

**DATE: 1<sup>st</sup> December 2023**

**CHINA FINANCIAL LEASING GROUP LIMITED**  
**(as Company)**

**and**

**LEGO SECURITIES LIMITED**  
**(as Underwriter)**

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**UNDERWRITING AGREEMENT**  
**relating to a Rights Issue of**  
**173,448,741 Rights Shares in**  
**China Financial Leasing Group Limited**  
**at HK\$0.12 per Rights Share payable in full**  
**on acceptance (in the proportion of one Rights**  
**Share for every one Share)**

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**T. C. FOO & CO**  
**SOLICITORS**  
**UNIT B, 20<sup>TH</sup> FLOOR**  
**TWO CHINACHEM PLAZA**  
**135 DES VOEUX ROAD CENTRAL**  
**HONG KONG**  
**Tel : 28451133 Fax : 28451771**  
**Our Ref: CTY/20-11/C4903/23**

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**THIS AGREEMENT**

is dated the 1<sup>st</sup> day of December 2023

**BETWEEN:**

- (1) **CHINA FINANCIAL LEASING GROUP LIMITED**, a company incorporated in Cayman Islands with limited liability and having its registered office at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, and its principal place of business situate at 11/F., Wui Tat Centre, 55 Connaught Road West, Hong Kong ("**Company**"); and
- (2) **LEGO SECURITIES LIMITED**, a company incorporated in Hong Kong whose registered office is situated at Room 301, 3/F, China Building, 29 Queen's Road Central, Hong Kong ("**Underwriter**").

**WHEREAS:**

- (A) The Company is an exempted company incorporated in Cayman Islands with limited liability whose Shares are listed on Main Board of the Stock Exchange. As at the date hereof, the Company has 173,448,741 Shares in issue which are fully paid up or credited as fully paid up.
- (B) As at the date hereof, the Company does not have any pre-existing obligation to issue Shares or any outstanding share options, derivatives or securities which are convertible or exchangeable into Shares.
- (C) The Company proposes to offer the Rights Shares to the Qualifying Shareholders, by way of rights issue, 173,448,741 Rights Shares (assuming no further issue of new Shares or repurchase of Shares on or before the Record Date) on the basis of one Right Shares for every one Share held on the Record Date.
- (D) Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Rights Shares (in their nil-paid and fully-paid forms).
- (E) The Underwriter has agreed to underwrite the Underwritten Shares on a fully-

underwritten basis on the terms and subject to the conditions hereinafter appearing.

**NOW IT IS HEREBY AGREED as follows:**

**1. Definitions**

- 1.1 In this Agreement including the Recitals hereto, unless the context otherwise requires, the following expressions have the following meanings:

<b>“Announcement”</b>	the announcement to be published by the Company, among other things, concerning the Rights Issue substantially in the form of the draft annexed hereto marked “A” (subject to such amendments as the Company and the Underwriter may agree)
<b>“associate”</b>	has the meaning ascribed to it under the Listing Rules
<b>“Audited Accounts”</b>	the audited consolidated accounts of the Group for the financial year ended on the Audited Accounts Date
<b>“Audited Accounts Date”</b>	31 <sup>st</sup> December 2022
<b>“Board”</b>	the board of directors of the Company
<b>“business day”</b>	a day (excluding Saturday and Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks

	in Hong Kong are open for general business
<b>“CCASS”</b>	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
<b>“Circular”</b>	the circular in relation to, inter alia, the Rights Issue, which will contain the EGM Notice, to be despatched to Shareholders;
<b>“Companies Ordinance”</b>	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong
<b>“Companies (Winding Up and Miscellaneous Provisions) Ordinance”</b>	the Companies (Winding Up and Miscellaneous Provisions), Chapter 32 of the Laws of Hong Kong effective from 3 March 2014, as amended from time to time
<b>“Conditions Precedent”</b>	the conditions set out in Clause 2.1
<b>“Constitution”</b>	means, in relation to a corporation, the memorandum and articles of association, charter, bye-laws, memorandum or other document constituting or defining the constitution of that corporation or governing the activities or conduct of that corporation and its members
<b>“Director(s)”</b>	director(s) of the Company for the time being
<b>“EGM”</b>	the extraordinary general meeting of the Company to be convened and held at which resolution(s) will be proposed to consider, and, if thought fit, to approve, among other things, the Rights Issue;

<b>“Excess Application Form(s)”</b>	the form of application for excess Rights Shares to be used in connection with the Rights Issue in the agreed form
<b>“Excluded Shareholder(s)”</b>	the Overseas Shareholder(s) whom the Directors, after marking enquiries, consider it necessary, or expedient not to offer the Rights Shares to such Shareholder(s) on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place
<b>“Group”</b>	the Company and its subsidiaries
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China
<b>“Independent Shareholders”</b>	Shareholders who are not required by the Listing Rules or the Stock Exchange to abstain from voting at the EGM in respect of the Rights Issue;
<b>“Irrevocable Undertaking”</b>	the irrevocable undertaking to be given by Lam Shu Chung in the form set out in the Schedule
<b>“Lam Shu Chung”</b>	Lam Shu Chung (林樹松), an individual shareholder interested in 46,203,360 Shares as at the date of this Agreement
<b>“Latest Time for Acceptance”</b>	4:00 p.m. on 7 February 2024 or such later time as may be agreed between the Company and the Underwriter, being the latest time for acceptance of the offer of and payment for the Rights Shares and application and

payment for excess Rights Shares and if there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on such day, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same day instead; and (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on such day, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

**“Latest Time for Termination”**

4:30 p.m. on 9 February 2024, or such later time as may be agreed between the Company and the Underwriter, being the latest time to terminate the Underwriting Agreement

**“Listing Rules”**

Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time

**“Overseas Shareholder(s)”**

Shareholder(s) with registered address(es) (as shown in the register of members of the Company at the close of business on the Record Date) which is/are outside Hong Kong

**“Prospectus”**

the prospectus to be issued by the Company in connection with the Rights Issue in the agreed form expected to be dated the Prospectus Posting Date

