
UNDERWRITING

HONG KONG UNDERWRITERS

CLSA Limited

China International Capital Corporation Hong Kong Securities Limited

Haitong International Securities Company Limited

Essence International Securities (Hong Kong) Limited

GF Securities (Hong Kong) Brokerage Limited

First Shanghai Securities Limited

China Galaxy International Securities (Hong Kong) Co., Limited

SPDB International Capital Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company is offering initially 16,667,200 Hong Kong Public Offer Shares (subject to adjustment) for subscription by the public in Hong Kong on the terms and subject to the conditions in this document, the Application Forms and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to the Stock Exchange granting the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering as mentioned herein (including any additional Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and the exercise of any options that have been or may be granted under our Share Incentive Schemes) and such approval not having been withdrawn, and to certain other conditions set out in the Hong Kong Underwriting Agreement (including CLSA Limited (for itself and on behalf of the Underwriters) and our Company agreeing on the Offer Price), the Hong Kong Underwriters have agreed severally but not jointly or jointly and severally to subscribe, or procure subscribers to subscribe for their respective applicable proportions of the Hong Kong Public Offer Shares being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions as set out in this document, the Application Forms and the Hong Kong Underwriting Agreement.

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

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Grounds for termination

The Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and the Sole Sponsor shall be entitled by notice (orally or in writing) to our Company to terminate the Hong Kong Underwriting Agreement with immediate effect if prior to 8:00 a.m. on the Listing Date:

- (i) there shall develop, occur, exist or come into effect:
 - a) any local, national, regional or international event or circumstance in the nature of force majeure (including, without limitation, any acts of government, declaration of a national or international emergency or war, calamity, crisis, epidemic, pandemic, outbreak of infectious disease, economic sanctions, strikes, lock-outs, fire, explosion, flooding, earthquake, volcanic eruption, civil commotion, riots, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God or acts of terrorism) in or affecting the Cayman Islands, BVI, Hong Kong, the PRC, the United States, the United Kingdom, any member of the European Union, Japan, Singapore or any other jurisdiction relevant to any member of our Group or the Global Offering (collectively, the “**Relevant Jurisdictions**” and any one of them, a “**Relevant Jurisdiction**”); or
 - b) any change, or any development involving a prospective change, or any event or circumstance likely to result in any change or development involving a prospective change, in any local, national, regional or international financial, economic, political, military, industrial, fiscal, regulatory, currency, credit or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, the interbank markets and credit markets) in or affecting any of the Relevant Jurisdictions; or
 - c) any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Tokyo Stock Exchange, the Shanghai Stock Exchange or the Shenzhen Stock Exchange; or
 - d) any general moratorium on commercial banking activities in or affecting any Relevant Jurisdiction imposed by the relevant authorities or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in any Relevant Jurisdiction; or
 - e) any new Law, or any change or any development involving a prospective change or any change or development involving a prospective change in (or in the interpretation or application by any court or other competent authority of) existing Laws, in each case, in or affecting any of the Relevant Jurisdictions; or

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- f) the imposition of economic sanctions, or the withdrawal of trading privileges, in whatever form, directly or indirectly, by, or for, any of the Relevant Jurisdictions relevant to the business operations of any member of our Group; or
- g) a change or development involving a prospective change in or affecting taxation or exchange control, currency exchange rates or foreign investment regulations (including, without limitation, a material devaluation of the Hong Kong dollar or the Renminbi against any foreign currencies), or the implementation of any exchange control, in any of the Relevant Jurisdictions; or
- h) any proceedings of any third party being instigated against any member of our Group not specifically disclosed in this document; or
- i) a demand by any tax authority for payment for any tax liability for any member of our Group; or
- j) any adverse change or development involving a prospective adverse change (whether permanent or not) in the assets, liabilities, conditions, business affairs, prospects (financial or otherwise), earnings, profits, losses or financial or trading position of our Group taken as a whole and/or any member of our Group which has a substantial business operation; or
- k) a Director being convicted with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management of a company; or
- l) the chairperson or chief executive officer of our Company vacating his or her office; or
- m) an authority or a political body or organisation in any of the Relevant Jurisdictions commencing any investigation or other action, or announcing an intention to investigate or take other action, against any Director; or
- n) a contravention by any member of our Group of the Listing Rules or applicable Laws; or
- o) a prohibition on our Company for whatever reason from offering, allotting, issuing or selling any of the Shares pursuant to the terms of the Global Offering; or
- p) non-compliance of this document (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; or
- q) the issue or requirement to issue by our Company of any supplement or amendment to this document (or to any other documents used in connection with the contemplated offer and sale of the Shares) pursuant to the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or any requirement or request of the Stock Exchange and/or the SFC; or

