
UNDERWRITING

HONG KONG UNDERWRITERS

China International Capital Corporation Hong Kong Securities Limited
CMB International Capital Limited
ICBC International Securities Limited
ABCI Securities Company Limited
Fosun International Securities Limited
Futu Securities International (Hong Kong) Limited
Tiger Brokers (HK) Global Limited
Valuable Capital Limited
Patrons Securities Limited

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This document is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The Company expects the International Offering to be fully underwritten by the International Underwriters. If, for any reason, the Offer Price is not agreed between the Sole Overall Coordinator (for itself and on behalf of the Underwriters) and the Company, the Global Offering will not proceed and will lapse.

The Global Offering comprises the Hong Kong Public Offering of initially 1,581,200 Hong Kong Offer Shares and the International Offering of initially 14,227,600 International Offer Shares, subject, in each case, to reallocation on the basis as described in the section headed “Structure of the Global Offering” in this document as well as to the Over-allotment Option (in the case of the International Offering).

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, the Company is offering the Hong Kong Offer Shares for subscription on the terms and conditions set out in this document, the **GREEN** Application Form and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to (a) the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this document, on the Main Board of the Stock Exchange and such approval not having been withdrawn and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the Hong Kong Offer Shares being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions set out in this document, the **GREEN** Application Form and the Hong Kong Underwriting Agreement.

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

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Grounds for Termination

The Sole Sponsor and the Sole Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters), in its sole and absolute discretion, shall have the right by giving a notice to the Company at any time prior to 8:00 a.m. on the Listing Date to terminate the Hong Kong Underwriting Agreement with immediate effect if any of the following events shall occur:

- (a) there shall develop, occur, exist or come into force:
 - (i) any event, or series of events, in the nature of force majeure (including, without limitation, any acts of government, declaration of a local, national, regional or international emergency or war, calamity, crisis, epidemic, pandemic, outbreaks, escalation, adverse mutation or aggravation of diseases (including, without limitation, COVID-19, 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, strikes, lock-outs, other industrial actions, fire, explosion, flooding, earthquake, tsunami, volcanic eruption, civil commotion, rebellion, riots, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God, acts of terrorism (whether or not responsibility has been claimed), paralysis in government operations, interruptions or delay in transportation) in or affecting the Cayman Island, Hong Kong, the PRC, the United States, the United Kingdom, the European Union (or any member thereof) or any other jurisdiction relevant to the Group (each a “**Relevant Jurisdiction**” and collectively, the “**Relevant Jurisdictions**”);
 - (ii) any change or development involving a prospective change, or any event or circumstances or series of events likely to result in any change or development involving a prospective change, in any local, national, regional or international financial, economic, political, military, industrial, legal, fiscal, regulatory, currency, credit or market matters or conditions, equity securities or exchange control or any monetary or trading settlement system or other financial markets (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, interbank markets and credit markets), in or affecting any of the Relevant Jurisdictions;
 - (iii) 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 Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange or the Singapore Stock Exchange;
 - (iv) any general moratorium on commercial banking activities in the PRC (imposed by the People’s Bank of China), Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent authority), New York (imposed at the U.S. Federal or New York State level or by any other competent authority), London, the European Union (or any member thereof) or any of the other Relevant Jurisdictions (declared by any relevant competent authority) or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in or affecting any of the Relevant Jurisdictions;

