
CORNERSTONE INVESTORS

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a “**Cornerstone Investment Agreement**”, and together the “**Cornerstone Investment Agreements**”) with the cornerstone investors set out below (each a “**Cornerstone Investor**”, and together, the “**Cornerstone Investors**”), pursuant to which the Cornerstone Investors have agreed to subscribe, subject to certain conditions, at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 4,000 Shares) that may be purchased for an aggregate amount of approximately US\$11.7 million (exclusive of brokerage, SFC transaction levy and the Hong Kong Stock Exchange trading fee) (the “**Cornerstone Placing**”).

Assuming an Offer Price of HK\$1.08, being the low-end of the indicative Offer Price range set out in this prospectus, the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 83,380,000 Offer Shares, representing approximately 40.9% of the Offer Shares pursuant to the Global Offering and approximately 7.0% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised).

Assuming an Offer Price of HK\$1.18, being the mid-point of the indicative Offer Price range set out in this prospectus, the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 76,316,000 Offer Shares, representing approximately 37.4% of the Offer Shares pursuant to the Global Offering and approximately 6.3% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised).

Assuming an Offer Price of HK\$1.28, being the high-end of the indicative Offer Price range set out in this prospectus, the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 70,356,000 Offer Shares, representing approximately 34.6% of the Offer Shares pursuant to the Global Offering and approximately 5.8% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised).

Leveraging the Cornerstone Investors’ investment experience, the Cornerstone Investments will help to raise the profile of our Company and to signify that the Cornerstone Investors have confidence in the business and prospect of our Group.

The Cornerstone Placing will form part of the International Offering. The Offer Shares to be subscribed for by the Cornerstone Investors will rank equally the same in all respects with other fully paid Shares then in issue upon completion of the Global Offering and to be listed on the Hong Kong Stock Exchange and will be counted towards the public float of our Company under Rule 8.24 of the Listing Rules. The Cornerstone Investors will not subscribe for any Offer Shares under the Global Offering (other than pursuant to the Cornerstone Investment Agreements). Immediately following the completion of the Global Offering, the Cornerstone Investors will not have any representation on our Board, nor will any of the Cornerstone Investor become a substantial shareholder of our Company. Other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, the Cornerstone Investors do not have any preferential rights in the Cornerstone Investment Agreements compared with other public Shareholders. To the best knowledge of our Company, (i) each of the Cornerstone Investors is an Independent Third Party and is not our connected person (as defined in the Listing Rules); (ii) none of the Cornerstone Investors is accustomed to take instructions from our Company, our Directors, chief executive, substantial shareholders (including our Controlling Shareholders) of our

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Company, existing Shareholders or any of their subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in their name or otherwise held by them; and (iii) none of the subscription of the relevant Offer Shares by any of the Cornerstone Investors is financed by our Company, our Directors, chief executive, substantial shareholders (including our Controlling Shareholders) of our Company, existing Shareholders or any of their subsidiaries or their respective close associates.

As confirmed by each of the Cornerstone Investors, the Cornerstone Investors are independent from each other and they each made their own independent decisions to enter into the Cornerstone Investment Agreements, and their subscription under the Cornerstone Placing would be financed by their own internal resources. None of the Cornerstone Investors or any of their affiliates, directors, officers, employees, agents or representatives, has accepted or entered into any agreement or arrangement to accept any direct or indirect benefits by side letter or otherwise, other than a guaranteed allocation to take up the Offer Shares under the Global Offering, from our Company or any member of our Group.

There will be no delayed delivery, deferred settlement or similar arrangements of the Offer Shares to be subscribed by the Cornerstone Investors pursuant to the Cornerstone Investment Agreements. Each of the Cornerstone Investors undertakes to settle the payment pursuant to their respective Cornerstone Investment Agreement before the Listing becoming unconditional.

The monetary amounts shown in this section may be translated between U.S. Dollars and Hong Kong Dollars at the rate of US\$1 to HK\$7.7059 and are only for illustrative purpose. The final number of Shares to be subscribed by each Cornerstone Investor is subject to the exchange rate to be determined in accordance with the relevant Cornerstone Investment Agreement and will be disclosed in the allotment results announcement to be issued by our Company on or around January 14, 2021.

In the event that the requirement pursuant to Rule 8.08(3) of the Listing Rules (in which no more than 50% of the Shares in public hands on the Listing Date can be beneficially owned by the three largest public shareholders of our Company) cannot be satisfied, the allocation of the number of Offer Shares to be subscribed by the Cornerstone Investors will be adjusted to ensure compliance with Rule 8.08(3) of the Listing Rules.