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- r) any change or prospective change in, or a materialisation of, any of the risks set out in “Risk factors” in this document; or
- s) an order or petition for the winding up of any member of our Group or any composition or arrangement made by any member of our Group with its 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 material assets or undertaking of any member of our Group or anything analogous thereto occurring in respect of any member of our Group; or
- t) a demand by any creditor for repayment or payment of any of our Group’s indebtedness prior to its stated maturity,

which, individually or in the aggregate, in the sole and reasonable opinion of the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and the Sole Sponsor: (1) has or will have or is likely to have a material adverse effect on the assets, liabilities, business, general affairs, management, prospects, shareholders’ equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of our Group as a whole; or (2) has or will have or is likely to have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of interest under the International Offering or dealings in the Offer Shares in the secondary market; or (3) makes or will make or is likely to make it inadvisable or inexpedient or impracticable for the Global Offering to be performed or implemented or proceed or to market the Global Offering, or to deliver the Offer Shares on the terms and in the manner contemplated by this document; or (4) has or will have or is likely to have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable or impracticable of performance in accordance with its terms or preventing or delaying the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

- (ii) there has come to the notice of the Joint Global Coordinators or the Sole Sponsor:
 - a) that any statement contained in this document, the Application Forms, and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) was, when it was issued, or has become, untrue, incorrect in any material respect or misleading in any respect, or that any forecast, estimate, expression of opinion, intention or expectation contained in any of this document, the Application Forms and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) is not fair and honest and based on reasonable assumptions; or

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- b) that any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this document, constitute a material misstatement in, or an omission of a material fact from, any of this document, the Application Forms and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto); or
- c) any material breach of any of the obligations imposed upon any party to the Hong Kong Underwriting Agreement or the International Underwriting Agreement (other than upon any of the Hong Kong Underwriters or the International Underwriters); or
- d) any event, act or omission which gives or is likely to give rise to any liability of any of the indemnifying parties under the Hong Kong Underwriting Agreement; or
- e) any material adverse change or development involving a prospective material adverse change in the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of our Group as a whole, whether or not arising in the ordinary course of business, as determined by the Joint Global Coordinators in their absolute discretion; or
- f) any material breach of, or any event or circumstance rendering untrue or incorrect or misleading in any respect, any of the warranties under the Hong Kong Underwriting Agreement; or
- g) approval by the Stock Exchange of the listing of, and permission to deal in, the Shares to be allotted and issued (including any additional Shares that may be allotted and issued pursuant to the exercise of the Over-allotment Option and the exercise of any options that have been or may be granted under our Share Incentive Schemes) under the Global Offering is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or
- h) our Company withdraws this document (and/or any other documents issued or used in connection with the Global Offering) or the Global Offering; or
- i) any person (other than the Sole Sponsor) has withdrawn or is subject to withdraw its consent to being named in any of this document or the Application Forms or to the issue of any of this document or the Application Forms with the inclusion of its reports, letters, summaries of valuations and/or legal opinions (as the case may be); or
- j) a material portion of the orders in the bookbuilding process or the investment commitments by any Cornerstone Investor under the Cornerstone Investment Agreements have been withdrawn, terminated or cancelled, and CLSA Limited, in its absolute discretion, conclude that it is therefore inadvisable or inexpedient or impracticable to proceed with the Global Offering.