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- (v) any new law or regulation or any change or development involving a prospective change in existing laws or regulations or any change or development involving a prospective change in the interpretation or application thereof by any court or any competent governmental authority in or affecting any of the Relevant Jurisdictions;
- (vi) the imposition of comprehensive sanctions under any sanctions laws or regulations in, or the withdrawal of trading privileges which existed on the date of the Hong Kong Underwriting Agreement, in whatever form, directly or indirectly, by, or for any of the Relevant Jurisdictions;
- (vii) any change or development involving a prospective change or amendment in or affecting taxation or foreign exchange control, currency exchange rates or foreign investment regulations (including, without limitation, a devaluation of the United States dollar, the Hong Kong dollar or RMB against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or RMB is linked to any foreign currency or currencies), or the implementation of any exchange control, in any of the Relevant Jurisdictions or affecting an investment in the Offer Shares;
- (viii) other than with the prior written consent of the Sole Sponsor and the Sole Overall Coordinator, the issue or requirement to issue by the Company of a supplement or amendment to this document, the **GREEN** Application Form, the offering circular or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange and/or the SFC;
- (ix) a demand by any creditor for repayment or payment of any of the indebtedness of any member of the Group or in respect of which that member of the Group is liable prior to its stated maturity, or any loss or damage sustained by that member of the Group (howsoever caused and whether or not the subject of any insurance or claim against any person);
- (x) the Chief Executive Officer, the Chief Financial Officer, any Director or any member of the senior management of the Company is vacating his or her office;
- (xi) any Director or member of the senior management of the Company being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management of a company or taking a directorship of a company or the commencement by any government, political, regulatory body or organisation of any investigation or other action against any member of the Group or any Director or member of the senior management of the Company in his or her capacity as such or an announcement by any governmental, political or regulatory body that it intends to commence any such investigation or take any such action;
- (xii) any litigation, dispute, proceeding, legal action or claim or regulatory investigation or action being threatened, instigated or announced against any member of the Group, any Director or any member of the senior management of the Company;
- (xiii) any contravention by any member of the Group, any Director or any member of the senior management of the Company of any applicable laws and regulations, including the Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Listing Rules; or

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- (xiv) any non-compliance of this document and the **GREEN** Application Form (or any other documents used in connection with the contemplated subscription and sale of the Offer Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable laws and regulations,

which, individually or in the aggregate, in the sole and absolute opinion of the Sole Sponsor and/or the Sole Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters):

- (1) constitutes or will constitute or is likely to constitute a material adverse change in or have a material adverse effect on, or any development involving a prospective material adverse change in, or have a material adverse effect on, or affecting the assets, liabilities, business, general affairs, management, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, earnings, prospects or performance of the Group, taken as a whole;
 - (2) has or will have or is likely to have a material adverse effect on the success of the Global Offering;
 - (3) makes or will make or is likely to make it inadvisable, inexpedient, impracticable or incapable for the Hong Kong Public Offering and/or the International Offering to proceed or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by the offering documents; 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 the Hong Kong Public Offering) incapable or impracticable of being performed 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
- (b) there has come to the notice of the Sole Sponsor and/or the Sole Overall Coordinator that:
- (i) any statement contained in any of this document, the **GREEN** Application Form, the preliminary offering circular, the final offering circular, the formal notice and/or any notices, announcements, advertisements, communications or other documents (including any announcement, document or other communication pursuant to the Hong Kong Underwriting Agreement) issued or used by or on behalf of the Company in connection with the Global Offering (including any supplement or amendment thereto but excluding names and addresses and logos of the Underwriters) (the "**Offer Related Documents**") was, when it was issued, or has become, untrue, incorrect, inaccurate or incomplete in any material respects or misleading or deceptive, or that any estimate, forecast, expression of opinion, intention or expectation contained in any of the Offer Related Documents is not fair and honest and based on reasonable grounds or, where appropriate, based on reasonable assumptions with reference to the facts and circumstances then subsisting;
 - (ii) 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 material omission from any of the Offer Related Documents;

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- (iii) there is a material breach of, or any event or circumstance rendering untrue, incorrect or incomplete in any material respect or misleading, any of the representations or warranties given by the Company in the Hong Kong Underwriting Agreement or the International Underwriting Agreement (including any supplement or amendment thereto), as applicable;
- (iv) there is a material breach of any of the obligations imposed upon the Company under the Hong Kong Underwriting Agreement or the International Underwriting Agreement (including any supplement or amendment thereto), as applicable;
- (v) there is an event, act or omission which gives or is likely to give rise to any material liability of the Company pursuant to the indemnities given by it under the Hong Kong Underwriting Agreement or the International Underwriting Agreement (including any supplement or amendment thereto), as applicable;
- (vi) the approval of the Stock Exchange of the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including pursuant to any exercise of the Over-allotment Option), other than subject to customary conditions, is refused or not granted on or before the date of the Listing, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions), revoked or withheld;
- (vii) any person (other than the Sole Sponsor) has withdrawn its consent to being named as an expert in this document or to the issue of this document with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears;
- (viii) the Company withdraws this document, the **GREEN** Application Form (and/or any other documents issued or used in connection with the Global Offering) or the Global Offering;
- (ix) there is a prohibition on the 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
- (x) an order or petition for the winding up or liquidation of any member of the Group or any composition or arrangement made by any member of the Group with its creditors or a scheme of arrangement entered into by any member of the Group or any resolution for the winding-up of any member of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurring in respect of any member of the Group.

