
UNDERWRITING

PUBLIC OFFER UNDERWRITERS

Kingsway Financial Services Group Limited

Seazen Resources Securities Limited

Zhongtai International Securities Limited

Haitong International Securities Company Limited

SPDB International Capital Limited

ZMF Asset Management Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Public Offer

Public Offer Underwriting Agreement

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

Subject to, among other conditions, the granting of the approval for the listing of, and permission to deal in, all our Shares in issue and to be issued as mentioned in this prospectus by the Stock Exchange and certain other conditions set out in the Public Offer Underwriting Agreement, the Public Offer Underwriters have severally, but not jointly or jointly and severally, agreed to subscribe or procure subscribers for their respective applicable proportions of the Public Offer Shares now being offered which have not been applied for under the Public Offer on the terms and conditions of this prospectus, the Application Forms and the Public Offer Underwriting Agreement. In addition, the Public Offer Underwriting Agreement is conditional on and subject to the Placing Underwriting Agreement having been executed, becoming, and continuing to be, unconditional and not having been terminated.

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Grounds for termination

The obligations of the Public Offer Underwriters to subscribe or procure subscribers for the Public Offer Shares under the Public Offer Underwriting Agreement are subject to termination at any time prior to 8:00 a.m. on Listing Date if:

- (a) there develops, occurs, exists or comes into force:
 - (i) any new law or regulation or any change or development involving a prospective change in existing law or regulation, or any change or development involving a prospective change in the interpretation or application thereof by any court or other competent authority in or affecting the Cayman Islands, BVI, Hong Kong, the PRC, or any of the jurisdictions in which our Group operates or has or is deemed by any applicable laws to have a presence (by whatever name called) or any other jurisdiction relevant to our Group (each a “**Relevant Jurisdiction**”); or
 - (ii) any change or development involving a prospective change or development, or any event or series of events likely to result in or representing a change or development, or prospective change or development, in local, national, regional or international financial, political, military, industrial, economic, currency market, fiscal or regulatory or market conditions or any monetary or trading settlement system (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets, forward markets, commodity markets and inter-bank markets, a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States or a fluctuation of the Hong Kong dollars and/or the Renminbi against any foreign currencies) in or affecting any Relevant Jurisdiction; or
 - (iii) any event or series of events in the nature of force majeure (including, without limitation, acts of government, labour disputes, strikes, lock-outs, fire, explosion, flooding, snowstorms, civil commotion, riots, public disorder, acts of war, acts of terrorism (whether or not responsibility has been claimed), acts of God, accident or interruption in transportation and operations, outbreak of diseases or epidemics including, but not limited to, COVID-19, SARS, swine or avian flu, H5N1, H1N1, H1N7, H7N9 and such related/mutated forms, economic sanction, withdrawal of trading privileges, cancellation of trade treaties in whatever form) in or directly or indirectly affecting any Relevant Jurisdiction; or
 - (iv) any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or calamity or crisis in or affecting any Relevant Jurisdiction; or

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- (v) any moratorium, suspension or limitation on trading in shares or securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Singapore Stock Exchange or the Tokyo Stock Exchange; or
- (vi) any general moratorium on commercial banking activities in any Relevant Jurisdiction or any disruption in commercial banking activities or foreign exchange trading or securities settlement or clearance services, procedures or matters in any Relevant Jurisdiction; or
- (vii) (A) any change or prospective change in exchange controls, currency exchange rates or foreign investment regulations, or (B) any change or prospective change in Taxation (as defined in the Public Offer Underwriting Agreement) in any Relevant Jurisdiction adversely affecting an investment in the Shares; or
- (viii) the issue or requirement to issue by our Company of a supplemental or amendment to this prospectus, the Application Forms or other documents in connection with the offer and sale of the Shares pursuant to the Companies (WUMP) Ordinance or the Listing Rules in circumstances where the matter to be disclosed is, in the opinion of the Joint Bookrunners, adversely affect the marketing for or implementation of the Share Offer; or
- (ix) any litigation or claim being threatened or instigated against our Company or any Director or any member of our Group; or
- (x) any change in the development plan of our Company (as described in this prospectus); or
- (xi) any loss or damage sustained by our Company (howsoever caused and whether or not the subject of any insurance or claim against any person); or
- (xii) any Governmental Authority (as defined in the Public Offer Underwriting Agreement) in any Relevant Jurisdiction commencing any investigation or other action, or announcing an intention to investigate or take other action, against our Company or any Director or any member of our Group; or
- (xiii) any Director or senior management (as named in this prospectus) vacating his/her office, or any of them being charged with an indictable offence or prohibited by operation of laws or otherwise disqualified from taking part in the management of a company or the commencement by any Governmental Authority of any action against any Director or senior management (as named in this prospectus) in his/her capacity as such or an announcement by any Governmental Authority that it intends to take any such action; or