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Undertakings to the Stock Exchange pursuant to the Listing Rules

Undertakings by our Company

Pursuant to Rule 10.08 of the Listing Rules, our Company has undertaken to the Stock Exchange that no further Shares or securities convertible into equity securities of our Company (whether or not of a class already listed) may be issued by us or form the subject of any agreement to such issue 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: (a) in certain circumstances prescribed by Rule 10.08 of the Listing Rules; (b) pursuant to the Global Offering (including pursuant to the exercise of the Over-allotment Option); or (c) pursuant to the exercise of the options granted or may be granted under the Share Incentive Schemes.

Undertakings by our Controlling Shareholders

Pursuant to Rule 10.07(1) of the Listing Rules, each of our Controlling Shareholders has irrevocably and unconditionally undertaken to the Stock Exchange and our Company that, except pursuant to the Global Offering, as already disclosed in this document, or as permitted under Listing Rules, he/it shall not, and shall procure that the relevant registered holder(s) controlled by him/it shall not:

- (a) in the period commencing on the date by reference to which disclosure of his/its shareholding is made in this document and ending on the date which is six months from the Listing Date, dispose of, or enter into any agreement to dispose of or otherwise create, any options, rights, interests or encumbrances in respect of, any of the Shares directly or indirectly beneficially owned by him/it; and
- (b) in the period of six months commencing on the date on which the period referred to in the preceding paragraph expires, dispose of, or enter into any agreement to dispose of or otherwise create, any options, rights, interests or encumbrances in respect of, any of the Shares directly or indirectly beneficially owned by him/it if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he/it would cease to be a Controlling Shareholder.

In accordance with Note 3 to Rule 10.07(2) of the Listing Rules, each of our Controlling Shareholders has irrevocably and unconditionally undertaken to each of the Stock Exchange and our Company that within the period commencing on the date by reference to which disclosure of his/its shareholding is made in this document and ending on the date which is 12 months from the Listing Date:

- (a) if he/it pledges or charges of any Shares beneficially owned by him/it in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)), he/it will immediately inform our Company of such pledge or charge together with the number of such Shares so pledged or charged; and
- (b) if he/it receives any indications, either verbal or written, from any pledgee or chargee that any of the pledged or charged Shares will be disposed of, he/it will immediately inform our Company of such indications.

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We will inform the Stock Exchange as soon as we have been informed of the above matters (if any) by any of our Controlling Shareholders and disclose such matters by way of an announcement published in accordance with Rule 2.07 of the Listing Rules as soon as possible.

Undertakings pursuant to the Hong Kong Underwriting Agreement

Undertakings by our Company

Except pursuant to the Global Offering (including pursuant to the Over-allotment Option) or the issue of options or shares under the Share Incentive Schemes or otherwise in compliance with the Listing Rules, during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the date that is six months after the Listing Date (the “**First Six-Month Period**”), our Company has, pursuant to the Hong Kong Underwriting Agreement, undertaken to, inter alia, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters not to, without the prior written consent of the Sole Sponsor and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) (provided such consent is not unreasonably withheld or delayed):

- (a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or any other securities of our Company, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or other securities of the Company, or any interest in any of the foregoing), or deposit any Shares or other securities of our Company, with a depositary in connection with the issue of depositary receipts; or
- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or other securities of our Company or any shares, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or other securities of our Company, or any interest in any of the foregoing); or
- (c) enter into any transaction with the same economic effect as any transaction specified in paragraph (a) or (b) above; or
- (d) offer to or agree to or announce any intention to effect any transaction specified in paragraph (a), (b) or (c) above,

in each case, whether any of the transactions specified in paragraph (a), (b) or (c) above is to be settled by delivery of Shares or other securities of our Company, or 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).

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During the period of six months commencing on the date on which the First Six-Month Period expires (the “**Second Six-Month Period**”), our Company shall not enter into any of the transactions specified in paragraph (a), (b) or (c) above or offer to or agree to or announce any intention to effect any such transaction such that any Controlling Shareholder, directly or indirectly, would cease to be a controlling shareholder (within the meaning defined in the Listing Rules) of our Company.