<b>“Prospectus Documents”</b>	the Prospectus, the Provisional Allotment Letter and the Excess Application Form
<b>“Prospectus Posting Date”</b>	24 January 2024 or such other date as may be agreed between the Company and the Underwriter, being the date of despatch of Prospectus Documents to the Qualifying Shareholders and the Prospectus for information only to the Excluded Shareholders, if any
<b>“Provisional Allotment Letter”</b>	the provisional allotment letter to be used in connection with the Rights Issue in the agreed form
<b>“Qualifying Shareholder(s)”</b>	Shareholder(s) whose names appear on the register of members of the Company on the Record Date, other than the Excluded Shareholder(s)
<b>“Record Date”</b>	23 January 2024 or such other date as may be agreed between the Company and the Underwriter, being the date for determining the entitlements of Shareholders to participate in the Rights Issue
<b>“Registrar”</b>	Tricor Tengis Limited of 17 <sup>th</sup> Floor, Far East Finance Centre, No.16 Harcourt Road, Hong Kong, the share registrar and transfer office of the Company in Hong Kong
<b>“Rights Issue”</b>	the proposed issue of the Rights Shares on the basis of one (1) Rights Share for every one (1) Share held on the Record Date at the Subscription Price pursuant to the Prospectus Documents and as contemplated under this



Agreement

<b>“Rights Share(s)”</b>	the Share(s) proposed to be offered to the Qualifying Shareholders pursuant to the Rights Issue
<b>“Settlement Date”</b>	16 February 2024, or such later time as may be agreed between the Company and the Underwriter, the date being the third business day after the Latest Time for Termination
<b>“Shareholder(s)”</b>	holder(s) of Share(s)
<b>“Share(s)”</b>	share(s) in the share capital of the Company
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Subscription Price”</b>	the issue price of HK\$0.12 per Rights Share at which the Rights Shares are proposed to be offered for subscription
<b>“subsidiary”</b>	has the same meaning as in the Companies Ordinance
<b>“Takeovers Code”</b>	the Hong Kong Code on Takeovers and Mergers
<b>“Underwriting Commission”</b>	commission payable to the Underwriter in amount determined in accordance with Clause 8.1
<b>“Underwritten Shares”</b>	127,245,381 Rights Shares
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

- 1.2 References to the singular number include the plural and vice versa and references to one gender include every gender.
- 1.3 Any reference to a document being “in the agreed form” means in such form as may following the date of this Agreement be agreed between the Company and the Underwriter, both acting reasonably.
- 1.4 References to Clauses and Recitals are to clauses of and recitals to this Agreement.
- 1.5 References in this Agreement to time are to Hong Kong time.

## **2. Conditions**

- 2.1 The obligations of the Underwriter under Clause 6 are conditional upon:
  - (1) the filing and registration of all the Prospectus Documents (together with any other documents required by applicable law or regulation to be annexed thereto) with the Registrar of Companies in Hong Kong by no later than the Prospectus Posting Date;
  - (2) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter to the Excluded Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before Prospectus Posting Date;
  - (3) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the approval for the listing of, and permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) by no later than the Prospectus Posting Date;
  - (4) The passing by the Shareholders (or where appropriate, Independent Shareholders) at the EGM of the requisite resolutions to approve the Rights

Issue, including the allotment and issue of the Rights Shares (in their nil-paid and fully paid forms) on or before the Prospectus Posting Date;

- (5) compliance with and performance of all the undertakings and obligations of the Company under terms of this Agreement;
- (6) this Agreement not being terminated by the Underwriter pursuant to the terms hereof on or before the Latest Time for Termination; and
- (7) Lam Shu Chung having duly executed the Irrevocable Undertaking and compliance by Lam Shu Chung with his obligations under the Irrevocable Undertaking; and
- (8) the delivery to the Stock Exchange for authorization and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) not later than the Prospectus Posting Date;

2.2 The Company shall use all reasonable endeavours to procure the fulfillment of all the Conditions Precedent to the extent it is within its power to do so, by the Latest Time for Acceptance (or the relevant dates set out herein) or such other date and time as the Company and the Underwriter may agree in writing and in particular shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may be necessary in connection with the fulfillment of all the Conditions Precedent.

2.3 The Conditions Precedent set out in Clauses 2.1(1) to 2.1(4) are incapable of being waived by the Underwriter or the Company.

2.4 If the Conditions Precedent have not been fulfilled in all respects by the Latest Time for Termination (or such other date as the Company and the Underwriter may mutually agree in writing) or if this Agreement is rescinded or terminated pursuant

to the terms thereof, all obligations and liabilities of the parties under this Agreement shall cease and determine and neither party shall have any claim against the other for fees, costs, damages, compensation or otherwise, save for any antecedent breach of any obligation under this Agreement.

**3. Publication of Announcement and dispatch of EGM Notice and Circular**

- 3.1 Subject to approval by the Stock Exchange (if required), the Company shall use its reasonable endeavours to procure the publication of the Announcement on the websites of the Company and the Stock Exchange respectively as soon as reasonably practicable following the signing of this Agreement.
- 3.2 The Company shall use its reasonable endeavours to procure the posting of the Circular and the EGM Notice to Shareholders as soon as practicable.

**4. Provisional Allotment of Rights Shares and Excess Application**

- 4.1 Subject to fulfillment of the Conditions Precedent specified in Clauses 2.1(3):
- (1) the Company shall procure that the Rights Shares are provisionally allotted by a resolution of the Board on the terms set out in the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date;
  - (2) the Company shall, following the issue of a certificate of authorisation of registration under section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), procure a copy of the Prospectus Documents (duly signed by two Directors in accordance with section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)) to be delivered to the Registrar of Companies in Hong Kong for registration together with any other documents required by applicable law or regulation to be annexed thereto on or before the Prospectus Posting Date;
  - (3) the Company shall (subject to compliance by it with the provision of Clause

4.1(2) and subject as hereinafter provided) procure the posting of the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date; and

(4) the Company shall deliver to the Underwriter certified copies of the resolutions referred to in Clause 4.1(1) and the following documents on or before the Prospectus Posting Date:

- a) Evidence of approval from the Stock Exchange that the Prospectus Documents are authorized for registration pursuant to Section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance;
- b) Copies of the signed letters from each of the Directors accepting responsibility for the Prospectus Documents, in the terms set out in the Prospectus and signed statements of interests of each of the Directors concerning matters to be disclosed in the Prospectus;
- c) The Verification Notes duly signed by all the Directors; and
- d) Certified signed copies of letters from the auditors of the Company addressed to the Company in relation to their review of the indebtedness statement and cashflow projections as set out in the Prospectus and their opinion on the Directors' working capital sufficiency statement of the Group as set out in the Prospectus.

