
UNDERWRITING

UNDERWRITERS

Hong Kong Underwriters

Zhongtai International Securities Limited
BOCOM International Securities Limited
SPDB International Capital Limited
GF Securities (Hong Kong) Brokerage Limited
CEB International Capital Corporation Limited
China PA Securities (Hong Kong) Company Limited
Southwest Securities (HK) Brokerage Limited
First Shanghai Securities Limited
China Tonghai Securities Limited
Zheshang International Financial Holdings Co., Limited
ZMF Asset Management Limited
West Bull Securities Limited
Goldlink Securities Limited
Sunhigh Financial Holdings Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company has agreed to offer the Hong Kong Offer Shares for subscription by the public in Hong Kong on and subject to the terms and conditions of this prospectus.

Subject to, among other conditions, the granting the listing of, and permission to deal in, our Shares in issue and to be issued as mentioned in this prospectus by the Listing Committee and to certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed to procure subscribers to subscribe for, or failing which they shall subscribe for the Hong Kong Offer Shares severally (and not jointly nor jointly and severally), subject to the terms and conditions of this prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on and subject to the International Underwriting Agreement having been signed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for termination

The obligations of the Hong Kong Underwriters to subscribe for, or procure subscribers to subscribe for the Hong Kong Offer Shares under the Hong Kong Underwriting Agreement are subject to termination. The Sole Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) and the Sole Global

UNDERWRITING

Coordinator shall have the absolute right by notice in writing to our Company to terminate the Hong Kong Underwriting Agreement with immediate effect at any time prior to 8:00 a.m. on the Listing Date (the “**Termination Time**”) if any of the following events shall occur prior to the Termination Time:

- (1) there comes to the notice of the Sole Overall Coordinator and the Sole Global Coordinator that:
 - (a) any matter or event showing any of the representations, warranties and undertakings given to the Sole Sponsor, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters under the Hong Kong Underwriting Agreement or the Cornerstone Investment Agreement (the “**Warranties**”) to be untrue, inaccurate or misleading in any material respect when given or repeated or there has been a breach of any of the Warranties or any other provisions of the Hong Kong Underwriting Agreement by any party to the Hong Kong Underwriting Agreement other than the Hong Kong Underwriters which, in any such cases, is considered, in the reasonable opinion of the Sole Overall Coordinator and the Sole Global Coordinator, to be material in the context of the Hong Kong Public Offering; or
 - (b) any statement contained in this prospectus, the **GREEN** Application Form, the formal notice and/or any notices, announcements, advertisements, communications or other documents issued, given or used for the purposes of or in connection with the Hong Kong Public Offering and/or the International Placing (including any supplement or amendment to any of the documents) (collectively, the “**Offer Documents**”) has become or been discovered to be untrue, incorrect or misleading in any material respect which is considered, in the reasonable opinion of the Sole Overall Coordinator and the Sole Global Coordinator, to be material in the context of the Hong Kong Public Offering; or
 - (c) any event, series of events, matters or circumstances occurs or arises on or after the date of the Hong Kong Underwriting Agreement and before the Termination Time, being events, matters or circumstances which, if it had occurred before the date of the Hong Kong Underwriting Agreement, would have rendered any of the Warranties untrue, incorrect or misleading in any material respect, and which is considered, in the reasonable opinion of the Sole Overall Coordinator and the Sole Global Coordinator to be material in the context of the Hong Kong Public Offering; or
 - (d) any matter which, had it arisen or been discovered immediately before the date of this prospectus and not having been disclosed in this prospectus, would have constituted, in the reasonable opinion of the Sole Overall Coordinator and the Sole Global Coordinator, a material omission in the context of the Hong Kong Public Offering; or
 - (e) any event, act or omission which gives or is likely to give rise to any liability of a material nature of our Company and any of our executive Directors and our Controlling Shareholders arising out of or in connection with the breach of any of the Warranties; or
 - (f) any breach by any party to the Hong Kong Underwriting Agreement other than the Hong Kong Underwriters of any provision of the Hong Kong Underwriting Agreement or the Cornerstone

UNDERWRITING

Investment Agreement which, in the reasonable opinion of the Sole Overall Coordinator and the Sole Global Coordinator, is material in the context of the Hong Kong Public Offering; or