In the event that our Company enters into any of the transactions specified in paragraph (a), (b) or (c) above or offers to or agrees to or announces any intention to effect any such transaction, our Company shall take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of our Company.

Each of our Controlling Shareholders has undertaken to each of the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters to procure our Company to comply with the undertakings in this paragraph.

Undertakings by our Controlling Shareholders

Each of our Controlling Shareholders has undertaken to us and the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that, save for the Share pledge arrangement in relation to Dongkong First and Dongkong Second and CIIT, details of which are set out in note (4) in “Substantial shareholders — Interest in the shares of our Company” in this document or unless otherwise in compliance with the Listing Rules, without the prior written consent of the Sole Sponsor and Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) (provided such consent is not unreasonably withheld or delayed):

- (1) he/it will not, at any time during the First Six-Month Period, (i) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any such other securities, as applicable, or any interest in any of the foregoing), or deposit any Shares or other securities of our Company with a depositary in connection with the issue of depositary receipts; 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 any Shares or other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any such other securities, as applicable, or any interest in any of the foregoing); or (iii) enter into any transaction with the same economic effect as any transaction specified in (1)(i) or (1)(ii) of this paragraph; or (iv) offer to or agree to or announce any intention to effect any transaction specified in (1)(i), (1)(ii) or (1)(iii) of this paragraph, and in each case, whether any of the transactions specified in (1)(i), (1)(ii) or (1)(iii) of this paragraph is to

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be settled by delivery of Shares or other securities of our Company or in cash or otherwise (whether or not the issue of such Shares or other securities will be completed within the First Six-Month Period);

- (2) he/it will not, during the Second Six-Month Period, enter into any of the transactions specified in (1)(i), (1)(ii) or (1)(iii) above or offer to or agree to or announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or encumbrance pursuant to such transaction, he/it will cease to be a controlling shareholder (within the meaning defined in the Listing Rules) of our Company; and
- (3) until the expiry of the Second Six-Month Period, in the event that he/it enters into any of the transactions specified in (1)(i), (1)(ii) or (1)(iii) above or offers to or agrees to or announces any intention to effect any such transaction, he/it will take all reasonable steps to ensure that he/it will not create a disorderly or false market in the securities of our Company,

provided that nothing of the above shall prevent our Controlling Shareholders from (i) purchasing additional Shares or other securities of our Company and disposing of such additional Shares or securities of our Company, (ii) using the Shares or other securities of our Company or any interest therein beneficially owned by them as security (including a charge or a pledge) in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan, or (iii) facilitating the share lending arrangement as described in this document and undertaking any action in connection with the Over-allotment Option.

Each of our Controlling Shareholders hereby further undertakes to our Company, the Sole Sponsor, the Joint Global Coordinators and the Hong Kong Underwriters that he/it will, at any time within the period commencing on the date of the Hong Kong Underwriting Agreement and ending on the date which is 12 months after the Listing Date:

- (i) when he/it pledges or charges any Shares or other securities of our Company or any interests in or any of the rights attaching to any Shares or other securities of our Company, including but not limited to rights as to voting, dividend or distribution in the Shares, immediately inform our Company, the Sole Sponsor and the Joint Global Coordinators in writing of such pledge or charge together with the number and class of the Shares or securities and nature of interest so pledged or charged; and
- (ii) upon any indication received by him/it, either verbal or written, from any pledgee or chargee that any of the pledged or charged Shares or securities or interests in or rights attaching to the Shares or securities of our Company will be disposed of, immediately inform our Company, the Sole Sponsor and the Joint Global Coordinators in writing of such indications.

Our Company agrees and undertakes to the Sole Sponsor, the Joint Global Coordinators and each of the Hong Kong Underwriters, that, upon receiving such information in writing from our Controlling Shareholders, it shall, as soon as practicable, notify the Stock Exchange and make an announcement in accordance with the Listing Rules.