4.2 The Rights Shares, when allotted and fully-paid, shall rank *pari passu* in all respects with the then existing Shares in issue on the date of allotment of the Rights Shares in fully-paid form, including the right to receive all dividends and distributions which may be declared, made or paid on or after such date.

4.3 No fractional entitlements to the Rights Shares shall be issued to the Qualifying Shareholders. All fractions of the Rights Shares shall be rounded down to the nearest whole number of Rights Shares and aggregated. All Rights Shares arising from such aggregation will be made available for excess application by the Qualifying Shareholders under the Excess Application Forms.

- 4.4 The Company shall make available for subscription by the Qualifying Shareholders, by means of the Excess Application Form, (i) Rights Shares representing the entitlement of the Excluded Shareholders and which cannot be sold at a net premium; (ii) Rights Shares representing the aggregation of the fractional entitlements to the Rights Shares; and (iii) any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders. Application may be made by completing the Excess Application Form for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Board will allocate the excess Rights Shares at its discretion on a fair and equitable basis and on a pro rata basis in proportion to the number of excess Rights Shares being applied for under each application subject to the availability of excess Rights Shares.

**5. Excluded Shareholders**

- 5.1 Unless the Board otherwise resolves having taken account of the opinion of its legal advisers of the relevant jurisdictions in which the Overseas Shareholders are situate, the Company shall, on Prospectus Posting Date, post copies of the Prospectus (without the Provisional Allotment Letter or the Excess Application Form) marked "For Information Only" to the Excluded Shareholders.
- 5.2 The Company shall provisionally allot the Rights Shares, which represent the entitlements of the Excluded Shareholders, to a nominee of the Company in nil-paid form and the Company shall procure that such nominee shall endeavour to sell the rights as soon as practicable after dealings in nil-paid Rights Shares commence and in any event on or before the last day of dealings in nil-paid Rights Shares at a net premium (nil-paid). If and to the extent that such rights can be so sold, the nominee shall account to the Company for the net proceeds of sale (after deducting the expenses of sale, if any), on the basis that the net proceeds after deducting the expenses of sale (if any) attributable to the sale of the Rights Shares that would otherwise have been allotted to the Excluded Shareholders shall be distributed pro rata to their shareholdings as at the Record Date (but rounded down to the nearest cent) to the Excluded Shareholders provided that individual amounts of HK\$100 or less shall be retained by the Company for its own benefit. Any of such nil-paid rights which are not sold as aforesaid will be dealt with as Rights Shares not

accepted in accordance with Clauses 6.2 and 6.3.

## **6. Underwriting Obligations**

6.1 The Underwriter's obligations under this Clause shall terminate if, before the Latest Time for Acceptance:

- (1) Provisional Allotment Letters in respect of all the Underwritten Shares (including any Rights Shares falling within the provisions of Clause 5.2) have been lodged for acceptance (whether by the persons to whom the Underwritten Shares were provisionally allotted or by renounces of the rights to accept allotment) in accordance with the terms of the Prospectus Documents, together with cheques or bankers' cashier orders or other remittances for the full amount payable thereunder which are honoured on first or, at the discretion of the Company after consultation with the Underwriter, subsequent presentation (the Underwritten Shares comprised in Provisional Allotment Letters which are so lodged together with such remittances are herein referred to as having been "**accepted**" and cognate expressions shall be construed accordingly); or
- (2) the number of Underwritten Shares applied for under Excess Application Forms which have been lodged in accordance with the terms of the Prospectus Documents, together with cheques or banker's cashier orders or other remittances for the full amount payable in connection with the relevant applications which are honoured on first or, at the discretion of the Company after consultation with the Underwriter, subsequent presentation, is equal to or greater than the aggregate of the number of Underwritten Shares which have not been accepted.

6.2 If Excess Application Forms have been lodged in accordance with the terms of the Prospectus Documents, together with cheques or banker's cashier orders or other remittances for the full amount payable in connection with the relevant applications which are honoured on first or, at the discretion of the Company after consultation with the Underwriter, subsequent presentation, then the Company shall accept such applications which are honoured on first or, at the discretion of the Company after

consultation with the Underwriter, subsequent presentation, provided that the Company shall only be obliged to accept applications for the aggregate number of the Underwritten Shares which shall not have been accepted and, if that aggregate number is less than the number of Shares applied for under the relevant Excess Application Forms, the Company shall be entitled to determine on a fair basis (in accordance with the requirements of the Stock Exchange) which applications are to be accepted and which rejected, after consulting with the Underwriter. The Underwritten Shares which have either been accepted or which are the subject of accepted applications under Excess Application Forms are herein referred to as having been “**taken up**” and cognate expressions shall be construed accordingly.

- 6.3 If, however, the conditions of the Rights Issue are fulfilled on or before the Latest Time for Acceptance (or such later time and/or date as the Company and the Underwriter may determine in writing) and this Agreement becomes unconditional and is not terminated in accordance with the terms thereof, and in the event that by the Latest Time for Acceptance any of the Underwritten Shares have not been taken up (“**Untaken Shares**”), the Company shall as soon as practicable thereafter and in any event before 5:00 p.m. on the next business day after the Latest Time for Acceptance notify or procure the Registrar on behalf of the Company to notify the Underwriter in writing of the number of Untaken Shares, and the Underwriter shall subscribe or procure subscription on the terms of the Prospectus Documents (so far as the same are applicable) for such Untaken Shares by 4:00 p.m. on the Settlement Date.
- 6.4 The Underwriter shall, after the receipt of the notification referred to in Clause 6.3 but not later than 4:00 p.m. on the Settlement Date, pay or procure payment to the Company by way of banker’s draft or cashier’s order drawn on a bank in Hong Kong or such other way as agreed between the Company and the Underwriter of the aggregate Subscription Price in respect of the Underwritten Shares for which it is obliged to subscribe or procure subscription in accordance with this Clause, less any amounts payable to the Underwriter pursuant to Clause 8.1. The Company shall arrange for delivery to the Underwriter or its nominee of share certificates in respect of the fully paid Underwritten Shares for which the Underwriter has subscribed or procured subscription in such names and in such denominations as the Underwriter may reasonably require at the same time as share certificates are despatched generally to persons who have accepted Rights Shares or, where the



Underwriter has designated an investor participant or CCASS participant stock account for deposit of all or part of the Rights Shares, evidence to the satisfaction of the Underwriter that such documents and instructions required to effect the crediting of such Rights Shares have been signed or given, as the case may be.

