
UNDERWRITING

PUBLIC OFFER UNDERWRITERS

Grande Capital Limited
Quam Securities Limited
Yuen Meta (International) Securities Limited
Eddid Securities and Futures Limited
Livermore Holdings Limited
Fortune Origin Securities Limited
Lee Go Securities Limited
Victory Securities Company Limited
Grand China Securities Limited
SBI China Capital Financial Services Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

The Public Offer

Public Offer Underwriting Agreement

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

Subject to, among other conditions, the granting of the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus by the Listing Committee and to certain other conditions set out in the Public Offer Underwriting Agreement, the Public Offer Underwriters have agreed to procure subscribers for the Public Offer Shares now being offered, or failing which, the Public Offer Underwriters shall subscribe for the Public Offer Shares on the terms and conditions of this prospectus and the Public Offer Underwriting Agreement.

The Public Offer Underwriting Agreement is conditional on and subject to the Placing Underwriting Agreement having been signed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for termination

The obligations of the Public Offer Underwriters to subscribe for, or procure subscribers for the Public Offer Shares are subject to termination. The Overall Coordinators shall have the absolute right by notice in writing to our Company to terminate the Public Offer Underwriting Agreement with immediate effect at any time prior to 8:00 a.m. on the Listing Date (the “**Termination Time**”) if any of the following events shall occur prior to the Termination Time that did not exist prior to the date of the Public Offer Underwriting Agreement:

UNDERWRITING

1. There shall develop, occur, exist or come into effect:
 - (i) any matter or event resulting in any of the representations, warranties, agreements and undertakings given to the Public Offer Underwriters under the Public Offer Underwriting Agreement (the “**Warranties**”) becoming untrue, inaccurate or misleading in any material respect when given or repeated or there has been a breach of any of the Warranties or any other provisions of the Public Offer Underwriting Agreement by any party to the Public Offer Underwriting Agreement other than the Public Offer Underwriters which, in any such cases, is considered, in the reasonable opinion of the Overall Coordinators, to be material in the context of the Public Offer; or
 - (ii) any statement contained in this prospectus has become untrue, incorrect or misleading in any material respect which is considered, in the reasonable opinion of the Overall Coordinators, to be material in the context of the Public Offer; or
 - (iii) any event, series of events, matters or circumstances occurs or arises on or after the date of the Public Offer Underwriting Agreement and before the Termination Time, being events, matters or circumstances which, if it had occurred before the date of the Public Offer Underwriting Agreement, would have rendered any of the Warranties untrue, incorrect or misleading in any material respect, and which is considered, in the reasonable opinion of the Overall Coordinators to be material in the context of the Public Offer; or
 - (iv) any matter which, had it arisen or been discovered immediately before the date of this prospectus and not having been disclosed in this prospectus, would have constituted, in the reasonable opinion of the Overall Coordinators, a material omission in the context of the Public Offer; or
 - (v) any event, act or omission which gives or is likely to give rise to any liability of a material nature of our Company and any of our executive Directors and our Controlling Shareholders arising out of or in connection with the breach of any of the Warranties; or
 - (vi) any breach by any party to the Public Offer Underwriting Agreement other than the Public Offer Underwriters of any provision of the Public Offer Underwriting Agreement which, in the reasonable opinion of the Overall Coordinators, is material;

UNDERWRITING

2. There shall have developed, occurred, existed, or come into effect any event or series of events, matters or circumstances whether occurring or continuing on and/or after the date of the Public Offer Underwriting Agreement and including an event or change in relation to or a development of an existing state of affairs concerning or relating to any of the following:
- (i) any new law or regulation or any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong, the PRC, the BVI, the Cayman Islands or any of the jurisdictions in which our Group operates or has or is deemed by any applicable law to have a presence (by whatever name called) or any other jurisdiction relevant to the business of our Group; or
 - (ii) any change in, or any event or series of events or development resulting or likely to result in any change in Hong Kong, the PRC, the BVI, the Cayman Islands or any of the jurisdictions relevant to the business of our Group, the local, regional or international financial, currency, political, military, industrial, economic, stock market or other market conditions or prospects; or
 - (iii) any adverse change in the conditions of Hong Kong or international equity securities or other financial markets; or
 - (iv) the imposition of any moratorium, suspension or material restriction on trading in securities generally on any of the markets operated by the Stock Exchange due to exceptional financial circumstances; or
 - (v) any change or development involving a prospective change in taxation or exchange control (or the implementation of any exchange control) in Hong Kong, the PRC, the BVI, the Cayman Islands or any of the jurisdictions in which our Group operates or has or is deemed by any applicable law to have a presence (by whatever name called) or other jurisdiction relevant to our Group's business; or
 - (vi) any adverse change or prospective adverse change in the business or in the financial or trading position or prospects of any member of our Group; or
 - (vii) a general moratorium on commercial banking activities in Hong Kong declared by the relevant authorities; or
 - (viii) any event of force majeure including, without limiting the generality thereof, any act of God, military action, riot, public disorder, civil commotion, fire, flood, tsunami, explosion, epidemic, terrorism, strike or lock-out;

UNDERWRITING

which, in the reasonable opinion of the Overall Coordinators acting in good faith:

- (a) is or will be, or is likely to be, adverse, in any material respect, to the business, financial or other condition or prospects of our Group taken as a whole; or
- (b) has or will have or is reasonably likely to have a material adverse effect on the success of the Share Offer or the level of the Offer Shares being applied for or accepted, or the distribution of the Offer Shares; or
- (c) makes it impracticable, inadvisable or inexpedient for the Public Offer Underwriter to proceed with the Public Offer as a whole.

