

Dated the 21st day of June 2022

**THE PERSONS NAMED IN THE SCHEDULE 1**

in favour of

**CHINA GRAPHITE GROUP LIMITED**  
中國石墨集團有限公司

**(for itself and as trustee for and on behalf of its subsidiaries)**

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**DEED OF INDEMNITY**

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**THIS DEED OF INDEMNITY (the “Deed”)** is made on the 21st day of June 2022

**AND GIVEN BY:**

- (1) **THE PERSONS** whose names and correspondence addresses are set out in the Schedule 1 hereto (each an “**Indemnifier**” and collectively the “**Indemnifiers**”);

**IN FAVOUR OF:**

- (2) **China Graphite Group Limited 中国石墨集团有限公司**, an exempted company incorporated in the Cayman Islands under the Companies Act, (as revised) of the Cayman Islands with limited liability on 3 August 2020, the registered office of which is at the offices of Appleby Global Services (Cayman) Limited, 71 Fort Street, PO Box 500, George Town, Grand Cayman, KY1-1106, Cayman Islands and whose address for service and principal place of business in Hong Kong is at 40/F, Dah Sing Financial Centre, 248 Queen’s Road East, Wan Chai, Hong Kong (the “**Company**”) for itself and as trustee for and on behalf of each of ITS SUBSIDIARIES whose names and places of incorporation are set out in Schedule 2 of this Deed (the “**Subsidiaries**”).

**WHEREAS:**

- (A) The Company intends to obtain listing of its shares in issue and shares to be issued on the Main Board of the Stock Exchange (as more particularly described in the Prospectus).
- (B) The Indemnifiers have agreed to give certain indemnities in favour of the Company and the Subsidiaries subject to the terms and in accordance with the terms and conditions set out in this Deed.

**NOW THIS DEED WITNESSES AND IT IS HEREBY AGREED** as follows:

**1. INTERPRETATION**

- 1.1 Unless otherwise defined below, all capitalised terms used herein shall have the same meanings as defined in the Prospectus.
- 1.2 In this Deed, unless the context requires otherwise, the following expressions shall have the following meanings:

“**Business Day(s)**” means any day (excluding Saturday and Sunday) on which banks are open for business in Hong Kong;

“**Effective Date**” means the date on which the conditions referred to in Clause 2 are fulfilled;

“**Estate Duty**” means (i) the estate duty payable under the Estate Duty Ordinance and (ii) the estate duty (or any similar tax or duty) payable under the laws and regulations of, or otherwise payable in, any other jurisdictions and which includes any interest, penalty or other liability arising in connection with the imposition or non-payment or delay in payment of such duty;

“**Estate Duty Ordinance**” means the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong) as in force at the date of this Deed but in the event of any repeal or amendment of such

provisions such reference shall be read as including any provisions to the like effect respectively replacing or amending the same;

- "Main Board"** means the Main Board of the Stock Exchange;
- "Group"** means the Company and the Subsidiaries and **"member(s) of the Group"** shall be construed accordingly;
- "Hong Kong"** means the Hong Kong Special Administrative Region of the PRC;
- "Parties"** means the Indemnifiers and the Company, and **"Party"** shall be construed to mean either of them;
- "PRC"** means the People's Republic of China (which, for the purposes of this Deed, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan);
- "PRC Claim"** means, without limitation, any assessment, notice, demand or other documents issued or action taken by or on behalf of any statutory or governmental authority whatsoever in the PRC from which it appears that the members of the Group or any of them is liable or is sought to be made liable for any payment of any form of social insurance or housing provident fund or any claims, fines, penalties or payments in relation to the non-compliances, legal proceedings and claims as disclosed in the section headed "Business –Non-Compliance Incidents" in respect of any period ending on or before the Effective Date;
- "Prospectus"** means the prospectus to be issued by the Company on or about June 30, 2022 in relation to the offer of the Shares for subscription by the public in Hong Kong and by way of placing to professional, institutional and other investors;
- "Relevant Transfer"** means, in relation to any person, any transfer made by that person of any property other than an interest limited to cease on his death or property which he transferred in a fiduciary capacity being a transfer made on or before the Effective Date and such a transfer means any transaction of the kind described by the words **"a transfer of any property other than an interest limited to cease on his death or property which he transferred in a fiduciary capacity"** in section 35 of the Estate Duty Ordinance interpreted in accordance with the provisions contained in section 3 of the Estate Duty Ordinance;
- "Relief"** includes any loss, relief, allowance, concession, preferential tax treatment, exemption, reduction, set off or deduction in computing profits, gains, income, expenditure or other assessable sum, event or circumstance against which a Taxation is assessed, and

any credit or any right to repayment of Taxation available to any members of the Group granted by or pursuant to any legislation or otherwise relating to all forms of Taxation and any reference to the loss of a Relief shall include the absence, non-existence or cancellation of any such Relief, or such Relief being available only in a reduced amount;

**"Stock Exchange"**

means The Stock Exchange of Hong Kong Limited;

**"Shares"**

ordinary share(s) of HK\$0.001 each in the share capital of the Company;

**"Taxation"**

means:

- (a) Estate Duty and any liability of any or all of the members of the Group to any form of taxation and duty whenever created or imposed, whether of Hong Kong, the PRC, the British Virgin Islands, the Cayman Islands or of any other part of the world, and without prejudice to the generality of the foregoing includes profits tax, provisional profits tax, business tax on gross income, income tax, value added tax, interest tax, salaries tax, property tax, land appreciation tax, lease registration tax, estate duty, capital gains tax, death duty, capital duty, stamp duty, payroll tax, withholding tax, rates, import, customs and excise duties and generally any tax duty, impost, levy or rate or any amount payable to the revenue, customs or fiscal authorities of local, municipal, provincial, national, state or federal level whether of Hong Kong, the PRC, the British Virgin Islands, the Cayman Islands or of any other part of the world;
- (b) such amount or amounts as is or are referred to in Clause 1.3; and
- (c) all costs (including legal and other professional costs), interest, fines, penalties, charges, liabilities and expenses incidental or relating to the liability referred to in paragraph (a) or (b) above or any failure to pay or any delay in paying any of the amount referred to in paragraph (a) or (b) above or the deprivation of Relief including the costs and expenses incurred in settlement or legal proceedings in connection with any Taxation Claim or of a right to repayment of Taxation which is the subject of the indemnity contained in Clause 3 to the extent that the same is/are payable or suffered by the Group or any of them; and

**“Taxation Claim”**

means, without limitation, any assessment, notice, demand or other documents issued or action taken by or on behalf of the Inland Revenue Department of the government of Hong Kong, or the tax bureau of the PRC or any other revenue, customs, fiscal, statutory or governmental authority whatsoever in Hong Kong, the PRC, the British Virgin Islands, the Cayman Islands or any other part of the world from which it appears that the members of the Group or any of them is liable or is sought to be made liable for any payment of any form of Taxation or may be required to make an actual or suffered a deemed payment of any Taxation or to be deprived of or denied or sought to be deprived of or denied any Relief or right to repayment of any form of Taxation which Relief or right to repayment would but for the Taxation Claim have been available to the members of the Group or any of them.

- 1.3 In the event of any loss, reduction, modification, cancellation or deprivation of any Relief or of a right to repayment of any form of Taxation, there shall be treated as an amount of Taxation for which liability has arisen the amount of such Relief or repayment or (if smaller) the amount by which the liability to any such Taxation of the members of the Group or any of them would have been reduced by such Relief if there had been no such loss, reduction, modification, cancellation or deprivation as aforesaid, applying the relevant rates of Taxation in force in the period or periods in respect of which such Relief would have applied or (where the rate has at the relevant time not been fixed) the last known rate and assuming that the members of the Group or any of them (as the case may be) had sufficient profits, turnover or other assessable income or expenditure against which such Relief might be set off or given.
- 1.4 References to this Deed are to this deed of indemnity, as amended, varied, modified or supplemented from time to time.
- 1.5 References to Clauses and Schedule are to clauses of and schedule to this Deed and references to sub-clauses are to sub-clauses of the Clauses in which they respectively appear.
- 1.6 The headings in this Deed are for convenience only and shall not affect the construction of this Deed.
- 1.7 Unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing natural persons shall include corporations and unincorporated associations and words importing the gender or the neuter shall include both genders and the neuter gender.
- 1.8 All representations, warranties, undertakings, indemnities, covenants, agreements and obligations given by or of the Indemnifiers are given jointly and severally.
- 1.9 References to statutory provisions shall where the context so permits or requires be construed as references to those provisions as respectively amended, consolidated, extended, or re-enacted from time to time (whether before or after the date hereof) and shall include any orders, regulations, instruments, or other subordinate legislation made under the relevant ordinance.
- 1.10 The Schedules form part of this Deed.

## **2. CONDITION PRECEDENT**

- 2.1 The provisions contained in this Deed are conditional on the conditions stated in the paragraph headed "Conditions of the Global Offering" under the section headed "Structure and Conditions of the Global Offering" in the Prospectus being fulfilled. If any of such conditions is not fulfilled on or before the date which is thirty (30) days after the date of the Prospectus, this Deed shall become null and void and cease to have effect.
- 2.2 The conditions referred to in Clause 2.1 shall be deemed to have been fulfilled on the Listing Date.

## **3. ESTATE DUTY INDEMNITY**

- 3.1 The Indemnifiers hereby agree with each of the members of the Group that they will jointly and severally indemnify and at all times keep them and each of them fully and effectively indemnified on demand against any depletion in or reduction in value of their respective assets or increase in their respective liabilities, or any loss or depreciation of any Relief of any members of the Group, as a consequence of, and in respect of any amount which the members of the Group or any of them may hereafter become liable to pay, being:
- (a) any duty which is or hereafter becomes payable by the members of the Group or any of them by virtue of section 35 and/or section 43 of the Estate Duty Ordinance (or the equivalent thereof under the laws of any jurisdiction outside Hong Kong) by reason of the death of any person and by reason of the assets of the members of the Group or any of such assets being deemed for the purpose of Estate Duty to be included in the property passing on his death by reason of that person making or having made a Relevant Transfer to the members of the Group or any of them at any time on or prior to the Effective Date; and/or
  - (b) any amount recovered (now or hereafter) against the members of the Group or any of them under the provisions of section 43(7) of the Estate Duty Ordinance in respect of any duty payable under section 43(1) or 43(6) of the Estate Duty Ordinance (or the equivalent thereof under the laws of any jurisdiction outside Hong Kong) by reason of the death of any person and by reason of the assets of the Group or any of such assets being deemed for the purpose of Estate Duty to be included in the property passing on his death by reason of that person making or having made a Relevant Transfer to the members of the Group or any of them at any time on or prior to the Effective Date; and/or
  - (c) any amount of duty which the members of the Group or any of them is obliged to pay by virtue of section 43(1)(c) of the Estate Duty Ordinance (or the equivalent thereof under the laws of any jurisdiction outside Hong Kong) in respect of the death of any person in any case where the assets of another company or any of them are deemed for the purpose of Estate Duty to be included in the property passing on that person's death by reason of that person making or having made a Relevant Transfer to that other company and by reason of the members of the Group or any of them having received any distributed assets of that other company on their distribution within the meaning of the Estate Duty Ordinance, in each case at any time on or prior to the Effective Date, but only to the extent to which the members of the Group or any of them are/is unable to recover an amount or amounts in respect of that duty from any other person under the provisions of section 43(7)(a) of the Estate Duty Ordinance; and/or

- (d) any claim which has arisen or may arise wholly or partly in respect of or in consequence of any act or omission occurring on or before the Effective Date.
- 3.2 Notwithstanding any other provision of this Deed, the Indemnifiers will not be liable for any penalty imposed on the members of the Group or any of them under section 42 of the Estate Duty Ordinance (or the equivalent thereof under the laws of any jurisdiction outside Hong Kong) by reason of the relevant Company defaulting in any obligation to give information to the Commissioner of Estate Duty under section 42(1) of the Estate Duty Ordinance (or the equivalent thereof under the laws of any jurisdiction outside Hong Kong), but the indemnifiers shall be liable for any interest on unpaid duty.

#### **4. TAXATION INDEMNITY**

- 4.1 Without prejudice to any of the foregoing provisions of this Deed and subject as hereinafter provided, the Indemnifiers hereby agree with each of the members of the Group that they will jointly and severally indemnify and at all times keep them and each of them fully and effectively indemnified on demand against Taxation and Taxation Claim, together with all costs (including all legal and other professional costs), expenses, all interests, penalties or other liabilities which any of the members of the Group may incur in connection with (i) the investigation, assessment, contesting or any claim under this Deed; (ii) the settlement of any claim under this Deed; (iii) any legal proceedings in which any of the members of the Group claims under or in respect of this Deed and in which judgment is given for any of the members of the Group; or (iv) the enforcement of any such settlement or judgment referred to in (ii) and (iii) above, falling on any of the members of the Group (i) resulting from or by reference to any income, profits or gains transactions, events, matters or things earned, accrued, received, entered into or occurring (or deemed to be so earned, accrued, received, entered into or occurring) on or before the Effective Date (ii) resulting from or by reference to any event or transaction occurring or deemed to occur on or before the Effective Date whether alone or in conjunction with another event or transaction or other events or transactions; (iii) in respect of or in consequence of any act or omission of any members of the Group regarding the inter-companies transactions on or before the Effective Date; or (iv) in conjunction with any other circumstances whenever occurring and whether or not such Taxation or Taxation Claim is chargeable against or attributable to any other person, firm or company, including any and all Taxation resulting from the receipt by any members of the Group of any amounts paid by the Indemnifiers under this Deed.
- 4.2 The indemnity contained in Clause 3 and Clause 4.1 above shall not apply:
- (a) to the extent that provision or reserve has been made for such Taxation in the audited accounts of any of the members of the Group for the years ended December 31, 2019, 2020 and 2021 which arises in the ordinary course of business of the Group as described in the section entitled "Business" in the Prospectus; or
  - (b) to the extent that such Taxation Claim or liability for such Taxation falls on any of the members of the Group in respect of its accounting period commencing on or after January 1, 2019 unless such Taxation or liability would not have arisen but for some act or omission of, or transaction voluntarily effected by, the Indemnifiers, the members of the Group or any of them (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) otherwise than in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets, before the Effective Date;
  - (c) to the extent that such Taxation Claim or liability for such Taxation would not



have arisen but for a voluntary act or transaction carried out or effected (other than pursuant to a legally binding commitment created on or before the date of this Deed) by the relevant member of the Group after the date of this Deed;

- (d) to the extent that such Taxation Claim or liability for such Taxation arises or is incurred as a result of the imposition of Taxation as a consequence of any retrospective change in the law, rules and regulations, or the interpretation or practice thereof by the Inland Revenue Department of the government of Hong Kong or the taxation authority of the PRC or any other relevant authority (whether in Hong Kong or the PRC, the British Virgin Islands or the Cayman Islands or any other part of the world) coming into force after the date of this Deed or to the extent such Taxation Claim arises or is increased by an increase in rates of Taxation after the date of this Deed with retrospective effect; or
- (e) to the extent of any provision or reserve made for Taxation in the audited accounts of any of the members of the Group up to December 31, 2021 and which is finally established to be an over-provision or an excessive reserve in which case the Indemnifiers' liability (if any) in respect of such Taxation shall be reduced by an amount not exceeding such provision or reserve, provided that the amount of any such provision or reserve applied pursuant to this Clause 4.2(e) to reduce the Indemnifiers' liability in respect of Taxation shall not be available in respect of any such liability arising thereafter.

## **5. COMPLIANCE-RELATED INDEMNITIES**

- 5.1 Without prejudice to any of the foregoing provisions of this Deed and subject as hereinafter provided, the Indemnifiers hereby agree with each of the members of the Group that they will jointly and severally indemnify and at all times keep them and each of them fully and effectively indemnified on demand against any damages, losses, liabilities, claims, fines, penalties, payments, suits, settlement payment, fees, orders, expenses and costs, or loss of profits, benefits which are or become payable or suffered by any member of the Group directly or indirectly as a result of and in connection with any and all of the non-compliances with the applicable laws, rules or regulations by members of the Group on or before the Effective Date, or as a result of or in relation to all litigations, arbitration, claims (including counter-claims), actions, complaints, demands, judgements and/or legal proceedings by or against any of the members of the Group which was issued, accrued and/or arising from any act of any member of the Group at any time on or before the Effective Date, including but not limited to the non-compliances, legal proceedings and claims as disclosed in the section headed "Business – Non-Compliance Incidents" and in particular the failure to make contributions to the social insurance and housing provident fund for the employees of any members of the Group in accordance with the Law on Social Insurance of PRC (中华人民共和国社会保险法) and the Regulations on the Administration of Housing Provident Fund (住房公积金管理条例).

## **6. NO DOUBLE CLAIMS**

- 6.1 If one member of the Group receives any payment from the Indemnifiers pursuant to a claim made pursuant to the provisions of this Deed in respect of any subject matter, then other members of the Group shall not be entitled to, in respect of the same subject matter, claim against the Indemnifiers under any provisions of this Deed.

## **7. TAXATION CLAIM AND PRC CLAIM**

- 7.1 In the event of any Taxation Claim or PRC Claim arising, the members of the Group or any of them shall by way of covenant but not as a condition precedent to the liability of the Indemnifiers hereunder gives or procures that notice thereof is as soon as reasonably practicable given to the Indemnifiers in the manner provided in Clause 14; and, as regards any such Taxation Claim and PRC Claim, the members of the Group or any of them shall at the request of the Indemnifiers take such action, or procure that such action be taken, as the Indemnifiers may reasonably request to cause the Taxation Claim or PRC Claim to be withdrawn, or to dispute, resist, appeal against, compromise or defend the Taxation Claim or the PRC Claim and any determination in respect thereof but subject to the members of the Group or any of them being indemnified and secured to its or their reasonable satisfaction by the Indemnifier against all losses (including additional Taxation), costs, damages and expenses which may be thereby incurred provided that the relevant members of the Group shall not be required to take any steps which would require any admission of guilt or liability relating to matters connected with the Taxation Claim or PRC Claim or which would affect the future conduct of the business or future taxation liability of the relevant members of the Group or affect the rights and reputation of the relevant members of the Group be required to take any such action unless the Indemnifiers shall have produced to the relevant members of the Group a legal opinion that such action is reasonable.
- 7.2 Without the prior written approval of the Company, the Indemnifiers shall make no settlement of any Taxation Claim or PRC Claim nor agree on any matter in the course of disputing any Taxation Claim or PRC Claim likely to affect the amount thereof or the future taxation or other liability of any of the members of the Group.

## **8. PAYMENTS**

- 8.1 If, after the Indemnifiers have made any payment pursuant to this Deed, any of the members of the Group shall receive a refund of all or part of the relevant Taxation (whether pursuant to section 79 of the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) or similar legislation elsewhere or otherwise) or liability to which payment wholly or partly relates, such member of the Group (if it shall receive such refund) shall repay or (if another of the members of the Group shall receive such refund) procure the repayment by such other member of the Group, as the case may be, to the Indemnifiers a sum corresponding to the balance of the refund remaining after deducting the aggregate of:
- (a) any expenses, costs and charges incurred by the relevant members of the Group or any of them in recovering such refund; and
  - (b) the amount of any additional Taxation which shall not have been taken into account in calculating any other payment made or to be made pursuant to this Clause 8 but which is suffered by any of the members of the Group in consequence of such refund.
- 8.2 Any payments due by the Indemnifiers pursuant to the foregoing provisions of this Deed shall be increased to include such interest on unpaid tax as the members of the Group or any of them shall have been required to pay pursuant to section 71(5) or section 71(5A) of the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) or similar legislation elsewhere.
- 8.3 In the event that any deductions or withholdings are required by law, or that any payments made by or due from the Indemnifiers under this Deed are liable for Taxation, then the Indemnifiers shall be liable to pay to the relevant member of the Group to whom the payments are made or due such further sums as will ensure that the aggregate of the sums paid or payable shall, after making all deductions and

withholdings from, or deducting liabilities to Taxation in respect of, such sums, leave the relevant member of the Group with the same amount as it would have been entitled to receive in the absence of any such deductions, withholdings or liabilities to Taxation.

- 8.4 Any payments made by or due from the Indemnifiers under this Deed shall be made gross, free and clear of any rights of counterclaim and without any deductions or withholdings of any nature.

## **9. BINDING EFFECT**

- 9.1 The indemnities, agreements and undertakings herein contained shall bind the personal representatives and successors of the Indemnifiers and shall ensure for the benefit of each party's successors and assigns.

## **10. FURTHER UNDERTAKING**

- 10.1 The Indemnifiers jointly and severally undertake with each of the members of the Group that they will on demand do all such reasonable acts and things and execute all such deeds and documents as may be necessary to carry into effect or to give legal effect to the provisions of this Deed and the indemnities hereby contemplated.

## **11. ASSIGNMENT**

- 11.1 The indemnities herein contained shall bind the personal representatives or successors of the Indemnifiers and shall enure for the benefit of each Party's personal representatives, successors or assigns.
- 11.2 The whole or any part of the benefit of this Deed may be assigned by any members of the Group but not the Indemnifiers.

## **12. WAIVER**

- 12.1 No failure or delay by any of the members of the Group in exercising any right, power or remedy under this Deed shall operate as a waiver thereof, nor shall any single or partial exercise by any of them of the same preclude any further exercise thereof or the exercise of any other right, power or remedy.

## **13. SEVERABILITY**

- 13.1 Any provision of this Deed prohibited by or which is unlawful or unenforceable under any applicable law actually applied by any court of competent jurisdiction shall, to the extent required by such law, be severed from this Deed and rendered ineffective so far as is possible without modifying the remaining provisions of this Deed. Where, however, the provisions of any such applicable law may be waived, they are hereby waived by the Parties to the full extent permitted by such law to the end that this Deed shall be valid, binding and enforceable in accordance with its terms.

## **14. NOTICES**

- 14.1 All notices and other communications required to be given or made pursuant to this Deed or in connection herewith shall be given or made to the Parties in writing and be delivered by hand or sent by facsimile transmission or prepaid post to the appropriate Party at the address or email addresses set out below against his or its names:

To the Company:

Address : China Graphite Group Limited  
E-mail address: project.g.element@yxsmjt.com  
Attention : The Board of Directors

To the Indemnifiers / If to any of the Indemnifiers:

Name : Zhao Liang  
Address : 2-4-2 11 Zhongnanyuan, Zhongshan District, Dalian City,  
Liaoning Province, the PRC  
E-mail address: project.g.element@yxsmjt.com

Name : Sandy Mining Limited  
Address : Corporate Registrations Limited of Sea Meadow House,  
Blackburne Highway (P.O. Box 116), Road Town, Tortola,  
British Virgin Islands  
E-mail address: project.g.element@yxsmjt.com

or such other address or email address in each case as such Party may designate through notice to the other Party in accordance with this Clause 14.

- 14.2 Any such notice or other communication shall be deemed to have been received when left at the address mentioned in Clause 14.1 or (if sent by email) on the same day of sending or (in the case of post) on the date which is two (2) Business Days after posting. The failure of the addressee to receive such confirmation shall not invalidate the relevant notice given by email.
- 14.3 Any Party may notify the other Party of any change to its address or other details specified in Clause 14.1, provided that such notification shall only be effective on the date specified in such notice or five (5) Business Days after the notice is given, whichever is later, and provided also that any new address shall be in Hong Kong.

**15. PROCESS AGENT**

- 15.1 Each of the Indemnifiers hereby irrevocably appoints Ms. Mak Po Man of 40/F, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong as his / its agent to accept service of legal process out of the courts of Hong Kong in connection with this Deed. Each of the Indemnifiers further agrees to maintain a duly appointed agent in Hong Kong to accept service of process out of the courts of Hong Kong and to keep the Company informed of the name and address of such agent. Service on the service agent referred to in this Clause 15 shall be deemed to be service on the Indemnifiers.

**16. JOINT AND SEVERAL LIABILITY**

- 16.1 Each and every obligation, covenant, representation, warranty and undertaking of the Indemnifiers provided herein shall be the joint and several obligations, covenants, representations, warranties and undertakings of each of the Indemnifiers and the Company shall be at liberty to release, compound with or otherwise vary or agree to vary the liability of, or to grant time or other indulgence, or make other arrangements with any one of the Indemnifiers without the consent of or notice to the others and without prejudicing, affecting the rights, remedy and power of any members of the Group.

**17. COSTS AND EXPENSE**

- 17.1 The Company shall pay the costs and expenses in connection with the preparation, negotiation and settlement of this Deed.

**18. COUNTERPARTS**

- 18.1 This Deed may be executed in any number of counterparts by the Parties on separate counterparts each of which when executed shall be binding on the party who has executed it and all of which when taken together shall constitute one and the same deed; provided always that this Deed shall not become valid and binding unless and until executed by the Parties.

**19. LEGAL REPRESENTATION**

- 19.1 Each of the Indemnifiers acknowledges that in the preparation of this Deed and any other document in connection therewith, Tian Yuan Law Firm LLP is acting solely as solicitors to the Company and each of the Indemnifiers have taken all necessary independent legal advice that they deem appropriate prior to the signing of this Deed.

**20. GOVERNING LAW AND JURISDICTION**

- 20.1 This Deed is governed by and shall be construed in accordance with the laws of Hong Kong and the Parties hereby irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong in relation to any proceedings arising out of or in connection with this Deed.