- 6.5 If the Underwriter shall default in complying with its obligations under Clause 6.4, the Company, by giving written notice to the Underwriter, shall be entitled (and is hereby irrevocably authorised) to treat this Agreement as an application by the Underwriter for the Underwritten Shares which have not been taken up on the terms of the Prospectus Documents (so far as the same are applicable) and to allot and issue the same to the Underwriter and register the same in the name of the Underwriter and payment therefor at the aggregate Subscription Price less any amounts payable to Underwriter for its account pursuant to Clause 8.1 shall be made by the Underwriter on the Settlement Date. The Company shall deliver to the Underwriter (or as it may direct) documentary evidence of entitlement to the Underwritten Shares reasonably satisfactory to the Underwriter.
- 6.6 In the event of the Underwriter being called upon to subscribe for or procure subscribers of the Untaken Shares pursuant to Clause 6.3:
- (1) the Underwriter shall use its reasonable endeavours to procure that each of the subscribers of the Untaken Shares (including any direct and indirect sub-underwriters) shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with, the Directors, chief executive or substantial shareholders of the Company (all of which within the meaning of the Listing Rules) or any of its subsidiaries and their respective associates and shall not be a connected person of the Company (within the meaning of the Listing Rules);
  - (2) the Underwriter will procure each of the subscribers of the Untaken Shares (including any direct and indirect sub-underwriters) and their respective associates will not, together with any party acting in concert (within the meaning of the Takeovers Code) with it or its associates, hold 10.0% or more of the voting rights of the Company immediately upon completion of the Rights Issue; and

- (3) in the event that there is insufficient public float of the Company within the meaning of the Listing Rules immediately upon completion of the Rights Issue solely because of the Underwriter's performance of its obligations pursuant to Clause 6.3, the Underwriter agrees to take such appropriate steps as may be reasonably required to maintain the minimum public float for the Shares in compliance with Rule 8.08(1) of the Listing Rules.
- 6.7 The Underwriter confirms to the Company that it is a third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with, the Directors, chief executive or substantial shareholders of the Company (all of which within the meaning of the Listing Rules) or any of its subsidiaries and their respective associates and is not a connected person of the Company (within the meaning of the Listing Rules).
- 6.8 The Underwriter shall use its reasonable endeavours to procure that each of the direct and indirect sub-underwriters, shall be third party independent of, not acting in concert with (within the meaning of the Takeovers Code) and not connected with the Directors, chief executive or substantial shareholders of the Company (all of which within the meaning of the Listing Rules) or any of its subsidiaries and their respective associates and shall not be a connected person of the Company (within the meaning of the Listing Rules).
- 6.9 The Underwriter may enter into sub-underwriting arrangement with sub-underwriter(s) (if any) or appoint any person to be sub-agent(s) on its behalf at its own costs for the purpose of arranging for the subscription of the Underwritten Shares with selected subscribers with only such authority and rights as well as such obligations and duties as the Underwriter has pursuant to its appointment in this Underwriting Agreement.

## **7. Obligations of the Underwriter**

- 7.1 Any transaction carried out by the Underwriter pursuant to Clause 6 (other than the obligation to subscribe or procure subscription for any Underwritten Shares pursuant to Clause 6.3 and the obligations contained in Clause 7.2) shall constitute a transaction carried out at the request of the Company and as its agent and not in respect of the Underwriter's own account. The Underwriter (in relation to Clause

6) shall not be responsible for any loss or damage to any persons arising from any such transaction or for any alleged insufficiency of any dealing price at which any of the Rights Shares may be sold by any such person or for the timing of any such transaction, except where such loss or damage arises from the gross negligence or default of that Underwriter.

- 7.2 In acting as agent of the Company hereunder, the Underwriter shall comply with all applicable laws, rules and regulations and shall not do or omit anything, the doing or omission of which shall or may cause the Company or any of its Directors to be in breach of any applicable laws in all material respects, and in particular, but without prejudice to the generality of the foregoing, shall ensure that all offers made by it of the Rights Shares are made only in compliance with all applicable laws and regulations and do not require the registration, filing or compliance with applicable laws, rules and regulations in respect of the Prospectus Documents or any of them or any other document as a prospectus or otherwise in any jurisdiction other than Hong Kong and the Underwriter shall not make or purport to make on behalf of the Company any representation or warranty not contained in the Prospectus Documents.

## **8. Fees and Expenses**

- 8.1 In consideration of the Underwriter's obligations under this Agreement to underwrite the Underwritten Shares and its services in connection with the issue of the Rights Shares, the Company shall by not later than the date of despatch of the share certificates in respect of the Rights Shares make the following payments as indicated below:
- (1) pay to the Underwriter a commission of 1% of the aggregate Subscription Price in respect of the Underwritten Shares (for avoidance of doubt, it shall mean the maximum amount of the Underwritten Shares) committed to be underwritten by the Underwriter; and
  - (2) all costs and other out-of-pocket expenses properly incurred by the Underwriter in respect of the Rights Issue up to the maximum amount of HK\$10,000 (other than the legal fees incurred by the Underwriter in respect

of the Rights Issue contemplated under this Agreement and all sub-underwriting commission payable by the Underwriter to the sub-underwriters for the Rights Shares, which shall be borne by the Underwriter).

- (3) Payment of the amounts referred to in Clause 8.1 shall be made only if the obligations of the Underwriter under this Agreement have become unconditional and has not been terminated pursuant to Clause 12 and payment of the amounts in Clause 8.1(2) is payable to the Underwriter whether or not the obligations of the Underwriter under this Agreement become unconditional or are terminated pursuant to Clause 12.

