connected Syndicate Members**”).

China Structural Reform Fund Corporation Limited (“**China Structural Reform Fund**”) has agreed to be a cornerstone investor in the Global Offering. For the purpose of its cornerstone investment, China Structural Reform Fund has engaged ICBC Credit Suisse Asset Management Co., Ltd. (“**ICBCCS**”), an asset manager that is a qualified domestic institutional investor as approved by the relevant PRC authority, to subscribe for and hold the relevant Shares on a discretionary basis on behalf of China Structural Reform Fund. ICBCCS is owned by Industrial and Commercial Bank of China Limited (“**ICBC**”) as to 80%, and each of the Connected Syndicate Members is indirectly wholly owned by ICBC. ICBCCS is in the same group of companies as the Connected Syndicate Members and is therefore a connected client of each of the Connected Syndicate Members under paragraph 13(7) of Appendix 6 to the Listing Rules. For further information on China Structural Reform Fund, please refer to the section headed “Cornerstone Investors—The Cornerstone Investors—4. China Structural Reform Fund” in this prospectus.

We have applied to the Stock Exchange for, and the Stock Exchange has granted us, its consent pursuant to paragraph 5(1) of Appendix 6 to the Listing Rules for China Structural Reform Fund to participate as a cornerstone investor in the Global Offering through ICBCCS subject to the following conditions:

1. the Shares to be allocated to ICBCCS will be held on behalf of China Structural Reform Fund, which is an independent third party of the Connected Syndicate Members;
2. China Structural Reform Fund’s cornerstone investment agreement does not contain any material terms which are more favorable to it than those in other cornerstone investment agreements;

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3. the Connected Syndicate Members have not participated in the decision-making process or relevant discussions among the Company, the Joint Bookrunners and the Underwriters as to whether ICBCCS will be selected on behalf of China Structural Reform Fund as a cornerstone investor;
4. no preferential treatment has been, nor will be, given to ICBCCS by virtue of its relationship with the Connected Syndicate Members other than the preferential treatment of assured entitlement under a cornerstone investment following the principles set out in Guidance Letter HKEX-GL51-13;
5. each of the Company, the Joint Sponsors, the Joint Bookrunners, the Connected Syndicate Members and ICBCCS has provided the Stock Exchange a written confirmation in accordance with Guidance Letter HKEX-GL85-16; and
6. details of the allocation have been/will be disclosed in this prospectus and the allotment results announcement of the Company.

WAIVER IN RELATION TO CLAWBACK MECHANISM

Under paragraph 4.2 of Practice Note 18 of the Listing Rules, where an initial public offering includes both a placing tranche and a public subscription tranche, the minimum allocation of shares to the public subscription tranche shall be an initial allocation of 10% of the shares offered in the initial public offering and subject to a clawback mechanism that increases the number of shares available in the public subscription tranche depending on the demand for those shares as set out in the paragraph. We have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with paragraph 4.2 of Practice Note 18 of the Listing Rules such that, in the event of over-subscription, the alternative clawback mechanism shall be applied to the provisions under paragraph 4.2 of Practice Note 18 of the Listing Rules, following the closing of the application lists, subject to the condition that the initial allocation of Shares under the Hong Kong Public Offering shall not be less than 5% of the Global Offering. For further information of such clawback mechanism, please see the section headed “Structure of the Global Offering—The Hong Kong Public Offering—Reallocation”.