**SCHEDULE 1**

**The Indemnifiers**

<b><u>Name</u></b>	<b><u>Identification no.</u></b>	<b><u>Residential/registered address</u></b>
Zhao Liang 赵亮	230305197901115511	No. 6, Gate 4, Building No. 93, No. 19 West Xisanhuan Middle Road, Haidian District, Beijing
Sandy Mining Limited	2037956	Sea Meadow House, Blackburne Highway (P.O. Box 116), Road Town, Tortola, British Virgin Islands

## **SCHEDULE 2**

### **The Subsidiaries**

<b><u>Name</u></b>	<b><u>Place of incorporation/establishment</u></b>
Noah Energy Limited	British Virgin Islands
China Graphite Holdings Group (HK) Limited	Hong Kong
Beijing Yixiang Carbon Technology Company Limited* (北京溢祥烯碳科技有限公司)	PRC
Heilongjiang Baoquanling Farmland Yixiang Graphite Company Limited* (黑龙江省宝泉岭农垦溢祥石墨有限公司)	PRC
Heilongjiang Baoquanling Farmland Yixiang New Energy Materials Company Limited* (黑龙江省宝泉岭农垦溢祥新能源材料有限公司)	PRC

*\* The English translation of the Company names is for reference only. The official names of the companies are in Chinese.*

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

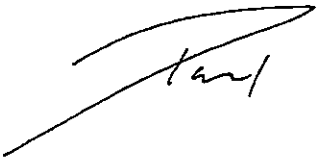
**THE INDEMNIFIERS**

**SIGNED, SEALED and DELIVERED** )  
as a DEED )  
by **ZHAO LIANG** )  
in the presence of: *Hon Peter Kucun Wang* )





**EXECUTED AND DELIVERED** )  
as a DEED )  
by **ZHAO LIANG** )  
for and on behalf of )  
**SANDY MINING LIMITED** )  
in the presence of: *Hon Peter Kwan Wang* )



**THE COMPANY (for itself and as trustee for and on behalf of its subsidiaries)**

**EXECUTED AND DELIVERED as a DEED** )

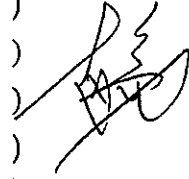
by **ZHAO LIANG** )

for and on behalf of )

**CHINA GRAPHITE GROUP LIMITED** )

中国石墨集团有限公司 )

in the presence of *Hon Peter Kumar Wang* )



**黑龙江省宝泉岭农垦溢祥石墨有限公司**  
**股 权 转 让 协 议**

甲 方： 赵亮

乙 方： 北京溢祥烯碳科技有限公司

本合同由甲方与乙方就股权转让事宜，于2020年12月14日在黑龙江省宝泉岭农垦溢祥石墨有限公司(下称“公司”)办公室订立。

甲方同意将所持有的公司57%股权，现以人民币300万元转让给乙方。甲乙双方本着平等互利的原则，经友好协商，达成如下协议：

**第一条 股权转让价格与付款方式**

1、甲方同意将所持有的公司57%股权，现以人民币300万元转让给乙方。乙方同意按此价格购买甲方的上述股权。

2、乙方同意在本合同订立2年内以现金形式一次性支付甲方所转让的股权。

**第二条 保 证**

1、甲方保证所转让给乙方的上述股权是甲方在公司的真实出资，是甲方合法拥有的股权，甲方有完全

的处分权。甲方保证对所转让的股权，没有设置任何抵押或担保，并免遭第三人的追索。否则，由此引起的所有责任，由甲方承担。

2、甲方所转让其所持公司的股权后，即退出公司，其原享有的权利和应承担的义务，随股权转让而转由乙方享有与承担。

3、乙方承认届时有效的公司章程，保证按章程规定履行义务和责任。

### 第三条 盈亏分担

本合同经双方签署后生效，乙方即成为公司的股东，按上述所转的股权比例及章程规定分享公司利润与分担亏损。

### 第四条 合同的变更与解除

发生下列情况之一时，可变更或解除本合同，但双方必须就此签订书面变更或解除合同：

1、由于不可抗力或由于一方当事人虽无过失但无法防止的外因，致使本合同无法履行。

2、一方当事人丧失实际履约能力。

3、由于一方或双方违约，严重影响了守约方的经济利益，使本合同履行成为不必要。

4、因情况发生变化，经过双方协商同意变更或解除合同。

#### 第五条 争议的解决

1、本合同有效性、履行、违约及解除等有关争议，各方应友好协商解决。

2、凡因履行本合同而发生的一切争议，双方首先应争取通过友好协商的方式加以解决。如果该项争议在开始协商后六十（60）日内未能解决，则任何一方均可向北京仲裁委员会依据仲裁法、其他法律、法规、规章、规范性文件以及其当时合法有效的仲裁规则进行仲裁。

#### 第六条 附则

本合同正式一式四份，甲、乙双方执一份，报鹤岗市市场监督管理局一份，公司存一份均具有同等法律效力。

（以下无正文，为签字页）

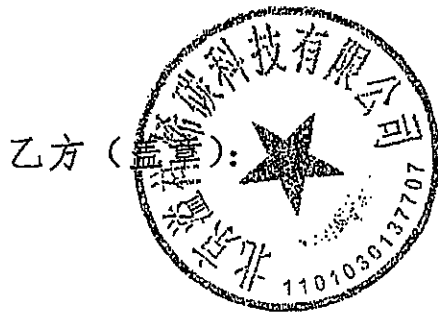
(本页为《黑龙江省宝泉岭农垦溢祥石墨有限公司股权转让协议》签字页)

甲方(签名):



2020年12月14日

(本页为《黑龙江省宝泉岭农垦溢祥石墨有限公司股权转让协议》签字页)



2020年12月14日

# 黑龙江省宝泉岭农垦溢祥石墨有限公司

## 股权转让协议

甲 方： 赵长山

乙 方： 北京溢祥烯碳科技有限公司

本合同由甲方与乙方就股权转让事宜，于2020年12月14日在黑龙江省宝泉岭农垦溢祥石墨有限公司(下称“公司”)办公室订立。

甲方同意将所持有的公司38%股权，现以人民币200万元转让给乙方。甲乙双方本着平等互利的原则，经友好协商，达成如下协议：

### 第一条 股权转让价格与付款方式

1、甲方同意将所持有的公司38%股权，现以人民币200万元转让给乙方。乙方同意按此价格购买甲方的上述股权。

2、乙方同意在本合同订立2年内以现金形式一次性支付甲方所转让的股权。



## 第二条 保 证

1、甲方保证所转让给乙方的上述股权是甲方在公司的真实出资，是甲方合法拥有的股权，甲方有完全的处分权。甲方保证对所转让的股权，没有设置任何抵押或担保，并免遭第三人的追索。否则，由此引起的所有责任，由甲方承担。

2、甲方所转让其所持公司的股权后，即退出公司，其原享有的权利和应承担的义务，随股权转让而转由乙方享有与承担。

3、乙方承认届时有效的公司章程，保证按章程规定履行义务和责任。

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本合同经双方签署后生效，乙方即成为公司的股东，按上述所转的股权比例及章程规定分享公司利润与分担亏损。

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止的外因，致使本合同无法履行。

2、一方当事人丧失实际履约能力。

3、由于一方或双方违约，严重影响了守约方的经济利益，使本合同履行成为不必要。

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#### 第五条 争议的解决

1、本合同有效性、履行、违约及解除等有关争议，各方应友好协商解决。

2、凡因履行本合同而发生的一切争议，双方首先应争取通过友好协商的方式加以解决。如果该项争议在开始协商后六十（60）日内未能解决，则任何一方均可向北京仲裁委员会依据仲裁法、其他法律、法规、规章、规范性文件以及其当时合法有效的仲裁规则进行仲裁。

#### 第六条 附则

本合同正式一式四份，甲、乙双方执一份，报鹤岗市市场监督管理局一份，公司存一份均具有同等法律效力。

(以下无正文，为签字页)

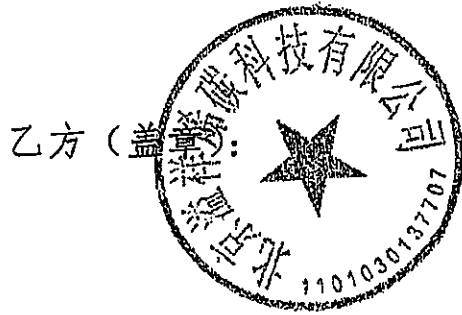
(本页为《黑龙江省宝泉岭农垦溢祥石墨有限公司股权转让协议》签字页)

甲方(签名):

赵长山

2020年12月14日

(本页为《黑龙江省宝泉岭农垦溢祥石墨有限公司股权转让协议》签字页)



2020年12月14日

# 黑龙江省宝泉岭农垦溢祥石墨有限公司

## 股权转让协议

甲 方： 宋美欣

乙 方： 北京溢祥烯碳科技有限公司

本合同由甲方与乙方就股权转让事宜,于2020年12月14日在黑龙江省宝泉岭农垦溢祥石墨有限公司(下称“公司”)办公室订立。

甲方同意将所持有的公司5%股权,现以人民币467.7447万元转让给乙方。甲乙双方本着平等互利的原则,经友好协商,达成如下协议:

### 第一条 股权转让价格与付款方式

1、甲方同意将所持有的公司5%股权,以人民币467.7447万元转让给乙方。乙方同意按此价格购买甲方的上述股权。

2、乙方同意在本合同订立180日内以现金形式一次性支付甲方所转让的股权。

## 第二条 保 证

1、甲方保证所转让给乙方的上述股权是甲方在公司的真实出资，是甲方合法拥有的股权，甲方有完全的处分权。甲方保证对所转让的股权，没有设置任何抵押或担保，并免遭第三人的追索。否则，由此引起的所有责任，由甲方承担。

2、甲方所转让其所持公司的股权后，即退出公司，其原享有的权利和应承担的义务，随股权转让而转由乙方享有与承担。

3、乙方承认届时有效的公司章程，保证按章程规定履行义务和责任。

## 第三条 盈 亏 分 担

本合同经双方签署后生效，乙方即成为公司的股东，按上述所转的股权比例及章程规定分享公司利润与分担亏损。

## 第四条 合 同 的 变 更 与 解 除

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止的外因，致使本合同无法履行。

2、一方当事人丧失实际履约能力。

3、由于一方或双方违约，严重影响了守约方的经济利益，使本合同履行成为不必要。

4、因情况发生变化，经过双方协商同意变更或解除合同。

#### 第五条 争议的解决

1、本合同有效性、履行、违约及解除等有关争议，各方应友好协商解决。

2、凡因履行本合同而发生的一切争议，双方首先应争取通过友好协商的方式加以解决。如果该项争议在开始协商后六十（60）日内未能解决，则任何一方均可向北京仲裁委员会依据仲裁法、其他法律、法规、规章、规范性文件以及其当时合法有效的仲裁规则进行仲裁。

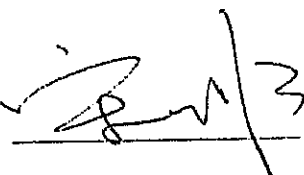
#### 第六条 附则

本合同正式一式四份，甲、乙双方执一份，报鹤岗市市场监督管理局一份，公司存一份均具有同等法律效力。



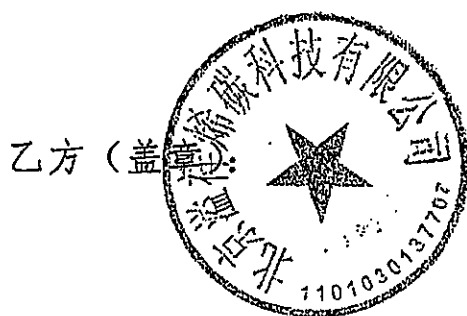
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(本页为《黑龙江省宝泉岭农垦溢祥石墨有限公司股权转让协议》签字页)

甲方(签名):   
宋美欣

2020 年 12 月 14 日

(本页为《黑龙江省宝泉岭农垦溢祥石墨有限公司股权转让协议》签字页)



2020年12月14日

# 黑龙江省宝泉岭农垦溢祥新能源材料有限公司

## 股权转让协议

甲 方： 赵亮

乙 方： 北京溢祥烯碳科技有限公司

本合同由甲方与乙方就股权转让事宜,于2020年12月14日在黑龙江省宝泉岭农垦溢祥新能源材料有限公司(下称“公司”)办公室订立。

甲方同意将所持有的公司63.65%股权,现以人民币335万元转让给乙方。甲乙双方本着平等互利的原则,经友好协商,达成如下协议:

### 第一条 股权转让价格与付款方式

1、甲方同意将所持有的公司63.65%股权,现以人民币335万元转让给乙方。乙方同意按此价格购买甲方的上述股权。

2、乙方同意在本合同订立2年内以现金形式一次性支付甲方所转让的股权。

## 第二条 保 证

1、甲方保证所转让给乙方的上述股权是甲方在公司的真实出资，是甲方合法拥有的股权，甲方有完全的处分权。甲方保证对所转让的股权，没有设置任何抵押或担保，并免遭第三人的追索。否则，由此引起的所有责任，由甲方承担。

2、甲方所转让其所持公司的股权后，即退出公司，其原享有的权利和应承担的义务，随股权转让而转由乙方享有与承担。

3、乙方承认届时有效的公司章程，保证按章程规定履行义务和责任。

## 第三条 盈亏分担

本合同经双方签署后生效，乙方即成为公司的股东，按上述所转的股权比例及章程规定分享公司利润与分担亏损。

## 第四条 合同的变更与解除

发生下列情况之一时，可变更或解除本合同，但双方必须就此签订书面变更或解除合同：

1、由于不可抗力或由于一方当事人虽无过失但无法防止的外因，致使本合同无法履行。

2、一方当事人丧失实际履约能力。

3、由于一方或双方违约，严重影响了守约方的经济利益，使本合同履行成为不必要。

4、因情况发生变化，经过双方协商同意变更或解除合同。

#### 第五条 争议的解决

1、本合同有效性、履行、违约及解除等有关争议，各方应友好协商解决。

2、凡因履行本合同而发生的一切争议，双方首先应争取通过友好协商的方式加以解决。如果该项争议在开始协商后六十（60）日内未能解决，则任何一方均可向北京仲裁委员会依据仲裁法、其他法律、法规、规章、规范性文件以及其当时合法有效的仲裁规则进行仲裁。

#### 第六条 附则

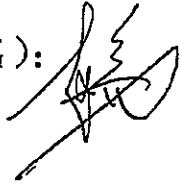
本合同正式一式四份，甲、乙双方执一份，报鹤岗市市

场监督管理局一份，公司存一份均具有同等法律效力。

(以下无正文，为签字页)

(本页为《黑龙江省宝泉岭农垦溢祥新能源材料有限公司  
股权转让协议》签字页)

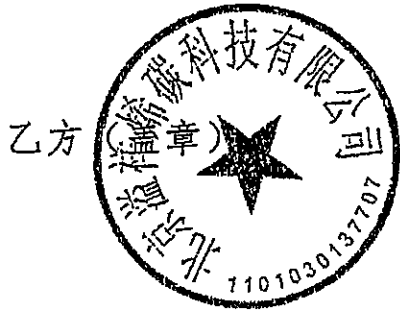
甲方(签名):



2020年12月14日



(本页为《黑龙江省宝泉岭农垦溢祥新能源材料有限公司  
股权转让协议》签字页)



2020年12月14日

# 黑龙江省宝泉岭农垦溢祥新能源材料有限公司

## 股权转让协议

甲 方： 赵长山

乙 方： 北京溢祥烯碳科技有限公司

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甲方同意将所持有的公司31.35%股权,现以人民币165万元转让给乙方。甲乙双方本着平等互利的原则,经友好协商,达成如下协议:

### 第一条 股权转让价格与付款方式

1、甲方同意将所持有的公司31.35%股权,现以人民币165万元转让给乙方。乙方同意按此价格购买甲方的上述股权。

2、乙方同意在本合同订立2年内以现金形式一次性支付甲方所转让的股权。

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1、甲方保证所转让给乙方的上述股权是甲方在公司的真实出资，是甲方合法拥有的股权，甲方有完全的处分权。甲方保证对所转让的股权，没有设置任何抵押或担保，并免遭第三人的追索。否则，由此引起的所有责任，由甲方承担。

2、甲方所转让其所持公司的股权后，即退出公司，其原享有的权利和应承担的义务，随股权转让而转由乙方享有与承担。

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#### 第六条 附则

本合同正式一式四份，甲、乙双方执一份，报鹤岗市市

场监督管理局一份，公司存一份均具有同等法律效力。

(以下无正文，为签字页)

(本页为《黑龙江省宝泉岭农垦溢祥新能源材料有限公司  
股权转让协议》签字页)

甲方(签名):

赵长山

2020年12月14日

(本页为《黑龙江省宝泉岭农垦溢祥新能源材料有限公司  
股权转让协议》签字页)

乙方 (盖章):



2020年12月14日

# 黑龙江省宝泉岭农垦溢祥新能源材料有限 公司 股权转让协议

甲 方： 宋美欣

乙 方： 北京溢祥烯碳科技有限公司

本合同由甲方与乙方就股权转让事宜，于2020年12月14日在黑龙江省宝泉岭农垦溢祥新能源材料有限公司（下称“公司”）办公室订立。

甲方同意将所持有的公司5%股权，现以人民币26.3157万元转让给乙方。甲乙双方本着平等互利的原则，经友好协商，达成如下协议：

## 第一条 股权转让价格与付款方式

1、甲方同意将所持有的公司5%股权，现以人民币26.3157万元转让给乙方。乙方同意按此价格购买甲方的上述股权。

2、乙方同意在本合同订立180日内以现金形式一次性支付甲方所转让的股权。



## 第二条 保 证

1、甲方保证所转让给乙方的上述股权是甲方在公司的真实出资，是甲方合法拥有的股权，甲方有完全的处分权。甲方保证对所转让的股权，没有设置任何抵押或担保，并免遭第三人的追索。否则，由此引起的所有责任，由甲方承担。

2、甲方所转让其所持公司的股权后，即退出公司，其原享有的权利和应承担的义务，随股权转让而转由乙方享有与承担。

3、乙方承认届时有效的公司章程，保证按章程规定履行义务和责任。

## 第三条 盈 亏 分 担

本合同经双方签署后生效，乙方即成为公司的股东，按上述所转的股权比例及章程规定分享公司利润与分担亏损。

## 第四条 合 同 的 变 更 与 解 除

发生下列情况之一时，可变更或解除本合同，但双方必须就此签订书面变更或解除合同：

1、由于不可抗力或由于一方当事人虽无过失但无法防止的外因，致使本合同无法履行。

2、一方当事人丧失实际履约能力。

3、由于一方或双方违约，严重影响了守约方的经济利益，使本合同履行成为不必要。

4、因情况发生变化，经过双方协商同意变更或解除合同。

#### 第五条 争议的解决

1、本合同有效性、履行、违约及解除等有关争议，各方应友好协商解决。

2、凡因履行本合同而发生的一切争议，双方首先应争取通过友好协商的方式加以解决。如果该项争议在开始协商后六十（60）日内未能解决，则任何一方均可向北京仲裁委员会依据仲裁法、其他法律、法规、规章、规范性文件以及其当时合法有效的仲裁规则进行仲裁。


#### 第六条 附则

本合同正式一式四份，甲、乙双方执一份，报鹤岗市市

场监督管理局一份，公司存一份均具有同等法律效力。

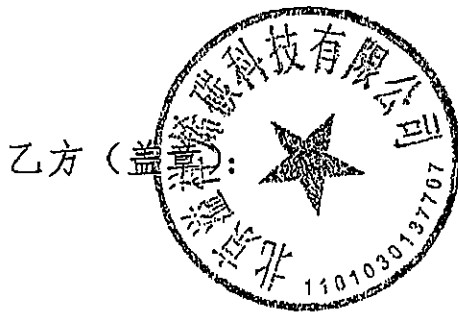
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(本页为《黑龙江省宝泉岭农垦溢祥新能源材料有限公司  
有限公司股权转让协议》签字页)

甲方(签名):   
宋美欣

2020 年 12 月 14 日

(本页为《黑龙江省宝泉岭农垦溢祥新能源材料有限公司  
股权转让协议》签字页)



2020年12月14日

## 债权债务转让协议

**甲方：赵明**

身份证号码：230302197704185319

住所：黑龙江省鸡西市鸡冠区康建委3组

**乙方：赵长山**

身份证号码：230305195110065512

住所：黑龙江省鸡西市鸡冠区奋斗委26组

**丙方：赵亮**

身份证号码：230305197901115511

住所：辽宁省大连市中山区中南苑11号2-4-2

**丁方：黑龙江省宝泉岭农垦溢祥石墨有限公司**

统一社会信用代码：912330017905010282

住所：黑龙江省鹤岗市萝北县延军农场石墨开发区1幢1号

**鉴于：**

1. 截至2020年12月31日，甲方对丁方享有人民币8759259.70元的债权（下称“债权1”）。
2. 截至2020年12月31日，乙方对丁方享有人民币26092545.85元的债权（下称“债权2”）。
3. 甲、丙、丁方同意甲方将其对丁方享有的债权1无偿转让给丙方的法律行为，同意接受上述安排。
4. 乙、丙、丁方同意乙方将其对丁方享有的债权2无偿转让给丙方的法律行为，同意接受上述安排。

经各方平等友好协商，就债权转让相关事宜签订本协议：

**第一条** 甲方同意将其原对丁方享有的债权 1 无偿转让给丙方。

**第二条** 乙方同意将其原对丁方享有的债权 2 无偿转让给丙方。

**第三条** 本协议之签订视为甲方、乙方正式对丁方发出债权转让通知，丁方应对丙方承担债务清偿义务。

**第四条** 丙方受让债权 1 及债权 2 后，可另行就债务的清偿方式、期限等与丁方协商确定。

**第五条** 本协议适用中华人民共和国法律。

**第六条** 本协议一式四份，四方各持一份，由各方加盖公章或签字后生效，每份具有同等法律效力。

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甲方(赵明): 赵明

日期: 2021.5.15

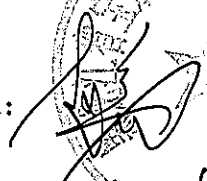
乙方(赵长山): 赵长山

日期: 2021.5.12日

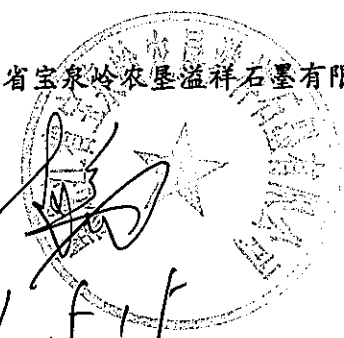
丙方(赵亮): 赵亮

日期: 2021.5.15

丁方(黑龙江省宝泉岭农垦溢祥石墨有限公司):

法定代表人: 

日期: 2021.5.15





## 债权债务转让协议

**甲方：赵亮**

身份证号码：230305197901115511

住所：辽宁省大连市中山区中南苑11号2-4-2

**乙方：黑龙江省宝泉岭农垦溢祥石墨有限公司**

统一社会信用代码：912330017905010282

住所：黑龙江省鹤岗市萝北县延军农场石墨开发区1幢1号

**丙方：北京溢祥烯碳科技有限公司**

统一社会信用代码：91110108MA01XJ6LX0

住所：北京市海淀区北三环西路99号院3号楼9层1005

**鉴于：**

1. 截至2021年5月15日，甲方对乙方享有人民币46,962,174.71元的债权（下称“债权1”）。
2. 甲、乙、丙方同意甲方将其对乙方享有的债权1以人民币46,962,174.71元的价格转让给丙方的法律行为，同意接受上述安排。

经各方平等友好协商，就债权转让相关事宜签订本协议：

**第一条** 甲方同意将其原对乙方享有的债权 1 以人民币 46,962,174.71 元的价格转让给丙方。

**第二条** 本协议之签订视为甲方、丙方正式对乙方发出债权转让通知，乙方应对丙方承担债务清偿义务。

**第三条** 丙方受让债权 1 后，可另行就债务的清偿方式、期限等与乙方协商确定。

**第四条** 甲方与丙方可另行就债权 1 转让的对价支付方式、期限另行协商确定。

**第五条** 本协议适用中华人民共和国法律。

**第六条** 本协议一式叁份，各方各持一份，由各方加盖公章或签字后生效，每份具有同等法律效力。

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甲方 (赵亮):



日期:

2021年5月15日

乙方 (黑龙江省宝泉岭农垦溢祥石墨有限公司)

法定代表人:



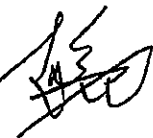
日期:

2021年5月15日



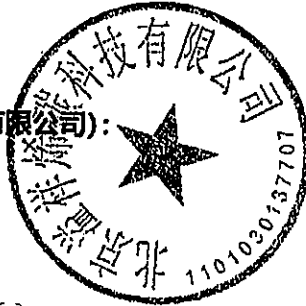
丙方 (北京溢祥烯碳科技有限公司):

法定代表人:



日期:

2021年5月15日



## 债权债务转让协议

甲方：赵亮

身份证号码：230305197901115511

住所：辽宁省大连市中山区中南苑11号2-4-2

乙方：黑龙江省宝泉岭农垦溢祥新能源材料有限公司

统一社会信用代码：91233001569893325G

住所：黑龙江省鹤岗市萝北县延军农场二十连1幢1号

丙方：北京溢祥烯碳科技有限公司

统一社会信用代码：91110108MA01XJ6LX0

住所：北京市海淀区北三环西路99号院3号楼9层1005

鉴于：

1. 截至2021年5月15日，甲方对乙方享有人民币26,163,400.61元的债权（下称“债权1”）。
2. 甲、乙、丙方同意甲方将其对乙方享有的债权1以人民币26,163,400.61元的价格转让给丙方的法律行为，同意接受上述安排。

经各方平等友好协商，就债权转让相关事宜签订本协议：

第一条 甲方同意将其原对乙方享有的债权1以人民币26,163,400.61元的价格转让给丙方。

第二条 本协议之签订视为甲方、丙方正式对乙方发出债权转让通知，乙方应对丙方承担债务清偿义务。

第三条 丙方受让债权1后，可另行就债务的清偿方式、期限等与乙方协商确定。

第四条 甲方与丙方可另行就债权1转让的对价支付方式、期限另行协商确定。

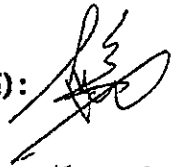
第五条 本协议适用中华人民共和国法律。

第六条 本协议一式叁份，各方各持一份，由各方加盖公章或签字后生效，每份具有同等法律效力。

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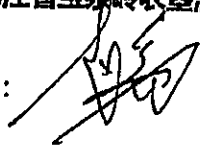
甲方 (赵亮):



日期: 2021年5月15日

乙方 (黑龙江省宝泉岭农垦溢祥新能源材料有限公司)

法定代表人:

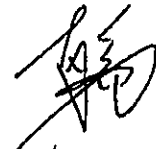


日期: 2021年5月15日



丙方 (北京溢祥烯碳科技有限公司):

法定代表人:



日期: 2021年5月15日



May 27, 2021

**DEED FOR NOVATION OF LOAN**

**Zhao Liang (赵亮)**

and

北京溢祥烯碳科技有限公司

(as Retiring Lender)

and

黑龙江省宝泉岭农垦溢祥石墨有限公司

(as Borrower-I)

and

黑龙江省宝泉岭农垦溢祥新能源材料有限公司

(as Borrower-II)

and

**China Graphite Group Limited**  
(中国石墨集团有限公司)

(as Incoming Lender)

**THIS DEED** (the “**Deed**”) is made on May 27, 2021

**BETWEEN:**

- (1) **Zhao Liang (趙亮)**, a PRC citizen with an identity card numbered 230305197901115511 and whose address is at No. 1903, Building 10, Xin Qi, Dian Jia Yuan, No. 5 of Chang Chun Street, Haidian District, Beijing, PRC (“**Mr. Zhao**”);
- (2) 北京溢祥烯碳科技有限公司, a company incorporated in the PRC whose registered office is at Flat 1005, 9th Floor, Building 3, No. 99, Beisanhuan West Road, Haidian District, Beijing, PRC (the “**Retiring Lender**”);
- (3) 黑龙江省宝泉岭农垦溢祥石墨有限公司, a company incorporated in the PRC whose registered office is at 黑龙江省鹤岗市萝北县延军农场石墨开发区1幢1号 (“**Borrower-I**”);
- (4) 黑龙江省宝泉岭农垦溢祥新能源材料有限公司, a company incorporated in the PRC whose registered office is at 黑龙江省鹤岗市萝北县延军农场二十连1幢1号 (“**Borrower-II**”) and
- (5) **China Graphite Group Limited (中国石墨集团有限公司)**, an exempted company incorporated under the laws of the Cayman Islands with limited liability whose registered office is at 71 Fort Street, PO Box 500, George Town, Grand Cayman, KY1-1106, Cayman Islands (the “**Incoming Lender**”).