8.2 The amounts payable by the Company to the Underwriter pursuant to Clause 8.1 may be set off against the amounts payable by the Underwriter to the Company pursuant to Clause 6. In the event of the Underwriter not being called upon to subscribe or procure subscribers pursuant to Clause 6.3 and/or the amount of the subscription moneys payable by the Underwriter to the Company being less than the full amount payable by the Company to the Underwriter, the amounts payable pursuant to Clause 8.1, or the balance thereof, shall be due and payable as soon as reasonably practicable and in any event not later than the date of despatch of the share certificates in respect of the Rights Shares or such other date as may be agreed between the Company and the Underwriter.

8.3 The Company shall bear its own legal fees, accountancy and other professional fees, the Registrar's fees, the cost of printing and distribution of the Announcement, the Prospectus Documents and all amendments and supplements thereto and all other costs, charges and expenses relating to the issue of the Rights Shares and associated transactions (including, without limitation, all fees payable to the Stock Exchange in connection with the listing of the Rights Shares).

## **9. Announcements**

Save as expressly required hereunder or as otherwise required by the Stock Exchange or the Securities and Futures Commission, no public announcement or communication to the Shareholders or to the Stock Exchange or to the Securities and Futures Commission

concerning the Company and/or its subsidiaries which is material in relation to the Rights Issue shall be made or despatched by the Underwriter between the date hereof and, if all the Underwritten Shares are taken up, the Latest Time for Acceptance or, in any other case, the time at which the Underwriter is obliged to make payment under Clause 6, without prior written approval from the Company as to the content, timing and manner of making or despatch thereof.

#### **10. Representations, Warranties and Undertakings**

10.1 Subject as herein provided, the Company represents and warrants to and undertakes with the Underwriter in the following terms:

- (1) the facts stated in the Recitals (A) and (B) to this Agreement are true and accurate in all material respects;
- (2) all statements of fact contained or to be contained in the Announcement, the Circular and the Prospectus Documents and all amendments and supplements thereto (except to the extent they relate to the Underwriter) are and will at the date of issue thereof be true and accurate in all material respects and not misleading and all expressions of opinion, intention and expectation expressed therein are and will be fair and made after due and careful consideration;
- (3) to the best knowledge of the Company, there will be no information not disclosed in the Prospectus Documents (i) the omission of which makes any statement therein misleading or which, in the context of the issue of the Rights Shares, is material for disclosure therein; or (ii) which is necessary to enable investors to make an informed assessment of the activities, assets and liabilities, financial position, profits and losses and prospects of the Company;
- (4) save as disclosed in the Audited Accounts, the audited consolidated balance sheet of the Group as at the Audited Accounts Date, the audited consolidated profit and loss account of the Group for the financial year ended on such date (including the notes thereto) were prepared in

accordance with the applicable law and on a basis consistent with that adopted in preparing the audited accounts for the previous financial year in accordance with accounting principles, standards and practices generally accepted in Hong Kong so as to give (except to the extent (if any) disclosed therein) a true and fair view of the state of affairs of the Group as at the Audited Accounts Date and the profit or loss of the Group for the year ended on the Audited Accounts Date;

- (5) the statements, forecasts, estimates and expressions of opinion contained in the Announcement and to be contained in the Prospectus and all amendments and supplements thereto have been and will at the respective dates of issue thereof be made after due and proper consideration, are and will at the respective dates of issue thereof be fair and honest and represent reasonable expectations based on facts known to the Company and/or the Directors or any of them;
- (6) to the best knowledge of the Company, all information necessary for the purpose of, or in the course of preparation of the Prospectus and all amendments and supplements thereto, or which ought reasonably to have been disclosed or made available by the Company or the Directors was so disclosed or made available to its legal advisers (if any) fairly and accurately in all material respects and will contain all material information and particulars with regard to the subject matter thereof;
- (7) each of the companies in the Group is duly incorporated in and under the laws of its place of incorporation and has full power and authority to conduct its business as now carried on, has conducted its business in all material respects in accordance with all applicable laws and regulations of Hong Kong or any other jurisdiction relevant to any member of the Group;
- (8) except as disclosed in the announcements, Circular or financial reports made by or published by the Company, neither the Company nor any of its subsidiaries is engaged in any litigation, arbitration, prosecution or other legal proceeding of material importance nor is there any such proceeding pending or threatened against the Company or any of its subsidiaries, nor is there any claim or fact likely to give rise to any claim which in any such

case may have or has had a significant effect on the financial position of the Company and its subsidiaries taken as a whole or which is material in the context of the Rights Issues;

- (9) except as disclosed in the announcements, Circular or financial reports made by or published by the Company and to the best knowledge of the Company, neither the Company nor any of its subsidiaries has since the Audited Accounts Date entered into any contract or commitment of an unusual or onerous nature which, in the context of Rights Issue, is material for disclosure;
- (10) except as disclosed in the announcements, circulars or financial reports made by or published by the Company, the Company and its subsidiaries has carried on its business in the ordinary and usual course and there has been no material adverse change in the financial or trading position of the Group as a whole which has not been completely and properly disclosed by the Company in all material respects in the form of an announcement in accordance with the Listing Rules or otherwise as required by the Listing Rules;
- (11) the Prospectus Documents will contain all particulars and information required by, and will be in accordance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), the rules and regulations of the Stock Exchange and all other relevant Ordinances and governmental regulations in Hong Kong, if applicable and the issue and despatch of the Prospectus Documents shall not result in any breach of or default under any agreement, trust deed or instrument to which any member of the Group is a party;
- (12) the Company has power under its Constitution, has taken all necessary corporate or other action, and no other consents, actions, authorisations or approvals are necessary to enable or authorise it other than obtaining the consents and approvals referred to in Clause 2.1:
  - (a) to issue and allot the Rights Shares required to be provisionally allotted pursuant to the terms of this Agreement in accordance with

the Prospectus Documents without any sanction;