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Indemnity

Each of our Company and our Controlling Shareholders has agreed to, jointly and severally, indemnify, among others, each of the Joint Global Coordinators, the Sole Sponsor and the Hong Kong Underwriters against certain losses which they may suffer, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by our Company and any of our Controlling Shareholders of the Hong Kong Underwriting Agreement.

Hong Kong Underwriters' Interests in our Company

Save for their obligations under the Hong Kong Underwriting Agreement, as of the Latest Practicable Date, none of the Hong Kong Underwriters is interested, legally or beneficially, directly or indirectly, in any Shares or other securities in our Company or any other member of our Group or has any right or option (whether legally enforceable or not) to subscribe for, or to nominate persons to subscribe for, any Shares or other securities in our Company or any other member of our Group.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliates may hold a certain portion of the Shares as a result of fulfilling their obligations under the Hong Kong Underwriting Agreement.

International Offering

International Underwriting Agreement

In connection with the International Offering, it is expected that our Company will enter into the International Underwriting Agreement with, amongst others, the International Underwriters. Under the International Underwriting Agreement, subject to the conditions set out therein, the International Underwriters would severally but not jointly or jointly and severally, agree to procure purchasers for, or to purchase, the International Offer Shares.

Our Company will grant to the International Underwriters the Over-allotment Option, exercisable by CLSA Limited (for itself and on behalf of the International Underwriters), at any time from the Listing Date up to (and including) 22 October 2020, being the date which is the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering, to require our Company to allot and issue up to an aggregate of 25,000,000 additional Shares, representing approximately 15% of the number of Offer Shares initially available under the Global Offering. These Shares will be sold at the Offer Price to cover over-allocations, if any, in the International Offering.

Potential investors are reminded that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed.

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Over-allotment Option and Stabilisation

Details of the arrangements relating to the Over-allotment Option and stabilisation are set forth in “Structure of the Global Offering” in this document.

Underwriting Commission and Expenses

The Hong Kong Underwriters will receive an underwriting commission of 3.0% of the aggregate Offer Price payable for the Hong Kong Public Offer Shares initially offered under the Hong Kong Public Offering. The International Underwriters will receive an underwriting commission of 3.0% of the aggregate Offer Price payable for the International Offer Shares offered under the International Offering. For unsubscribed Hong Kong Public Offer Shares reallocated to the International Offering, if any, we will pay an underwriting commission at the rate applicable to the International Offering as set out in the International Underwriting Agreement, and such commission will be paid to the International Underwriters, and not the Hong Kong Underwriters. Our Company may also at its sole discretion pay the International Underwriters an additional incentive fee of up to 1.0% of the aggregate Offer Price in respect of all the Offer Shares offered under the Global Offering (including pursuant to the exercise of the Over-allotment Option).

The aggregate commissions and fees (including the discretionary incentive fee), together with the sponsor fee, Stock Exchange listing fees, SFC transaction levy, the Stock Exchange trading fee, legal and other professional fees, printing and other expenses relating to the Global Offering paid and payable by us, are estimated to amount to approximately HK\$128.8 million in total (based on an offer price of HK\$5.70, being the mid-point of our indicative Offer Price Range for the Global Offering, and assuming the Over-allotment Option is not exercised).

Sponsor’s Independence

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

Activities by Syndicate Members

The underwriters of the Hong Kong Public Offering and the International Offering (together, the “**Syndicate Members**”) and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilising process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In relation to the Shares, those activities could include acting as agent for buyers and sellers of the Shares, entering into transactions with those buyers and sellers in a principal capacity, proprietary trading in the Shares, and entering into over the counter or listed derivative transactions or listed and unlisted securities

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transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the Shares. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the Shares, in baskets of securities or indices including the Shares, in units of funds that may purchase the Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the Shares in most cases.

All such activities may occur both during and after the end of the stabilising period described in “Structure of the Global Offering” in this document. Such activities may affect the market price or value of the Shares, the liquidity or trading volume in the Shares and the volatility of the price of the Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

- (a) the Syndicate Members (other than the Stabilising Manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilising or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and
- (b) the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.