**Recitals**

- A** Mr. Zhao, the Retiring Lender and Borrower-I are each a party to a tripartite agreement (债权债务转让协议) dated May 15, 2021 (“**Tripartite Agreement-A**”) whereby Mr. Zhao has assigned to the Retiring Lender his rights as a creditor to a loan in the amount of RMB46,962,174.71 owed by Borrower-I to Mr. Zhao pursuant to the terms thereunder with the effect that an amount of RMB46,962,174.71 is owed by Borrower-I to the Retiring Lender (“**Loan-A**”) up to the date of this Deed.
- B** Mr. Zhao, the Retiring Lender and Borrower-II are each a party to another tripartite agreement (债权债务转让协议) dated May 15, 2021 (“**Tripartite Agreement-B**”) whereby Mr. Zhao has assigned to the Retiring Lender his rights as a creditor to a loan in the amount of RMB26,163,400.61 owed by Borrower-II to Mr. Zhao pursuant to the terms thereunder with the effect that an amount of RMB26,163,400.61 is owed by Borrower-II to the Retiring Lender (“**Loan-B**”) up to the date of this Deed.
- C** Mr. Zhao is a controlling shareholder of Sandy Mining and holds 100% of the shares in Sandy Mining, which in turn holds 100% of the Shares in the Shares in the Incoming Lender, which in turn indirectly holds 100% of the equity interest in the Retiring Lender as at the date hereof.
- D** Borrower-I and Borrower-II are each a wholly-owned subsidiary of the Retiring Lender.
- E** The parties to this Deed have agreed to the novation of Loan-A and Loan-B such that:
  - (a) the Incoming Lender shall be entitled to all rights, benefits, obligations and Claims of the Retiring Lender howsoever arising under or with respect to Loan-A and



Loan-B under Tripartite Agreement-A and Tripartite Agreement-B respectively with effect from the Novation Date; and

- (b) the Retiring Lender shall be released and discharged from all obligations and Claims, howsoever arising under or with respect to Loan-A and Loan-B under both Tripartite Agreement-A and Tripartite Agreement-B respectively with effect from the Novation Date.

**IT IS AGREED** as follows:

**1 Interpretation**

1.1 These meanings apply unless the contrary intention appears:

**Business Day** means a day (excluding Saturdays and public holidays) on which banks are generally open in Hong Kong for normal business.

**Claim** includes any allegation, debt, cause of action, liability, claim, proceeding, suit or demand, penalty, fee, cost or expense of any nature howsoever arising and whether present or future, whether actual or contingent, or whether at law, in equity, under statute or otherwise.

**Completion Date** has the meaning given in the Loan Consideration Capitalization Deed.

**Consideration** means the consideration due from the Incoming Lender to Mr. Zhao for the assignment of Loan-A and Loan-B pursuant to the Deed for Novation of Loan with reference to Tripartite Agreement-A and Tripartite Agreement-B;

**Hong Kong** means the Hong Kong Special Administrative Region of the People's Republic of China.

**Loan Consideration Capitalization Deed** means the deed to be entered into amongst Mr. Zhao, Sandy Mining Limited, the Retiring Lender, the Incoming Lender, Borrower-I and Borrower-II in relation to the Loan Consideration Capitalization of Loan-A and Loan-B on or around the date of this Deed.

**Loan Consideration Capitalization** means the capitalization of the Consideration as full settlement by the issuance of the Loan Consideration Capitalization Shares in the manner set out in the Loan Consideration Capitalization Deed.

**Loan Consideration Capitalization Share** mean an aggregate sum of 1 share in the capital of the Incoming Lender to be allotted and issued to Sandy Mining Limited in the manner set out in the Loan Consideration Capitalization Deed.

**Novation Date** means the completion date of the Loan Consideration Capitalization in the manner set out in the Loan Consideration Capitalization Deed.

1.2 For all purposes of this Deed, except as otherwise expressly provided:

- (a) words in the singular include the plural, and words in the plural include the singular and words importing any gender shall include all genders and words importing person

shall include any individual, company, corporation, firm, partnership, joint venture, association or trust (in each case, whether or not having a separate legal personality);

- (b) references to “Recitals”, “Clauses”, “sub-Clauses” are to recitals, clauses and sub-clauses of this Deed;
- (c) the words “herein”, “hereof” and “hereunder” and other words of similar import refer to this Deed as a whole and not to any particular clause;
- (d) the terms “shall,” “will,” and “agree” are mandatory, and the term “may” is permissive;
- (e) the clause headings and sub-headings used in this Deed are used for convenience only and are not to be considered in construing or interpreting this Deed;
- (f) references to any document (including this Deed) shall be construed as references to that document as amended, consolidated, supplemented, modified, novated or replaced from time to time; and
- (g) references in this Deed to any ordinance, enactment, rule, law, directive of regulation include such ordinance, enactment, rule, law, directive or regulation as modified, consolidated, extended or re-enacted and include subsidiary legislation made thereunder.

## **2 Consideration**

This Deed is entered into in consideration of the parties hereto incurring obligations and Claims and giving rights and benefits under or in relation to this deed and the Loan Consideration Capitalization Deed to be entered into on the date of this Deed.

## **3 Novation**

### **3.1 Novation**

With effect on and from the Novation Date, the parties hereto agree that in relation to their rights, benefits, obligations and Claims with respect to Loan-A and Loan-B under Tripartite Agreement-A and Tripartite Agreement-B respectively:

- (a) the Incoming Lender is substituted for the Retiring Lender; and
- (b) each reference to the Retiring Lender shall be read as a reference to the Incoming Lender in each of Tripartite Agreement-A and Tripartite Agreement-B.

### **3.2 Rights and benefits**

With effect on and from the Novation Date, the Incoming Lender:

- (a) agrees to be bound by the terms and conditions of each of Tripartite Agreement-A and Tripartite Agreement-B to perform all obligations relating to the Retiring Lender thereof; and
- (b) enjoys all rights and benefits conferred on the Retiring Lender under or in relation to Tripartite Agreement-A and Tripartite Agreement-B.

### **3.3 Release from future performance**

- (a) On and with effect from the Novation Date, the Retiring Lender is unconditionally and irrevocably released from any obligation and Claim with respect to Loan-A

under or in relation to Tripartite Agreement-A to be performed on or after the Novation Date.

- (b) On and with effect from the Novation Date, the Retiring Lender is unconditionally and irrevocably released from any obligation and Claim with respect to Loan-B under or in relation to Tripartite Agreement-B to be performed on or after the Novation Date.

### **3.4 Acknowledgement**

Each party to this Deed acknowledges and agrees that nothing in this Deed or any of the transactions contemplated by this Deed constitutes:

- (a) a breach of any term or condition of Tripartite Agreement-A or Tripartite Agreement-B; or
- (b) any other event or circumstance which, with the giving of notice, lapse of time, or fulfilment of any condition, would cause the acceleration of any payment to be made under, or the termination or enforcement of, Tripartite Agreement-A or Tripartite Agreement-B.

### **4 Accrued Rights – Mutual Release**

On and with effect from the Novation Date, each of Mr. Zhao, Borrower-I and Borrower-II unconditionally and irrevocably releases the Retiring Lender from any Claim which it, but for this release, previously had, currently has or may in the future have against the Retiring Lender or in respect of Tripartite Agreement-A or Tripartite Agreement-B, arising in connection with the performance of Tripartite Agreement-A or Tripartite Agreement B, as may be applicable, before the Novation Date.

### **5 Representations and warranties**

Each party hereto represents and warrants that:-

- (a) it/he has the full power, capacity and authority to enter into and perform and fulfill its/his obligations and liabilities under this Deed and to carry out the transactions contemplated hereby and the terms and conditions herein contained;
- (b) (in case of a corporation) it has taken all necessary corporate or other actions and consents to authorise the entering into and the execution, performance and fulfillment by it of this Deed, and to carry out the transactions contemplated hereby and the terms and conditions herein contained;
- (c) this Deed shall, when executed by it/him, constitutes valid, binding and enforceable obligations on its/his part in accordance with its terms and conditions; and
- (d) the execution and delivery of this Deed by it/him does not violate in any respect any provision of applicable laws, rules and regulation.

### **6 Undertaking**

- (a) Each party hereto hereby agrees and undertakes to the other parties that it shall enter into the Loan Consideration Capitalization Deed on the date of this Deed.

- (b) Mr. Zhao hereby agrees and undertakes to the other parties that it shall procure Sandy Mining Limited to enter into the Loan Consideration Capitalization Deed on the date of this Deed.

## **7 Further Assurance**

Each party hereto hereby undertakes to the other parties that it/he shall do all such acts and things and execute all such documents as may be necessary or desirable or required by the other parties hereto to carry into effect or to give legal effect to the provisions of this Deed and the transactions hereby contemplated, and to enable the other parties to have full benefits of all provisions of this Deed.

## **8 Costs**

### **8.1 Legal costs**

The Retiring Lender and the Incoming Lender agree to pay their own legal and other costs and expenses in connection with the negotiation, preparation, execution and completion of this Deed and of other related documentation, except for the stamp duty under Clause 8.2.

### **8.2 Stamp duty**

- (a) Any and all stamp duty chargeable, payable or assessed in relation to the transactions contemplated under this Deed shall be borne solely by the Incoming Lender.
- (b) The Incoming Lender must:
  - (i) promptly (and in any event within the time frame permitted under applicable Law) submit all documents required in connection with the stamping and pay the relevant stamp duty so chargeable, payable or assessed; and
  - (ii) promptly provide evidence of such payment to the Retiring Lender and in any event no later than five (5) Business Days after such payment has been made.

## **9 Notices**

Any notice or other communication to be given under this Deed shall be given in writing in Chinese and may be delivered in person or sent by prepaid recorded delivery post or email to the relevant party as follows:

- (a) to Mr. Zhao:

Name: Zhao Liang

Address: No.1903, Building 10, Xin Qi Dian Jia Yuan No.5 of Chang Chun Street Haidian District Beijing, PRC

Telephone: (86) 151 4683 5555

Email: yixiang0111@sina.com

- (b) to the Retiring Lender:

Name: Zhao Liang

Address: No.1903, Building 10, Xin Qi Dian Jia Yuan No.5 of Chang Chun Street Haidian District Beijing, PRC

Telephone: (86) 151 4683 5555

Email: yixiang0111@sina.com

(c) to Borrower-I:

Name: Zhao Liang

Address: No.1903, Building 10, Xin Qi Dian Jia Yuan No.5 of Chang Chun Street Haidian District Beijing, PRC

Telephone: (86) 151 4683 5555

Email: yixiang0111@sina.com

(d) to Borrower-II:

Name: Zhao Liang

Address: No.1903, Building 10, Xin Qi Dian Jia Yuan No.5 of Chang Chun Street Haidian District Beijing, PRC

Telephone: (86) 151 4683 5555

Email: yixiang0111@sina.com

(e) to the Incoming Lender:

Name: Zhao Liang

Address: No.1903, Building 10, Xin Qi Dian Jia Yuan No.5 of Chang Chun Street Haidian District Beijing, PRC

Telephone: (86) 151 4683 5555

Email: yixiang0111@sina.com

or at such other address or email address as it may notify to the other Parties under this Clause.

**10 Amendment**

No amendment or variation of this Deed be effective unless it is in writing and signed by or on behalf of each party hereto.

**11 Severance**

If at any time any term or provision of this Deed shall be held to be illegal, invalid or unenforceable in whole or in part, under any rule of law or enactment, such term or provision or part shall to that extent be deemed not to form part of this Deed, but the enforceability of the remainder of this Deed shall not be affected

**12 Announcements and confidentiality**

12.1 No public announcement or communication of any kind shall be made in respect of the subject matter of this Deed unless specifically agreed between the parties hereto or unless an announcement is required pursuant to relevant law or the requirements of the Stock Exchange. Any announcement by any party hereto required to be made pursuant to any relevant law or the requirements of the Stock Exchange shall be issued only after such prior consultation with the other parties hereto as is reasonably practicable in the circumstances.

12.2 Save as aforesaid and such disclosure as may be required by law, any court or competent authority, the Stock Exchange or other regulatory authorities or as may be required to comply with the Listing Rules, none of the parties hereto shall make any announcement or release or disclose any information concerning this Deed or the transactions herein referred to or disclose the identity of the other parties (save as disclosure to their respective professional advisers under a duty of confidentiality or their respective directors, secretary and shareholders (whether immediate, intermediate or ultimate and whether being legal or beneficial owner of the shares concerned), or for giving effect to the provisions herein contained) without the prior written consent of the other parties hereto, such consent not to be unreasonably withheld or delayed.

**13 Governing law and disputes**

- (a) This Deed shall be governed by the laws of Hong Kong.
- (b) The Hong Kong courts shall have non-exclusive jurisdiction to determine any dispute arising in connection with this Deed (and, unless provided otherwise, any document entered into in connection with it), including disputes relating to any non-contractual obligations.

**14 Third Party Rights**

No person shall have any right under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce or enjoy the benefit of any of the provisions of this Deed.

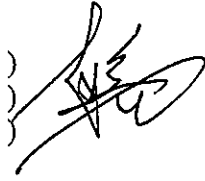
**15 Counterparts**

This Deed may be executed in any number of counterparts, each of which is an original and which, together, have the same effect as if each party has signed the same document.

*[The remaining part of this page is intentionally left blank]*

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

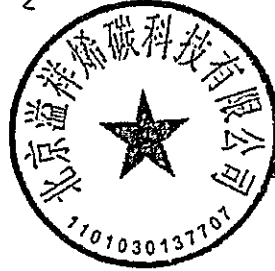
**SIGNED, SEALED AND DELIVERED**  
by Zhao Liang

A handwritten signature in black ink, appearing to be 'Zhao Liang', written over a set of three wavy lines that represent a seal or a signature line.

**RETIRING LENDER**

**EXECUTED** as a DEED  
by Zhao Liang  
for and on behalf of  
北京溢祥烯碳科技有限公司

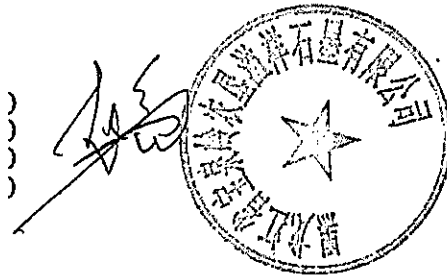
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**BORROWER-1**

EXECUTED as a DEED  
by Zhao Liang  
for and on behalf of  
黑龙江省宝泉岭农垦溢祥石墨有限公司







May 27, 2021

**LOAN CONSIDERATION CAPITALIZATION DEED**

**Zhao Liang (赵亮)**

and

**Sandy Mining Limited**

and

**北京溢祥烯碳科技有限公司**

(as Retiring Lender)

and

**黑龙江省宝泉岭农垦溢祥石墨有限公司**

(as Borrower-I)

and

**黑龙江省宝泉岭农垦溢祥新能源材料有限公司**

(as Borrower-II)

and

**China Graphite Group Limited**  
**(中国石墨集团有限公司)**

(as Incoming Lender)

**THIS DEED** is made on May 27, 2021.

**BETWEEN**

- (1) **Zhao Liang (趙亮)**, a PRC citizen with an identity card numbered 230305197901115511 and whose address is at No. 1903, Building 10, Xin Qi, Dian Jia Yuan, No. 5 of Chang Chun Street, Haidian District, Beijing, PRC (“**Mr. Zhao**”);
- (2) **Sandy Mining Limited**, a BVI business company incorporated under the laws of the British Virgin Islands whose registered office is at Sea Meadow House, Blackburne Highway (P.O. Box 116), Road Town, Tortola, British Virgin Islands (“**Sandy Mining**”);
- (3) 北京溢祥烯碳科技有限公司, a company incorporated in the PRC whose registered office is at Flat 1005, 9th Floor, Building 3, No. 99, Beisanhuan West Road, Haidian District, Beijing, PRC (the “**Retiring Lender**”);
- (4) 黑龙江省宝泉岭农垦溢祥石墨有限公司, a company incorporated in the PRC whose registered office is at 黑龙江省鹤岗市萝北县延军农场石墨开发区 1 幢 1 号 (“**Borrower-I**”);
- (5) 黑龙江省宝泉岭农垦溢祥新能源材料有限公司, a company incorporated in the PRC whose registered office is at 黑龙江省鹤岗市萝北县延军农场二十连 1 幢 1 号 (“**Borrower-II**”) and
- (6) **China Graphite Group Limited (中国石墨集团有限公司)**, an exempted company incorporated under the laws of the Cayman Islands with limited liability whose registered office at 71 Fort Street, PO Box 500, George Town, Grand Cayman, KY1-1106, Cayman Islands (the “**Incoming Lender**”)

**Whereas:**

- (A) Mr. Zhao is a controlling shareholder of Sandy Mining and holds 100% of the Shares in Sandy Mining, which in turns holds 100% of the shares in the Incoming Lender, which in turn indirectly holds 100% of the equity interest in the Retiring Lender as at the date hereof.
- (B) Borrower-I and Borrower-II are each a wholly-owned subsidiary of the Retiring Lender.
- (C) The Parties (defined below) entered into the Deed for Novation of Loan (defined below) pursuant to which the Incoming Lender will substitute the Retiring Lender in relation to the loan of an aggregate amount of RMB46,962,174.41 due from Borrower-I (“**Loan-A**”) and the loan of an aggregate amount of RMB26,163,400.61 due from Borrower-II to the Retiring Lender (“**Loan-B**”) as of the date of this Deed.
- (D) Under the Deed for Novation of Loan, Mr. Zhao, the Retiring Lender Borrower-I, Borrower-II and the Incoming Lender agree and undertake to enter into this Loan Consideration Capitalization Deed on the date of the Deed for Novation of Loan.
- (E) Pursuant to a tripartite agreement (债权债务转让协议) dated May 15, 2021 (“**Tripartite Agreement-A**”), to which Mr. Zhao, the Retiring Lender and Borrower-I are each a party, the Retiring Lender was to pay a consideration in the amount of RMB46,962,174.41 to Mr. Zhao for the assignment of Loan-A from Mr. Zhao to the Retiring Lender.

- (F) Pursuant to a tripartite agreement (债权债务转让协议) dated May 15, 2021 (“**Tripartite Agreement-B**”), to which Mr. Zhao, the Retiring Lender and Borrower-II are each a party, the Retiring Lender was to pay a consideration in the amount of RMB26,163,400.61 to Mr. Zhao for the assignment of Loan-B from Mr. Zhao to the Retiring Lender.
- (G) Mr. Zhao, the Retiring Lender, Borrower-I, Borrower-II and the Incoming Lender entered into the Deed for Novation of Loan whereby the Incoming Lender is substituted for the Retiring Lender with respect to Loan-A and Loan-B under Tripartite Agreement-A and Tripartite Agreement-B respectively in accordance with the terms thereunder. Mr. Zhao, the Retiring Lender, Borrower-I and Borrower II hereby agree that the Consideration shall be paid from the Incoming Lender to Mr. Zhao in the manner set out hereunder.
- (H) By entering into this Loan Consideration Capitalization Deed, the Incoming Lender agrees to settle the Consideration by way of capitalization by allotting and issuing the Loan Consideration Capitalization Share (as defined below), credited as fully paid, at the Issue Price (as defined below) to Sandy Mining, an entity designated by Mr. Zhao, as full and final settlement of the Consideration (as defined below) in an aggregate amount of RMB73,125,575.32 as of the date of this Deed, and Mr. Zhao has designated Sandy Mining as the entity to receive the Consideration and Sandy Mining hereby agrees to accept and subscribe for the Loan Consideration Capitalization Share in satisfaction of repayment of the said Consideration, subject to the Conditions Precedent (as defined below) being fulfilled.

**IT IS AGREED** as follows:

## **1. INTERPRETATION**

### **1.1 In this Deed:**

**Business Day** means a day (excluding Saturdays and public holidays) on which banks are generally open in Hong Kong for normal business.

**Completion** means the completion of the Loan Consideration Capitalization in the manner set out in Clause 5 hereof.

**Consideration** means the amount of RMB73,125,575.32 payable by the Incoming Lender to Mr. Zhao as consideration for the assignment of Loan-A and Loan-B pursuant to the Deed for Novation of Loan with reference to Tripartite Agreement-A and Tripartite Agreement-B;

**Conditions Precedent** means the conditions precedent set out in Clause 4 of this Deed hereof.

**Deed or Loan Consideration Capitalization Deed** means this deed as may be amended, modified and supplemented in accordance with the provisions herein contained.

**Deed for Novation of Loan** means the deed for the novation of loans dated May 27, 2021 entered into amongst Mr. Zhao, the Retiring Lender, Borrower-I, Borrower II and the Incoming Lender in relation to novation of Loan-A and Loan-B.

**Hong Kong** means the Hong Kong Special Administrative Region of the People's Republic of China.

**Issue Price** means the issue price of the Loan Consideration Capitalization Share.

**Listing Rules** means the Rules Governing the Listing of Securities on the Stock Exchange.

**Loan Consideration Capitalization** means the capitalization of the Consideration as full settlement by the issuance of the Loan Consideration Capitalization Share in the manner set out in this Deed.

**Loan Consideration Capitalization Share** means an aggregate sum of 1 ordinary share of par value HK\$0.001, credited as fully paid, in the capital of the Incoming Lender to be allotted and issued to Sandy Mining pursuant to this Deed.

**Parties** means the parties to this Deed and **Party** shall mean any one of them.

**Stock Exchange** means The Stock Exchange of Hong Kong Limited.

1.2 For all purposes of this Deed, except as otherwise expressly provided:

- (a) words in the singular include the plural, and words in the plural include the singular and words importing any gender shall include all genders and words importing person shall include any individual, company, corporation, firm, partnership, joint venture, association or trust (in each case, whether or not having a separate legal personality);
- (b) references to "Recitals", "Clauses", "sub-Clauses" are to recitals, clauses and sub-clauses of this Deed;
- (c) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Deed as a whole and not to any particular clause;
- (d) the terms "shall," "will," and "agree" are mandatory, and the term "may" is permissive;
- (e) the clause headings and sub-headings used in this Deed are used for convenience only and are not to be considered in construing or interpreting this Deed;
- (f) references to any document (including this Deed) shall be construed as references to that document as amended, consolidated, supplemented, modified, novated or replaced from time to time; and
- (g) references in this Deed to any ordinance, enactment, rule, law, directive of regulation include such ordinance, enactment, rule, law, directive or regulation as modified, consolidated, extended or re-enacted and include subsidiary legislation made thereunder.

## **2. LOAN CONSIDERATION CAPITALIZATION**

2.1 Subject to the terms and conditions of this Deed, in lieu of settlement of the Consideration in cash by the Incoming Lender to Mr. Zhao, the Incoming Lender agrees to capitalize and settle the Consideration in full by the allotment and issue of the Loan Consideration Capitalization Share, credited as fully paid, to Mr. Zhao or his designated entity, and Sandy Mining, being

the entity designated by Mr. Zhao, agrees to accept and subscribe for the Loan Consideration Capitalization Share in satisfaction of settlement of the Consideration subject to the fulfillment of the Conditions Precedent.

### **3. ISSUE PRICE**

It was agreed by the Parties after arm's length negotiation (with reference to the financial position of the Incoming Lender) that the Issue Price of the Loan Consideration Capitalization Share shall be RMB1.

### **4. CONDITIONS PRECEDENT**

Completion of the Loan Consideration Capitalization shall be conditional upon all of the following conditions being fulfilled:-

- (a) the listing committee of the Stock Exchange agreeing to grant the listing of and permission to deal in the Loan Consideration Capitalization Share; and
- (b) all the necessary consents and approvals required to be obtained by Sandy Mining in respect of the Loan Consideration Capitalization having been obtained.

If the above Conditions Precedent are not fulfilled at or before 8:00a.m. of the day which is the date on which the shares of the Incoming Lender are listed on the Main Board of The Stock Exchange of Hong Kong Limited (or such other date and time as the Parties may agree), all rights, benefits, obligations and liabilities of the Parties hereunder and in relation to this Deed shall cease and determine and none of the Parties shall have any claim against any other in respect of this Deed, save for any antecedent breaches thereof.

### **5. COMPLETION**

Completion of the Loan Consideration Capitalization shall take place on the date on which the shares of the Incoming Lender are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Listing Date**") or such other date as Sandy Mining (as the entity designated by Mr. Zhao) and the Incoming Lender may agree. Completion shall take place at the Incoming Lender's registered office or such other place as the Parties may agree in writing. At Completion:-

- (a) the Incoming Lender shall allot and issue credited as fully paid to Sandy Mining the Loan Consideration Capitalization Share and shall procure that the name of Sandy Mining be registered on the branch register of members of the Incoming Lender in Hong Kong in respect thereof; and
- (b) the Incoming Lender shall deliver to Sandy Mining the definitive share certificate in such denomination as Sandy Mining may instruct on the Listing Date issued in the name of Sandy Mining or its nominees in respect of the Loan Consideration Capitalization Share.