Undertakings to the Stock Exchange pursuant to the Listing Rules

Undertakings by the Company

Pursuant to Rule 10.08 of the Listing Rules, the Company has undertaken to the Stock Exchange that it will not exercise its power to issue any further Shares, or securities convertible into Shares (whether or not of a class already listed) or enter into any agreement to such an issue within six months from the Listing Date (whether or not such issue of Shares or securities will be completed

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within six months from the Listing Date), except (a) pursuant to the Global Offering (including the Over-allotment Option); or (b) under any of the circumstances provided under Rule 10.08 of the Listing Rules.

Undertakings pursuant to the Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, the Company has undertaken to each of the Sole Sponsor, the Sole Overall Coordinator, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters that, except for the issue, offer or sale of the Offer Shares by the Company pursuant to the Global Offering (including pursuant to any exercise of the Over-Allotment Option), the Company will not, without the prior written consent of the Sole Sponsor and the Sole Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) and unless in compliance with or permitted under the Listing Rules (and in particular, permitted under Rule 10.08 of the Listing Rules), at any time during the period commencing on the date of this Agreement and ending on, and including, the date falling six months after the Listing Date (the “**First Six-Month Period**”):

- (i) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, grant, agree to grant or sell any option, warrant, contract or right to subscribe for or purchase, grant, agree to grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of, or agree to transfer or dispose of, either directly or indirectly, conditionally or unconditionally, any Shares or other securities of the Company or any interest in any of the foregoing (including, but not limited to, any securities that are 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 deposit any Shares or other securities of the Company with a depository in connection with the issue of depository 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 subscription or ownership (legal or beneficial) of any Shares or other securities of the Company, or any interest therein (including, without limitation, any securities of which are convertible into or exchangeable or exercisable for, or represent the right to receive, or any warrants or other rights to purchase, any Shares or other securities of the Company); or
- (iii) enter into any transaction with the same economic effect as any transaction described in paragraphs (i) or (ii) above; or
- (iv) offer to or contract to or agree to announce, or publicly disclose that the Company will or may enter into any such transaction described in paragraphs (i), (ii) or (iii) above,

in each case, whether any of the transactions described in paragraphs (i) to (iv) above is to be settled by delivery of any Shares or other securities of the Company, in cash or otherwise (whether or not the issue of such Shares or other securities of the Company will be completed within the First Six-Month Period).

In addition, the Company has further undertaken to the Sole Sponsor, the Sole Overall Coordinator, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters, in the event that, at any time during

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the period of six months immediately following the expiry of the First Six-Month Period (the “**Second Six-Month Period**”), the Company enters into any such transactions or offers or agrees or contracts to, or announces, or publicly discloses, any intention to, enter into any such transactions described in paragraphs (i), (ii) or (iii) above, the Company shall take all reasonable steps to ensure that it will not create a disorderly or false market in the Shares or any other securities of the Company.

Undertakings by the Existing Shareholders

Each existing Shareholder has agreed that, without the prior written consent of the Sole Sponsor and the Sole Overall Coordinator (for itself and on behalf of the Underwriters), he/she/it will not, during the period commencing on the date of this document and ending on one hundred eighty (180) days following the date of this document, (i) lend, offer, pledge, hypothecate, hedge, sell, make any short sale of, loan, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Shares (other than those disclosed in this document) or any securities convertible into or exchangeable or exercisable for or that represent the right to receive any Shares, (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 Shares or any securities convertible into or exchangeable or exercisable for or that represent the right to receive any Shares, (iii) engage into any transaction with the same economic effect as any transaction described in clause (i) or (ii) above; or (iv) publicly disclose the intention to enter into any transaction described in clause (i), (ii) or (iii) above, whether any such transaction described in clause (i), (ii) or (iii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise; provided that, among others, the lock-up arrangement shall permit a Shareholder to transfer its Shares to its affiliates so long as the transferees enter into the same lock-up agreement containing similar terms and conditions as those contained herein.