- (g) any material adverse change or development or prospective material adverse change or development in the conditions, business, general affairs, management, prospects, assets, liabilities, shareholders' equity, profits, losses, operating results, the financial or trading position or performance of any member of our Group; or
 - (h) approval by the Listing Committee of the listing of, and permission to deal in, our Shares is refused or not granted, other than subject to customary conditions, on or before the date of the Listing, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or
 - (i) our Company withdraws any of the Offer Documents (and any other documents used in connection with the contemplated subscription of the Offer Shares) or the Global Offering; or
 - (j) any person (other than the Sole Overall Coordinator, the Sole Global Coordinator and any of the Hong Kong Underwriters) has withdrawn or sought to withdraw its consent to being named in the Offer Documents or to the issue of the Offer Documents; or
 - (k) there is a prohibition on our Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares (including pursuant to any exercise of the Over-allotment Option) pursuant to the terms of the Global Offering; or
 - (l) a significant portion of the orders placed or confirmed in the book building process, or of the investment commitments made by the cornerstone investor under the Cornerstone Investment Agreement have been withdrawn, terminated or cancelled, or the Cornerstone Investment Agreement is terminated;
- (2) there shall have developed, occurred, existed, or come into effect any event or series of events, matters or circumstances whether occurring or continuing on and/or after the date of the Hong Kong Underwriting Agreement and including an event or change in relation to or a development of an existing state of affairs concerning or relating to any of the following:
- (a) any new law or regulation or any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong, the PRC, BVI, the Cayman Islands or any of the jurisdictions in which our Group operates or has or is deemed by any applicable law to have a presence (by whatever name called) or any other jurisdiction relevant to the business of our Group; or
 - (b) any change or development involving a prospective change or development, or any event, circumstance or series of events likely to result in or representing any change or development involving a prospective change, in local, national, regional or international financial, economic, political, military, industrial, fiscal, legal, regulatory, currency, credit or market matters or conditions, equity securities or exchange control or any monetary or trading settlement system or

UNDERWRITING

other financial markets (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, the interbank markets and credit markets), in or affecting Hong Kong, the PRC, BVI, the Cayman Islands or any of the jurisdictions relevant to the business of our Group; or

- (c) any adverse change in the conditions of Hong Kong or international equity securities or other financial markets; or
- (d) the imposition of any moratorium, suspension or material restriction on trading in securities generally on any of the markets operated by the Stock Exchange due to exceptional financial circumstances; or
- (e) any change or development involving a prospective change in taxation or exchange control (or the implementation of any exchange control) in Hong Kong, the PRC, BVI, the Cayman Islands or any of the jurisdictions in which our Group operates or has or is deemed by any applicable law to have a presence (by whatever name called) or other jurisdiction relevant to the business of our Group; or
- (f) any adverse change or prospective adverse change in the business or in the financial or trading position or prospects of any member of our Group; or
- (g) the imposition of economic sanction or withdrawal of trading privileges, in whatever form, by the U.S. or by the European Union (or any member thereof) on Hong Kong or the PRC or any other jurisdiction relevant to the business of our Group; or
- (h) any general moratorium on commercial banking activities in the PRC or Hong Kong or any other jurisdiction relevant to the business of our Group declared by the relevant authorities or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in or affecting the PRC, Hong Kong or any other jurisdiction relevant to the business of our Group; or
- (i) any event of force majeure including, without limiting the generality thereof, any act of God, military action, riot, public disorder, civil commotion, fire, flood, tsunami, explosion, epidemic, pandemic, outbreaks, escalation, adverse mutation or aggravation of diseases (including, without limitation, COVID-19 (and such related/ mutated form), Severe Acute Respiratory Syndrome (SARS), swine or avian flu, H5N1, H1N1, H7N9, Ebola virus, Middle East respiratory syndrome and such related/mutated forms), comprehensive sanctions, terrorism, strike or lock-out; or
- (j) any litigation, dispute, legal action, claim, regulatory investigation or legal proceeding or action being threatened or instigated or announced against any member of our Group; or
- (k) an authority or a political body or organization in the PRC or Hong Kong or any other jurisdiction relevant to the business of our Group commencing any investigation or other action, or announcing an intention to investigate or take other action, against any Director; or