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(xiv) any demand by creditors for repayment of indebtedness or any indebtedness becoming repayable before its stated maturity or a petition being presented for the winding-up or liquidation of our Company or any member of our Group making any composition or arrangement with its creditors or entering into a scheme of arrangement or any resolution being passed for the winding-up of our Company or any member of our Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of our Company or any member of our Group or anything analogous thereto occurs in respect of our Company or any member of our Group; or

(xv) a prohibition on our Company for whatever reason from offering, allotting or selling the Shares pursuant to the terms of the Share Offer;

and which, in any such case individually or in the aggregate, in the sole opinion of the Joint Bookrunners (for themselves and on behalf of the Public Offer Underwriters):

(A) is or will be materially adverse to, or materially and prejudicially affects, the assets, liabilities, business, general affairs, management, shareholder's equity, profit, losses, results of operations, position or condition (financial or otherwise), or prospects of our Company or any member of our Group; or

(B) has or will have or may have a material adverse effect on the success of the Share Offer or the level of Offer Shares being applied for or accepted or subscribed for or purchased or the distribution of Offer Shares and/or has made or is likely to make or will make it impracticable or inadvisable or incapable for any material part of the Public Offer Underwriting Agreement, the Public Offer or the Share Offer to be performed or implemented as envisaged; or

(C) makes or will make or may make it impracticable or inadvisable or incapable to proceed with the Public Offer or the Share Offer or the delivery of the Offer Shares on the terms and in the manner contemplated by the Public Offer Documents (as defined below); or

(D) would have the effect of making a part of the Public Offer Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or which prevents the processing of applications or payments pursuant to the Share Offer or pursuant to the underwriting thereof; or

(b) there has come to the notice of the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers or any of the Public Offer Underwriters after the date of the Public Offer Underwriting Agreement:

(i) that any statement contained in this prospectus, the Application Forms, the Formal Notice (and, in each case, all amendments or supplements thereto) (collectively, the "**Public Offer Documents**"), the Post Hearing Information Pack and/or any

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notices, announcements, advertisements, communications issued or used by or on behalf of our Company in connection with the Public Offer (including any supplement or amendment thereto) was or has become untrue, incomplete, incorrect or misleading in any material respect or any forecasts, estimate, expressions of opinion, intention or expectation expressed in the Public Offer Documents, the Post Hearing Information Pack and/or any notices, announcements, advertisements, communications so issued or used are not fair and honest and made on reasonable grounds or, where appropriate, based on reasonable assumptions, when taken as a whole; or

- (ii) any contravention by our Company or any Director of any law which in the sole opinion of the Joint Bookrunners (i) has or will have or may have a material adverse effect on the success of the Share Offer or the level of Offer Shares being applied for or accepted or subscribed for, or (ii) has made or is likely to make or will make it impracticable or inadvisable or incapable, for any material part of the Public Offer Underwriting Agreement or the Share Offer to be performed or implemented as envisaged, or to proceed with the Share Offer; or
- (iii) non-compliance of this prospectus (or any other documents used in connection with the contemplated subscription of the Offer Shares) or any aspect of the Share Offer with the Listing Rules or any other applicable law; or
- (iv) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of the prospectus, not having been disclosed in the prospectus, constitutes a material omission therefrom; or
- (v) either (A) there has been a material breach of any of the warranties or provisions of the Public Offer Underwriting Agreement by our Company, our executive Directors or the Controlling Shareholders or (B) any of the warranties is (or would when repeated be) untrue, incorrect, incomplete or misleading in any material respect; or
- (vi) any event, act or omission which gives or is likely to give rise to any liability of our Company, our executive Directors or the Controlling Shareholders pursuant to the indemnities given by our Company, our executive Directors or the Controlling Shareholders under the Public Offer Underwriting Agreement; or
- (vii) any breach of any of the obligations of our Company, our executive Directors or the Controlling Shareholders under the Public Offer Underwriting Agreement or the Placing Underwriting Agreement; or
- (viii) any experts as disclosed in the Public Offer Documents has withdrawn or subject to withdraw its consent to being named in any of the Public Offer Documents or to the issue of any of the Public Offer Documents; or