For the above purpose:

- (a) a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the U.S. shall be taken as an event resulting in a change in currency conditions; and
- (b) any normal market fluctuations shall not be construed as events or series of events affecting market conditions referred to above.

Undertakings

Pursuant to Rule 10.07 of the Listing Rules, each of our Controlling Shareholders has undertaken to the Stock Exchange and our Company that, except pursuant to the Capitalisation Issue and the Share Offer, he or she or it shall not and shall procure that the relevant registered holder(s) shall not:

1. in the period commencing on the date by reference to which disclosure of the shareholding of the controlling shareholders is made in this prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of, or otherwise create any options, rights, interests or encumbrances in respect of, any of the Share or securities in respect of which he or she or it is shown by this prospectus to be the beneficial owners; and
2. in the period of six months commencing on the date on which the period mentioned in paragraph (i) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares or securities referred to in (i) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests, or encumbrances, he or she or it would cease to be a controlling shareholder (as defined in the Listing Rules) of our Company or a member of a group of the Controlling Shareholders of our Company or would together with the other Controlling Shareholders cease to be “Controlling Shareholders” (as defined in the Listing Rules) of our Company.

UNDERWRITING

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

1. when he or she or it pledges or charges any securities or interest in the securities of our Company beneficially owned by him or her or it in favour of any authorised institution pursuant to Note (2) to Rule 10.07(2) of the Listing Rules, immediately inform our Company and the Overall Coordinators in writing of such pledge or charge together with the number of securities and nature of interests so pledged or charged; and
2. when he or she or it receives indications, either verbal or written, from any pledgee or chargee that any of the pledged or charged securities or interests in the securities of our Company will be sold, transferred or disposed of, immediately inform our Company and the Overall Coordinators in writing of such indications.

Our Company will inform the Stock Exchange as soon as we have been informed of the matters referred to in paragraphs (a) and (b) above (if any) by our Controlling Shareholders and disclose such matters by way of an announcement in accordance with Rule 2.07C of the Listing Rules as soon as possible.

Pursuant to the Public Offer Underwriting Agreement, our Company had undertaken to each of the Sponsor, the Overall Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Public Offer Underwriters that, except pursuant to the Share Offer, the Capitalisation Issue, the grant of options under the Share Option Scheme and the issue of Shares upon exercise of any such options or as otherwise permitted under the Listing Rules, our Company will not, and our Company, our Controlling Shareholders and each of our executive Directors will procure, that our subsidiaries will not, unless with the prior written consent of the Overall Coordinators, such consent not to be unreasonably withheld or delayed, and in compliance with the requirements of the Listing Rules:

- allot or issue, or agree to allot or issue, Shares or other securities of our Company (including warrants or other convertible or exchangeable securities) or grant or agree to grant any options, warrants, or other rights to subscribe for or convertible or exchangeable into Shares or other securities of our Company; or
- enter into any swap or other arrangement that transfers, in whole or in part, any of the economic consequence of ownership of any Shares or offer to or agree to do any of the foregoing or announce any intention to do so,

during the six months immediately following the Listing Date (the “**First Six-month Period**”).

UNDERWRITING

In the event of our Company doing any of the foregoing by virtue of the aforesaid exceptions or during the period of six months immediately following the expiry of the First Six-month Period (the “**Second Six-month Period**”), it will take all reasonable steps to ensure that any such act will not create a disorderly or false market for any Shares or other securities of our Company.

Pursuant to the Public Offer Underwriting Agreement, each of our Controlling Shareholders has jointly and severally undertaken to each of the Overall Coordinators, our Company and the Public Offer Underwriter that during the First Six-month Period, he or she or it shall not, and shall procure that the relevant registered holder(s) and his or her or its associates and companies controlled by him or her or it and any nominee or trustee holding in trust for him or her or it shall not, without the prior written consent of the Overall Coordinators unless in compliance with the requirements of the Listing Rules:

- (i) offer, pledge, charge, sell, 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, lend or otherwise transfer or dispose of, either directly or indirectly, any of the Shares in respect of which he or she or it is shown in this prospectus to be directly or indirectly interested (the “**Relevant Securities**”); 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 the Relevant Securities, whether any of the foregoing transactions is to be settled by delivery of the Relevant Securities or such other securities, in cash or otherwise; or
- (iii) agree (conditionally or unconditionally) to enter into or effect any transaction with the same economic effect as any of the transactions referred to in paragraphs (i) or (ii) above; or
- (iv) announce any intention to enter into or effect any of the transactions referred to in paragraphs (i), (ii) or (iii) above.