**6. EXPENSES**

6.1 The Incoming Lender shall bear all costs and expenses (including legal fees) incurred in connection with the negotiation, preparation, and execution of this Deed.

**7. AMENDMENTS AND WAIVERS**

7.1 Any term of this Deed may only be amended or waived with the agreement of the Parties.

7.2 Any amendment to this Deed shall be in writing and signed by, or on behalf of, each of the Parties.

7.3 The rights of the Incoming Lender under this Deed may be exercised as often as necessary. No failure or delay on the part of the Incoming Lender in the exercise of any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or of any other right.

**8. NOTICES**

Any notice or other communication to be given under this Deed shall be given in writing in Chinese and may be delivered in person or sent by prepaid recorded delivery post or email to the relevant party as follows:

(a) to Mr. Zhao:

Name: Zhao Liang

Address: No.1903, Building 10, Xin Qi Dian Jia Yuan No.5 of Chang Chun Street  
Haidian District Beijing, PRC

Telephone: (86) 151 4683 5555

Email: yixiang0111@sina.com

(b) to Sandy Mining:

Name: Zhao Liang

Address: No.1903, Building 10, Xin Qi Dian Jia Yuan No.5 of Chang Chun Street  
Haidian District Beijing, PRC

Telephone: (86) 151 4683 5555

Email: yixiang0111@sina.com

(c) to the Incoming Lender:

Name: Zhao Liang

Address: No.1903, Building 10, Xin Qi Dian Jia Yuan No.5 of Chang Chun Street  
Haidian District Beijing, PRC

Telephone: (86) 151 4683 5555

Email: yixiang0111@sina.com

(d) to Borrower-I:

Name: Zhao Liang

Address: No.1903, Building 10, Xin Qi Dian Jia Yuan No.5 of Chang Chun Street  
Haidian District Beijing, PRC

Telephone: (86) 151 4683 5555

Email: yixiang0111@sina.com

(e) to Borrower-II:

Name: Zhao Liang

Address: No.1903, Building 10, Xin Qi Dian Jia Yuan No.5 of Chang Chun Street  
Haidian District Beijing, PRC

Telephone: (86) 151 4683 5555

Email: yixiang0111@sina.com

(f) to the Retiring Lender:

Name: Zhao Liang

Address: No.1903, Building 10, Xin Qi Dian Jia Yuan No.5 of Chang Chun Street  
Haidian District Beijing, PRC

Telephone: (86) 151 4683 5555

Email: yixiang0111@sina.com

or at such other address or email address as it may notify to the other Parties under this Clause.

## **9. PARTIAL INVALIDITY**

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect, neither the legality, validity or enforceability of the remaining provisions hereof shall in any way be affected or impaired thereby.

## **10. COUNTERPARTS**

This Deed may be executed in any number of counterparts, each of which is an original and which, together, have the same effect as if each party has signed the same document.

## **11. GOVERNING LAW AND DISPUTES**

This Deed is governed by Hong Kong law. The Parties to this Deed agree that the courts of Hong Kong have jurisdiction to settle any disputes in connection with this Deed and accordingly submit to the non-exclusive jurisdiction of the Hong Kong courts.

## **12. ANNOUNCEMENTS AND CONFIDENTIALITY**

12.1 No public announcement or communication of any kind shall be made in respect of the subject matter of this Deed unless specifically agreed between the Parties or unless an announcement is required pursuant to relevant law or the requirements of the Stock Exchange. Any announcement by any Party required to be made pursuant to any relevant law or the requirements of the Stock Exchange shall be issued only after such prior consultation with the other Parties as is reasonably practicable in the circumstances.

12.2 Save as aforesaid and such disclosure as may be required by law, any court or competent authority, the Stock Exchange or other regulatory authorities or as may be required to comply with the Listing Rules, none of the Parties shall make any announcement or release or disclose any information concerning this Deed or the transactions herein referred to or disclose the identity of the other Parties (save as disclosure to their respective professional advisers under a duty of confidentiality or their respective directors, secretary and shareholders (whether immediate, intermediate or ultimate and whether being legal or beneficial owner of the shares concerned), or for giving effect to the provisions herein contained) without the prior written consent of the other Parties, such consent not to be unreasonably withheld or delayed.

## **13. THIRD PARTY RIGHTS**

13.1 No person shall have any right under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce or enjoy the benefit of any of the provisions of this Deed.

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

**SIGNED, SEALED AND DELIVERED**  
by Zhao Liang


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)  
)

A handwritten signature in black ink, appearing to be 'Zhao Liang', written over a set of three closing parentheses. The signature is stylized and somewhat cursive.

**SANDY MINING**

**EXECUTED and DELIVERED**  
as a DEED  
by Zhao Liang  
for and on behalf of  
**Sandy Mining Limited**

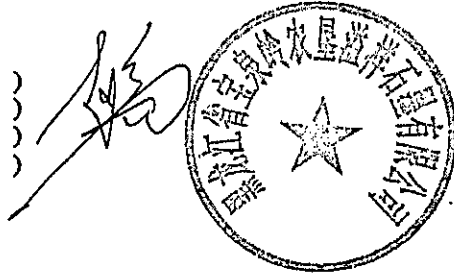
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**BORROWER-I**

EXECUTED as a DEED  
by Zhao Liang  
for and on behalf of  
黑龙江省宝泉岭农垦溢祥石墨有限公司









Dated the 29th day of June 2022

- (1) **CHINA GRAPHITE GROUP LIMITED (中国石墨集团有限公司)**  
(as the Company)
- (2) **THE CONTROLLING SHAREHOLDERS**  
(as defined herein)
- (3) **LEGO CORPORATE FINANCE LIMITED**  
(as Sole Sponsor)
- (4) **LEGO SECURITIES LIMITED**  
(as Joint Global Coordinator, Joint Bookrunner and Joint Lead  
Manager)
- (5) **CCB INTERNATIONAL CAPITAL LIMITED**  
(as Joint Global Coordinator, Joint Bookrunner and Joint Lead  
Manager)
- (6) **THE HONG KONG UNDERWRITERS**  
(as defined herein)

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**HONG KONG UNDERWRITING AGREEMENT**  
relating to the Hong Kong Public Offering of initially 40,000,000 Hong Kong  
Offer Shares of par value of HK\$0.001 each of  
China Graphite Group Limited (中国石墨集团有限公司)

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**KENNETH CHONG LAW OFFICE**

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EXECUTION PAGE

**THIS AGREEMENT is made on the 29th day of June 2022**

**BETWEEN:**

- (1) **CHINA GRAPHITE GROUP LIMITED (中国石墨集团有限公司)**, an exempted company incorporated in the Cayman Islands with limited liability, having its registered office at 71 Fort Street, PO Box 500, George Town, Grand Cayman, KY1-1106, Cayman Islands and its principal place of business in Hong Kong at 40/F, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong (the "**Company**");
- (2) **THE CONTROLLING SHAREHOLDERS** whose names and addresses are set forth in Part A of Schedule 1 (together the "**Controlling Shareholders**" and each a "**Controlling Shareholder**");
- (3) **LEGO CORPORATE FINANCE LIMITED**, a company incorporated in Hong Kong with its business address at Room 1601, 16/F, China Building, 29 Queen's Road Central, Central, Hong Kong ("**Lego**" or "**Sole Sponsor**");
- (4) **LEGO SECURITIES LIMITED**, a company incorporated in Hong Kong with its business address at Room 301, 3/F, China Building, 29 Queen's Road Central, Central, Hong Kong ("**LSL**");
- (5) **CCB INTERNATIONAL CAPITAL LIMITED**, a company incorporated in Hong Kong and a licensed corporation with the SFC (as defined below) to carry out Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 6 (Advising on Corporate Finance) regulated activities under the SFO (as defined below) in Hong Kong (CE No. AJO225) with its business address at 12/F CCB Tower, 3 Connaught Road Central, Central, Hong Kong ("**CCBI**", together with LSL, the "**Joint Global Coordinators**" or the "**Joint Bookrunners**" or the "**Joint Lead Managers**"); and
- (6) **The companies** whose names and business addresses are set out in Schedule 2 (together the "**Hong Kong Underwriters**" and each a "**Hong Kong Underwriter**").

**WHEREAS:**

- (A) The Company was incorporated in the Cayman Islands on 3 August 2020 with limited liability and has, as at the date of this Agreement, an authorised share capital of HK\$ 2,000,000,000 divided into 2,000,000,000 Shares of par value HK\$0.001 each.
- (B) By written resolutions of the then Sole Shareholder passed on 21 June 2022, it was resolved, inter alia, that, conditional upon (i) the Listing Committee granting the approval of the listing of, and permission to deal in the Shares in issue and to be issued as mentioned in the Prospectus; and (ii) the obligations of the Underwriters under Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver of any condition(s)) and not being terminated in accordance with the terms of such agreements or otherwise, in each case on or before such dates as may be specified in the Underwriting Agreements, the Global Offering was approved and the Directors were authorised to approve to allot and issue the Offer Shares on and subject to the terms and conditions stated in the Prospectus.
- (C) An application has been made to the Listing Committee for the granting of the listing of, and

permission to deal in, our Shares in issue and to be issued pursuant to the Capitalisation Issue, the Loan Consideration Capitalisation and the Global Offering (including any Shares which may be issued pursuant to the exercise of the options that may be granted under the Share Option Scheme and pursuant to the exercise of the Over-allotment Option).

- (D) The Warrantors have agreed to give the Warranties and the undertakings hereinafter mentioned.
- (E) The Hong Kong Underwriters have severally agreed to underwrite the Hong Kong Offer Shares subject to the terms and conditions herein contained.
- (F) The Hong Kong Public Offering Documents have been prepared in relation to the Hong Kong Public Offering.

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

**1. INTERPRETATION**

In this Agreement (including the Recitals and the Schedules):

- 1.1 the following expressions shall, unless the context otherwise requires, have the following meanings:

<b>“Accountant’s Report”</b>	the accountant’s report prepared by the Reporting Accountant to be dated the Prospectus Date and set forth in Appendix I to the Prospectus;
<b>“Accounts”</b>	the audited consolidated financial statements of the Group for the three financial years ended 31 December 2021 which are contained in the Accountant’s Report;
<b>“Accounts Date”</b>	31 December 2021;
<b>“Actions”</b>	has the meaning given to it in Clause 12.1;
<b>“Affiliate”</b>	in relation to a particular company, any company or other entity which is its holding company or subsidiary, or any subsidiary of its holding company or which, directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, the company specified. For the purpose of this definition, the term <b>“control”</b> (including the terms <b>“controlling”</b> , <b>“controlled by”</b> and <b>“under common control with”</b> ) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise;
<b>“Announcement Date”</b>	the date on which the final Offer Price, the level of indications of interest in the International Offering, the

level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares to successful applicants are announced in accordance with the Prospectus, which is currently expected to be Friday, 15 July 2022;

<b>“Application Form”</b>	the <b>GREEN</b> application form to be completed by the HK eIPO White Form Service Provider in agreed form to be used in connection with the Hong Kong Public Offering;
<b>“Application Lists”</b>	the application lists in respect of the Hong Kong Public Offering;
<b>“Approvals”</b>	include all approvals, sanctions, orders, consents, permission, authorisations, filings and registrations, and <b>“Approval”</b> shall be construed accordingly;
<b>“Articles”</b>	the amended and restated articles of association of the Company, conditionally adopted on 21 June 2022 with effect from the Listing Date;
<b>“Board”</b>	the board of Directors;
<b>“Brokerage”</b>	brokerage at the rate of 1.0% of the Offer Price in respect of the Offer Shares payable by investors of the Global Offering;
<b>“Brokerage, Fees and Levies”</b>	the Brokerage, the Trading Fee and the SFC Transaction Levy and the FRC Transaction Levy;
<b>“Business Day”</b>	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which licensed banks in Hong Kong are generally open for business;
<b>“BVI”</b>	the British Virgin Islands;
<b>“Capitalisation Issue”</b>	has the meaning ascribed to it in the Prospectus;
<b>“CCASS”</b>	the Central Clearing and Settlement System established and operated by HKSCC;
<b>“Clawback Arrangement”</b>	the clawback arrangement set forth in Clause 7.1;
<b>“Closing Date”</b>	the date on which the Application Lists close in accordance with the Prospectus, which is expected to be on Friday, 8 July 2022;
<b>“Companies Act”</b>	the Companies Act (as revised) of the Cayman Islands, as amended, supplemented, or otherwise modified from

	time to time;
<b>“Companies Ordinance”</b>	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented and otherwise modified from time to time;
<b>“Companies (Winding Up and Miscellaneous Provisions) Ordinance”</b>	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented and otherwise modified from time to time;
<b>“Company’s Legal Advisers”</b>	Tian Yuan Law Firm LLP, the legal advisers to the Company as to Hong Kong law;
<b>“Complying Applications”</b>	has the meaning given to it in Clause 4.4;
<b>“Condition(s)”</b>	the condition(s) set forth in Clause 2.1 or, where the context so requires, any one of them;
<b>“Conditions Precedent Documents”</b>	the documents set forth in <u>Schedule 3</u> which are to be delivered in accordance with Clause 2.1;
<b>“Contracts (Rights of Third Parties Ordinance”</b>	The Contracts (Rights of Third Parties Ordinance) (Chapter 623 of the Laws of Hong Kong, as amended, supplemented and otherwise modified from time to time;
<b>“Despatch Date”</b>	the date of despatch of the Share certificates to the Placees (as defined in the International Underwriting Agreement) and successful applicants under the Hong Kong Public Offering, which is expected to be on Friday, 15 July 2022 or such other date as the Company and the Joint Global Coordinators may agree;
<b>“Director(s)”</b>	the director(s) of the Company;
<b>“First Six-Month Period”</b>	the period commencing on the date by reference to which disclosure of the shareholding of the Controlling Shareholders in the Company is made in the Prospectus and ending on the date which is six months from the Listing Date;
<b>“Formal Notice”</b>	the formal notice in agreed form required to be published by the Company in connection with the Hong Kong Public Offering pursuant to the Listing Rules;
<b>“FRC Transaction Levy”</b>	the transaction levy at the rate of 0.00015% of the Offer Price in respect of the Offer Shares imposed by the Financial Reporting Council of Hong Kong and payable to the Hong Kong Exchanges and Clearing Limited;

<b>“Global Offering”</b>	the Hong Kong Public Offering and the International Offering;
<b>“Group”</b>	the Company and its Subsidiaries, and <b>“member(s) of the Group”</b> shall be construed accordingly;
<b>“HK\$” and “Hong Kong dollars”</b>	Hong Kong dollars, the lawful currency of Hong Kong;
<b>“HK eIPO White Form Service”</b>	the service provided by HK eIPO White Form Service Provider;
<b>“HK eIPO White Form Service Provider”</b>	the HK eIPO White Form Service provider designated by the Company;
<b>“HKSCC”</b>	Hong Kong Securities Clearing Company Limited;
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC;
<b>“Hong Kong Offer Shares”</b>	the 40,000,000 new Shares being initially offered by the Company pursuant to the Hong Kong Public Offering, subject to the reallocation pursuant to Clause 7.1;
<b>“Hong Kong Public Offering”</b>	the conditional offering of the Hong Kong Offer Shares by the Company for subscription by the public in Hong Kong and on and subject to the terms and conditions set forth in the Hong Kong Public Offering Documents;
<b>“Hong Kong Public Offering Documents”</b>	the Prospectus, the Application Form and the Formal Notice;
<b>“Hong Kong Share Registrar”</b>	Tricor Investor Services Limited;
<b>“Hong Kong Share Registrar Agreement”</b>	the Hong Kong share registrar agreement dated 24 June 2022 and entered into between the Company and the Hong Kong Share Registrar;
<b>“Incentive Fee”</b>	has the meaning given to it in Clause 8.1;
<b>“Indemnified Parties” or “Indemnified Party”</b>	has the meaning given to it in Clause 12.1;
<b>“Indemnifying Parties” or “Indemnifying Party”</b>	has the meaning given to it in Clause 12.1;
<b>“International Offer Shares”</b>	the 360,000,000 new Shares being initially offered by the Company pursuant to the International Offering together with any additional Shares that may be issued pursuant



	to the exercise of the Over-allotment Option, subject to reallocation pursuant to Clause 7.1;
<b>“International Offering”</b>	the conditional placing of the International Offer Shares by the International Underwriters outside the United States to institutional, professional and other investors, on and subject to the terms and conditions under the International Underwriting Agreement, as further described in “Structure and Conditions of the Global Offering” in the Prospectus;
<b>“International Underwriters”</b>	the underwriters of the International Offering, expected to enter into the International Underwriting Agreement to underwrite the International Offer Shares;
<b>“International Underwriting Agreement”</b>	the international underwriting agreement relating to the International Offering, which is expected to be entered into by, among others, the Company, the Joint Global Coordinators and the International Underwriters on the Price Determination Date;
<b>“Laws”</b>	any applicable laws, rules, regulations, guidelines, opinions (rules and regulations whether formally published or not), notices, circulars, orders, judgments, decrees or rulings of any court, government, governmental or regulatory authority (including, without limitation, the Stock Exchange and the SFC);
<b>“Listing Committee”</b>	the Listing Committee of the Stock Exchange;
<b>“Listing Date”</b>	the date on which dealings in the Shares on the Main Board first commence, which is expected to be 18 July 2022;
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time;
<b>“Loan Consideration Capitalisation Issue”</b>	has the meaning ascribed to it in the Prospectus;
<b>“Losses”</b>	has the meaning given to it in Clause 12.1;
<b>“Main Board”</b>	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange;
<b>“Material Contracts”</b>	the documents referred to in “B. Further Information

about Our Business – 1. Summary of material contracts” in Appendix VI to the Prospectus;

<b>“Nominee”</b>	ICBC (Asia) Nominee Limited, being the nominee company appointed by the Company and in whose name the application monies received under the Hong Kong Public Offering are held under the Receiving Bank Agreement;
<b>“Offer Documents”</b>	has the meaning given to it in Clause 13.1(a);
<b>“Offer Price”</b>	the Hong Kong dollar price per Offer Share (excluding the Brokerage, Fees and Levies), the final price of which is to be determined on the Price Determination Date;
<b>“Offer Shares”</b>	the Hong Kong Offer Shares and the International Offer Shares, together, where relevant, with any additional Shares issued pursuant to the Over-allotment Option;
<b>“Over-allotment Option”</b>	the option expected to be granted by the Company under the International Underwriting Agreement to the International Underwriters, exercisable in full or in part by the Joint Global Coordinators (for themselves and on behalf of the International Underwriters), pursuant to which the Company may be required to allot and issue up to an aggregate of 60,000,000 additional new Shares (representing 15% of the number of Offer Shares initially offered under the Global Offering) at the Offer Price to cover over-allocations in the International Offering, if any, as further described in "Structure and Conditions of the Global Offering – Over-allotment Option" in the Prospectus;
<b>“PHIP”</b>	the post-hearing information pack of the Company posted on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 20 June 2022;
<b>“PRC”</b>	the People’s Republic of China which shall, for the purpose of this Agreement, exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
<b>“Price Determination Agreement”</b>	the price determination agreement substantially in the form set forth in <u>Schedule 4</u> to be entered into between the Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) to record the agreement as to the final Offer Price as provided in Clause 2.5;

<b>“Price Determination Date”</b>	the date on which the Offer Price will be fixed for the purpose of the Global Offering, which is expected to be on or about Friday, 8 July 2022, and in any event, not later than Tuesday, 12 July 2022;
<b>“Proceedings”</b>	has the meaning given to it in Clause 23.1;
<b>“Proposed Listing”</b>	the listing of the Shares on the Main Board;
<b>“Prospectus”</b>	the prospectus to be issued by the Company on the Prospectus Date in connection with the Global Offering;
<b>“Prospectus Date”</b>	Thursday, 30 June 2022 or such other date as agreed between the Company and the Sole Sponsor;
<b>“Reallocation Date”</b>	has the meaning given to it in Clause 4.6(b);
<b>“Receiving Bank”</b>	Industrial and Commercial Bank of China (Asia) Limited;
<b>“Receiving Bank Agreement”</b>	the receiving bank agreement dated 28 June 2022 entered into among the Company, the Receiving Bank, the Nominee, the Joint Global Coordinators and the Hong Kong Share Registrar;
<b>“Relevant Jurisdictions”</b>	Hong Kong, the PRC, or any of the jurisdictions in which the 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 and/or operation of the Group;
<b>“Reorganisation”</b>	the reorganisation arrangements undertaken by the Group in preparation for the Proposed Listing, as described in “History, Reorganisation and Corporate structure – Reorganisation” in the Prospectus;
<b>“Reorganisation Documents”</b>	the transaction documents to effect the Reorganisation;
<b>“Reporting Accountant”</b>	PricewaterhouseCoopers, certified public accountant;
<b>“RMB” or “Renminbi”</b>	Renminbi, the lawful currency of the PRC;
<b>“Second Six-Month Period”</b>	the period of six months commencing on the date on which the First Six-Month Period expires;
<b>“SFC”</b>	the Securities and Futures Commission of Hong Kong;
<b>“SFC Transaction Levy”</b>	the transaction levy at the rate of 0.0027% of the Offer Price in respect of the Offer Shares imposed by the SFC;

<b>“SFO”</b>	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
<b>“Shareholders”</b>	the shareholders of the Company;
<b>“Shares”</b>	ordinary share(s) with nominal or par value of HK\$0.001 each in the capital of our Company;
<b>“Sole Sponsor's Legal Advisers”</b>	Kenneth Chong Law Office, the legal advisers to the Sole Sponsor and the Underwriters as to Hong Kong law;
<b>“Stabilising Manager”</b>	LSL;
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited;
<b>“Subsidiaries”</b>	the subsidiaries of the Company as at the date of this Agreement and the Prospectus Date, including, but without limitation to, the companies and/or business entities listed as subsidiaries of the Company in the Accountant's Report;
<b>“Taxation”</b>	all forms of taxation whether of Hong Kong or elsewhere in the world whenever created, imposed or arising and all statutory, governmental, state, provincial, local government or municipal impositions, duties and levies and all penalties, charges, costs and interest relating thereto and, without prejudice to the foregoing, includes all forms of taxation on or relating to profits, salaries, interest and other forms of income, taxation on capital gains, sales and value-added taxation, estate duty, death duty, capital duty, stamp duty, payroll taxation, withholding taxation, rates and other taxes or charges relating to property, customs and other import and excise duties, and generally any taxation, duty, impost, levy, rate, charge or any amount payable to revenue, customs or fiscal authorities, whether by way of actual assessment, loss of allowance, deduction or credit available for relief or otherwise, and includes all interest, additions to tax, penalties or similar liabilities arising in respect of any taxation, but for the avoidance of doubt excluding taxes imposed on the net income or profits of the Sole Sponsor and the Underwriters;
<b>“Trading Fee”</b>	the trading fee at the rate of 0.005% of the Offer Price in respect of the Offer Shares imposed by the Stock Exchange;
<b>“Underwriters”</b>	collectively, the Hong Kong Underwriters and the International Underwriters;

- “Underwriting Agreements”** collectively, this Agreement and the International Underwriting Agreement;
- “Unsubscribed Hong Kong Offer Shares”** such number of the Hong Kong Offer Shares in respect of which valid applications for subscription have not been received in accordance with the terms of the Hong Kong Public Offering Documents before the closing of the Application Lists;
- “US”** the United States of America;
- “Verification Notes”** the verification notes of even date prepared by the Sole Sponsor's Legal Advisers in connection with verification of certain contents of the Prospectus, which are signed by the relevant parties involved in the Hong Kong Public Offering;
- “Warranties”** the representations, warranties or undertakings given, or deemed to be repeated, by the Company and the Warrantors set out under Clause 9 and Schedule 5 to this Agreement; and
- “Warrantors”** collectively, the Company and the Controlling Shareholders;
- 1.2 references to “Recitals”, “Clauses”, “sub-Clauses”, “Schedules” are to recitals, clauses and sub-clauses of and schedules to this Agreement;
- 1.3 references to persons include references to individuals, bodies corporate, firms, companies, governments, states or agencies of a state or any joint venture, association or partnership (whether or not having separate legal personality), references to the singular shall include the plural and vice versa and references to one gender include references to the other genders and the neuter;
- 1.4 references to any ordinance, statute or statutory provision or rules or regulations (whether or not having the force of law) shall be construed as references to the same as it may have been, or may from time to time be, amended, supplemented, modified or re-enacted (if appropriate);
- 1.5 references to a “company” shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established;
- 1.6 all representations, warranties, undertakings, indemnities, covenants, agreements and obligations given by or of the Warrantors (whether referred to as such or otherwise) are given jointly and severally;
- 1.7 references to “indemnify” and “indemnifying” any person against any circumstance shall include indemnifying and keeping such person harmless from all actions, claims and proceedings from

time to time made against that person and all loss or damage and all payments, costs and expenses made or incurred by that person as a consequence (direct and indirect) of or which would not have arisen but for that circumstance;

- 1.8 references to "holding company" and "subsidiary" shall be the same as defined in the Listing Rules;
- 1.9 references to "associate", "close associate", "controlling shareholder", "connected person" and "core connected person" shall be the same as defined in the Listing Rules;
- 1.10 the terms "herein", "hereof", "hereto", "hereinafter" and similar terms, shall in each case refer to this Agreement as a whole and not to any particular clause, paragraph, sentence, schedule or other subdivision of this Agreement;
- 1.11 references to writing shall include any modes of reproducing words in a legible and non-transitory form;
- 1.12 references to time and date are to Hong Kong time and Hong Kong date, respectively;
- 1.13 headings to Clauses and Schedules are for convenience only and do not affect the interpretation of this Agreement;
- 1.14 the Recitals and Schedules form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement, and any reference to this Agreement shall include the Recitals and Schedules;
- 1.15 any reference to a document being "in agreed form" means a document in the form of the draft thereof agreed among the Company's Legal Advisers or a Director on behalf of the Company (for itself and on behalf of the other Warrantors), the Sole Sponsor and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) with such alterations (if any) as may be agreed between the Company, the Sole Sponsor and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) accordingly;
- 1.16 the documents "in agreed form" (if any) do not form part of this Agreement;
- 1.17 any statement in this Agreement qualified by the reference to the best knowledge, information, belief or awareness of any person shall be deemed to include an additional statement that it has been made after due, diligent, proper and careful enquiry and consideration by the Directors;
- 1.18 references to "this Agreement" or any other agreement or document referred to herein shall be construed to include references to this Agreement or such other agreement or document as amended, extended, novated, replaced and/or supplemented in any manner from time to time and/or any document which amends, extends, novates, replaces and/or supplements this Agreement or any such other agreement or document; and
- 1.19 where certified copies of documents are required to be delivered by the Company, such copies shall be certified to be true copies of the originals by the Company's Legal Advisers as to Hong Kong law or a Director.