UNDERWRITING

- (l) save as disclosed in the Offer Documents, a material contravention by any member of our Group or any Director of any applicable laws including the Listing Rules; or
- (m) any valid demand by any creditors for repayment or payment of any of our Group's indebtedness in respect of which our Group is liable prior to its stated maturity or an order or petition for the winding up or liquidation of any member of our Group or any composition or arrangement made by any member of our Group with our creditors or a scheme of arrangement entered into by any member of our Group or any resolution for the winding-up of any member of our Group or the appointment of a provisional liquidator, receiver or manager over all or part of the assets or undertaking of any member of our Group or anything analogous thereto occurring in respect of any member of our Group; or
- (n) any change or prospective change or development, or any materialization of any of the risks set out in the section headed "Risk Factors" in this prospectus; or
- (o) any non-compliance of this prospectus (or any other documents used in connection with the contemplated offer and sale of the Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable laws, rules and regulations; or
- (p) except with the prior written consent of the Sole Overall Coordinator and the Sole Global Coordinator, the issue or requirement to issue by our Company of any supplement or amendment to this prospectus (or to any other documents used in connection with the contemplated offer and sale of the Shares) pursuant to the Companies Ordinance, the Companies (WUMP) Ordinance or the Listing Rules or any other applicable laws or any requirement or request of the Stock Exchange and/or the SFC;

which in the reasonable opinion of the Sole Overall Coordinator and the Sole Global Coordinator acting in good faith:

- (a) is or will be, or is likely to be, adverse, in any material respect, to the business, financial or other condition or prospects of our Group taken as a whole; or
- (b) has or will have or is reasonably likely to have a material adverse effect on the success of the Global Offering or the level of the Offer Shares being applied for or accepted, or the distribution of the Offer Shares; or
- (c) makes it impracticable, inadvisable or inexpedient for the Hong Kong Underwriters to proceed with the Hong Kong Public Offering as a whole.

For the above purpose:

- (a) a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the U.S. or a material devaluation of the RMB against any foreign currencies shall be taken as an event resulting in a change in currency conditions; and

UNDERWRITING

- (b) any normal market fluctuations shall not be construed as events or series of events affecting market conditions referred to above.

UNDERTAKINGS TO THE STOCK EXCHANGE UNDER THE LISTING RULES

Undertakings by our Company

Pursuant to Rule 10.08 of the Listing Rules, we have undertaken to the Stock Exchange that, except pursuant to the Global Offering and the Over-allotment Option as described and contained in this prospectus, no further Shares or securities convertible into our equity securities (whether or not of a class already listed) may be issued by us or form the subject of any agreement to such an issue by us within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date), except for the circumstances as permitted by Rule 10.08(1) to (5) of the Listing Rules.

Undertakings by our Controlling Shareholders

Pursuant to Rule 10.07 of the Listing Rules, each of our Controlling Shareholders has undertaken to the Stock Exchange and our Company respectively that, except pursuant to the Stock Borrowing Agreement, the Global Offering and save as permitted under the Listing Rules, he/she/it shall not and shall procure that the relevant registered shareholder(s) shall not:

- (i) in the period commencing on the date by reference to which disclosure of his/her/its shareholding is made in this prospectus and ending on the date which is six months from the Listing Date (the “**First Six-month Period**”), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of our Shares in respect of which he/she/it is shown by this prospectus to be the beneficial owner; and
- (ii) in the period of six months commencing on the date on which the period referred to in paragraph (i) above expires (the “**Second Six-month Period**”), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of our Shares referred to in paragraph (i) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he/she/it would cease to be the controlling shareholder or a group of controlling shareholders (as defined in the Listing Rules) of our Company.

Each of our Controlling Shareholders has further undertaken to the Stock Exchange and our Company that, within a period commencing on the date by reference to which disclosure of the shareholding of such persons is made in this prospectus and ending on the date which is 12 months from the Listing Date, he/she/it shall:

- (a) when he/she/it pledges or charges any Shares beneficially owned by him/her/it in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) pursuant to Note 2 to Rule 10.07(2) of the Listing Rules, immediately inform us of such pledge or charge together with the number of Shares so pledged or charged; and

UNDERWRITING

- (b) when he/she/it receives indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged Shares will be disposed of, immediately inform us of such indications.

Our Company shall inform the Stock Exchange in writing as soon as we have been informed of the above matters (if any) by our Controlling Shareholders and disclose such matters by way of an announcement which is published in accordance with the Listing Rules as soon as possible.