OUR CORNERSTONE INVESTORS

We have entered into the Cornerstone Investment Agreements with the following Cornerstone Investors in respect of the Cornerstone Placing:

Cornerstone Investor	Investment Amount (US\$ in million)	Number of Offer Shares (rounded down to nearest whole board lot of 4,000 Shares)	Approximate % of total number of Offer Shares		Approximate % of total Shares in issue immediately following the completion of Global Offering	
			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 exercised in full
<i>Based on the Offer Price of HK\$1.08 (being the low-end of the indicative Offer Price range)</i>						
Huatai Financial	5.0	35,672,000	17.5%	15.2%	3.0%	2.9%
Shimmering Skyline	3.0	21,404,000	10.5%	9.1%	1.8%	1.7%
GCML	2.0	14,268,000	7.0%	6.1%	1.2%	1.2%
Coast SPC	1.7	12,036,000	5.9%	5.1%	1.0%	1.0%
Total	11.7	83,380,000	40.9%	35.5%	7.0%	6.8%

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Cornerstone Investor	Investment Amount (US\$ in million)	Number of Offer Shares (rounded down to nearest whole board lot of 4,000 Shares)	Approximate % of total number of Offer Shares		Approximate % of total Shares in issue immediately following the completion of Global Offering	
			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 exercised in full
<i>Based on the Offer Price of HK\$1.18 (being the mid-point of the indicative Offer Price range)</i>						
Huatai Financial	5.0	32,652,000	16.0%	13.9%	2.7%	2.6%
Shimmering Skyline	3.0	19,588,000	9.6%	8.3%	1.6%	1.6%
GCML	2.0	13,060,000	6.4%	5.6%	1.1%	1.1%
Coast SPC	1.7	11,016,000	5.4%	4.7%	0.9%	0.9%
Total	11.7	76,316,000	37.4%	32.5%	6.3%	6.2%
<i>Based on the Offer Price of HK\$1.28 (being the high-end of the indicative Offer Price range)</i>						
Huatai Financial	5.0	30,100,000	14.8%	12.8%	2.5%	2.4%
Shimmering Skyline	3.0	18,060,000	8.9%	7.7%	1.5%	1.5%
GCML	2.0	12,040,000	5.9%	5.1%	1.0%	1.0%
Coast SPC	1.7	10,156,000	5.0%	4.3%	0.8%	0.8%
Total	11.7	70,356,000	34.6%	29.9%	5.8%	5.7%

Note: In the event that the Offer Price is set at the low-end of the indicative Offer Price range, the allocation of the number of Shares to the Cornerstone Investors will be adjusted to ensure compliance with Rule 8.08(3) of the Listing Rules such that no more than 50% of the Shares in public hands on the Listing Date can be beneficially owned by the three largest public shareholders of the Shares.

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

Huatai Financial Holdings (Hong Kong) Limited (“Huatai Financial”)

Pursuant to the Cornerstone Investment Agreement entered into between our Company, the Sole Sponsor, the Joint Global Coordinators and Huatai Financial dated December 29, 2020, Huatai Financial has agreed to subscribe for such number of Offer Shares equal to US\$5.0 million at the Offer Price, rounded down to the nearest whole board lot of 4,000 Shares (excluding brokerage and the levies which the relevant Cornerstone Investor will pay in respect of the Offer Shares to be subscribed for).

Huatai International Financial Holdings Company Limited (“**Huatai International**”) is an overseas wholly-owned subsidiary of Huatai Securities Co., Limited that is listed on the Shanghai Stock Exchange (stock code: 601688) and the Hong Kong Stock Exchange (stock code: 06886). Huatai International operates as a holding company for consolidating all of the group’s cross-border businesses and companies under one umbrella.

Huatai Financial, the premier flagship entity of Huatai International, was established in 2006 and licensed with the SFC to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities.

Huatai Financial has agreed to subscribed for our Shares for a discretionary managed investor account under its management as an investment manager. The discretionary managed investor account is ultimately owned by Zhang Tieshuang, Cao Jinmei and Chen Weike, who are professional investors

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who have investment experience in the capital markets of Hong Kong, and two of them had made a cornerstone investment in Hong Kong through another asset manager recently. The investment objectives of the said account are to achieve capital appreciation by investing in listed equity securities of companies and secondary market securities products. The relevant discretionary managed investor account has assets under management of approximately HK\$40 million.

Huatai Financial became acquainted with our Company through the introduction of the opportunity to participate in the Cornerstone Placing by us. As confirmed by Huatai Financial, it is not required to obtain any approval from the Shanghai Stock Exchange, the Hong Kong Stock Exchange nor its shareholders to invest, on behalf of the discretionary managed investor account, in the Offer Shares.

