

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a “**Cornerstone Investment Agreement**”, and collectively the “**Cornerstone Investment Agreements**”) with Mr. Wong Cheung Wang Philip (黃翔弘先生) (“**Mr. Wong**”) and China Peace Limited (“**China Peace**”) (the “**Cornerstone Investors**”, and each a “**Cornerstone Investor**”), pursuant to which the Cornerstone Investors have agreed to subscribe for or purchase, at the Offer Price, such number of Offer Shares (rounded down to the nearest whole board lot of 2,000 Shares) that may be subscribed for an aggregate amount of approximately HK\$36,000,000 (the “**Cornerstone Placing**”).

Assuming an Offer Price of HK\$1.00 (being the low-end of the indicative Offer Price range stated in this prospectus), the total number of Offer Shares to be subscribed for or purchased by the Cornerstone Investors would be 36,000,000 Shares, representing (a) approximately 28.8% of the total number of the Offer Shares assuming the Over-allotment Option is not exercised; (b) approximately 25.0% of the total number of the Offer Shares assuming the Over-allotment Option is fully exercised; (c) approximately 7.2% of the Shares in issue and outstanding upon the completion of the Capitalisation Issue and the Share Offer (assuming the Over-allotment Option is not exercised); and (d) approximately 6.9% of the Shares in issue and outstanding upon the completion of the Capitalisation Issue and the Share Offer (assuming the Over-allotment Option is fully exercised).

Assuming an Offer Price of HK\$1.10 (being the mid-point of the indicative Offer Price range stated in this prospectus), the total number of Offer Shares to be subscribed for or purchased by the Cornerstone Investors would be 32,726,000 Shares, representing (a) approximately 26.2% of the total number of the Offer Shares assuming the Over-allotment Option is not exercised; (b) approximately 22.8% of the total number of the Offer Shares assuming the Over-allotment Option is fully exercised; (c) approximately 6.5% of the Shares in issue and outstanding upon the completion of the Capitalisation Issue and the Share Offer (assuming the Over-allotment Option is not exercised); and (d) approximately 6.3% of the Shares in issue and outstanding upon the completion of the Capitalisation Issue and the Share Offer (assuming the Over-allotment Option is fully exercised).

Assuming an Offer Price of HK\$1.20 (being the high-end of the indicative Offer Price range stated in this prospectus), the total number of Offer Shares to be subscribed for or purchased by the Cornerstone Investors would be 30,000,000, representing (a) approximately 24.0% of the total number of the Offer Shares assuming the Over-allotment Option is not exercised; (b) approximately 20.9% of the total number of the Offer Shares assuming the Over-allotment Option is fully exercised; (c) approximately 6.0% of the Shares in issue and outstanding upon the completion of the Capitalisation Issue and the Share Offer (assuming the Over-allotment Option is not exercised); and (d) approximately 5.8% of the Shares in issue and outstanding upon the completion of the Capitalisation Issue and the Share Offer (assuming the Over-allotment Option is fully exercised).

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To the best knowledge of the our Directors, each of the Cornerstone Investors is an Independent Third Party, independent from our Company, our connected persons and their respective associates and independent of each other. The Cornerstone Investors will subscribe for the Offer Shares pursuant to, and as part of, the Placing.

The Cornerstone Placing forms part of the Placing. The Offer Shares to be subscribed for by the Cornerstone Investors will rank equally in all respects with the other fully paid Shares then in issue and to be listed on the Stock Exchange upon completion of the Share Offer and will be counted towards the public float of our Company. The Cornerstone Investors will not subscribe for any Offer Shares under the Share Offer other than pursuant to the Cornerstone Investment Agreements. Immediately following completion of the Share Offer, none of the Cornerstone Investors will have any board representation in our Company, nor will any of the Cornerstone Investors become a Substantial Shareholder of our Company. No special rights have been granted to the Cornerstone Investors as part of the Cornerstone Placing. The number of Offer Shares to be subscribed for by the Cornerstone Investors will not be affected by any reallocation of the Offer Shares between the Placing and the Public Offer described in the section headed “Structure and conditions of the Share Offer — Reallocation” in this Prospectus.