Hong Kong Underwriters’ Interests in the Company

Save for their respective obligations under the Hong Kong Underwriting Agreement, and, if applicable, the Stock Borrowing Agreement, as at the Latest Practicable Date, none of the Hong Kong Underwriters was interested, legally or beneficially, directly or indirectly, in any Shares or any securities of any member of the Group or had any right or option (whether legally enforceable or not) to subscribe for or purchase, or to nominate persons to subscribe for or purchase, any Shares or any securities of any member of the Group.

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

International Offering

International Underwriting Agreement

In connection with the International Offering, the Company expects to enter into the International Underwriting Agreement with, among others, the Sole Sponsor, the Sole Overall Coordinator and the International Underwriters on or around the Price Determination Date. Under the International Underwriting Agreement and subject to the Over-allotment Option, the International Underwriters would, subject to certain conditions set out therein, agree severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the

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International Offer Shares initially being offered pursuant to the International Offering. It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed. See the section headed “Structure of the Global Offering—The International Offering” in this document.

Over-allotment Option

The Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Sole Overall Coordinator (on behalf of the International Underwriters) at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering (being Thursday, 20 July 2023), pursuant to which the Company may be required to issue up to an aggregate of 2,371,200 Shares, representing not more than 15% of the number of Offer Shares initially available under the Global Offering, at the Offer Price, to cover over-allocations in the International Offering, if any. See the section headed “Structure of the Global Offering — Over-allotment Option” in this document.

Commissions and Expenses

The Underwriters and the Capital Market Intermediaries will receive an underwriting commission equal to 3.5% of the aggregate Offer Price of all the Offer Shares, including Offer Shares to be issued pursuant to the Over-allotment Option (the “**Fixed Fees**”). Our Company may, at our sole and absolute discretion, pay to one or more Underwriters or Capital Market Intermediaries an incentive fee up to 1.0% of the aggregate Offer Price of all the Offer Shares (including Offer Shares to be issued pursuant to the Over-allotment Option) (the “**Discretionary Fees**”). The ratio of Fixed Fees and Discretionary Fees payable to all Underwriters is therefore approximately 78:22.

For any unsubscribed Hong Kong Offer Shares reallocated to the International Offering, the underwriting commission will not be paid to the Hong Kong Underwriters but will instead be paid, at the rate applicable to the International Offering, to the relevant International Underwriters.

The aggregate underwriting commissions payable to the Underwriters in relation to the Global Offering (assuming an indicative Offer Price of HK\$21.00 per Offer Share (which is the mid-point of the Offer Price range as stated in this document), the full payment of the discretionary incentive fee and the exercise of the Over-allotment Option in full) will be up to approximately HK\$17.2 million.

The aggregate underwriting commissions and fees together with the Stock Exchange listing fees, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy, legal and other professional fees and printing and all other expenses relating to the Global Offering are estimated to be up to approximately HK\$80.6 million (assuming an indicative Offer Price of HK\$21.00 per Offer Share (which is the mid-point of the Offer Price range as stated in this document), the full payment of the discretionary incentive fee and the exercise of the Over-allotment Option in full) and will be paid by the Company.

Indemnity

The Company has agreed to indemnify the Hong Kong Underwriters for certain losses which they may suffer or incur, including losses arising from their performance of their obligations under the

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Hong Kong Underwriting Agreement and any material breach by the Company of the Hong Kong Underwriting Agreement.

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 the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to our assets, securities and/or instruments and/or persons and entities with relationships with us and may also include swaps and other financial instruments entered into for hedging purposes in connection with our loans and other debt.

In relation to the Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of the Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the Shares (which financing may be secured by the Shares) in the Global Offering, proprietary trading in the Shares, and entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the Shares, which may have a negative impact on the trading price 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 stock 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 the section headed “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.

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

- 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
- 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.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking and other services to us and certain of our affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of the Offer Shares in the Global Offering.