## 2. CONDITIONS

2.1 The obligations of the Joint Global Coordinators and the Hong Kong Underwriters under this Agreement are conditional upon the following conditions precedent being fulfilled or waived:

- (a) the receipt by the Sole Sponsor's Legal Advisers (on behalf of the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters)) in form and substance satisfactory to the Joint Global Coordinators of:
  - (i) the Conditions Precedent Documents set out in Part A of Schedule 3 by not later than 8:00 p.m. on the Business Day immediately prior to the Prospectus Date; and
  - (ii) the Conditions Precedent Documents set out in Part B of Schedule 3 by not later than 8:00 p.m. on the Business Day immediately prior to the Listing Date, or in either case, such other date or time as the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) may agree;
- (b) the Stock Exchange issuing a certificate pursuant to the powers of the SFC under section 342C(5) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance delegated to the Stock Exchange certifying that it authorises the registration of the Prospectus and the Application Forms on the Business Day immediately prior to the Prospectus Date;
- (c) the registration of one copy of each of the Prospectus and the Application Forms certified by two Directors (or their attorneys duly authorised in writing) as having been approved by a resolution of the Board (or, if applicable, a duly authorised committee thereof) and having attached thereto all other documents required by section 342C (subject to any certificate of exemption granted pursuant to section 342A) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance with the Registrar of Companies in Hong Kong in accordance with the provisions of section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance by not later than 6:00 p.m. on the Business Day immediately prior to the Prospectus Date;
- (d) the execution and delivery of the International Underwriting Agreement and the Price Determination Agreement on or before the Price Determination Date pursuant to Clause 2.5;
- (e) the obligations of the International Underwriters under the International Underwriting Agreement having become and remaining unconditional in accordance with its terms (save for any condition therein relating to the obligations of the Hong Kong Underwriters under this Agreement having becoming and remaining unconditional and any condition for this Agreement becoming unconditional) and the International Underwriting Agreement not having been terminated in accordance with its terms prior to 8:00 a.m. on the Listing Date;
- (f) this Agreement not having been terminated in accordance with its terms prior to 8:00 a.m. on the Listing Date;

- (g) the Listing Committee granting of the approval for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in the Prospectus on or before the Listing Date (or such other date as the Sole Sponsor and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) may agree) and such approval and permission not having been subsequently revoked prior to the commencement of trading of the Shares on the Main Board;
- (h) admission of the Shares into CCASS having occurred and become effective (either unconditionally or subject only to allotment and issue of the relevant Offer Shares, despatch or availability for collection of share certificates in respect of the Offer Shares and/or such other conditions as may be acceptable to the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) on or before the Listing Date (or such other date as the Sole Sponsor and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) may agree) and such admission not having been subsequently revoked prior to the commencement of trading of the Shares on the Main Board;
- (i) the Offer Price having been determined by the Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) by entering into the Price Determination Agreement on the Price Determination Date and such agreement not having been subsequently terminated;
- (j) the Warranties remaining true, accurate and not misleading and not breached as at the date hereof and the dates and times on which they are deemed to be repeated under this Agreement (as though they had been given and made on such date and time by reference to the facts and circumstances then subsisting); and
- (k) all of the waivers, exemptions and/or approvals as stated in the Prospectus to be granted by the Stock Exchange and the SFC (as the case maybe) are granted and are not otherwise revoked, withdrawn, amended or invalidated prior to 8:00 a.m. on the Listing Date.

2.2 Each of the Warrantors hereby irrevocably and unconditionally undertakes to use his/its best endeavours to procure the Conditions to be fulfilled (except for any Conditions which are to be fulfilled by the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers or the Hong Kong Underwriters) 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 reasonably required by the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the SFC, the Stock Exchange, the Registrar of Companies in Hong Kong and any other governmental authorities in connection with the application for the approval for the listing of, and permission to deal in, the Shares to be allotted and issued as mentioned in the Prospectus and the fulfilment of the Conditions.

2.3 The Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) shall have the right, in their absolute discretion subject to compliance with the Listing Rules and/or requirement of the Stock Exchange, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and/or the Companies Ordinance, by giving notice in writing to the Company on or before the last day on which any Condition may be fulfilled:

- (a) to extend the deadline for the fulfilment of any such outstanding Condition by such



number of days or in such manner as the Joint Global Coordinators may in their absolute discretion determine; and/or

- (b) to waive or modify (conditionally or otherwise) any such outstanding Condition in whole or in part.

2.4 Without prejudice to the provisions of Clauses 2.3 and 13, in the event that any of the Conditions is not fulfilled or (as the case may be) waived prior to the date and time for its fulfilment thereof hereunder or if not so stipulated by 8:00 p.m. on the Business Day immediately prior to the Listing Date or such other date as the Joint Global Coordinators (for themselves and on behalf of the Underwriters) may agree in writing (which shall in any event not be later than the 30th day after the Prospectus Date), this Agreement shall terminate with immediate effect and none of the parties hereto have any claim against the others for costs, damages, compensation or otherwise except:

- (a) in respect of any breach of Clause 2.2; and
- (b) (to the extent that such payment obligations have been incurred or have arisen) as provided in Clauses 8.2, 8.3, 8.4, 8.5, 12, 13.2, 14, 18, 22, 23, 24 and 25.

2.5 The Offer Price shall be fixed on the Price Determination Date by agreement among the Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) in Hong Kong dollars after the market demand for the Offer Shares has been determined. Upon determination of the final Offer Price, the Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) shall enter into the Price Determination Agreement. The Company hereby acknowledges and agrees that, for the avoidance of doubt, the Offer Price range disclosed in the Hong Kong Public Offering Documents is indicative only and if, based on the level of interest expressed by prospective institutional, professional and other investors during the book-building process the Joint Global Coordinators (for themselves and on behalf of the Underwriters) consider it appropriate and with the consent of the Company, may reduce the indicative Offer Price range below that stated in the Prospectus and/or reduce the number of Offer Shares being offered under the Global Offering at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. If the Offer Price range and/or the number of Offer Shares is reduced, the Company shall, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.chinagraphite.com.hk](http://www.chinagraphite.com.hk) a notice of reduction of the indicative Offer Price range and/or in the number of Offer Shares being offered under the Global Offering or to be announced in such manner as permitted under the Listing Rules and agreed between the Company, the Sole Sponsor and the Joint Global Coordinators (for themselves and on behalf of the Underwriters). Such notice shall also include confirmation or revision, as appropriate, of the working capital statement, offer statistics and any financial or other information in the Prospectus which may change as a result of any such reduction.

2.6 In the event that the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and the Company fail to or otherwise cannot agree on the Offer Price by any reason whatsoever, the Joint Global Coordinators (for themselves and on behalf of the Underwriters) shall have no obligation whatsoever to enter into the Price Determination Agreement and, subject to Clause 8.4, no party hereto shall have any claims or liabilities to the other parties hereto solely on the

basis that the Offer Price is not determined or the Price Determination Agreement is not executed. If no agreement on the final Offer Price is reached on the Price Determination Date, all the parties hereto shall be released from their obligations under this Agreement which shall be terminated and null and void and the provisions of Clause 2.4 shall apply.

### **3. THE HONG KONG PUBLIC OFFERING**

3.1 The Company shall initially offer the Hong Kong Offer Shares (subject to the Clawback Arrangement or reallocation as provided in Clause 7.1) for subscription by members of the public in Hong Kong, with the maximum Offer Price within the indicative Offer Price range stated in the Hong Kong Public Offering Documents (together with the Brokerage, Fees and Levies) which shall be payable in full on application in Hong Kong dollars, on and subject to the terms and conditions set out in the Hong Kong Public Offering Documents and this Agreement.

3.2 The Company hereby approves, confirms and ratifies, to the exclusion of others and whether before or after the date hereof:

- (a) to appoint the Sole Sponsor to act as the sole sponsor in relation to the Proposed Listing;
- (b) to appoint the Joint Global Coordinators to act as the joint global coordinators, the joint bookrunners and joint lead managers of the Global Offering; and
- (c) to appoint each of the Hong Kong Underwriters to act as the Hong Kong public offering underwriter of the Global Offering;

and, relying on the Warranties and subject as hereinafter mentioned, the Sole Sponsor, Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters severally (and not jointly or jointly and severally) accept such appointment(s).

The obligations of any of the appointees pursuant to Clause 3.2 are several (and not joint or joint and several) and none of the said appointees will be liable for any failure on the part of any other appointees to perform their respective obligations under this Agreement and no such failure shall affect the right of any other appointees to enforce the terms of this Agreement. Notwithstanding the foregoing, each of the said appointees shall be entitled to enforce any or all of its rights hereunder alone or jointly with other appointees.

3.3 Each of such appointments referred in Clause 3.2 is made on the basis, and on the terms, that each appointee is irrevocably authorised to delegate all or any of its relevant rights, duties, powers and discretions in such manner and on such terms as it thinks fit (with or without formality and without prior notice of any such delegation being required to be given to the Warrantors) to any one or more of its Affiliates.

3.4 The Company acknowledges and agrees that any transaction carried out duly and legally, and necessary or reasonably incidental to, by any of the appointees pursuant to Clause 3.2 or their respective Affiliates or their delegates, other than a subscription of any Offer Shares by any of them as principals, shall constitute a transaction carried out at the request of the Company and not on account of or for any other such appointee or their respective Affiliates. The said appointees and their Affiliates shall not be responsible for loss or damage to any persons arising from any such transaction, save as any such losses, liabilities, damages, costs, charges and

expenses arising from the gross negligence, wilful default or fraud on the part of the relevant appointee and/or its Affiliates. None of the said appointees or their respective Affiliates shall have any liability in respect of any omission of information (save for any information in respect of the underwriting not known to the Company) from any Hong Kong Public Offering Documents or any information or statement of fact or opinion contained therein being untrue, incorrect or misleading or deceptive, for which the Company and the Directors are solely responsible.

- 3.5 The Hong Kong Underwriters shall be entitled to enter into sub-underwriting arrangements in respect of any part of their respective maximum number of Hong Kong Offer Shares they have agreed to underwrite and each of the Hong Kong Underwriters shall remain fully liable for all acts and omissions of any sub-underwriter with whom it has entered into sub-underwriting arrangements. All sub-underwriting commission shall be borne by the relevant Hong Kong Underwriter absolutely.
- 3.6 The Company hereby irrevocably confirms that the appointments under Clause 3.2 confer on each appointees and their respective delegates under Clause 3.3 all rights, powers, authorities and discretions on behalf of the Company which are necessary for, or incidental to, the performance of such appointee's roles as a sponsor, global coordinator, lead manager, bookrunner or underwriter (as the case may be) and hereby agrees to ratify and confirm everything each such appointee or each such delegate has done or shall do within the scope of such appointments or in the exercise of such rights, authorities and discretions.
- 3.7 No fiduciary relationship
- (a) Each of the Warrantors acknowledges and agrees that the Hong Kong Underwriters, in their roles as such, are acting solely as underwriters in connection with the Hong Kong Public Offering, the Joint Global Coordinators, in their roles as such, are acting solely as global coordinators of the Global Offering, the Sole Sponsor, in its role as such, is acting solely in connection with the Proposed Listing, the Joint Lead Managers, in their roles as such, are acting solely as lead managers of the Global Offering, the Joint Bookrunners, in their roles as such, are acting solely as bookrunners of the Global Offering.
- (b) Each of the Warrantors further acknowledges and agrees that the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters are acting pursuant to a contractual relationship (created by this Agreement and as between the Sole Sponsor and the Company, also the engagement letter entered into between them) with the Warrantors entered into on an arm's length basis, and none of the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters act as a financial adviser or fiduciary to the Warrantors or any other person in connection with any activity that the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters may undertake or have undertaken in furtherance of the Global Offering or the Proposed Listing, whether before or after the date hereof.
- (c) The Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters hereby disclaim, and none of them has assumed or will assume, any fiduciary, advisory or similar obligations to the Warrantors or any of them, either in connection with the transactions contemplated hereunder or otherwise by the Global Offering or the Proposed Listing or any process or matters

leading up to such transactions (irrespective of whether any of the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters have advised or are currently advising the Warrantors or any of them on other matters), and each of the Warrantors hereby confirms his/its understanding and agreement to that effect. Each of the Warrantors agrees that he/it is responsible for making his/its own independent judgments with respect to any such transactions and that any opinions or views expressed by the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters to the Warrantors or any of them regarding such transactions, including but not limited to any opinions or views with respect to the price or market for the Shares, do not constitute advice or recommendations to the Warrantors or any of them.

- (d) Each of the Warrantors further acknowledges and agrees that the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters in their respective roles as such and with respect to the transactions carried out at the request of and for the Company pursuant to their respective appointments as such, are acting as principal and not the agent or fiduciary of any of the Warrantors (except and solely, with respect to the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, for the limited purposes of arranging payment on behalf of the Company of the Brokerage, Fees and Levies, and with respect to the Hong Kong Underwriters, for the limited purposes of procuring applications to purchase Hong Kong Offer Shares as referred to in Clause 4.1).
- (e) Each of the Warrantors further acknowledges and agrees that the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters are not advising the Warrantors or any other persons as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction (save for the Sole Sponsor but only to such extent as required by the Listing Rules). Each of the Warrantors shall consult with his/its own advisers (save for the Sole Sponsor only to such extent as required by the Listing Rules) concerning such matters and shall be responsible for making his/its own independent investigation and appraisal of the transactions contemplated by this Agreement, and the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters and their respective directors, officers and Affiliates shall have no responsibility or liability to the Warrantors with respect thereto. Any review by the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters of the Company, the transactions contemplated by this Agreement or otherwise by the Global Offering or the Proposed Listing or any process or other matters relating thereto shall be performed solely for the benefit of the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters and shall not be on behalf of the Warrantors.
- (f) Each of the Warrantors further acknowledges that the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Warrantors.

- (g) Each of the Warrantors hereby waives and releases, to the fullest extent permitted by law, any conflict of interest or any claims that such Warrantor may have against the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters with respect to any breach or alleged breach of any fiduciary, advisory or similar duty to such Warrantor in connection with the transactions contemplated hereunder or otherwise by the Global Offering or the Proposed Listing or any process or matters leading up to such transactions.

3.8 No claim shall be made against the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters and the other Indemnified Parties by any of the Warrantors to recover any damage, cost, charge or expense which any of the Warrantors may incur or suffer by reason of or arising out of the carrying out of duties or performance of obligations by the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters or any of them pursuant to this Agreement or otherwise in connection with the Hong Kong Public Offering Documents, the Global Offering and any associated transactions. Notwithstanding anything contained in this Agreement to the contrary, none of the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters and the other Indemnified Parties shall have any liability whatsoever to the Warrantors or any other person in respect of the following matters (it being acknowledged by the parties hereto that the Warrantors are solely responsible in this regard):

- (a) any alleged insufficiency of the Offer Price or any dealing price of the Offer Shares; and
- (b) any of the matters referred in Clause 12.1

and, each Indemnified Party shall be entitled pursuant to the indemnities in Clause 12 to recover any Losses incurred or suffered or made as a result of or in connection with any of the foregoing matters.

3.9 Subject to the registration of the Prospectus and the Application Forms in accordance with Clause 2.1(c), the Company shall cause the Formal Notice to be published in such manner and on such date as set out in Schedule 6.

3.10 The Application Lists shall, subject only as mentioned below, open at 11:45 a.m. on the Closing Date and close at 12:00 noon on the same day. In the event of a tropical cyclone warning signal number 8 or above or a "black" rainstorm warning signal (in any such case, a "signal") being in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on that day, then the Application Lists will not open or close on that day and shall open at 11:45 a.m. and close at 12:00 noon on the next following Business Day on which no such signal remains in force at any time between 9:00 a.m. and 12:00 noon. All references in this Agreement to the time of opening and closing of the Application Lists shall be construed accordingly.

#### **4. UNDERWRITING OF THE HONG KONG OFFER SHARES**

4.1 On and subject to the terms and conditions of this Agreement, the Company hereby agrees to appoint the Hong Kong Underwriters, and relying on the Warranties and subject as hereinafter mentioned, the Hong Kong Underwriters agree to act as agents of the Company solely for the purposes of procuring subscribers for, or failing which, the Hong Kong Underwriters shall

subscribe for the Hong Kong Offer Shares severally (and not jointly nor jointly and severally) as specified in Schedule 2 at the final Offer Price (together with amounts on account of the Brokerage, Fees and Levies) for which duly completed Application Forms submitted pursuant to and/or otherwise in accordance with the requirements set forth therein and in “How to Apply for Hong Kong Offer Shares” in the Prospectus have not been received or which are rejected by the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters and the Company) as referred to in Clause 4.5 in accordance with the terms and conditions set forth in the Hong Kong Public Offering Documents (other than as to the deadline for making the application) and shall pay or procure to be paid the full amount payable on application. Subject to the requirements of the Listing Rules and the relevant laws in Hong Kong, the Hong Kong Underwriters may, in their absolute discretion, appoint any other persons to be sub-agent(s) on behalf of the Company for the purpose of arranging for the offering of the Hong Kong Offer Shares for subscription by members of the public in Hong Kong with such authorities and rights as the Hong Kong Underwriters have pursuant to their appointment under this Clause 4.1, provided that each Hong Kong Underwriter shall continue to be bound by the terms of this Agreement and shall procure the compliance by any such sub-agent(s) with all relevant law, obligations and provisions of this Agreement to which such Hong Kong Underwriter(s) is subject.

- 4.2 The Company hereby approves, confirms and ratifies the appointment, whether before or after the date hereof, by the Hong Kong Underwriters of any sub-agent(s) and the Company hereby approves, confirms and ratifies all such actions made on behalf of the Company as may have been lawfully and properly taken by the Hong Kong Underwriters and/or any such sub-agent(s), provided that such appointment and actions are made in accordance with the relevant terms and conditions of this Agreement.
- 4.3 The Company agrees with the Hong Kong Underwriters that all the Complying Applications shall be accepted (unless rejected by the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters and the Company) pursuant to Clause 4.5) before calling upon the Hong Kong Underwriters or any of them to perform the obligations imposed on them by Clause 4.1.
- 4.4 Following the closing of the Application Lists, the Company shall cause the Receiving Bank, the Sole Sponsor and the Hong Kong Share Registrar and/or HK eIPO White Form Service Provider to calculate and notify the Joint Global Coordinators the number of the Hong Kong Offer Shares for which electronic application instructions to HKSCC (which have been duly submitted and are otherwise in accordance with the terms and conditions of the Hong Kong Public Offering Documents and the debit from such person’s Designated Bank Account (as defined in the General Rules of CCASS) to effect such instructions has been accepted by the relevant bank when first requested or, if practicable in the circumstances and requested by the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters)) or through HK eIPO White Form Service have been received (the “**Complying Applications**”), and shall procure that the applications shall be processed. The calculation should be completed as soon as practicable after the closing of the Application Lists and in any event not later than the Business Day immediately following the Closing Date.
- 4.5 The Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) shall be entitled to exercise (and on behalf of the Company to authorise the Receiving Bank to exercise) sole and exclusive discretion on the part of the Company to determine the manner and the basis of allocation of the Hong Kong Offer Shares, and, subject to the terms and conditions of the Hong Kong Public Offering Documents and this Agreement, to reject or accept

in whole or in part any application under the Hong Kong Public Offering which, in its absolute opinion, fails to comply with the terms and conditions of application as set forth under "How to Apply for Hong Kong Offer Shares" in the Prospectus and, where the number of the Hong Kong Offer Shares being applied for exceeds the total number of the Hong Kong Offer Shares, the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) shall have the sole and exclusive discretion to determine the manner and the basis of allocation of the Hong Kong Offer Shares.

4.6 In the event that, after taking into account all the Complying Applications, the Hong Kong Public Offering is under-subscribed so that the Hong Kong Underwriters are obliged to take up the Unsubscribed Hong Kong Offer Shares pursuant to Clause 4.1:

- (a) the Company shall, as soon as practicable after the closing of the Application Lists (and in any event not later than 5:00 p.m. on the Business Day immediately following the Closing Date) (or such other time and date as may be agreed by the Company and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters)), notify or procure the Receiving Bank to notify the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) of the number of the Hong Kong Offer Shares for which Complying Applications have been received;
- (b) the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) may (but shall not be obliged to), in its absolute discretion, reallocate all or any of the Unsubscribed Hong Kong Offer Shares to the International Offering on the condition that such reallocated Shares will be subscribed for under the International Offering by notifying the Company and the other Hong Kong Underwriters in writing not later than 10:00 a.m. on the next Business Day (the "**Reallocation Date**") on which notice from the Company or the Receiving Bank under Clause 4.6(a) is received; and
- (c) subject to any reallocation referred to in Clause 4.6(b), the Joint Global Coordinators shall notify each of the Hong Kong Underwriters of the number of Shares falling to be taken by that Hong Kong Underwriter no later than 10:00 a.m. on the Reallocation Date.

4.7 In the event that the Joint Global Coordinators have not exercised its discretion under Clause 4.6(b) to reallocate all the Unsubscribed Hong Kong Offer Shares to the International Offering, the Hong Kong Underwriters shall by no later than 12:00 noon on the Business Day immediately after the date on which notice under Clause 4.6(a) is received:

- (a) deliver to the Receiving Bank duly completed applications for the number of the Unsubscribed Hong Kong Offer Shares required to be taken up by it pursuant to Clause 4.1 and specifying the names and addresses of the applicants and the number of the Unsubscribed Hong Kong Offer Shares to be allocated to each such applicant, and if any Hong Kong Underwriter shall fail to do so, the Company may treat this Agreement as an application by such Hong Kong Underwriter, which fails to deliver a duly completed application as aforesaid, for the number of the Unsubscribed Hong Kong Offer Shares required to be taken up by it hereunder (up to the maximum number of Shares it has agreed to take up hereunder) on the terms (other than as to time of payment) of the Hong Kong Public Offering Documents and may accept such application; and

- (b) pay, or procure to be paid, to the Nominee for value on the same date the aggregate application money for such number of the Unsubscribed Hong Kong Offer Shares as described in Clause 4.7(a) (together with amounts of the Brokerage, Fees and Levies), and subject to the Global Offering having become unconditional and receipt of application money not later than 12:00 noon on the Despatch Date, the Company shall (i) duly allot and issue such number of new Shares to be subscribed to such applicants in accordance with such applications; (ii) procure the relevant new Shares to be registered in the name of the relevant applicant or as it may direct and (iii) deliver to each of the Hong Kong Underwriters or as each of them may direct in writing valid Share certificates in the names of such applicants or as they may direct in writing. Following payment as aforesaid, all obligations and liabilities of the Hong Kong Underwriters under Clause 4.1 shall cease.

4.8 The obligations imposed on the Hong Kong Underwriters under Clause 4.1 to subscribe or procure subscribers for the Hong Kong Offer Shares shall be several (and not joint and several) on the basis that each Hong Kong Underwriter shall subscribe, or procure subscription, for the number of the Hong Kong Offer Shares in respect of the percentages and up to the maximum number of Shares set forth in Schedule 2. None of the Hong Kong Underwriters will be responsible or liable to the Warrantors or any of them for any failure on the part of any of the other Hong Kong Underwriters to perform their respective obligations under this Clause 4 and/or for any breach of the provisions in this Agreement by any other Hong Kong Underwriters. Notwithstanding the foregoing, each of the Hong Kong Underwriters shall be entitled to enforce any or all of its rights under this Agreement either alone or jointly with the other Hong Kong Underwriters.

#### 4.9 **Stabilisation**

- (a) **Stabilising Manager and stabilising actions:** The Company acknowledges that the Stabilising Manager, to the exclusion of all others, is expected to act as Stabilising Manager in connection with the Global Offering and may (but with no obligation and not as agent for the Company) make purchases, over-allocate or effect transactions in the market or otherwise take such other stabilising action(s) with a view to stabilising or supporting the market price of the Shares at levels higher than those which might otherwise prevail in the open market, and/or undertake other stabilising action within the meaning given in the Securities and Futures (Price Stabilizing) Rules. Such stabilisation if commenced may be discontinued at any time at the discretion of the Stabilising Manager. The Stabilising Manager, may, in its sole and absolute discretion, appoint any person to be its agent for the purposes of taking any stabilisation actions. Any such agent shall have the rights and authorities conferred upon the Stabilising Manager pursuant to this Clause. Any stabilisation actions taken by the Stabilising Manager or any person acting for it as stabilising manager shall be conducted in compliance with the Securities and Futures (Price Stabilizing) Rules under the SFO and all other applicable Laws. Each of the Controlling Shareholders undertakes to the Hong Kong Underwriters, and each of the Hong Kong Underwriters (other than the Stabilising Manager) undertakes to the Stabilising Manager, that it will not take or cause or authorise any person other than the Stabilising Manager (and or its agent(s)) to take, and shall cause its Affiliates and/or agents not to take, directly or indirectly, any stabilisation action or any action which is designated to or which constitutes or which might be expected to cause or result in the stabilisation or maintenance of the price of any security of the Company.



- (b) **Stabilising losses and profits:** All liabilities, expenses and losses arising from stabilisation activities and transactions effected by the Stabilising Manager or any person acting for it as stabilising manager shall be for its respective accounts. All profits or gains arising from stabilising activities and transactions effected by the Stabilising Manager or any person acting for it as stabilising manager shall be for the account itself.
- (c) **No stabilisation by the Company and the Controlling Shareholders:** Each of the Warrantors undertakes to each of the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that they will not, and will cause its Affiliates or any of its or its Affiliates' respective directors, officers, employees, or any person acting on its or on behalf of any of the foregoing persons (other than the Stabilising Manager or any person acting for it) not to:
  - (i) take or facilitate, directly or indirectly, any action which is designed to or which constitutes or which might reasonably be expected to cause or result in stabilisation or manipulation of the price of any security of the Company or facilitate the sale or resale of any security of the Company or otherwise in violation of applicable Laws;
  - (ii) take, directly or indirectly, any action which would constitute a violation of the market misconduct provisions of Parts XIII and XIV of the SFO; or
  - (iii) take or omit to take, directly or indirectly, any action which may result in the loss by the Stabilising Manager or any person acting for it as stabilising manager of the ability to rely on any stabilisation safe harbour provided by the Securities and Futures (Price Stabilizing) Rules under the SFO or otherwise,

provided that the granting or exercising of the Over-allotment Option under the International Underwriting Agreement shall not constitute a breach of this Clause 4.9(c).