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- (ix) any material adverse change or material prospective adverse change or development involving a prospective material adverse change in the assets, business, general affairs, management, shareholder's equity, profits, losses, properties, results of operations, in the position or condition (financial or otherwise) or prospects of our Company or any member of our Group; or
- (x) our Company has withdrawn this prospectus or the Share Offer,

then the Joint Bookrunners (for themselves and on behalf of the Public Offer Underwriters) may, in their sole and absolute discretion and upon giving notice in writing to our Company, terminate the Public Offer Underwriting Agreement with immediate effect.

Lock-up Undertakings to the Public Offer Underwriters

Undertakings by our Company

Our Company has undertaken with each of the Sole Sponsor and the Joint Bookrunners (for themselves and on behalf of the Public Offer Underwriters) that, and each of the Controlling Shareholders has further undertaken with each of the Sole Sponsor and the Joint Bookrunners (for themselves and on behalf of the Public Offer Underwriters) to procure that:

- (a) except for the issue of the Shares pursuant to the Share Offer or as otherwise with the Joint Bookrunners' prior written consent and unless in compliance with the Listing Rules, our Company will not at any time during the period commencing on the date by reference to which disclosures of the shareholdings of the Controlling Shareholders are made in this prospectus and ending on the date which is six months from the Listing Date (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 option, right or warrant to purchase or subscribe for, make any short sale, lend or otherwise transfer or dispose of, either directly or indirectly, conditionally or unconditionally, or repurchase, any of the share capital, debt capital or other securities of our Company 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 another, in whole or in part, any of the economic consequences of ownership of such share capital, debt capital or other securities or interest therein as described in paragraph (i) above; or
 - (iii) enter into any transaction with the same economic effect as any transaction described in paragraph (i) or (ii) above; or

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- (iv) offer to or agree to or announce any intention to effect any transaction described in paragraph (i), (ii) or (iii) above,

whether any of the foregoing transactions described in paragraph (i), (ii) or (iii) above is to be settled by delivery of share capital or such other securities, in cash or otherwise; and

- (b) in the event of our Company entering into or agreeing to enter into any of the foregoing transactions in respect of any Share or other securities of our Company or any interest therein by virtue of the aforesaid exceptions or during the six-month period commencing from the expiry of the First Six-Month Period (the “**Second Six-Month Period**”), it will take all reasonable steps to ensure that such action will not create a disorderly or false market in any of the Shares or other securities of our Company.

Undertaking by the Controlling Shareholders

Each of the Controlling Shareholders has jointly and severally undertaken to each of the Sole Sponsor and the Joint Bookrunners (for themselves and on behalf of the Public Offer Underwriters) that:

- (a) it/he will not, and will procure that the relevant registered holder(s) and its/his associates and companies controlled by it/him and any nominee or trustee holding in trust for it/him will not, without the Joint Bookrunners’ prior written consent and unless in compliance with the Listing Rules, at any time during the First Six-Month Period:
 - (i) offer, accept subscription for, sell, pledge, mortgage, charge, 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, make any short sale, lend or otherwise transfer or dispose of, either directly or indirectly, conditionally or unconditionally, any of the share capital, debt capital or other securities of our Company or any interest therein (including but not limited to any securities convertible into or exercisable or exchangeable for or that represent the right to receive any such share capital or securities or interest therein) beneficially owned by it/him as at the Listing Date;
 - (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 share capital, debt capital or other securities of our Company or any interest therein as described in (i) above;
 - (iii) enter into any transaction with the same economic effect as any transaction referred to in paragraph (i) or (ii) above; or
 - (iv) offer to or agree to or announce any intention to effect any transaction referred to in paragraph (i), (ii) or (iii) above;