- (b) to deal with the Rights Shares attributable to the Excluded Shareholders as may be specified in the Prospectus Documents; and
  - (c) to enter into and perform its obligations under this Agreement and to make the Rights Issue;
- (13) the Rights Shares, when fully paid, shall be free from all liens, charges, encumbrances and third party rights, interests or claims of any nature whatsoever and shall rank *pari passu* in all respects among themselves and with the Shares then in issue, including the right to receive all dividends and distributions which may be declared, made or paid on or after the date of issue of the Rights Shares;
- (14) the obligations of the Company under this Agreement constitute legal, valid and binding obligations of the Company enforceable in accordance with the terms herein;
- (15) the Company shall not, from the date hereof until completion of the Rights Issue, issue any Shares or issue or grant any share options (including, for the avoidance of doubt, further options under the share option scheme of the Company) or other securities convertible into, exchangeable for or which carry rights to acquire Shares;
- (16) to the best knowledge of the Company, there are no ongoing, pending or threatened reprimands, warnings, investigations, disciplinary proceedings or prosecution, by any regulatory authority, exchange, professional body or government agency, whether in Hong Kong or elsewhere, litigation, arbitration, actions, suits, disputes or proceedings against or affecting any member of the Group or any of its or their properties or assets which or is there any claim or fact likely to give rise to any claim which in any such case may have or has had a material adverse effect or which is material in the context of the Rights Issue, and, so far as the Company is aware (after making due enquiry), no such litigation, arbitration, actions, suits, disputes or proceedings are threatened or contemplated and there is no fact or



circumstance which exists and which will or will reasonably likely to give rise to such litigation, arbitration, actions, suits, disputes or proceedings; and

- (17) to the best knowledge of the Company, no member of the Group is in default under any document, agreement or arrangement binding on it or its assets nor has anything occurred which is or would with the giving of notice and/or lapse of time and/or the satisfaction of other conditions, directly or indirectly (including by reason of any cross-default provisions), constitute an event of default, termination event or similar event (whatever called) or the acceleration or breach of any obligation or the creation of any security interest or encumbrance over the Group's assets under any such document, agreement or arrangement.
- (18) The Circular and the Prospectus Documents will contain all particulars and information required by, and will be in accordance with, the Companies (winding Up and Miscellaneous Provisions) Ordinance, the rules and regulations of the Stock Exchange and all other relevant Ordinances and governmental regulations in Hong Kong and the Cayman Islands, if applicable and the publication of the Announcement, the issue and dispatch of the Circular and/or the Prospectus Documents shall not result in any breach of or default under any agreement, trust deed or instrument to which any member of the Group is a party;
- (19) All statements of fact contained in each announcement by the Company since the Audited Account Date were, when made, true and accurate in all material respects and not misleading and all statements of opinion, intention and expectation expressed therein were, when made, fair and made after due and careful consideration and none of such statements were rendered materially untrue or misleading by the omission of any fact or matter;
- (20) All written information relating to the Group supplied by the Company to the Underwriter for the purposes of the Underwriter's review of the working capital projections of the Group is, or will be when so supplied, accurate in all material respects and is not by itself or by omission misleading;

- (21) The circular and the Prospectus Documents will contain all particulars and information required by, and will be in accordance with, the Companies (winding Up and Miscellaneous Provisions) Ordinance, the rules and regulations of the Stock Exchange and all other relevant Ordinances and governmental regulations in Hong Kong and the Cayman Islands, if applicable and the publication of the Announcement, the issue and dispatch of the Circular and/or the Prospectus Documents shall not result in any breach of or default under any agreement, trust deed or instrument to which any member of the Group is a party;
  - (22) Except in compliance with the Listing Rules, the Company will not use the proceeds of the Rights Issue for any purpose except those as described in the Prospectus.
  - (23) No order has been made and no resolution has been passed for the winding up of, or for a provisional liquidator to be appointed in respect of, the Company or any of its subsidiaries, and no petition has been presented and no meeting has been convened for the purpose of winding up any of the same; no receiver has been appointed in respect of the Company or any of its subsidiaries or all or any material part of its assets; none of the Company nor any of its subsidiaries is insolvent, or unable to pay its debts within the meaning of section 178 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, or has stopped paying its debts as they fall due; no voluntary arrangement between any member of the group and any of its creditors and no unsatisfied judgment which is material to the condition of the Group is outstanding against the Company or any of its subsidiaries;
- 10.2 If this Agreement is not rescinded pursuant to Clause 12, all such warranties, representations and undertakings as are contained in Clause 10.1 above shall be deemed to have been repeated as at the Latest Time for Termination with reference to the facts and circumstances then subsisting.
- 10.3 The foregoing provisions of this Clause 10 will continue in full force and effect notwithstanding the completion of the Rights Issue.
- 10.4 Each of the sub-paragraphs in Clause 10.1 shall be construed separately and

independently and shall not be limited or restricted by reference to or inference from any other sub-paragraphs of Clause 10.1. Each of the representations, warranties and undertakings made in Clause 10.1 shall be deemed to be qualified by the disclosures made by the Company in all the announcement, circulars, financial reports and other documents made available on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).

## 11. **Indemnity**

11.1 The Company shall on demand fully indemnify the Underwriter, its representatives, partners, directors, officer, employees, assignees and agents (collectively, the “**Indemnified Parties**” and individually, an “**Indemnified Party**”) and shall on demand hold the Indemnified Parties fully indemnified against all loss or liability of any nature (including, without limitation, claims, costs, charges and expenses) whatsoever arising from or in respect of any breach by the Company of any provision of this Agreement, or any claim which may be brought or threatened to be brought against the Indemnified Parties (whether or not such claim is successfully compromised or settled) in each case arising out of or in relation to or by reason of the performance by the Underwriter of its obligations hereunder (and provided that such loss or liability is not connected with any failure by the Indemnified Parties to comply with its obligations under this Agreement) as a result of:

- (1) the Announcement, the Circular and/or the Prospectus Documents and all amendments and supplements thereto not containing all the information required by law or pursuant to the rules of the Stock Exchange or other relevant authority or body to be stated therein or on the grounds that any statement, estimate or forecast contained in the Prospectus Documents is untrue, inaccurate or misleading;
- (2) a breach by the Company or any of the Directors or any of the employee of the Company of the provisions of this Agreement or an action or omission of the Company or any of the Directors or any of the employee of the Company resulting in a breach of any of the provisions of this Agreement;