UNDERTAKINGS PURSUANT TO THE HONG KONG UNDERWRITING AGREEMENT

Undertakings by our Company

Pursuant to the Hong Kong Underwriting Agreement, our Company has undertaken to each of the Sole Sponsor, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that, except for the issue of Shares pursuant to the Global Offering (including pursuant to the Over-allotment Option), the Capitalization Issue, the grant of options under the Share Option Scheme and the issue of Shares upon exercise of any such options or as otherwise with the prior written consent of the Sole Overall Coordinator and the Sole Global Coordinator, and unless in compliance with the Listing Rules, our Company will not, and will procure none of our subsidiaries will, at any time during the First Six-month Period:

- (i) offer, accept subscription for, pledge, charge, allot, issue, sell, lend, mortgage, assign, contract to allot, issue or sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any options, warrants or other rights to purchase or subscribe for, make any short sale, lend or otherwise transfer or dispose of, either directly or indirectly, or repurchase, any of the share capital, debt capital or any securities of our Company or any of our subsidiaries or any interest therein (including but not limited to any warrants and securities convertible into or exercisable or exchangeable for or that represent the right to receive, or any warrants or other rights to purchase, any such share capital or securities or interest therein, as applicable); or
- (ii) enter into any swap or other arrangement that transfers to others, in whole or in part, any of the economic consequences of ownership of such share capital, debt capital or other securities of our Company or interest therein; or
- (iii) enter into any transaction with the same economic effect as any transaction described in paragraphs (i) or (ii) above; or
- (iv) agree or contract to, or publicly announce any intention to enter into, any transaction described in paragraphs (i), (ii) or (iii) above,

whether any of the foregoing transactions described in paragraphs (i), (ii) or (iii) above is to be settled by delivery of share capital or such other securities, in cash or otherwise (whether or not the issue of such Shares or other shares or securities will be completed within the First Six-month Period).

In the event of our Company doing any of the foregoing by virtue of the aforesaid exceptions or during the Second Six-month Period, we will take all reasonable steps to ensure that any such action will not create a disorderly or false market for any Shares or other securities of our Company.

UNDERWRITING

Undertakings by our Controlling Shareholders

Each of our Controlling Shareholders has jointly and severally undertaken to each of the Sole Sponsor, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, our Company and the Hong Kong Underwriters that during the First Six-month Period, he/she/it shall not, without the prior written consent of the Sole Overall Coordinator and the Sole Global Coordinator and unless pursuant to the Stock Borrowing Agreement, the Share Option Scheme or any exercise of the Over-allotment Option or otherwise in compliance with the requirements of the Listing Rules:

- (i) offer, pledge, charge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend or otherwise transfer or dispose of, either directly or indirectly, any of our Shares in respect of which he/she/it is shown in this prospectus to be directly or indirectly interested in (the “**Relevant Securities**”); or
- (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Relevant Securities, whether any of the foregoing transactions is to be settled by delivery of the Relevant Securities or such other securities, in cash or otherwise; or
- (iii) enter or agree (conditionally or unconditionally) to enter into or effect any transaction with the same economic effect as any of the transactions referred to in paragraphs (i) or (ii) above; or
- (iv) agree or contract to, or publicly announce any intention to enter into or effect any of the transactions referred to in paragraphs (i), (ii) or (iii) above.

Each of our Controlling Shareholders has also jointly and severally undertaken to the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, our Company and the Hong Kong Underwriters that he/she/it shall not, and shall procure that the relevant registered holder(s) and his/her/its associates or companies controlled by him/her/it and any nominee or trustee holding in trust for him/her/it shall not, without the prior written consent of the Stock Exchange in the Second Six-month Period, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any Relevant Securities held by him/her/it or any of his/her/its associates or companies controlled by him/her/it or any nominee or trustee holding in trust for him/her/it if, immediately following such disposal or upon exercise or enforcement of such options, rights, interest or encumbrances, he/she/it would cease to be our Controlling Shareholder or would together with other Controlling Shareholders cease to be, or be regarded as, a group of our Controlling Shareholders.

In the event of a disposal of any of the Shares or securities of our Company directly or indirectly beneficially owned by him/her/it or any interest therein within the Second Six-month Period, the relevant Controlling Shareholder shall take all reasonable steps to ensure that such a disposal will not create a disorderly or false market for any Shares or other securities of our Company.