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whether any of the foregoing transactions described in paragraph (i), (ii) or (iii) above is to be settled by delivery of share capital or such other securities, in cash or otherwise;

- (b) it/he will not, and will procure that the relevant registered holder(s) and its/his associates and companies controlled by its/his and any nominee or trustee holding in trust for it/him will not, at any time during the Second Six-Month Period, enter into any of the foregoing transactions specified in paragraph (a)(i), (ii) or (iii) above or offer to or agree to or announce any intention to enter into any such transactions if, immediately following such transfer or disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, it/he will cease to be a controlling shareholder (as such term is defined in the Listing Rules) of our Company or would together with the other Controlling Shareholders cease to be, or regarded as, controlling shareholders (as such term is defined in the Listing Rules) of our Company:
 - (i) until expiry of the Second Six-Month Period, in the event that it/he enters into any such transactions or offer agrees or contracts to or publicly announces an intention to enter into any of the transactions specified in paragraph (a)(i), (ii) or (iii) above by virtue of the aforesaid exceptions, it/he will take all reasonable steps to ensure that such action not create a disorderly or false market in the Shares or other securities of our Company; and
 - (ii) comply with the requirements of Rule 10.07(1) and Notes (1), (2) and (3) to Rule 10.07(2) of the Listing Rules, to procure that our Company will comply with the requirements under Note (3) of Rule 10.07(2) of the Listing Rules, and comply with all the restrictions and requirements under the Listing Rules on the sale, transfer or disposal by it/him or by the registered holder controlled by it/him and its/his close associates and companies controlled by it/him of any Shares or other securities of our Company.

Each of the Controlling Shareholders has further jointly and severally undertaken to the Sole Sponsor and the Joint Bookrunners (for themselves and on behalf of the Public Offer Underwriters) that at any time after the date of the Public Offer Underwriting Agreement up to and including the date falling twelve (12) months from the Listing Date, it will:

- (A) when it/he pledges or charges any Shares or other securities or interests in the securities of our Company in respect of which it/he is the beneficial owner, immediately inform our Company, the Sole Sponsor, the Joint Bookrunners (for themselves and on behalf of the Public Offer Underwriters) and the Stock Exchange in writing of any such pledges or charges together with the number of Shares or other securities of our Company and nature of interest so pledged or charged; and
- (B) when it/he receives any indication, whether verbal or written, from any such pledgee or chargee that any of the pledged or charged Shares or securities or interests in the securities of our Company will be sold, transferred or disposed of, immediately inform

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our Company, the Sole Sponsor, the Joint Bookrunners (for themselves and on behalf of all the Public Offer Underwriters) and the Stock Exchange in writing of any such indication.

Undertakings by our Company and the Controlling Shareholders

Our Company has undertaken to the Sole Sponsor and the Joint Bookrunners (for themselves and on behalf of the Public Offer Underwriters), and each of the Controlling Shareholders has jointly and severally undertaken to the Sole Sponsor and the Joint Bookrunners (for themselves and on behalf of the Public Offer Underwriters) that it/he will procure our Company to, inform the Stock Exchange as soon as our Company has been informed of the matters mentioned in paragraph (A) or (B) above, and to make a public disclosure of such matters as soon as possible thereafter in accordance with the Listing Rules.

Undertakings to the Stock Exchange

Undertakings of no further issue of Shares pursuant to Rule 10.08 of the Listing Rules

Pursuant to Rule 10.08 of the Listing Rules, our Company has undertaken to the Stock Exchange, except pursuant to the Share Offer, no further Shares or securities convertible into equity securities of our Company (whether or not of a class already listed) will 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 in certain circumstances permitted by Rule 10.08 of the Listing Rules.

Undertakings of non-disposal of Shares pursuant to Rule 10.07 of the Listing Rules

Pursuant to Rule 10.07(1) of the Listing Rules, each of the Controlling Shareholders, jointly and severally, undertakes to each of our Company and the Stock Exchange that, except pursuant to the Share Offer, each of them will not and will procure that the relevant registered holder(s) will not:

- (a) in the First Six-Month Period, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances (save as pursuant to a pledge or charge as security 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) in respect of, any of the Shares in respect of which he/it is shown in this prospectus to be the beneficial owner(s); and
- (b) 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 (save as pursuant to a pledge or charge as security 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) in respect of, any of the Shares if, immediately following such disposal

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or upon the exercise or enforcement of such options, rights, interests or encumbrances, he/it would cease to be a controlling shareholder (as defined in the Listing Rules) of our Company.