- (3) the Prospectus and all amendments and supplements thereto failing or being alleged to fail to disclose sufficient information necessary to enable an informed assessment to be made by a sophisticated investor of the assets and liabilities, financial position, profits and losses, and prospects of the Group or of the rights attaching to the Rights Shares;
- (4) any untrue statement of a fact contained in the Prospectus and all amendments and supplement thereto;
- (5) any claims and proceedings arising out of matters which constitute a material breach of the representations and warranties in Clause 10;
- (6) any breach of the laws or regulations of any country resulting from the allotment or issue of the Rights Shares or the distribution of the Prospectus Documents;
- (7) any material misrepresentation of the Company or any of the Directors or any employee of the Company in the Prospectus Documents; or
- (8) the allotment or issue of the Rights Shares,

including in any such case (but without prejudice to the generality of the foregoing) all costs, charges and expenses of whatever nature which the Indemnified Parties may properly incur or bear in disputing any such claim made against it or establishing any claim on its part under this Clause 11 provided that this indemnity shall not relate to any claims, proceedings, costs or expenses arising from any gross negligent act or wilful default, on the part of the Indemnified Parties and that the conduct of the defence (including any settlement of any such claim) shall be carried out by the Indemnified Parties after, and on the basis of, regular consultation with the Company.

- 11.2 The Company shall not make any claim against the Indemnified Parties to recover any damages which the Company may suffer arising out of the performance by any of the Indemnified Parties of its obligations hereunder, provided that such damages do not arise from any gross negligent act or wilful default on the part of the Indemnified Parties.

- 11.3 If any of the Indemnified Parties becomes aware of any claim relevant for the purposes of Clause 11.1, it shall give notice in writing thereof to the Company and shall take such action as the Company may reasonably request to avoid, dispute, resist, defend or appeal against the claim and any adjudication in respect thereof but subject to such Indemnified Party being fully indemnified and secured to its satisfaction against all losses and expenses to which it might thereby render itself liable to suffer and incur including, without limitation, legal expenses properly incurred by its legal advisers.
- 11.4 All amounts subject to indemnity under this Clause 11 shall be paid by the Company as and when they are incurred within 15 business days of a written notice demanding payment being given to the Company by or on behalf of the Indemnified Parties.
- 11.5 This Clause 11 shall remain in full force and effect notwithstanding the completion of the Rights Issue in accordance with this Agreement or the termination of this Agreement.

## **12. Termination and Rescission**

- 12.1 The Underwriter shall have the right to terminate this Agreement by notice in writing given to the Company at or prior to the Latest Time for Termination, if:
- (i) there occurs any new regulation or any change in the existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Company as a whole; or
  - (ii) there occurs any local, national or international event or change, whether or not forming part of a series of events or changes occurring or continuing before, or after the date hereof, of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter, materially and adversely

affect the business or the financial or trading position or prospects of the Company as a whole; or

- (iii) any material adverse change in the business or in the financial or trading position of the Company as a whole which, in the reasonable opinion of the Underwriter, makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (iv) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities) which, in the reasonable opinion of the Underwriter, makes it inexpedient or inadvisable to proceed with the Rights Issue.

then in any such case the Underwriter may, after consultation with the Company or its advisers as the circumstances shall admit, by notice in writing to the Company on its own behalf (which may be given at any time up to the Latest Time for Termination) rescind this Agreement.

- 12.2 If prior to the Latest Time for Termination any such notice as is referred to in Clause 12.1 is given by the Underwriter, the obligations of all parties under this Agreement (save in respect of this Clause 12 and the provisions of Clause 11 which shall remain in full force and effect) shall terminate forthwith. For the avoidance of doubt, the Underwriter shall not be entitled to give a notice pursuant to Clause 12.1 at any time after its obligations under Clause 6 have terminated pursuant to Clause 6.1.
- 12.3 If this Agreement is terminated or rescinded by the Underwriter at such time before the Latest Time for Termination but after the Underwriter has in accordance with Clause 6.4 paid or procured payment to the Company of the aggregate Subscription Price in respect of the Underwritten Shares for which the Underwriter is obliged to subscribe or procure subscription under the provisions of Clause 6, the Company shall, not later than the end of the second business day after (but not including) the date of receipt of the notice of termination or rescission issued by the Underwriter pursuant to Clause 12.1, remit to the Underwriter such amount which it has received from the Underwriter for subscription of the Underwritten Shares. For

the avoidance of doubt, notwithstanding the payment of any sum by or on behalf of the Underwriter to the Company, the amount referred to in Clause 8.1 shall not be payable in the event that this Agreement is terminated pursuant to this Clause 12.

- 12.4 Rescission or termination of this Agreement under this Clause 12 shall be without prejudice to any rights of any party in respect of any breach by the other prior to such rescission or termination.

**13. Time of the Essence**

- 13.1 Any time, date or period mentioned in this Agreement may be extended by agreement between the parties hereto, but as regards any time, date or period originally fixed or any time, date or period so extended as aforesaid, time shall be of the essence.

**14. Notices**

- 14.1 Any notice required to be given hereunder will be deemed to be duly served if left at or sent by hand, or facsimile transmission or pre-paid post to the registered office or to the following addresses and facsimile numbers and marked for the attention of the following persons:

<u>Party</u>	<u>Address</u>	<u>Facsimile number</u>
<b>The Company</b>	11/F., Wui Tat Centre, 55 Connaught Road West, Hong Kong Attn: Mr. Lui Cheuk Hang Henri	(852) 2836-5768
<b>The Underwriter</b>	Room 301, 3/F, China Building, 29 Queen's Road Central, Hong Kong Attn: Mr. Li Wing Chung	(852) 3188-8013

- 14.2 Any such notice will be deemed to be served if sent by facsimile on receipt of answerback, if sent by hand at the time when the same is handed to or left at the address of the party to be served, and if sent by post on the day (excluding Sundays or Hong Kong public holidays) after the day of posting.

**15. Miscellaneous**

- 15.1 Counterparts: This Agreement may be executed in any number of counterparts which when executed and delivered is an original, but all the counterparts together constitute the same document. Any of the parties hereto may execute this Agreement on a facsimile copy counterpart and deliver its signature and seal by facsimile provided that a party executing this Agreement by facsimile shall deliver to all other parties such facsimile copy counterpart within 7 days after delivering the same by facsimile.
- 15.2 Compromise or indulgence: Any liability of any party hereunder to any other party may in whole or in part be released, compounded or compromised and time or indulgence may be given by any party hereunder as regards any other party under such liability without prejudicing that party's rights against any other person under the same or a similar liability.