## 5. UNDERTAKINGS BY THE COMPANY TO THE HONG KONG UNDERWRITERS AND THE SOLE SPONSOR

5.1 The Company hereby irrevocably and unconditionally undertakes with each of the Hong Kong Underwriters that, and each of the other Warrantors undertakes with each of the Hong Kong Underwriters to procure that:

- (a) in accordance with the terms of this Agreement and subject to the Conditions, the Company will issue the Prospectus on the Prospectus Date;
- (b) the Company shall, prior to the Prospectus Date, appoint the Receiving Bank to act as receiving bank in connection with the Hong Kong Public Offering, and the Nominee in connection with the receiving and holding of application money received from applicants for the Hong Kong Offer Shares and from the Hong Kong Underwriters, as the case may be, and any interest accruing thereon, in both cases on and subject to the terms and conditions of the Receiving Bank Agreement; and
- (c) the Company shall, prior to the Prospectus Date, appoint the Hong Kong Share

Registrar to provide services in connection with the processing of applications for Hong Kong Offer Shares on and subject to the terms and conditions of the Hong Kong Share Registrar Agreement.

- 5.2 Except for the Hong Kong Public Offering Documents or except as otherwise provided pursuant to the provisions of this Agreement, the Company undertakes, and each of the other Warrantors shall procure the Company, without the prior written approval of the Sole Sponsor and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters), not to issue, publish, distribute or otherwise make available any document (including any prospectus), material or information in connection with the Hong Kong Public Offering.

## **6. ALLOTMENT AND PAYMENT RELATING TO THE HONG KONG PUBLIC OFFERING**

- 6.1 Immediately after the closing of the Application Lists, the Company shall procure that the Receiving Bank shall deliver to, or make available for collection by, the Hong Kong Share Registrar the Application Forms for the Hong Kong Offer Shares which have been accepted as provided above and upon receipt of the same by the Hong Kong Share Registrar:

- (a) the Company shall duly allot and issue, and shall procure the Directors to pass the necessary resolutions to authorise the allotment and issue of, the Hong Kong Offer Shares in accordance with the Hong Kong Public Offering Documents to successful applicants under the Hong Kong Public Offering and on terms that such Shares shall rank *pari passu* in all respects with all Shares issued and to be issued, including the right to rank in full for all distributions declared, paid or made by the Company after the Prospectus Date;
- (b) the Company shall procure that the names of the successful applicants (or, where appropriate, HKSCC Nominees Limited) be entered in the register of members of the Company accordingly (without payment of any registration fee); and
- (c) the Company shall procure that share certificates in respect thereof (in form and substance complying with the Listing Rules and in such number and denominations as directed by the Joint Global Coordinators and which are to become valid documents of title unconditionally after 8:00 a.m. on the Listing Date subject to the Global Offering becoming unconditional and this Agreement and the International Underwriting Agreement not having been terminated in accordance with their respective terms) shall be issued and despatched or made available for collection (where applicable) as mentioned in the Hong Kong Public Offering Documents by the Hong Kong Share Registrar pursuant to the Hong Kong Share Registrar Agreement and the Receiving Bank Agreement.

- 6.2 Upon compliance by the Company of its obligations under Clause 6.1 and after the Global Offering has become unconditional, the application money received from the Hong Kong Public Offering (together with any accrued interest) and held by the Nominee shall, in accordance with the provisions of the Receiving Bank Agreement and subject to Clauses 6.3, 6.4 and 6.5, be paid over to the Company in Hong Kong dollars on the Listing Date (subject to and in accordance with the provisions of the Receiving Bank Agreement and this Agreement) upon the Nominee receiving written confirmation from the Joint Global Coordinators that the Conditions have been fulfilled or waived and share certificates have been despatched to successful

applicants of the Hong Kong Offer Shares (or to HKSCC Nominees Limited, as the case may be). The Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) are hereby irrevocably and unconditionally authorised by the Company (but are not obliged) to direct the Nominee (prior to payment of application monies to the Company), subject to the provisions of the Receiving Bank Agreement, to deduct from the application monies (part or all of) so payable to the Company and pay to the Joint Global Coordinators (where a person other than the Joint Global Coordinators is entitled to any amount so paid, such amount will be received by the Joint Global Coordinators as agents on behalf of such person) or to the respective persons entitled thereto all of the following amounts payable by the Company, PROVIDED THAT (i) invoices in respect of such amount shall be provided to the Company at least two (2) Business Days prior to the Listing Date; and (ii) with the Company's prior consent in writing to invoiced amounts:

- (a) the aggregate Brokerage, Levies and Fees payable by (i) the Company; and/or (ii) the successful applicants to the Stock Exchange in respect of such number of Hong Kong Offer Shares as may fall to be allotted and issued by the Company pursuant to the Hong Kong Public Offering, which will be paid by the Joint Global Coordinators on behalf of the Company or for themselves and on behalf of the Hong Kong Underwriters, as the case may be;
- (b) the underwriting commission and the fees payable under Clause 8.1; and
- (c) the whole or such portion of the fees, costs and expenses payable under Clauses 8.2, 8.3, 8.4 and 8.5 to be applied towards payment to the persons entitled thereto.

To the extent that the amounts deducted by the Nominee under Clause 6.2 are insufficient to cover, or the Nominee does not or will not deduct in accordance with Clause 6.2, the Company shall, and the other Warrantors shall procure the Company to, pay or cause to be paid in full, the shortfall or the amounts not so deducted, as applicable, as soon as practicable after the Listing Date and forthwith upon demand by the Joint Global Coordinators (for themselves or on behalf of the Hong Kong Underwriters, as applicable) to the relevant party entitled to such amount.

- 6.3 The Company shall procure that, in accordance with the terms of the Receiving Bank Agreement, the Nominee shall pay the relevant Brokerage, Fees and Levies in respect of such number of Hong Kong Offer Shares as may fall to be allotted and issued by the Company pursuant to the Hong Kong Public Offering, such amounts to be paid out of the application money received from the Hong Kong Public Offering and held by the Nominee and the Joint Global Coordinators being authorised to direct the Nominee to make such deduction.
- 6.4 The Company shall procure that, in accordance with the terms of the Receiving Bank Agreement and the Hong Kong Share Registrar Agreement, the Nominee shall pay, and the Hong Kong Share Registrar shall arrange for the distribution of cheques or the despatch of HK eIPO White Form e-Auto Refund payment instructions representing such payment, to applicants under the Hong Kong Public Offering who are entitled to receive any refund of application money therefor in accordance with the Hong Kong Public Offering Documents.
- 6.5 If the Conditions are not fulfilled or waived pursuant to Clause 2.3, and without prejudice to Clause 13.2, the Joint Global Coordinators shall arrange for the repayment to all applicants and (if applicable) the Hong Kong Underwriters of all application money paid by them WITHOUT

INTEREST. Any interest accrued on the application money received under the Hong Kong Public Offering shall be applied (subject to the provisions of the Receiving Bank Agreement) in payment of amounts due under Clauses 8.2, 8.3, 8.4 and 8.5 and any balance (if any) shall belong and be paid to the Company.

- 6.6 For the avoidance of doubt, none of the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters shall have any liability under this Clause 6 or otherwise for any default by the Nominee or any other application or otherwise of funds.

## **7. CLAWBACK ARRANGEMENT, REALLOCATION AND ALLOCATION**

### **7.1 Allocation**

- (a) The Warrantors acknowledge and agree that, for allocation purposes only, the Hong Kong Offer Shares initially being offered for subscription under the Hong Kong Public Offering (after taking into account any reallocation in the number of Offer Shares allocated between the Hong Kong Public Offering and the International Offering) will be divided equally into two pools (subject to adjustment of odd lot size): pool A and pool B. Pool A will comprise 20,000,000 Hong Kong Offer Shares and pool B will comprise 20,000,000 Hong Kong Offer Shares initially, both of which are available on an equitable basis to successful applicants. All valid applications that have been received for the Hong Kong Offer Shares with a total amount (excluding Brokerage, Fees and Levies) of HK\$5 million or below will fall into pool A and all valid applications that have been received for the Hong Kong Offer Shares with a total amount (excluding Brokerage, Fees and Levies) of over HK\$5 million and up to the total value of pool B will fall into pool B.
- (b) The Warrantors further acknowledge and agree that applications in pool A and pool B may receive different allocation ratios. If the Hong Kong Offer Shares in one pool (but not both pools) are undersubscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. Applicants can only receive an allocation of the Hong Kong Offer Shares from either pool A or pool B but not from both pools and can only apply for Hong Kong Offer Shares from either pool A or pool B but not from both pools. Multiple or suspected multiple applications within either pool or between pools will be rejected. No application will be accepted from applicants for more than 20,000,000 Hong Kong Offer Shares (being 50% of the initial number of Hong Kong Offer Shares).

### **7.2 Reallocation**

The Joint Global Coordinators shall apply a clawback mechanism following the closing of Application Lists on the following basis, assuming that the Over-allotment Option is not exercised:

- (a) where the International Offer Shares are fully subscribed or oversubscribed:
- (i) if the Hong Kong Offer Shares are undersubscribed, the Joint Global Coordinators have the authority to reallocate all or any unsubscribed Hong Kong

Offer Shares from the Hong Kong Public Offering to the International Offering in such proportions as the Joint Global Coordinators deem appropriate;

- (ii) if the Hong Kong Offer Shares are fully subscribed or over-subscribed and the number of Offer Shares validly applied for under the Hong Kong Public Offering represents less than 15 times of the number of the Hong Kong Offer Shares initially available for subscription under the Hong Kong Public Offering, then up to 40,000,000 Offer Shares may be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of the Offer Shares available under the Hong Kong Public Offering will be increased to 80,000,000 Offer Shares, representing 20% of the number of the Offer Shares initially available under the Global Offering; and
- (iii) if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents (A) 15 times or more but less than 50 times; (B) 50 times or more but less than 100 times; and (C) 100 times or more, of the number of the Offer Shares initially available under the Hong Kong Public Offering, then Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering so that the total number of the Offer Shares available under the Hong Kong Public Offering will be increased to 120,000,000 Offer Shares (in the case of (A)); 160,000,000 Offer Shares (in the case of (B)); and 200,000,000 Offer Shares (in the case of (C)), representing 30%, 40% and 50% of the number of the Offer Shares initially available under the Global Offering, respectively.

(b) where the International Offer Shares are undersubscribed:

- (i) if the Hong Kong Offer Shares are undersubscribed, the Global Offering will not proceed unless the Underwriters would subscribe or procure subscriber(s) for their respective applicable proportions of the Offer Shares being offered which are not taken up under the Global Offering on the terms and conditions of this prospectus and the Underwriting Agreements; and
- (ii) if the Hong Kong Offer Shares are fully subscribed or oversubscribed (irrespective of the extent of over-subscription), then up to 40,000,000 Offer Shares may be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of the Offer Shares available under the Hong Kong Public Offering will be increased to 80,000,000 Offer Shares, representing 20% of the number of the Offer Shares initially available under the Global Offering.

In all cases, based on the additional Offer Shares reallocated to the Hong Kong Public Offering, the number of Offer Shares allocated to the International Offering will be correspondingly reduced, in such manner as the Joint Global Coordinators deem appropriate.

In addition, the Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may in certain circumstances be reallocated between these offerings at the discretion of the Joint Global Coordinators. In the event of reallocation of Offer Shares from the International Offering to the Hong Kong Public Offering in the circumstances described in Clause 7.2(a)(ii) or (b)(ii) above, the final Offer Price shall be fixed at HK\$0.325 per Offer Share,

the low-end of the Offer Price range stated in the Prospectus in accordance with Guidance Letter HKEX-GL91-18 issued by the Stock Exchange. The maximum total number of Offer Shares that may be allocated to the Hong Kong Public Offering shall be not more than 80,000,000 Offer Shares, representing double of the initial allocation to the Hong Kong Public Offering.

- 7.3 In all cases of reallocation of Offer Shares from the International Offering to the Hong Kong Public Offering, the additional Hong Kong Offer Shares will be reallocated to pool A and pool B in the Hong Kong Public Offering in such manner as the Joint Global Coordinators deem appropriate.
- 7.4 If neither the Hong Kong Public Offering nor the International Offering is fully subscribed, the Global Offering will not proceed unless the Underwriters would subscribe or procure subscribers for respective applicable proportions of the Offer Shares being offered which are not taken up under the Global Offering on the terms and conditions of the Hong Kong Public Offering Documents and the Underwriting Agreements.

## **8. COMMISSION, FEES AND EXPENSES**

- 8.1 In consideration of the agreement of each of the Hong Kong Underwriters to underwrite the Hong Kong Public Offering under this Agreement (whether or not any obligation or liability of the Hong Kong Underwriters shall have arisen or may arise), the Company shall pay or cause to be paid an underwriting commission, in Hong Kong dollars, to the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) (by way of deduction as provided in Clause 6.2) at the rate of 6.5% of the aggregate Offer Price in respect of all of the Hong Kong Offer Shares which are underwritten by the Hong Kong Underwriters PROVIDED THAT the Company shall pay the International Underwriters, instead of the Hong Kong Underwriters, underwriting commission regarding any Offer Shares which are reallocated from the International Offering to the Hong Kong Public Offering or reallocated from the Hong Kong Public Offering to the International Offering at the rate of applicable to the International Offering. In addition, the Company may, at its sole discretion, elect to pay to the Hong Kong Underwriters for their respective accounts a discretionary incentive fee up to 1.5% of the aggregate Offer Price for each Hong Kong Offer Share (excluding any International Offer Shares reallocated to the Hong Kong Public Offering and any Hong Kong Offer Shares reallocated to the International Offering, in each case pursuant to Clauses 7.1 and 7.2, respectively) (the "**Incentive Fee**"). The amount and allocation of the Incentive Fee, if the Company so elects to pay to the Hong Kong Underwriters, shall be determined and communicated by the Company to the Joint Global Coordinators within 30 days after the Listing Date.

The Company shall not be concerned as to how and when the Joint Global Coordinators distribute such commission among the Hong Kong Underwriter(s).

- 8.2 The Company shall further pay to the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) all costs, fees and expenses and such other out-of-pocket expenses reasonably incurred by the Joint Global Coordinators and Hong Kong Underwriters under this Agreement or in connection with the Hong Kong Public Offering.
- 8.3 The Company shall be solely responsible for all reasonable costs, fees and expenses arising from, in connection with or incidental to the Global Offering and this Agreement, which shall include but are not limited to the following:

- (a) all capital duty (if any), premium duty (if any), tax, duty, levy and other fees, charges and expenses payable, whether pursuant to any Law or otherwise in respect of the creation, allotment and issue of the Offer Shares, the Global Offering, the execution and delivery of, and the performance of any of the provisions under, this Agreement and the International Underwriting Agreement (including but not limited to the Trading Fee and SFC Transaction Levy and FRC Transaction Levy imposed on both the Company and the subscribers of the Hong Kong Offer Shares);
- (b) fees, disbursements and expenses of the Sole Sponsor;
- (c) fees, disbursements and expenses of the Reporting Accountant;
- (d) fees, disbursements and expenses of the Receiving Bank and the Nominee;
- (e) fees, disbursements and expenses of the Hong Kong Share Registrar, oversea share registrar and HK eIPO White Form Service Provider;
- (f) fees, disbursements and expenses of all legal advisers including but not limited to all legal advisers to the Company and all legal advisers to the Sole Sponsor and Underwriters;
- (g) fees, disbursements and expenses of the public relations consultants;
- (h) fees, disbursements and expenses of the translators and financial printer;
- (i) fees, disbursements and expenses of Independent Technical Consultant, Industry Consultant, Internal Control Consultant and Property Valuer (as such persons are named in the Prospectus);
- (j) fees, disbursements and expenses of other experts, agents and advisers of the Company;
- (k) fees, disbursements and expenses of the roadshow coordinator, if any, and those incurred by or on behalf of the Company relating to the roadshow as agreed by the Company;
- (l) costs and expenses relating to roadshow (including without limited venues, travel and accommodation expenses) provided that proof of such costs and expenses shall be provided to the Company;
- (m) fees and expenses of conducting the syndicated analysts' briefing;
- (n) fees, disbursements and expenses relating to the application for listing of the Shares on the Stock Exchange;
- (o) fees, disbursements and expenses relating to the maintenance of a listing on the Stock Exchange;
- (p) fees, disbursements and expenses relating to the filing or registration of the Hong Kong Public Offering Documents;
- (q) any amendments and supplements thereto with any relevant authority, including the

Registrar of Companies in Hong Kong (if any);

- (r) costs and expenses relating to the launching of the Global Offering, such as the publication of the Formal Notice;
- (s) printing and advertising costs relating to the Proposed Listing and the Global Offering;
- (t) costs of preparing, producing, printing, delivery and distribution (including transportation, packaging and insurance) of closing documents (including compilations thereof) in connection with the offering, purchase, sale and delivery of the Offer Shares, including documents of title to the Offer Shares and refund cheques;
- (u) costs and expenses relating to the despatch, distribution and registration of the Hong Kong Public Offering Documents and all amendments and supplements thereto;
- (v) CCASS transaction fees payable in connection with the Global Offering or incidental to the performance of the obligations of the Company pursuant to this Agreement which are not otherwise specifically provided for in this Clause 8.3 pursuant to any other agreements between the Company and the Sole Sponsor;
- (w) fees, disbursements and expenses relating to background searches, company searches, litigation and legal proceeding searches, bankruptcy and insolvency searches and directorship searches in connection with the Company;
- (x) all other fees, disbursements, expenses, of all professional parties involved which have been incurred in connection with services rendered at the request or with the approval of the Company;
- (y) all fees, costs, charges, other expenses and disbursements in connection with the Listing and the Global Offering; and
- (z) all processing charges and related expenses payable to HKSCC

and the other Warrantors shall procure the Company to, pay or cause to be paid, all such fees, costs, charges and expenses and Taxation other than taxes imposed in respect of profit or net income by a taxing jurisdiction wherein the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters are incorporated, a resident for tax purpose or has a fixed place of business and arising out of any commission or fees received by such parties pursuant to this Agreement, If any fees, costs, charges and expenses under this Clause 8.3 are paid or to be paid by any of the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters for and on behalf of the Company, the Company shall reimburse such party on an after-tax basis.

- 8.4 Without prejudice to Clauses 2.4 and 13.2, if this Agreement is terminated or does not become unconditional or, for any other reason, the Hong Kong Public Offering is not completed, the Company shall not be liable to pay any underwriting commission under Clause 8.1, but the Company shall remain liable, and the other Warrantors shall procure the Company, to pay or reimburse to the Joint Global Coordinators (for themselves or as trustee on behalf of the other parties involved in the Global Offering) all fees, costs, charges and expenses referred to in the



foregoing provisions in this Clause 8.

8.5 All commissions, fees, costs, charges and expenses referred to in this Clause 8 shall, if not so deducted pursuant to Clause 6.2, be payable by the Company within three (3) days of the first written request by the Joint Global Coordinators.

8.6 Where any expenses, costs and fees are provided hereunder and also under the International Underwriting Agreement, the Company shall be liable for payment of such expenses, costs and fees to the extent such expenses, costs and fees shall have been paid or settled by the Company under either this Agreement or under the International Underwriting Agreement but not both.

## **9. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS**

9.1 The Warrantors hereby jointly and severally represent, warrant and undertake with respect to the Warranties to the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners and the Joint Lead Managers and the Hong Kong Underwriters that each of the Warranties is true, accurate and not misleading as at the date of this Agreement and accept that the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and each of the Hong Kong Underwriters are entering into this Agreement in reliance upon each Warranty.

9.2 Each Warranty shall be construed separately and shall not be limited or restricted by reference to or inference from the terms of any other of the Warranties or any other term of this Agreement.

9.3 The Warranties are given on and as at the date of this Agreement with respect to the facts and circumstances subsisting at the date of this Agreement and will be deemed to be repeated:

- (a) on the date on which the Prospectus and Application Forms are registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
- (b) on the Prospectus Date;
- (c) on the Price Determination Date;
- (d) on the Closing Date;
- (e) immediately prior to: (i) the delivery by the Joint Global Coordinators and/or the Hong Kong Underwriters of the duly completed Application Forms; and (ii) payment by the Joint Global Coordinators and/or the Hong Kong Underwriters for the Hong Kong Offer Shares to be taken up pursuant to the terms contained herein;
- (f) on the date of the announcement of basis of allotment of the Hong Kong Offer Shares;
- (g) immediately before 8:00 a.m. on the Listing Date,
- (h) immediately prior to the commencement of dealings in the Offer Shares on the Stock Exchange; and
- (i) on the date on which the Over-allotment Option is exercised by the Joint Global

Coordinators,

in each case with respect to the facts and circumstances then subsisting, provided, however, that all of the Warranties shall remain true, accurate and not misleading as at each of the dates or times specified above, without taking into consideration in each case any amendment or supplement to the Hong Kong Public Offering Documents made or delivered as provided herein subsequent to the date of the registration of the Prospectus and the Application Forms, or any approval by the Sole Sponsor, or any delivery to the investors, of any such amendment or supplement and shall not be (or be deemed) updated or amended by such amendment or supplement or by any such approval or delivery. For the avoidance of doubt, nothing in this Clause 9.3 shall affect the on-going nature of the Warranties.

Each of the Warrantors undertakes to give notice to the Sole Sponsor, the Joint Global Coordinators (for themselves and on behalf of all Hong Kong Underwriters), the Joint Bookrunners and the Joint Lead Managers as soon as reasonably practicable of any matter or event coming to his/its or any of its directors' (if appropriate) attention on or prior to the latest of the dates on which the Warranties are deemed to be given pursuant to this Clause 9.3, which shows any of the Warranties to be or to have been untrue, inaccurate or misleading or deceptive or breached in any respect.

- 9.4 If at any time, by reference to the facts and circumstances then subsisting, on or prior to the latest of the dates on which the Warranties are deemed to be repeated pursuant to Clause 9.3, any matter or event comes to the attention of any of the Warrantors (A) as a result of which any of the Warranties if repeated immediately after the occurrence of such matter or event, would be untrue, inaccurate or misleading or deceptive or breached or which would or might render untrue or misleading or deceptive any statement, whether of fact or opinion, contained in the Hong Kong Public Offering Documents if the same were issued immediately after the occurrence of such matter or event, or (B) would or might result in the omission of any fact which is material for disclosure or required by applicable Laws to be disclosed in any of the Hong Kong Public Offering Documents (assuming that the relevant documents were to be issued immediately after occurrence of such matter or event), the Warrantors (as the case may be) shall forthwith notify the Sole Sponsor and the Joint Global Coordinators who shall forthwith notify the Hong Kong Underwriters of the same and, but without prejudice to any other rights of any party, the Warrantors, the Sole Sponsor and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) shall forthwith consult with a view to agreeing, if any of the Hong Kong Public Offering Documents has already been issued, published, distributed or made publicly available, the contents and the necessity of any announcement or circular or document, if any, should be issued, published, distributed or made publicly available or what other act or thing should be done. The Warrantors agree not to issue, publish, distribute or make publicly available any such announcement, circular or document without the prior written consent (which consent shall not be unreasonably withheld or delayed) of the Sole Sponsor and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) except as required by the applicable Laws.

If any matter or event referred to in this Clause 9.4 shall have occurred, nothing herein shall prejudice any rights that the Joint Global Coordinators or any of the Hong Kong Underwriters may have in connection with the occurrence of such matter or event, including without limitation its rights under Clause 13.

- 9.5 The Warranties shall remain in full force and effect notwithstanding completion of the Global

Offering and all the matters and arrangements referred to in or contemplated by this Agreement.

9.6 Each of the Warrantors will not, and will procure that none of the members of Group will:

- (a) do or omit to do anything which would cause and/or is likely to cause any of the representations, undertakings or warranties given pursuant to this Clause 9 to be untrue at any time immediately prior to the commencement of dealings in the Shares on the Stock Exchange (assuming such representations or warranties to be repeated at the relevant time with reference to the facts and circumstances then subsisting);
- (b) at any time immediately prior to the commencement of dealings in the Shares on the Stock Exchange enter into any contract or commitment of any unusual or onerous nature, whether or not that contract or commitment, if entered into prior to the date hereof, would constitute a material contract or a material commitment for the purpose of the Prospectus; or
- (c) do or omit to do anything or permit to occur any event which would or could materially and adversely affect the Global Offering.

9.7 For the purpose of this Clause 9:

- (a) a reference in this Clause 9 or in Schedule 5 to a Warrantor's knowledge, information, belief or awareness or any similar expression shall be deemed to include an additional statement that it has been made after due, diligent, proper and careful enquiry of all Warrantors. Notwithstanding that any of the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters have knowledge or have conducted investigation or enquiry with respect to the information given under the relevant Warranty, the rights of the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters under this Clause 9 shall not be prejudiced by such knowledge, investigation and/or enquiry;
- (b) the obligations of the Warrantors under this Agreement shall be binding on his/its personal representatives (if applicable) or its successors in title; and
- (c) if an amendment or supplement to the Hong Kong Public Offering Documents or any of them is published after the date hereof, Warranties relating to any such documents given pursuant to this Clause 9 shall be deemed to be repeated on the date of publication of such amendment or supplement, and when so repeated, Warranties relating to such documents shall be read and construed subject to the provisions of this Agreement as if the references therein to such documents means such documents when read together with such amendment or supplement.