Each of our Controlling Shareholders has jointly and severally undertaken to the Overall Coordinators, our Company and the Public Offer Underwriter that he or she or it shall not, and shall procure that the relevant registered holder(s) and his or her or its associates or companies controlled by him or her or it and any nominee or trustee holding in trust for him or her or it shall not, without the prior written consent of the Stock Exchange 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 in respect of, any Relevant Securities held by him or her or it or any of his or her or its associates or companies controlled by him or her or it or any nominee or trustee holding in trust for him or her or it if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he or she or it would cease to be a Controlling Shareholder or would together with the other Controlling Shareholders cease to be, or be regarded as, Controlling Shareholders.

UNDERWRITING

In the event of a disposal of any of the Shares or securities of our Company directly or indirectly beneficially owned by him or her or it or any interest therein within the Second Six-month Period, the relevant Controlling Shareholder shall take all reasonable steps to ensure that such a disposal will not create a disorderly or false market for any Shares or other securities of our Company.

Pursuant to the Public Offer Underwriting Agreement, each of our Controlling Shareholders has further undertaken to each of our Company, the Overall Coordinators and the Public Offer Underwriter that within the first twelve months from the Listing Date, he or she or it will:

- when he or she or it pledges or charges any securities or interests in the securities of our Company beneficially owned by him or her or it directly or indirectly, immediately inform our Company and the Overall Coordinators in writing of such pledges or charges together with the number of securities and nature of interests so pledged or charged; and
- when he or she or it receives indications, either verbal or written, from any pledgee or chargee that any of the pledged or charged securities or interests in the securities of our Company will be sold, transferred or disposed of, immediately inform our Company and the Overall Coordinators in writing of such indications.

Our Company will inform the Stock Exchange as soon as we have been informed of the matters above (if any) by our Controlling Shareholders and disclose such matters by way of a press announcement.

The Placing

In connection with the Placing, it is expected that our Company will enter into the Placing Underwriting Agreement with, among others, the Placing Underwriters, on terms and conditions that are substantially similar to the Public Offer Underwriting Agreement as described above and on the additional terms described below. Under the Placing Underwriting Agreement, the Placing Underwriters will severally agree to subscribe or procure subscribers for the Placing Shares being offered pursuant to the Placing.

Our Company will grant to the Placing Underwriters the Over-allotment Option, exercisable by the Overall Coordinators at any time from the Listing Date until 30 days after the last date for the lodging of applications under the Public Offer (being Thursday, 4 April 2024), to require our Company to allot and issue up to an aggregate of 75,000,000 additional Shares representing 15% of the number of Offer Shares initially offered under the Share Offer, at the same price per Share under the Placing to cover, among other things, over-allocations (if any) in the Placing. For further details on the stabilisation and the Over-allotment Option, please refer to the section headed “Structure and conditions of the Share Offer – Stabilisation and over-allotment” in this prospectus.

UNDERWRITING

Commissions and expenses

The Underwriters will receive an underwriting commission at the rate of 3.0% of the aggregate Offer Price payable for the Offer Shares (including shares to be issued pursuant to the Over-allotment Option) (the “**Fixed Fees**”), out of which they will pay any sub-underwriting commissions. Our Company may, at our sole discretion, pay to one or more Underwriters an incentive fee of up to 3.0% of the Offer Price payable for the Offer Shares (the “**Discretionary Fees**”). Assuming the Discretionary Fees are paid in full, the ratio of Fixed Fees and Discretionary Fees payable is therefore 50:50.

Such commission, together with the Stock Exchange listing fees, the Stock Exchange trading fees, the SFC transaction levy, AFRC transaction levy, legal and other professional fees, printing, and other expenses relating to the Share Offer, is currently estimated to be approximately HK\$33.0 million in aggregate (based on an Offer Price of HK\$0.26 per Offer Share, being the mid-point of the indicative Offer Price range of HK\$0.25 per Offer Share and HK\$0.27 per Offer Share and the assumption that the Over-allotment Option is not exercised) and are payable by our Company with reference to the number of Offer Shares under the Share Offer respectively.

UNDERWRITERS’ INTERESTS IN OUR COMPANY

The Sponsor will receive a sponsorship fee to the Share Offer. The Underwriters will receive an underwriting commission. Particulars of the underwriting commission are set forth under the paragraph headed “Commission and expenses” above.

We have appointed Grande Capital 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 we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the full financial year commencing after the Listing Date.

Save for their obligations under the Underwriting Agreements, and as disclosed above, none of the Sponsor or the Underwriters is interested legally or beneficially in any shares of any member of our Group 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 any member of our Group nor any interest in the Share Offer.

INDEPENDENCE OF THE SPONSOR

Grande Capital, being the Sponsor, satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

RESTRICTIONS ON THE OFFER SHARES

No action has been taken to permit a public offering of the Offer Shares other than in Hong Kong, or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorised or to any person to whom it is unlawful to make such an offer or invitation.