**16. Rights of Third Parties**

- 16.1 The Parties hereto do not intend that any term of this Agreement shall be enforceable by any person who is not a party to this Agreement and the right of the parties to terminate, rescind or agree any variation, waiver or settlement under this Agreement is not subject to the consent of any person that is not a party to this Agreement.
- 16.2 A person who is not a party to this Agreement shall not have any rights under the Contracts (Rights of Third Parties) Ordinance (Cap.623 of the Laws of Hong Kong) to enforce any term or provision of this Agreement.

**17. Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of Hong Kong. The parties hereby irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong but this Agreement may be enforced in any other court in competent jurisdiction.



IN WITNESS WHEREOF this Agreement has been entered into the day and year first above written.

**THE COMPANY**

SIGNED by LUI CHWIK HANG HENRI )

for and on behalf of )

**CHINA FINANCIAL LEASING GROUP** )

**LIMITED** )

in the presence of: CHIU TAK WAI )



**THE UNDERWRITER**

**SIGNED** by *Li Wing Chung* )

for and on behalf of )

**LEGO SECURITIES LIMITED** )

in the presence of: )

*Chan King Yu*



**ANNEX “A”**

**ANNOUNCEMENT**

**SCHEDULE**  
**FORM OF IRREVOCABLE UNDERTAKING**

**IRREVOCABLE UNDERTAKING**

Date: 1 December 2023

To: CHINA FINANCIAL LEASING GROUP LIMITED  
11/F., Wui Tat Centre,  
55 Connaught Road West, Hong Kong

LEGO SECURITIES LIMITED,  
Room 301, 3/F, China Building,  
29 Queen's Road Central, Hong Kong

Dear Sirs,

**Re: Proposed rights issue of shares of HK\$0.12 each in the capital of CHINA FINANCIAL LEASING GROUP LIMITED (the “Company”) to qualifying shareholders of the Company (the “Qualifying Shareholders”) on the basis of one (1) rights share (the “Rights Share(s)”) for every one (1) Share held on the record date (the “Record Date”) for determination of the entitlements to the Rights Issue (the “Rights Issue”)**

1. I refer to the proposed Rights Issue, which will be fully underwritten by the Underwriter (other than the entitlements to the Rights Shares to be provisionally allotted to Lam Shu Chung) pursuant to the underwriting agreement entered into between the Company and LEGO SECURITIES LIMITED (the “Underwriter”) in relation to the Rights Issue dated 1 December 2023 (the “Underwriting Agreement”). Unless otherwise stated, terms defined in the Underwriting Agreement have the same meanings when used in this letter.
2. I, Lam Shu Chung, am directly interested in an aggregate of 46,203,360 existing shares of the Company (the “Existing Shares”) as at the date hereof, free from all

liens, charges, encumbrances and third party rights, interests or claims of any nature whatsoever ("**Encumbrances**").

3. Save as disclosed above, the Company has no outstanding options, convertible securities or warrants which confer any rights to subscribe for or convert or exchange into the Existing Shares which are owned by me.
4. In connection with the Rights Issue and in consideration of the Underwriter agreeing to perform its obligations under the Underwriting Agreement, I hereby irrevocably and unconditionally undertakes to the Company and the Underwriter that:
  - (a) I will remain as the beneficial owner of all the Existing Shares as set out in paragraph 2 above up to and including the Record Date free from Encumbrances;
  - (b) I will subscribe for the Rights Shares to be provisionally allotted to me under the Rights Issue ("**Entitled Rights Shares**"), representing my full entitlement under the Rights Issue, by lodging the duly completed and signed provisional allotment letters in respect of all such Entitled Rights Shares with payment in full therefor in cash with the Company's share registrar in Hong Kong before 4:00 p.m. (Hong Kong time) on the last date for acceptance of and payment for the Rights Shares under the Rights Issue in accordance with the terms of prospectus and related documents to be issued by the Company in relation to the Rights Issue ("**Prospectus Documents**");
  - (c) the Existing Shares will remain registered in the same name until the close of business on the Record Date; and
  - (d) I shall not, during the period from the date of this letter to (and including) the Record Date, transfer or otherwise dispose of (including without limitation the creation of any Encumbrances over or in respect of) the Existing Shares or acquire any Shares or any interests therein (except by taking up Entitled Rights Shares or acquiring nil-paid Right Shares or submitting application for

excess Rights Shares) unless with the prior written consent of the Company and the Underwriter.

5. The undertakings of mine contained in this letter shall take effect from the date hereof and, subject to paragraph 6 below, will remain in full force and effect until the completion of the Rights Issue.
6. In the event the Underwriting Agreement is cancelled, terminated, rescinded or does not become unconditional in accordance with its terms by the Latest Time for Termination (as defined in the Underwriting Agreement), the undertakings of us contained in this letter shall automatically lapse and be of no further force and effect, without prejudice to any accrued liabilities and the acceptance for Rights Shares which I have made pursuant to paragraph 4(b) above which shall be dealt with in accordance with the terms of the Prospectus Documents.
7. I authorise the Company (unless otherwise agreed in writing with the Underwriter) that, in the event that I should fail to comply with the undertakings given in 4(b) above:-
  - (a) to treat this letter as an application by me for all the Entitled Rights Shares to be provisionally allotted to me;
  - (b) to allocate and procure the issue of the same to me; and
  - (c) to procure the registration of the same in my name.
8. I consent to: (i) the particulars of this letter and of my current shareholdings in the Company to be included in any announcement, circular or prospectus of the Company relating to the Rights Issue and the Prospectus Documents; and (ii) this letter being made available for inspection by members of the public, whenever the Company is required as such pursuant to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or other statutory or regulatory requirements to which the Company is subject;
9. This letter shall be binding upon and enure for the benefit of each of our successors.

10. The terms of this letter shall be governed by and construed in accordance with the laws of Hong Kong. I hereby irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts.

**IN WITNESS** whereof this letter has been executed by me as a Deed the day and year first above mentioned.

**SIGNED SEALED AND DELIVERED by:-** )  
**Mr. Lam Shu Chung** )  
(Holder of HKID No. )  
in the presence of:- )