## **10. FURTHER UNDERTAKINGS BY THE WARRANTORS**

10.1 The Company hereby undertakes irrevocably and unconditionally with the Sole Sponsor, the

Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers (for themselves and on behalf of the Hong Kong Underwriters) that it, and each of the other Warrantors hereby jointly and severally undertakes irrevocably and unconditionally with the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers (for themselves and on behalf of the Hong Kong Underwriters) that it shall procure that the Company:

- (a) except for the Hong Kong Public Offering Documents or except as otherwise provided pursuant to the provisions of this Agreement or to be provided in the International Underwriting Agreement or required by applicable Laws, the Stock Exchange or the SFC, shall not issue, publish, distribute or otherwise make available any document (including any prospectus), material or information in connection with the Hong Kong Public Offering without the prior written consent of the Sole Sponsor and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters);
- (b) shall comply with the obligations imposed upon it by the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Companies Act, the Listing Rules and all other relevant Laws in respect of or by reason of the matters contemplated by this Agreement and in connection with the Global Offering including but without limitation:
  - (i) making all necessary filings with the Registrar of Companies in Hong Kong and all other appropriate authorities;
  - (ii) delivering to the Stock Exchange all the declarations, undertakings and documents as required pursuant to the Listing Rules; and
  - (iii) making available copies of the documents referred to under "Documents on Display" in Appendix VII to the Prospectus for display on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.chinagraphite.com.hk](http://www.chinagraphite.com.hk) for a period of 14 days from the date of the Prospectus;
- (c) without prejudice to the foregoing obligations, shall do all such other acts and things as may from time to time be required by the Sole Sponsor and/or the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) to implement the Hong Kong Public Offering and that it shall comply with all requirements so as to enable listing of and permission to deal in the Shares to be granted by the Listing Committee;
- (d) shall not take or allow to be taken, directly or indirectly, any action during the First Six-Month Period which is designed to stabilise or manipulate or which constitutes, or which might be expected to cause or result in stabilisation or manipulation of the price of any securities of the Company, or facilitate the sale or resale of the Offer Shares, in violation of the Securities and Futures (Price Stabilizing) Rules under the SFO, provided that the grant of the Over-allotment Option by the Company shall not constitute any breach of this Clause;
- (e) shall comply in all respects with the terms and conditions of the Hong Kong Public Offering;
- (f) shall pay any tax, duty, levy, fee or other charge or expense which may be payable by

the Company, whether pursuant to the requirement of any Laws or otherwise, in connection with the creation, allotment and issue of the Hong Kong Offer Shares, the execution and delivery of, or the performance of any of the provisions under this Agreement;

- (g) shall not, without the prior written consent of the Sole Sponsor and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters (which consent shall not be unreasonably withheld or delayed) at any time after the date of this Agreement up to and including the Listing Date, enter into or allow any member of the Group to enter into any commitment or arrangement which could reasonably be expected to adversely affect the Global Offering or take any steps which Joint Global Coordinators would reasonably be expected to be materially inconsistent with any expression of policy or intention in the Prospectus;
- (h) shall ensure the audited accounts of the Company for the Track Record Period (as defined in the Prospectus) will be prepared on a basis consistent in all respects with the accounting policies adopted for the purposes of the financial statements contained in the reports of the Reporting Accountant set out in Appendix I to the Prospectus, unless any deviation and/or modification is a result of change in accounting standards and/or compliance with the accounting standards and/or changes in any regulatory requirements;
- (i) shall ensure the Directors will himself/herself (or through a company controlled by him/her) and no other core connected persons (as such term is defined in the Listing Rules) apply or subscribe for or purchase or acquire any Offer Shares either in his/her/its own name or through nominees unless permitted to do so under the Listing Rules and obtain confirmation to that effect;
- (j) shall comply with the requirements of the Listing Rules regarding the use of proceeds received by it pursuant to the issue of the new Shares under the Global Offering and shall only modify such use of proceeds in accordance with the Listing Rules or other guidance materials issued by the Stock Exchange;
- (k) shall not, within the period commencing on the Prospectus Date and ending on the date six months from the Listing Date, buy back any securities of the Company;
- (l) shall ensure that the Hong Kong Share Registrar, the Receiving Bank and the Nominee to comply in all material respects with the terms of their respective appointments under the terms of the Hong Kong Share Registrar Agreement and the Receiving Bank Agreement (as the case may be), and that none of the material terms of the appointments of the Hong Kong Share Registrar, the Receiving Bank and the Nominee shall be amended without the prior written consent of the Sole Sponsor and the Joint Global Coordinators (on behalf of themselves and the Hong Kong Underwriters) before completion of the Global Offering;
- (m) shall ensure no member of the Group, and/or any of its respective directors, officers and/or employees, shall (whether directly or indirectly, formally or informally, in writing or verbally) provide any material information, including forward-looking information (whether qualitative or quantitative) concerning the Company or any member of the Group that is not, or is not reasonably expected to be, included in the Prospectus or publicly available, to any research analyst at any time up to and including the 40th day immediately after the Price Determination Date;

- (n) shall comply with the Listing Rules or other applicable Law and/or regulatory requirements to publish and disseminate to the public, under certain circumstances, information affecting the information contained in the Prospectus and announce by way of press announcement any such information required by the SFC or the Stock Exchange to be published and disseminated to the public, provided that no such press announcement shall be issued by the Company without having been submitted to the Sole Sponsor and the Joint Global Coordinators for their review as soon as practicable in advance;
- (o) shall ensure no member of the Group will, at any time after the date of this Agreement up to and including the date on which all of the Conditions are fulfilled or waived in accordance with this Agreement, do or omit to do anything which causes or can reasonably be expected to cause any of the Warranties to be untrue, inaccurate, incomplete or misleading or deceptive at any time prior to or on the Listing Date;
- (p) from the date hereof until 5:00 p.m. on the date which is the 30th day after the last date for lodging of Application Forms under the Hong Kong Public Offering, shall not: (i) declare, pay or otherwise make any dividend or distribution of any kind on the Shares; nor (ii) change or alter its capital structure (including but not limited to alteration to the nominal value of the Shares whether as a result of consolidation, sub-division or otherwise);
- (q) if, at any time up to or on the date falling on the 30th day after the Listing Date, there is a significant change which affects or can reasonably be expected to affect any information contained in the Hong Kong Public Offering Documents or a significant new matter arises, the inclusion of information in respect of which would have been required in any of the Hong Kong Public Offering Documents had it arisen before any of them was issued, shall:
  - (i) promptly provide the particulars thereof to the Sole Sponsor and the Joint Global Coordinators;
  - (ii) if so required by the Sole Sponsor and the Joint Global Coordinators, inform the Stock Exchange and/or the SFC (as the case may be) of such change or matter;
  - (iii) (if so required by the SFC, the Stock Exchange, the Sole Sponsor or the Joint Global Coordinators) promptly prepare and (through the Sole Sponsor) deliver to the SFC and/or the Stock Exchange (as the case may be) for approval documentation containing details thereof in a form agreed by the Sole Sponsor and the Joint Global Coordinators and publish such documentation in such manner as the Stock Exchange, the SFC, the Sole Sponsor or the Joint Global Coordinators may require; and
  - (iv) make any necessary announcements through the website of the Stock Exchange and (where required by the Stock Exchange) in the press to avoid a false market being created in the Offer Shares,

and for the purpose of this Clause 10.1(q), “**significant**” means significant for the purpose of making an informed assessment of the matters mentioned in Rule 11.07 of the Listing Rules. Each of the Warrantors undertakes not to issue, publish, distribute or

make available publicly any announcement, circular, document or other communication relating to any matter aforesaid without the prior written consent of the Sole Sponsor and the Joint Global Coordinators.

10.2 (a) Each of the Warrantors hereby undertakes to provide to each of the Sole Sponsor, the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters), the Joint Bookrunners, the Joint Lead Managers all such information known to them or which on due and careful enquiry ought to be known to them and whether relating to the Group or otherwise as may be required by the Sole Sponsor and/or the Joint Global Coordinators (on behalf of the Hong Kong Underwriters) and/or the Company in connection with the Global Offering for the purposes of complying with any requirements of applicable Laws or of the Stock Exchange or of the SFC or of any other relevant governmental authority during the period commencing from the date of this Agreement until the Listing Date, except as required and to the extent permitted by law. Each of the Warrantors hereby undertakes to each of the Sole Sponsor, the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters), the Joint Bookrunners, the Joint Lead Managers to provide any such other resolutions, consents, authorities, documents, opinions and certificates which are relevant in the context of the Global Offering owing to circumstances arising or events occurring after the date of this Agreement but before 8:00 a.m. on the Listing Date and as the Sole Sponsor and/or the Joint Global Coordinators may require.

(b) Without prejudice to the foregoing obligations, each of the Warrantors hereby undertakes with each of the Sole Sponsor, the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters), the Joint Bookrunners, the Joint Lead Managers that it shall do all such other acts and things as may be reasonably required to be done by it to carry into effect the Global Offering in accordance with the terms thereof.

(c) Each of the Warrantors hereby undertakes not to issue, publish, distribute or make available publicly any announcement, circular, document or other communication relating to any matter aforesaid without the prior written consent of the Sole Sponsor and the Joint Global Coordinators unless otherwise in compliance with the Laws.

10.3 The Company hereby further undertakes irrevocably and unconditionally with each of the Sole Sponsor, the Joint Global Coordinators and the Hong Kong Underwriters, and each of the Warrantors hereby further jointly and severally undertakes irrevocably and unconditionally with the Sole Sponsor, the Joint Global Coordinators and the Hong Kong Underwriters to procure that:

(a) except for the issue of the Shares pursuant to the Global Offering, the Loan Consideration Capitalisation, the Capitalisation Issue, the exercise of the Over-allotment Option, the grant of options under the Share Option Scheme and the issue of Shares on exercise thereof or as otherwise with the prior written consent of the Sole Sponsor and the Joint Global Coordinators and unless in compliance with the Listing Rules, the Company will not, and will procure none of its Subsidiaries will, at any time during the First Six-Month Period:

(i) offer, accept subscription for, pledge, charge, allot, issue, sell, lend, mortgage, assign, contract to allot, issue or 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, make any short sale, lend or otherwise transfer or dispose of, either directly or indirectly, conditionally or unconditionally,

or, as applicable to its Subsidiaries only, repurchase, any of its share capital, debt capital or any securities of the Company or any of its Subsidiaries or any interest therein (including but not limited to any warrants and securities convertible into or exercisable or exchangeable for or that represent the right to receive, or any warrants or other rights to purchase, any such share capital or securities or interest therein, as applicable); 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 such share capital, debt capital or securities or interest therein as described in paragraph (i) above; or
- (iii) enter into any transaction with the same economic effect as any transaction described in paragraph (i) or (ii) above; or
- (iv) offer to or agree or contract to or publicly announce any intention to enter into any transaction described in paragraph (i), (ii) or (iii) above,

whether any of the foregoing transactions described in paragraph (i), (ii) or (iii) above is to be settled by delivery of share capital or such other securities of the Company, in cash or otherwise (whether or not the issue of the Shares or such other securities of the Company will be completed within the aforesaid period); and

- (b) in the event of the Company entering into or agreeing to enter into any of the foregoing transactions in respect of any Share or other securities of the Company or any member of the Group or any interest therein by virtue of the aforesaid exceptions or during the Second Six-Month Period, the Company will take all reasonable steps to ensure that such action will not create a disorderly or false market in any of the Shares or other securities of the Company.

10.4 The undertaking in this Clause 10 shall remain in full force and effect notwithstanding completion of the Global Offering and all matters contemplated in this Agreement.

## **11. UNDERTAKINGS BY THE CONTROLLING SHAREHOLDERS**

11.1 Each of the Controlling Shareholders jointly and severally undertakes to and covenants with the Company, the Sole Sponsor, the Joint Global Coordinators and the Hong Kong Underwriters that, unless in compliance with the requirements of the Listing Rules, he/it will not, and shall procure the relevant registered holder(s) and his/its close associates and companies controlled by him/it or any nominee or trustee holding in trust for him/it not to:

- (a) at any time during the First Six-Month Period:
  - (i) offer, accept subscription for, sell, pledge, mortgage, charge, 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, make any share sale, lend or otherwise transfer or dispose of, either directly or indirectly, conditionally or unconditionally, any of the share capital of the Company or any securities of the Company or any interest therein (including



but not limited to any securities convertible into or exercisable or exchangeable for or that represent the right to receive any such share capital or securities or interest therein); 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 share capital, debt capital or other securities of the Company or any interest therein; or
- (iii) enter or agree to enter into, conditionally or unconditionally, or effect any transaction with the same economic effect as any of the transactions referred to in paragraph (i) or (ii) above; or
- (iv) offer to or agree or contract to or publicly announce any intention to enter into or effect any of the transactions referred to in paragraph (i), (ii) or (iii) above,

whether any of the foregoing transactions described in paragraph (i), (ii) or (iii) above is to be settled by delivery of share capital or such other securities of the Company, in cash or otherwise, or offer to or agree to do any of the foregoing or announce any intention to do so (whether or not the issue of the Shares or such other securities of the Company will be completed within the aforesaid period); and

- (b) at any time during the Second Six-Month Period, enter into any of the foregoing transactions in paragraph (a)(i) or (ii) or (iii) above or agree or contract to or publicly announce any intention to enter into any such transactions if, immediately following such transfer or disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he/it will cease to be a controlling shareholder (as such term is defined in the Listing Rules) of the Company or would together with the other Controlling Shareholders cease to be, or regarded as, controlling shareholders (as such term is defined in the Listing Rules) of the Company.

11.2 Each of the Controlling Shareholders hereby further jointly and severally undertakes to and covenants with the Company, the Sole Sponsor, the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) that:

- (a) until expiry of the Second Six-Month Period, in the event that he/it enters into any such transactions referred to in Clause 11.1 or agrees or contracts to or publicly announces an intention to enter into any such transactions by virtue of the aforesaid exceptions, he/it will take all reasonable steps to ensure that such action will not create a disorderly or false market in the Shares or other securities of the Company;
- (b) comply with the requirements of Rule 10.07(1) and Notes (1), (2) and (3) to Rule 10.07(2) of the Listing Rules, to procure that the Company will comply with the requirements under Note (3) of Rule 10.07(2) of the Listing Rules, and comply with all the restrictions and requirements under the Listing Rules on the sale, transfer or disposal by him/it or by the registered holder controlled by him/it and his/its close associates and companies controlled by him/it of any Shares or other securities of the Company; and
- (c) at any time after the date of this Agreement up to and including the date falling twelve (12) months from the Listing Date, the Controlling Shareholders will:

- (i) when he/it pledges or charges any Shares or other securities or interests in the securities of the Company in respect of which he/it is the beneficial owner, immediately inform the Company and the Stock Exchange in writing of any such pledges or charges together with the number of Shares or other securities of the Company and nature of interest so pledged or charged; and
  - (ii) when he/it receives any indication, whether verbal or written, from any such pledgee or chargee that any of the pledged or charged Shares or securities or interests in the securities of the Company will be sold, transferred or disposed of, immediately inform the Company and the Stock Exchange in writing of any such indication.
- 11.3 The Company undertakes to the Sole Sponsor, and each of the other Warrantors undertakes to the Sole Sponsor that he/it will procure the Company to, inform the Stock Exchange as soon as the Company has been informed of the matters mentioned in Clause 11.2, and to make a public disclosure of such matters as soon as possible thereafter in accordance with the Listing Rules.
- 11.4 The undertaking in this Clause 11 shall remain in full force and effect notwithstanding completion of the Global Offering and all matters contemplated in this Agreement.

## 12. INDEMNITY

- 12.1 Each of Warrantors (collectively, the “**Indemnifying Parties**” and individually, an “**Indemnifying Party**”) undertakes jointly and severally to indemnify each of the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters and their respective subsidiaries, branches, associates and Affiliates, and all of their respective directors, officers, employees, agents, delegates, representatives, assignees (collectively, the “**Indemnified Parties**” and individually, an “**Indemnified Party**”) and keep each of them fully and effectively indemnified (on an after-Taxation basis) against any and all losses, liabilities, damages, payments, costs, fines, penalties or expenses (including legal expenses) and Taxation (together, the “**Losses**” and individually, a “**Loss**”) which, jointly or severally, any such Indemnified Party may suffer or incur, and against any and all actions, suits, claims (whether or not any such claim involves or results in any actions or proceedings or whether successful, compromised or settled), investigations, liabilities, demands and proceedings (including without limitation any investigation or inquiry by or before any authority) or judgments (joint or several) (together, the “**Actions**” and individually, an “**Action**”) in respect of such Losses from time to time threatened, brought, established or made by any subscriber or purchaser of any of the Offer Shares pursuant to the Hong Kong Public Offering or any subsequent purchaser or transferee thereof or any other person, governmental agency or regulatory body whatsoever (including, without limitation, all payments, costs, expenses or tax arising out of or in connection with the investigation, response to, defence or settlement or compromise of, or the enforcement of any settlement or compromise or judgement with respect to, any such Loss and any such Action), and/or in successfully establishing its right pursuant to this Clause 12 by, such Indemnified Party arising out of or in connection with:
  - (a) the due and proper performance by the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters, or any of them, of their obligations under this Agreement; or

- (b) the filing, issue, publication, circulation, distribution or making available of any of the Hong Kong Public Offering Documents or any notices or announcements relating to or in connection with the Global Offering, and any amendments or supplements thereto (in each case, whether or not approved by the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters); or
- (c) any of the Hong Kong Public Offering Documents (including any estimate, forecast, statement or expression of opinion, intention or expectation contained therein) or any notices or announcements relating to or in connection with the Global Offering, and any amendments or supplements thereto (in each case, whether or not approved by the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters) or submitted to the Stock Exchange and/or the SFC containing any untrue or alleged untrue statement of a material fact, or omitting or being alleged to have omitted to state a fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect, or not containing or being alleged not to contain material information as investors and their professional advisers would reasonably require, and reasonably expect to find therein, for the purpose of making an informed assessment of the assets, liabilities, financial position, profit and losses and prospects of the Company and the rights attaching to the Offer Shares as required by Law; or
- (d) the execution delivery and performance of this Agreement and the offer, allotment, issue sale and delivery of the Offer Shares; or
- (e) any breach or alleged breach on the part of any of the Warrantors of any of the provisions of the Underwriting Agreements; or
- (f) any of the Warranties being untrue, inaccurate or misleading or deceptive in any material respect or having been breached in any material respect or being alleged to be untrue, inaccurate or misleading or deceptive in any material respect or alleged to have been breached in any material respect; or
- (g) any act or omission by any member of the Group or the Controlling Shareholders in relation to the Global Offering; or
- (h) the Global Offering failing or being alleged to fail to comply with the requirements of the Listing Rules, or any Law of any applicable jurisdiction, or any condition or term of any approvals, consents and exemptions granted by the SFC and/or the Stock Exchange or any authority in connection with the Global Offering; or
- (i) any failure or alleged failure by the Company or any of the Directors to comply with their respective obligations under the Listing Rules; or
- (j) any breach or alleged breach by any member of the Group or the Controlling Shareholders of applicable Laws; or
- (k) any Actions in connection with the Global Offering by or before any authority having commenced or been threatened or any settlement of any such Action; or
- (l) any other matter arising in connection with the Global Offering.

- 12.2 No claim shall be made against any of the Indemnified Parties by, and none of the Indemnified Parties shall be liable to any Indemnifying Party to recover any damage, cost, charge or expense any of them may suffer by reason of or in any way arising out of the carrying out by the Indemnified Parties, or any of them, of any work or service in connection with the transactions described herein and in the Hong Kong Public Offering Documents, the exercise or performance of any of the rights or obligations of the Indemnified Parties hereunder or otherwise in connection with any matter referred to in or contemplated by this Agreement or the preparation or despatch of the Hong Kong Public Offering Documents.
- 12.3 The protections in Clause 12.2 and the indemnity in Clause 12.1 shall not apply to the extent and only such extent any losses, liabilities, damages, costs, charges and expenses arising from the gross negligence, wilful default or fraud on the part of the relevant Indemnified Person or its associated parties or from any breach of the underwriting commitments under this Agreement.
- 12.4 If any Action is instituted involving any Indemnified Party in respect of which the indemnity provided for in this Clause 12 may apply, such Indemnified Party shall, subject to any restrictions imposed by any Law or obligation of confidentiality, notify the Indemnifying Party in writing of the institution of such Action, provided, however, that the omission to so notify the Indemnifying Party shall not relieve such Indemnified Party from any liability which such Indemnifying Party may have to any Indemnified Party under this Clause 12 or otherwise. Counsel to the Indemnified Parties shall be selected by the Sole Sponsor. The Indemnifying Party may participate at its expense in the defence of such Action including appointing counsel at its expense to act for it in such Action; provided, however, that counsel to the Indemnifying Party shall not (except with the consent of any Indemnified Parties) also be counsel to the Indemnified Party. Unless the Sole Sponsor (on behalf of any Indemnified Parties) consent to counsel to the Indemnifying Party acting as counsel to such Indemnified Parties in such Action, the Sole Sponsor (on behalf of any Indemnified Parties) shall have the right to appoint their own separate counsel (in addition to local counsel) in such Action. The fees and expenses of separate counsel (in addition to local counsel) to any Indemnified Parties shall be borne by the Indemnifying Party and paid as properly and reasonably incurred in any one Action or series of related Actions in the same jurisdiction representing the Indemnified Parties who are parties to such Actions.
- 12.5 No Indemnifying Party shall, without the prior written consent of an Indemnified Party, effect any settlement or compromise of, or consent to the entry of any judgement with respect to, any pending or threatened Action for any Loss in respect of which any Indemnified Party is or could be or could have been a party and indemnity could be or could have been sought hereunder by such Indemnified Party, unless such settlement, compromise or consent judgment includes an unconditional release of such Indemnified Party, in form and substance satisfactory to such Indemnified Party, from all liability on claims that are the subject matter of such Action and does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of such Indemnified Party. Any settlement or compromise by any Indemnified Party, or any consent by any Indemnified Party to the entry of any judgement, in relation to any Action for any Loss shall be without prejudice to, and without (other than any obligations imposed on it by law) any accompanying obligation or duty to mitigate the same in relation to, any Loss it may recover from, or any Action it may take against, any of the Indemnifying Parties under this Agreement. An Indemnifying Party shall be liable for any settlement or compromise by any Indemnified Party of, or any judgement consented to by any Indemnified Party with respect to, any pending or threatened Action, effected with the consent of such Indemnifying Party, and agrees to indemnify and hold harmless the Indemnified Party from and against any loss or liability by reason of such settlement, or compromise or consent judgement. The rights of the

Indemnified Parties herein are in addition to any rights that each Indemnified Party may have at law or otherwise and the obligations of the Indemnifying Parties herein shall be in addition to any liability which the Indemnifying Parties may otherwise have.

- 12.6 If an Indemnifying Party enters into any agreement or arrangement with any adviser for the purpose of or in connection with the Global Offering, the terms of which provide that the liability of the adviser to the Indemnifying Party or any other person is excluded or limited in any manner, and any of the Indemnified Parties may have joint and/or several liability with such adviser to the Indemnifying Party or to any other person arising out of the performance of its duties under this Agreement, the Indemnifying Party shall:
- (a) not be entitled to recover any amount from any Indemnified Party which, in the absence of such exclusion or limitation, the Indemnifying Party would not have been entitled to recover from such Indemnified Party; and
  - (b) indemnify the Indemnified Parties in respect of any increased liability to any third party which would not have arisen in the absence of such exclusion or limitation; and
  - (c) take such other action as the Indemnified Parties may require to ensure that the Indemnified Parties are not prejudiced as a consequence of such agreement or arrangement.
- 12.7 For the avoidance of doubt, the indemnity under this Clause 12 shall cover all costs, charges, fees and expenses which any Indemnified Party may suffer, incur or pay in disputing, investigating, responding to, defending, settling or compromising, or enforcing any settlement, compromise or judgment obtained with respect to, any Losses (or any Action in respect of any Losses) to which the indemnity may relate and in establishing its right to indemnification under this Clause 12.
- 12.8 All amounts subject to indemnity under this Clause 12 shall be paid by an Indemnifying Party as and when they are incurred within ten (10) Business Days of a written notice demanding payment being given to such Indemnifying Party by or on behalf of the relevant Indemnified Party.
- 12.9 If any deductions or withholdings from payments made by or due from an Indemnifying Party under this Clause 12 are required by Law, or a payment under this Clause 12 is liable for Taxation in the hands of any Indemnified Party, or would have been liable for Taxation but for the utilisation of any tax relief, the Indemnifying Party shall pay the relevant Indemnified Party on demand such further sums as will ensure that the aggregate of the sums paid or payable under this Clause 12 shall, after deducting all deductions or withholdings from, and Taxation liabilities in respect of, such sums, leave the relevant Indemnified Party with the same amount as it would have been entitled to receive under this Clause 12 in the absence of any such deductions, withholdings or Taxation liabilities.
- 12.10 If the indemnity under this Clause 12 is unavailable or insufficient to hold harmless an Indemnified Party, then the Company and the Warrantors shall jointly and severally on demand contribute to the amount paid or payable by such Indemnified Party as a result of such Actions or Losses:

- (a) in such proportion as is appropriate to reflect the relative benefits received by each of the Indemnifying Parties from the Hong Kong Public Offering; or
  - (b) if the allocation provided in Clause 12.10(a) is not permitted by applicable Laws, then in such proportion as is appropriate to reflect not only the relative benefits referred to in Clause 12.10(a) but also the relative fault of any of the Indemnifying Parties which resulted in the Actions or Losses as well as any other relevant equitable considerations
- 12.11 All payments made by the Indemnifying Parties under this Clause 12 shall be made gross, free of any right of counterclaim or set off and without deduction or withholding of any kind, other than any deduction or withholding required by Law. If any of the Indemnifying Parties makes a deduction under this Clause 12, the sum due from the relevant Indemnifying Party shall be increased to the extent necessary to ensure that, after the making of any deduction or withholding, the relevant Indemnified Party which is entitled to such payment receives a sum equal to the sum it would have received had no deduction or withholding been made.
- 12.12 The Warrantors agree that as between the Company on the one hand and the other Warrantors on the other hand, the liability of the Company to indemnify the Indemnified Parties pursuant to this Clause 12 shall be on a several basis and in the proportion of the number of Offer Shares sold by the Company bear to the total number of Offer Shares.
- 12.13 If any of the Indemnifying Parties shall become aware of any claim which may give rise to a corresponding claim under the indemnity contained in this Clause 12, it shall promptly give written notice thereof to the Sole Sponsor and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) with reasonable details thereof as soon as practicable and shall keep the Sole Sponsor and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) informed of such claim and shall discuss with the Sole Sponsor and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) the proposed course of action, but provided that any failure to notify the Sole Sponsor and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) shall not relieve such Indemnifying Party from (a) any liability that it may have; or (b) any liability that it may have to an Indemnified Party otherwise under this Clause 12.
- 12.14 If a payment under this Clause 12 will be or has been subject to tax, the Indemnifying Parties shall pay the relevant Indemnified Party on demand the amount (after taking into account any tax payable in respect of the amount and treating for these purposes as payable any tax that would be payable but for a relief, clearance, deduction or credit) that will ensure that the relevant Indemnified Party receives and retains a net sum equal to the sum it would have received had the payment not been subject to tax.
- 12.15 The foregoing provisions of this Clause 12 will continue in full force and effect notwithstanding the Global Offering becoming unconditional and having been completed or the termination of this Agreement (as the case may be).