Shimmering Skyline L.P. (“Shimmering Skyline”)

Pursuant to the Cornerstone Investment Agreement entered into between our Company, the Sole Sponsor, the Joint Global Coordinators and Shimmering Skyline dated December 29, 2020, Shimmering Skyline has agreed to subscribe for such number of Offer Shares equal to US\$3.0 million at the Offer Price, rounded down to the nearest whole board lot of 4,000 Shares (excluding brokerage and the levies which the relevant Cornerstone Investor will pay in respect of the Offer Shares to be subscribed for).

Shimmering Skyline is a private equity investment fund incorporated under the laws of the British Virgin Islands and its investment manager, SHIMMERING INVESTMENT (BVI) Ltd., is a company incorporated in the British Virgin Islands. Shimmering Skyline is controlled by People.cn Co., Ltd. (人民網股份有限公司) (“**People’s Daily Online**”), a company listed on the Shanghai Stock Exchange (stock code: 603000) through SHIMMERING INVESTMENT (BVI) Ltd. as its general partner. Shimmering Skyline is ultimately beneficially owned by Hou Zhuo and Huang Jian, who are professional investors as its limited partners. People’s Daily Online was officially launched on January 1, 1997, and is one of the largest comprehensive online Internet media in the world. People’s Daily Online is actively transforming into a technology- and intelligent-centric enterprise driven by capital and technology, and is expanding its three new content businesses, namely, content operations, content risk control and content aggregation and distribution. Relying on its National Key Laboratory of Communication Content Cognition, People’s Daily Online is continuously enhancing its research and development and industrial footprint in artificial intelligence and big data, strives to become a forerunner in content technology (ConTech), and continues to consolidate its leading position as a key news site of the central government. Shimmering Skyline has assets under management of approximately US\$3 million.

Shimmering Skyline became acquainted with our Company through the introduction of the opportunity to participate in the Cornerstone Placing by us. As confirmed by Shimmering Skyline, it is not required to obtain any approval from the Shanghai Stock Exchange nor the shareholders of People’s Daily Online to invest in the Offer Shares.

Goldstream Capital Management Limited (“GCML”)

Pursuant to the Cornerstone Investment Agreement entered into between our Company, the Sole Sponsor, the Sole Representative and GCML dated December 29, 2020, GCML has agreed to subscribe for such number of Offer Shares equal to US\$2.0 million at the Offer Price, rounded down to

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the nearest whole board lot of 4,000 Shares (excluding brokerage and the levies which the relevant Cornerstone Investor will pay in respect of the Offer Shares to be subscribed for).

GCML acting for and on behalf of Goldstream Capital Segregated Portfolio Company—Goldstream Appreciation Fund SP (“GAFSP”) under its management, has agreed to participate in the Global Offering and invest in the Offer Shares for GAFSP as a Cornerstone Investor. GAFSP is multi-strategy collective investment scheme formed in the Cayman Islands in May 2019. The ultimate beneficial owner of GAFSP is Goldstream Investment Limited (stock code: 01328), a company listed on the Main Board of the Hong Kong Stock Exchange. GAFSP adopts a multi-strategies approach and primarily invests in assets including but not limited to equities long/short strategies, quantitative strategies, initial public offer investments, asset-back securities, fixed income securities and collective investment schemes. GAFSP has assets under management of approximately US\$52 million. GCML, investment manager for GAFSP, was incorporated in Hong Kong in 2011, holding SFC Type 4 (advising on securities) and Type 9 (Asset Management) licenses, and is 100% held by Goldstream Investment Limited, of which Hony Capital is a controlling shareholder. GCML has asset under management in excess of US\$630 million across multiple investment funds and managed accounts.

Hony Capital was founded in the early 2000 to capture investment opportunities as a private equity platform. Through more than 15 years, Hony Capital has become one of the most successful and reputable Chinese private equity firms especially in the restructuring and reorganization of China’s state-owned enterprises. Hony Capital and its group members manage assets of about RMB80 billion on behalf of institutional clients such as foundations, sovereign wealth funds, university endowments, and family offices.

GCML became acquainted with our Company through business contact. As confirmed by GCML, it is not required to obtain any approval from the Hong Kong Stock Exchange or the shareholders of Goldstream Investment Limited to invest in the Offer Shares.

Coast Flagship Investment SPC (“Coast SPC”)

Pursuant to the Cornerstone Investment Agreement entered into between our Company, the Sole Sponsor, the Joint Global Coordinators and Coast SPC dated December 29, 2020, Coast SPC has agreed to subscribe for such number of Offer Shares equal to HK\$13.0 million at the Offer Price, rounded down to the nearest whole board lot of 4,000 Shares (excluding brokerage and the levies which the relevant Cornerstone Investor will pay in respect of the Offer Shares to be subscribed for).