To the best knowledge of our Company, (i) there is no deferred settlement in payment and/or deferred delivery of the Shares to be subscribed by the Cornerstone Investors; (ii) there are no side agreements or arrangements between our Group and each of the Cornerstone Investors for the purpose of the Cornerstone Placing; (iii) we became acquainted with each of the Cornerstone Investors either through business networking or social gathering; (iv) each of the Cornerstone Investors expects to finance their respective cornerstone investment with his/its own financial resources; (v) none of the Cornerstone Investors are accustomed to take instructions from our Company, the Directors, chief executive of our Company, Controlling Shareholders, Substantial Shareholders or existing Shareholders or any of our subsidiaries or their respective close associates; and (vi) none of the subscription of the Offer Shares by the Cornerstone Investors are financed by our Company, the Directors, chief executive, Controlling Shareholders, Substantial Shareholders, or existing Shareholders or any of our subsidiaries or their respective close associates.

Details of allocation to the Cornerstone Investors will be disclosed in the announcement of allotment results of our Company to be published on or about Tuesday, 12 May 2020.

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We have entered into the Cornerstone Investment Agreements with the Cornerstone Investors in respect of the Cornerstone Placing. The details of the investment of our Cornerstone Investors are set forth below:

Based on the Offer Price of HK\$1.00 (being the minimum Offer Price)						
Cornerstone Investor	Investment amount (HK\$)	Number of Offer Shares (rounded down to nearest whole board lot of 2,000 Shares)	Approximate % of total number of Offer Shares		Approximate % of total Shares in issue immediately following the completion of the Capitalisation Issue and the Share Offer	
			Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full	Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is not exercised
Mr. Wong	12,000,000	12,000,000	9.6%	8.3%	2.4%	2.3%
China Peace	<u>24,000,000</u>	<u>24,000,000</u>	<u>19.2%</u>	<u>16.7%</u>	<u>4.8%</u>	<u>4.6%</u>
Total	<u>36,000,000</u>	<u>36,000,000</u>	<u>28.8%</u>	<u>25.0%</u>	<u>7.2%</u>	<u>6.9%</u>

Based on the Offer Price of HK\$1.10 (being the mid-point Offer Price)						
Cornerstone Investor	Investment amount (HK\$)	Number of Offer Shares (rounded down to nearest whole board lot of 2,000 Shares)	Approximate % of total number of Offer Shares		Approximate % of total Shares in issue immediately following the completion of the Capitalisation Issue and the Share Offer	
			Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full	Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is not exercised
Mr. Wong	12,000,000	10,908,000	8.7%	7.6%	2.2%	2.1%
China Peace	<u>24,000,000</u>	<u>21,818,000</u>	<u>17.5%</u>	<u>15.2%</u>	<u>4.3%</u>	<u>4.2%</u>
Total	<u>36,000,000</u>	<u>32,726,000</u>	<u>26.2%</u>	<u>22.8%</u>	<u>6.5%</u>	<u>6.3%</u>

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Based on the Offer Price of HK\$1.20
(being the maximum Offer Price)

Cornerstone Investor	Investment amount (HK\$)	Number of Offer Shares (rounded down to nearest whole board lot of 2,000 Shares)	Approximate % of total number of Offer Shares		Approximate % of total Shares in issue immediately following the completion of the Capitalisation Issue and the Share Offer	
			Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full	Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is not exercised
Mr. Wong	12,000,000	10,000,000	8.0%	7.0%	2.0%	1.9%
China Peace	24,000,000	20,000,000	16.0%	13.9%	4.0%	3.9%
Total	36,000,000	30,000,000	24.0%	20.9%	6.0%	5.8%

The information about our Cornerstone Investors set forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Placing:

Mr. Wong

Mr. Wong is a Hong Kong resident and has extensive experience in the mobile technology industry. In 2000, he served as the vice president of e-business of Fortune Tele.com Holdings Limited (now known as China Fortune Holdings Limited, stock code 110), a company incorporated in Bermuda with limited liability and listed on the Main Board of the Stock Exchange. He is the chief executive officer of IGM Limited, a company previously listed on the AIM market of the London Stock Exchange. Mr. Wong is currently a director of IGM Mobile (Asia) Ltd, a mobile platform service provider engaging in the provision of mobile and telecommunication software to operators in the Southeast Asian market and a company incorporated in BVI with limited liability. He is also a non-executive director of (a) ESG Holdings Limited, a company incorporated in Bermuda with limited liability and a facility management company in the PRC; (b) Hydro Pacific Co., Ltd, a company incorporated in Thailand with limited liability and an energy project management company; and (c) 北京威英智通技術發展有限公司 (Beijing Witstart Technology Development Co. Ltd.*), a company incorporated in the PRC and an energy equipment company.

China Peace

China Peace is a company incorporated in Hong Kong with limited liability. Its principal business activity is investment holding and currently invested in a PRC leather manufacturer. China Peace is beneficially and wholly owned by Mr. Koek Tiang Kung (“**Mr. Koek**”). Mr. Koek is a Malaysian and has been in the automotive upholstery leather industry since 1997. He is the founder and managing director of DK Leather Corporation Berhad which engaged in the manufacturing, installation, distribution and retailing of automotive leather upholstery at

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the time of listing on the Main Board of Bursa Malaysia Securities Berhad in 2004. DK Leather Corporation Berhad was subsequently privatised in 2009 and tapped into property development business in Malaysia.

Both Mr. Wong and China Peace are interested in the cornerstone investment because they are confident in our Group and prospect of the animal feed additives industry. They are of the view that poultry and livestock are basic necessities for human beings that ensure a promising and stable demand for animal feed additives.

CONDITIONS PRECEDENT

The subscription by the Cornerstone Investors is subject to, among others, the following conditions precedent:

- (i) the Public Offer Underwriting Agreement and the Placing Underwriting Agreement being entered into and having become effective and remain unconditional (in accordance with their respective original terms, or as subsequently varied by agreement of the parties thereto) by no later than the time and date as specified therein and not having been terminated in accordance with the terms of the respective agreements;
- (ii) the Listing Committee having granted the approval for the listing of, and permission to deal in, the Shares to be offered pursuant to the Share Offer and that such approval or permission not having been withdrawn or revoked prior to the commencement of dealings in the Shares on the Stock Exchange;
- (iii) the Offer Price having been agreed upon between our Company and the Sole Bookrunner (for itself and on behalf of the Underwriters);
- (iv) the respective representations, warranties, undertakings, confirmations, agreements and acknowledgements of the relevant Cornerstone Investor and our Company in the relevant cornerstone investment agreement are accurate and true in all material respects and not misleading and there is no breach of the relevant cornerstone investment agreement on the part of our Company and the relevant Cornerstone Investor; and
- (v) no laws shall have been enacted or promulgated by any regulatory authorities which prohibit the consummation of the transactions contemplated hereunder and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions hereunder.

RESTRICTIONS ON THE CORNERSTONE INVESTORS' INVESTMENT

Each of the Cornerstone Investors has agreed that without the prior written consent of our Company and the Sole Bookrunner, he/it will not, at any time during the period of six months following the Listing Date (the “**Lock-up Period**”), directly or indirectly, (i) dispose of, in any way, any of the Offer Shares he/it has purchased pursuant to the Cornerstone Investment Agreements or any interest in any company or entity holding any of such Offer Shares; (ii) agree or

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contract to, or publicly announce any intention to enter into a transaction with a third party for disposal of such Offer Shares; (iii) 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 or securities or interest therein or any voting right or any other right attaching thereto; or (iv) enter into any transaction directly or indirectly with the same economic effect as any aforesaid transaction, and such aforesaid action(s) will result in an effective transfer of such Offer Shares before the end of the Lock-up Period pursuant to the Cornerstone Investment Agreements.