UNDERWRITING

Each of our Controlling Shareholders has further undertaken to each of the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, our Company and the Hong Kong Underwriters that within the first 12 months from the Listing Date, he/she/it will:

- (a) when he/she/it pledges or charges any securities or interests in the securities of our Company beneficially owned by him/her/it directly or indirectly, immediately inform our Company, the Sole Overall Coordinator and the Sole Global Coordinator in writing of such pledges or charges together with the number of securities and nature of interests so pledged or charged; and
- (b) when he/she/it receives indications, either verbal or written, from any pledgee or chargee that any of the pledged or charged securities or interests in the securities of our Company will be sold, transferred or disposed of, immediately inform our Company, the Sole Overall Coordinator and the Sole Global Coordinator in writing of such indications.

Our Company will inform the Stock Exchange as soon as we have been informed of the matters above (if any) by our Controlling Shareholders and disclose such matters by way of a public announcement.

THE INTERNATIONAL PLACING

In connection with the International Placing, it is expected that our Company will enter into the International Underwriting Agreement with, among other parties, the International Underwriters, on terms and conditions that are substantially similar to the Hong Kong Underwriting Agreement as described above. Under the International Underwriting Agreement, the International Underwriters will agree to procure subscribers to subscribe for or purchasers to purchase, or failing which they shall subscribe for or purchase the International Placing Shares being offered pursuant to the International Placing severally (and not jointly or jointly and severally).

It is expected that, pursuant to the International Underwriting Agreement, our Company and our Controlling Shareholders will give undertakings similar to those given pursuant to the Hong Kong Underwriting Agreement, as described in the paragraph headed “Undertakings pursuant to the Hong Kong Underwriting Agreement” in this section.

COMMISSIONS AND EXPENSES

Under the terms and conditions of the Underwriting Agreements, the Sole Overall Coordinator (for itself and on behalf of the Underwriters) will receive an underwriting commission, in Hong Kong dollars, at the rate of 3% of the aggregate final Offer Price in respect of all of the Offer Shares (including both the Hong Kong Offer Shares and the International Placing Shares (taking into account the maximum number of Shares that can be issued under the Over-allotment Option, regardless of whether such option is exercised in full, in part or at all)) (the “**Fixed Fees**”). In addition, our Company may, at our sole and absolute discretion, pay to the Sole Overall Coordinator (for itself and on behalf of the Underwriters) an incentive fee, in Hong Kong dollars, of up to 1% of the aggregate final Offer Price in respect of all of the Offer Shares (including both the Hong Kong Offer Shares and the International Placing Shares (taking into account the maximum number of Shares that can be issued under the Over-allotment Option, regardless of whether such option is exercised in full, in part or at all)) (the “**Discretionary Fees**”). Assuming the Discretionary Fees are paid in full, the ratio of the Fixed Fees

UNDERWRITING

and Discretionary Fees payable is therefore 75:25. Moreover, according to the terms and conditions of the Underwriting Agreements, the Sole Overall Coordinator shall be entitled to receive not less than 20% of the total Discretionary Fees to be paid by our Company as the incentive fee for the Sole Overall Coordinator itself. The aggregate underwriting commission, together with the Stock Exchange listing fees, the Stock Exchange trading fees, the SFC transaction levy, the AFRC transaction levy, legal and other professional fees, printing, and other expenses relating to the Global Offering, excluding the Discretionary Fees, is currently estimated to be approximately HK\$47.4 million in aggregate (based on an Offer Price of HK\$0.55 per Offer Share, being the mid-point of the indicative Offer Price range of HK\$0.50 per Offer Share and HK\$0.60 per Offer Share and the assumption that none of the Over-allotment Option is exercised) and is paid or payable by our Company with reference to the number of Offer Shares under the Global Offering.

UNDERWRITERS' INTERESTS IN OUR COMPANY

Save for their obligations under the Underwriting Agreements, none of the Underwriters is interested legally or beneficially in any shares of any member of our Group nor has any right or option (whether legally enforceable or not) to subscribe for or purchase or to nominate persons to subscribe for or purchase securities in any member of our Group nor any interest in the Global Offering.

INDEPENDENCE OF THE SOLE SPONSOR

Zhongtai International Capital Limited, being the Sole Sponsor, satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

RESTRICTIONS ON THE OFFER SHARES

No action has been taken to permit a public offering of the Offer Shares other than in Hong Kong, or the distribution of this prospectus in any jurisdiction other than Hong Kong.

Accordingly, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. In particular, the Offer Shares have not been offered or sold, and will not be offered or sold, directly or indirectly, in the PRC.