Coast International Asset Management Limited (licensed with SFC type 4 and type 9 license) (“Coast Asset”) is the investment manager of Coast SPC (on behalf of and for the account of Harvest IPO Mixed Strategy Investment SP), managing the investment on a discretionary basis. Harvest IPO Mixed Strategy Investment SP is a segregated portfolio of Coast SPC, an exempted segregated portfolio company organized in the Cayman Islands with nine individuals, namely, Zhu Zhenkui, Xia Liping, Wang Hao, Mok So Wing, Lv Min, Zhou Kang, Hu Chao, Zhou Ying and Chen Cong, who are professional investors. A majority of such investors have substantial investment experience and work in the finance, trading, education and real estate industry. Harvest IPO Mixed Strategy Investment SP has assets under management of approximately HK\$66 million. The primary objective of the Coast SPC is to generate investment returns through investment in consumer market, healthcare, real estate, education, new economy and new technology sectors.

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Coast SPC became acquainted with our Company through the introduction of the opportunity to participate in the Cornerstone Placing by us.

The participation of Coast SPC as a cornerstone investor will have the following characteristics:

- (a) any Shares to be allocated to Coast SPC will be held on behalf of and for the account of Harvest IPO Mixed Strategy Investment SP, who is an Independent Third Party;
- (b) the cornerstone investment agreement between the Company and Coast SPC (on behalf of and for the account of Harvest IPO Mixed Strategy Investment SP) will not contain any material terms which are more favorable to it than those in other cornerstone investment agreements;
- (c) Harvest International Securities Company Limited, one of the Underwriters (“**Harvest Securities**”), who has entered into an investment advisory agreement with Coast Asset, has not participated, and will not participate, in the decision-making process or relevant discussion among the Company, the Joint Bookrunners and the Underwriters as to whether Coast SPC (on behalf of and for the account of Harvest IPO Mixed Strategy Investment SP) will be selected as a cornerstone investor;
- (d) no preferential treatment has been, or will be, given to Harvest Securities by virtue of its relationship with Coast SPC (on behalf of and for the account of Harvest IPO Mixed Strategy Investment SP) other than the preferential treatment of assured entitlement under a cornerstone investment following the principles set out in the Stock Exchange’s guidance letter HKEX-GL51-13;
- (e) each of the Sole Sponsor, the Company, the Joint Bookrunners, Coast SPC and Harvest Securities has provided the Stock Exchange a confirmation in accordance with the requirements in the Stock Exchange’s guidance letter HKEX-GL85-16; and
- (f) details of the allocation has been / will be disclosed in the prospectus and the allotment results announcement.

CLOSING CONDITIONS

The subscription obligations of the Cornerstone Investors are subject to, among other things, the following closing conditions:

- (a) the Underwriting Agreements being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the respective Underwriting Agreements;
- (b) neither of the Underwriting Agreements having been terminated;
- (c) the Offer Price having been agreed according to the Underwriting Agreements and Price Determination Agreement to be signed between the parties thereto in connection with the Global Offering;
- (d) the Listing Committee of the Hong Kong Stock Exchange having granted the listing of, and permission to deal in, our Shares as well as other applicable waivers and approvals and such approval, permission or waiver having not been revoked prior to the commencement of dealings in our Shares on the Hong Kong Stock Exchange;

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- (e) no laws shall have been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or herein and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and
- (f) the representations, warranties, acknowledgements, undertakings and confirmations of the Cornerstone Investors under the respective Cornerstone Investment Agreement are accurate and true in all respects and not misleading and that there is no breach of the Cornerstone Investment Agreements on the part of the Cornerstone Investors.

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that it will not, and will cause its affiliates not to, whether directly or indirectly, at any time during the period of six months starting from and inclusive of the Listing Date (the “**Lock-up Period**”) (i) dispose of, in any way, any Offer Shares subscribed by the Cornerstone Investors pursuant to the respective Cornerstone Investment Agreements and any interest in any company or entity holding any of the relevant Offer Shares, and any Shares or other securities in our Company which are derived therefrom pursuant to any rights issue, capitalization issue or other form of capital reorganization (whether such transactions are to be settled in cash or otherwise) and any interest therefrom; (ii) allow itself to undergo a change of control (as defined in the Takeovers Code promulgated by the SFC) at the level of its ultimate beneficial owner(s); or (iii) enter into any transactions directly or indirectly with the same economic effect as any aforesaid transaction, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will undertake to be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

After expiration of the Lock-up Period, the Cornerstone Investors shall, subject to requirements under applicable laws and regulations and as specified in the relevant Cornerstone Investment Agreements, be free to dispose of any relevant Offer Shares. The Cornerstone Investors shall ensure that any such disposal will not create a disorderly or false market in the Shares and comply with all applicable laws and regulations including, among others, the Listing Rules and the SFO.