Pursuant to Note (3) to Rule 10.07(2) of the Listing Rules, each of the Controlling Shareholders further jointly and severally undertakes to each of our Company and the Stock Exchange that within the period commencing on the date by reference to which disclosure of his/its shareholding in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, he/it will:

- (a) when he/it pledges or charges 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)) pursuant to Note (2) to Rule 10.07(2) of the Listing Rules, immediately inform our Company in writing of such pledge or charge together with the number of Shares or securities so pledged or charged; and
- (b) when he/it receives any indications, either verbal or written, from the pledgee or chargee of any Shares that any of the pledged or charged Shares will be disposed of, immediately inform our Company in writing of such indications.

Our Company shall inform the Stock Exchange as soon as we have been informed of any of the matters referred to above (if any) by the Controlling Shareholders and disclose such matters by way of an announcement which is published in accordance Rule 2.07C of the Listing Rules as soon as possible.

Placing

In connection with the Placing, it is expected that our Company will enter into the Placing Underwriting Agreement with, *inter alia*, the Placing Underwriters. Under the Placing Underwriting Agreement, the Placing Underwriters will, subject to certain conditions, severally agree to subscribe or purchase or procure subscribers or purchasers for the Placing Shares being offered pursuant to the Placing.

Indemnity

Our Company has agreed to indemnify the Public Offer Underwriters against certain losses which they may suffer, including losses arising from their performance of their obligations under the Public Offer Underwriting Agreement and any breach by us of the Public Offer Underwriting Agreement.

Commissions and Expenses

Under the terms and conditions of the Public Offer Underwriting Agreement, the Public Offer Underwriters will receive a gross commission of 2.5% of the aggregate Offer Price payable in respect of all of the Public Offer Shares (excluding any Placing Shares reallocated to the Public Offer and any Public Offer Shares reallocated to the Placing), out of which any sub-underwriting

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commission and selling concession will be paid. For unsubscribed Public Offer Shares reallocated to the Placing, we will pay an underwriting commission at the rate applicable to the Placing and such commission will be paid to the relevant Placing Underwriters (but not the Public Offer Underwriters). In respect of the Placing, we expect to pay a gross commission of 2.5% of the aggregate Offer Price payable in respect of all of the Placing Shares (including any Placing Shares reallocated to the Public Offer and any Public Offer Shares reallocated to the Placing), out of which any sub-underwriting commission and selling concession are expected to be paid.

The total amount of underwriting commission, listing fees, SFC transaction levy, Stock Exchange trading fee, legal and other professional fees together with printing and other expenses relating to the Share Offer, is payable and borne by us in connection with the Share Offer and is estimated to be approximately RMB35.6 million.

SOLE SPONSOR'S AND UNDERWRITERS' INTERESTS IN OUR COMPANY

The Sole Sponsor will receive a sponsor fee. Moreover, the Sole Sponsor is entitled to a praecipium, which is of a nature as administration and documentation fee, of 1.0% of the aggregate Offer Price payable in respect of the Offer Shares. The Joint Bookrunners, the Joint Lead Managers and other Underwriters will receive an underwriting commission. Particulars of such underwriting commission and expenses are set out in the section headed “Underwriting — Underwriting Arrangements and Expenses — Commissions and Expenses” above.

Our Company has appointed Kingsway Capital Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules for the period commencing on the Listing Date and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first financial year commencing after the Listing Date, or until the agreement is terminated, whichever is earlier.

Save for their obligations under the Underwriting Agreements, none of the Underwriters is interested legally or beneficially in any shares of our Company 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 our Company nor any interest in the Share Offer.

INDEPENDENCE OF THE SOLE SPONSOR

Kingsway Capital Limited satisfies the independence criteria applicable to sponsor as set out in Rule 3A.07 of the Listing Rules.

MINIMUM PUBLIC FLOAT

The Directors will ensure that there will be a minimum 25% of the total issued Shares held in public hands in accordance with Rule 8.08 of the Listing Rules after completion of the Share Offer.