### **13. TERMINATION**

- 13.1 The Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters)

shall have the absolute right, in their sole and absolute discretion, to terminate this Agreement by notice in writing to the Company with immediate effect if at any time prior to 8:00 a.m. on the Listing Date:

- (a) there has come to the notice of the Sole Sponsor and/or the Joint Global Coordinators:
- (i) any statement contained in the Hong Kong Public Offering Documents, the PHIP, any submission, document or information provided to the Sole Sponsor and/or the Joint Global Coordinators and any announcement or document issued by the Company in connection with the Global Offering (including any supplement or amendment thereto) (the “Offer Documents”) which, considered by the Joint Global Coordinators in their sole and absolute opinion was, when it was issued, or has become, or been discovered to be untrue, incorrect, inaccurate or misleading or deceptive in any material respect, or any expression of opinion, intention or expectation contained in any such document is not, in the sole and absolute opinion of the Joint Global Coordinators, fair and honest in any material respect when taken as a whole; or
  - (ii) any matter has arisen or has been discovered which, had it arisen or been discovered immediately before the Prospectus Date, would have constituted, in the sole and absolute opinion of the Joint Global Coordinators, an omission from the Offer Documents in the context of the Global Offering; or
  - (iii) either (1) there has been a breach of any of the Warranties or any other provisions of this Agreement by any party hereto (other than the Sole Sponsor, the Joint Global Coordinators and the Hong Kong Underwriters); or (2) any matter or event showing or rendering any of the Warranties, in the sole and absolute opinion of the Joint Global Coordinators, to be untrue, incorrect, inaccurate or misleading or deceptive in any material respect when given or repeated; or
  - (iv) any event, act or omission which gives or is likely to give rise to any liability of any of the Warrantors pursuant to the indemnity provisions under this Agreement or the Hong Kong Public Offering to be performed or implemented as envisaged; or
  - (v) any event, series of events, matter or circumstance occurs or arises on or after the date of this Agreement and prior to 8:00 a.m. on the Listing Date, being an event, a series of events, matter or circumstance which, if it had occurred before the date of this Agreement, would have rendered any of the Warranties, in the sole and absolute opinion of the Joint Global Coordinators, to be untrue, incorrect, inaccurate or misleading in any material respect; or
  - (vi) approval by the Listing Committee of the listing of, and permission to deal in, the Shares (including any additional Shares which may be issued pursuant to the exercise of the Over-allotment Option and options to be granted under the Share Option Scheme), is refused or not granted before the Listing Date, other than subject to customary conditions, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or

- (vii) the Company withdraws any of the Offer Documents (and/or any other documents used in connection with the contemplated subscription of the Offer Shares) or the Global Offering; or
  - (viii) any person (other than the Sole Sponsor, the Joint Global Coordinators and any of the Hong Kong Underwriters) has withdrawn its consent to the issue of any of the Offer Documents with the inclusion of its reports, letters, summaries of valuations and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or
  - (ix) a portion of the orders in the bookbuilding process, which is considered by the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) in their absolute opinion to be material, at the time the International Underwriting Agreement is entered into, or the investment commitments by any cornerstone investors after signing of agreements with such cornerstone investors, have been withdrawn, terminated or cancelled, and the Joint Global Coordinators, in their sole and absolute discretion (having acted in good faith in exercising such discretion), conclude that it is therefore inadvisable or inexpedient or impracticable to proceed with the Global Offering; or
- (b) there shall develop, occur, exist, or come into effect:
- (i) any event, or series of events, in the nature of force majeure, including, without limitation, acts of government or orders of any courts, labour disputes, riots, strikes, calamity, crisis, public disorder, lock-outs (whether or not covered by insurance), fire, explosion, flooding, earthquake, civil commotion, acts of war, acts of God, acts of terrorism (whether or not responsibility has been claimed), declaration of a national or international emergency, economic sanctions, outbreaks of diseases or epidemics (including but not limited to COVID-19, Ebola, severe acute respiratory syndrome (SARS), type A influenza viruses such as H5N1, H1N1 and H7N9, and other related or mutated form), accidents, interruption or delay in transportation, any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or calamity or crisis in Hong Kong, the U.S., the PRC, the BVI, the Cayman Islands or any of the jurisdictions in which the 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 and/or operation of the Group (the “**Relevant Jurisdictions**”); or
  - (ii) any change or development involving a prospective change, or any event or series of events, matters or circumstances resulting or likely to result in or represent any change or development involving a prospective change, in the local, national, regional, international financial, economic, political, military, industrial, fiscal, regulatory, currency, equity securities, credit, market, exchange control, stock market, financial market or other market conditions or any monetary or trading settlement system or matters and/or disaster (including without limitation any change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar, or a material fluctuation in the exchange rate of the Hong Kong dollar or the Renminbi against any



- foreign currency, or any interruption in securities settlement or clearance service or procedures) in or affecting the Relevant Jurisdictions; or
- (iii) any material change in the general fund-raising environment in the Relevant Jurisdictions; or
  - (iv) any new law or regulation or any change or development involving a prospective change in existing laws or regulations, or any change or development involving a prospective change in the interpretation or application thereof by any court or other competent authority in the Relevant Jurisdictions; or
  - (v) the imposition of economic sanctions or changes in existing economic sanctions, or withdrawal of trading privileges, in whatever form, directly or indirectly, by, or for, the Relevant Jurisdictions; or
  - (vi) any change or development involving a prospective change in taxation or exchange control (or the implementation of any exchange control, currency exchange rates or foreign investment laws or regulations) in any of the Relevant Jurisdictions; or
  - (vii) any change or development involving a prospective change, or a materialisation of, any of the risks set out in "Risk Factors" in the Prospectus; or
  - (viii) save as disclosed in the Prospectus, any litigation or claim of importance being instigated or threatened against any member of the Group or any Director; or
  - (ix) a Director being charged with an indictable offence involving dishonesty, fraud or which goes towards his/her integrity or prohibited by operation of law or regulation or otherwise disqualified from taking part in the management of a company; or
  - (x) the chairman or chief executive officer of the Company vacating his office; or
  - (xi) the commencement by any governmental, judicial, regulatory or political body or organisation of any investigation or other action against a Director or any member of the Group or an announcement by any governmental, judicial, regulatory or political body or organisation that it intends to take any such action; or
  - (xii) any contravention by any member of the Group or any Director or any Controlling Shareholder of the Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Companies Act, the Listing Rules, the SFO or any applicable laws, rules, regulations, guidelines, opinions (rules and regulations whether formally published or not), notices, circulars, orders, judgments, decrees or rulings of any court, government, governmental or regulatory authority (including, without limitation, the Stock Exchange and the SFC); or

- (xiii) a prohibition on the Company for whatever reason from offering, allotting and issuing any of the Offer Shares pursuant to the terms of the Hong Kong Public Offering and/or the Global Offering; or
- (xiv) save as disclosed in the Prospectus, any material non-compliance by any member of the Group or any Director or any Controlling Shareholder of the Prospectus (and/or any other documents used in connection with the subscription of the Offer Shares) or any aspect of the Hong Kong Public Offering and/or the Global Offering with the Listing Rules or any applicable laws and regulations; or
- (xv) the issue or requirement to issue by the Company of a supplement or amendment to any of the Offer Documents (and/or any other documents used in connection with the issue of the Offer Shares) pursuant to Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules in circumstances where the matter to be disclosed is, in the opinion of the Sole Sponsor and the Joint Global Coordinators, materially adverse to the marketing for or implementation of the Global Offering; or
- (xvi) a valid demand by any creditor for repayment or payment of any indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity; or
- (xvii) any material loss or damage sustained by any member of the Group (howsoever caused and whether or not the subject of any insurance or claim against any person); or
- (xviii) any material and adverse change or prospective material and adverse change in the earnings, results of operations, business, business prospects, financial or trading position, conditions or prospects (financial or otherwise) of the Company or any member of the Group; or
- (xix) a petition or order is presented for the winding-up or liquidation of any member of the Group or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the material assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group; or
- (xx) a disruption in or a general moratorium on commercial banking activities or foreign exchange trading or securities settlement or payment or clearance services or procedures in or affecting any of the Relevant Jurisdictions; or
- (xxi) the imposition of any moratorium, suspension or restriction on trading in shares or securities generally on or by the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Tokyo Stock Exchange, the Shanghai Stock Exchange or the Shenzhen Stock Exchange, or minimum or maximum prices for trading having been fixed, or minimum or maximum ranges for prices having been required, by any of the

said exchanges or by such system or by order of any regulatory or governmental authority,

which, in each case or in aggregate, in the sole and absolute opinion of the Joint Global Coordinators:

- (i) is or may or will be or is likely to be material and adverse to or may prejudicially affect the general affairs, management, business, financial, trading or other conditions or prospects of the Group in any material respect taken as a whole or any member of the Group or to any present or prospective shareholder in his/her/its capacity; or
- (ii) has or will have or is likely to have a material and adverse effect on the success or marketability or pricing of the Global Offering or the level of the Offer Shares being applied for or accepted, the distribution of the Offer Shares or the demand or market price of the Shares following the Listing; or
- (iii) makes or may or will make it inadvisable, inexpedient or impracticable to proceed with or to market the Hong Kong Public Offering and/or the International Offering on the terms and in the manner contemplated in the Underwriting Agreements and the Prospectus; or
- (iv) has or may or will, or is likely to have, the effect of making any part of this Agreement (including underwriting) incapable of implementation or performance in accordance with its terms and in the manner contemplated by any of the Offer Documents and this Agreement or which prevents or delays the processing of applications and/or payments pursuant to the Hong Kong Public Offering and/or the Global Offering or pursuant to the underwriting thereof.

13.2 Upon the termination of this Agreement pursuant to the provisions of Clause 13.1 or Clause 2.4:

- (a) each of the parties hereto shall cease to have any rights or obligations under this Agreement, save in respect of the provisions of this Clause 13 and Clauses 2.4, 8.2, 8.3, 8.4, 8.5, 12, 14, 18, 22, 23, 24 and 25 and any rights or obligations which may have accrued under this Agreement prior to such termination; and
- (b) the Company shall pay to the Joint Global Coordinators or as they may direct the fees, costs and expenses (including but not limited to their legal expenses) referred to in any of Clauses 8.2, 8.3, 8.4 and 8.5, if incurred, and, if relevant, the Joint Global Coordinators may, in accordance with the provisions of the Receiving Bank Agreement, instruct the Nominee to make such (or any part of such) payments.

## 14. REMEDIES AND WAIVERS

14.1 No delay or omission on the part of any party hereto in exercising any right, power or remedy under this Agreement shall:

(a) impair such right, power or remedy; or

(b) operate as a waiver thereof.

14.2 The single or partial exercise of any right, power of remedy under this Agreement shall not preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

14.3 The rights, power and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers and remedies provided by Laws.

## **15. ASSIGNMENT**

15.1 Each of the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters may assign to the Indemnified Parties, in whole or in part, the benefits of this Agreement, including without limitation, the Warranties and the indemnities in Clause 12. No other party hereto may otherwise assign any of the benefits of this Agreement.

15.2 Obligations under this Agreement shall not be assignable.

15.3 This Agreement shall be binding on, and inure to for the benefit of, the parties hereto and their respective successors, personal representatives and permitted assign.

## **16. FURTHER ASSURANCE**

Each of the parties hereto shall from time to time, on being required to do so by any other party now or at any time in the future, do or procure the doing of such acts and/or execute or procure the execution of such documents as such other party may consider reasonably require for giving full effect to this Agreement and to the effect that such other party have the full benefit of the rights, powers and remedies conferred upon them, or any of them, in this Agreement.

## **17. ENTIRE AGREEMENT**

17.1 Save as otherwise expressly provided herein, this Agreement constitutes the whole and only agreement between the parties hereto and supersedes and extinguishes any prior drafts, agreements, undertakings, representations, warranties and arrangements of any nature whatsoever, whether or not in writing, relating to such matters as have been regulated by this Agreement.

17.2 Each party hereto acknowledges that in entering into this Agreement it is not relying upon any representation, warranty, promise or assurance made or given by any other party or any other person, whether or not in writing, at any time prior to the execution of this Agreement which is not expressly set out in this Agreement.

## **18. NOTICES**

18.1 Any notice or other communication given or made under or in connection with the matters

contemplated by this Agreement shall be in writing.

18.2 Any such notice or other communication shall be addressed as provided in Clause 18.3 and, if so addressed, shall be deemed to have been duly given or made as follows:

- (a) if sent by personal delivery, upon delivery at the address of the relevant party;
- (b) if sent by post, three (3) Business Days after the date of posting;
- (c) if sent by facsimile, when despatched with confirmed receipt as evidenced by the transmission report generated at the end of the transmission of such facsimile by the facsimile machine used for such transmission; and
- (d) if sent by email, when despatched provided no report of returned email or failure of delivery is received by the sender within 24 hours after the despatch of such email.

Any notice received or deemed to be received on a day which is not a Business Day shall be deemed received on the next Business Day.

18.3 The relevant address, facsimile number and email address of each party hereto for the purpose of this Agreement, subject to Clause 18.4, is:

For the Company:

Address: 40/F, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong  
Facsimile: (86) 468 6970005  
Attention: Mr. Zhao Liang  
Email: project.g.element@yxsmjt.com

For the Sole Sponsor:

Address: Lego Corporate Finance Limited, Room 1601, 16/F, China Building, 29 Queen's Road Central, Central, Hong Kong  
Facsimile: (852) 21231746  
Attention: Mr. Stanley Ng  
Email: project\_g\_element@legogroup.hk

For the Controlling Shareholders:

Zhao Liang:

Address: 40/F, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong  
Facsimile: (86) 468 6970005  
Email: project.g.element@yxsmjt.com

Sandy Mining Limited:

Address: 40/F, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong  
Facsimile: (86) 468 6970005  
Attention: Mr. Zhao Liang  
Email: project.g.element@yxsmjt.com

For the Joint Global Coordinators:

LSL:

Address: Room 301, 3/F, China Building, 29 Queen's Road Central, Central, Hong Kong

Facsimile: (852) 3188 8103

Attention: Mr. Kelvin Li

Email: kelvin.li@legosecurities.hk

CCBI:

Address: 12/F CCB Tower, 3 Connaught Road Central, Central, Hong Kong

Facsimile: (852) 2523 1943

Attention: Ms. Rucy Zhang

Email: PROJECT\_G\_ELEMENT@ccbintl.com

18.4 A party hereto may notify the other parties to this Agreement of a change to its relevant address, email address or facsimile number for the purpose of Clause 18.3, PROVIDED THAT such notification shall only be effective on:

- (a) subject to Clause 18.4(b), the date specified in the notification as the date on which the change is to take place; or
- (b) if no date is specified or the date specified is less than five (5) Business Days after the date on which notice is given, the date falling five (5) Business Days after notice of any such change has been given.

## 19. ANNOUNCEMENTS

19.1 The Warrantors hereby undertake that (unless required by Laws or the Stock Exchange and/or the SFC) they shall not, and, where appropriate, shall procure that none of the Company's nor any subsidiaries of the Warrantors (as applicable) or their directors or employees of any company controlled by any of them shall, make any press or public announcement in Hong Kong or elsewhere or do anything as a result of which the Company may become obliged to make any announcement which relates to or is likely to affect the Global Offering after the execution of this Agreement and prior to the Listing Date without the prior written consent of the Sole Sponsor and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters).

19.2 Without prejudice to Clause 19.1, the Company hereby undertakes to the Sole Sponsor, the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters), the Joint Bookrunners, the Joint Lead Managers that no announcement concerning this Agreement or relating to or otherwise relevant to the Global Offering proposed to be made to the public shall be made or despatched by the Company or the Controlling Shareholders within the First Six-Month Period without the prior written approval of the Sole Sponsor, except in the event and only to the extent that any such announcement is required to be made or despatched by applicable Laws or any competent authority provided, however, any such announcement shall be made only after the Sole Sponsor has had a reasonable opportunity to review and comment on the draft of the announcement and the Sole Sponsor's comments thereto, if any, shall have been fully considered by such party.

19.3 The restriction in this Clause 19 will continue in full force and effect notwithstanding the Global Offering becoming unconditional and having been completed or the termination of this Agreement (as the case may be). Each of the Warrantors shall procure compliance by their respective subsidiaries and Affiliates with the provisions of this Clause 19.

**20. TIME IS OF ESSENCE**

Save as otherwise expressly provided, time is of the essence of this Agreement.

**21. SEVERABILITY**

If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the Laws of any jurisdiction that shall not affect or impair (i) the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or (ii) the legality, validity or enforceability under the Laws of any other jurisdiction of that or any other provision of this Agreement.

**22. GOVERNING LAW**

This Agreement is governed by and shall be construed in accordance with the laws of Hong Kong.

**23. JUDGEMENT CURRENCY**

In respect of any judgement or order or award given or made for any amount due under this Agreement to any of the Indemnified Parties that is expressed and paid in a currency (the "judgement currency") other than Hong Kong dollars, each of the Warrantors will, jointly and severally, indemnify such Indemnified Party against any loss incurred by such Indemnified Party as a result of any variation as between (A) the rate of exchange at which the Hong Kong dollar amount is converted into the judgement currency for the purpose of such judgement or order and (B) the rate of exchange at which such Indemnified Party is able to purchase Hong Kong dollars with amount of the judgment currency actually received by such Indemnified Party. The foregoing indemnity shall constitute a separate and independent obligation of each of the Warrantors and shall continue in full force and effect notwithstanding any such judgment or order as aforesaid. The term "rate of exchange" shall include any premiums and costs of exchange payable in connection with the purchase of or conversion into Hong Kong dollars.

**24. JURISDICTION AND SERVICE OF PROCESS**

24.1 Each of the parties hereto irrevocably agrees that any suit, action or proceeding ("**Proceedings**") relating to any dispute, differences, claims or other matters arising out of or in connection with this Agreement may be brought in the Hong Kong courts and it hereby submits to the non-exclusive jurisdiction of Hong Kong courts.

24.2 Subject as set out above, the submission to such jurisdiction shall not (and shall not be construed so as to) limit the right of any party to take Proceedings against any other party in

whatsoever jurisdictions it seems fit nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of the Proceedings in any other jurisdiction, whether concurrently or not.

- 24.3 Each Controlling Shareholder hereby irrevocably appoints Ms. Mak Po Man of 40/F, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong as his/its agent to receive and acknowledge on his/its behalf service of any writ, summons, order, judgment or other notice of legal process in Hong Kong. If for any reason the agent named above (or its successor) shall cease to serve as agent of the Controlling Shareholders, for this purpose the Controlling Shareholders shall promptly appoint a successor agent and notify the other parties hereto thereof within 14 days of such cessation, failing which the Sole Sponsor shall be entitled to appoint a new agent for and on behalf of each Controlling Shareholder and such appointment shall be effective upon notifying each Controlling Shareholder. Each Controlling Shareholder agrees that any such legal process shall be sufficiently served on him/it if delivered to such agent for service at such agent's address for the time being in Hong Kong whether or not such agent gives notice thereof to the Controlling Shareholders. Nothing in this Agreement shall affect the right to serve process in any manner permitted by Laws.

## **25. IMMUNITY**

To the extent that any party hereto may in any court or arbitration proceedings arising out of or in connection with this Agreement or in any proceedings taken for the enforcement of any determination, decision, order or award made in such court or arbitration proceedings claim for itself or its assets immunity from suit or other legal process or to the extent that in any such court or arbitration or enforcement proceedings there may be attributed to itself or its assets such immunity (whether or not claimed), such party hereby irrevocably waives such immunity and consents, in respect of any court or arbitration or enforcement proceedings, to the giving of any relief or the issue of any process including, without limitation, the making, enforcement or execution against property whatsoever (irrespective of its use or intended use) to the full extent permitted by applicable Laws.

## **26. LIABILITY JOINT AND SEVERAL**

Except as otherwise provided in this Agreement, the liability of each of the Warrantors in respect of each of the undertakings, covenants, representations, warranties and other obligations set out in this Agreement shall be joint and several.

## **27. AMENDMENT AND VARIATION**

This Agreement may only be amended or supplemented in writing signed by or on behalf of each of the parties hereto.

## **28. COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. Delivery of a counterpart of this Agreement by email attachment or



telecopy shall be an effective mode of delivery. In relation to such counterpart, upon confirmation by or on behalf of a party that such party authorises the attachment of this counterpart signature page to the final text of this Agreement, such counterpart signature page shall take effect, together with such final text, as a complete authoritative counterpart.

## **29. CONTRACTS (RIGHTS OF THIRD PARTIES ORDINANCE)**

- 29.1 Save as provided in Clause 29.3 of this Agreement, a person who is not a party to this Agreement shall not have any rights under the Contracts (Rights of Third Parties) Ordinance to enforce any terms of this Agreement but this does not affect any right or remedy of a third party which exists or is available apart from the Contracts (Rights of Third Parties) Ordinance.
- 29.2 Notwithstanding Clause 12 of this Agreement, this Agreement may be rescinded, varied or terminated without the consent of and without reference to persons entitled to enforce the terms of this Agreement by virtue of the Contracts (Rights of Third Parties) Ordinance and the Sole Sponsor, the Joint Global Coordinators and the Hong Kong Underwriters will have no responsibility under or as a result of this Agreement to any Indemnified Person who is not a party to this Agreement.
- 29.3 Each Indemnified Party who is not a party to this Agreement shall have the right under the Contracts (Right of Third Parties) Ordinance (which shall apply to this Agreement only to the extent provided in this Clause 29)) to enforce its rights against the Warrantors under Clause 12.

## **30. PROFESSIONAL INVESTOR TREATMENT NOTICE**

The Company has read and understood the Hong Kong Professional Investor Treatment Notice set forth in Schedule 7 to this Agreement hereto and acknowledges and agrees to the representations, waivers and consents contained in such notice, in which the expressions “you” or “your” shall mean “the Company”, and “we” or “us” or “our” shall mean the Joint Global Coordinators and their respective affiliates.

**IN WITNESS** whereof this Agreement has been executed under hand by or on behalf of the parties hereto the day and year first above written.

**SCHEDULE 1**

**PARTICULARS OF THE CONTROLLING SHAREHOLDERS**

<b><u>Name</u></b>	<b><u>Address (in English)</u></b>
Zhao Liang	Room 2302, Unit 3, Building 10, Yard 3, Taiyanggong Second Street, Chaoyang District, Beijing, PRC
Sandy Mining Limited	No. 1, Building 1, The 20th Company, Yanjun Farm, Luobei County, Hegang City, Heilongjiang Province, PRC

## SCHEDULE 2

### PARTICULARS OF THE HONG KONG UNDERWRITERS

<u>Name</u>	<u>Address</u>	<u>Maximum number of Hong Kong Offer Shares underwritten</u>	<u>Proportion by way of percentage</u>
Lego Securities Limited	Room 301, 3/F, China Building, 29 Queen's Road Central, Central, Hong Kong	9,930,000	24.83%
CCB International Capital Limited	12/F CCB Tower, 3 Connaught Road Central, Central, Hong Kong	10,000	0.025%
China Galaxy International Securities (Hong Kong) Co., Limited	20/F Wing On Centre, 111 Connaught Road Central, Hong Kong	10,000	0.025%
China Tonghai Securities Limited	18/F-19/F China Building, 29 Queen's Road Central, Hong Kong	100,000	0.25%
Guotai Junan Securities (Hong Kong) Limited	26/F– 28/F Low Block Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong	10,000	0.025%
AMC Wanhai Securities Limited	1605, 16/F, West Tower, Shun Tak Center, 168-200 Connaught Road Central, Sheung Wan, Hong Kong	100,000	0.25%
Matrix Securities Limited	Room 17–18, 13/FL, Delta House, 3 On Yiu St., Shek Mun, Shatin, New Territories Hong Kong	6,000,000	15%
Elstone Securities Limited	Suite 1601-04, 16/F., West Tower, Shun Tak Centre,, 168-200 Connaught Road Central,, Hong Kong	23,700,000	59.25%
Golden Eagle Brokerage Limited	Unit 2115, 21/F, North Tower, Concordia Plaza, No. 1 Science Museum Road, Tsim Sha Tsui, Kowloon, Hong Kong	10,000	0.025%
Alpha Financial Group Limited	Room A, 17/F, Fortune House, 61 Connaught Road Central, Central, Hong Kong	10,000	0.025%

CIS Securities Asset Management Limited	21/F, Centre Point, 181–185 Gloucester Road, Wanchai, Hong Kong	10,000	0.025%
Eddid Securities and Futures Limited	21/F, Citic Tower, 1 Tim Mei Avenue, Central, Hong Kong	10,000	0.025%
CSFG International Securities Limited	Rm.701, 7/F Southland Building, 48 Connaught Road Central, Hong Kong	100,000	0.25%
		<b>40,000,000</b>	<b>100%</b>

## SCHEDULE 3

### CONDITIONS PRECEDENT DOCUMENTS

#### Part A

##### *Corporate authorisations*

1. Two certified copies of the resolutions of the Board, or, if applicable, a duly authorised committee thereof, approving and authorising and, where applicable, confirming and ratifying:
  - (A) the execution on behalf of the Company of this Agreement, the International Underwriting Agreement, the Hong Kong Share Registrar Agreement, the Receiving Bank Agreement, the Price Determination Agreement and such other documents as may be required to be executed by the Company pursuant to the Global Offering, and the performance by the Company of its obligations under each such document;
  - (B) the Loan Consideration Capitalisation, Capitalisation Issue and Global Offering and (subject to exercise of the Over-allotment Option) the issue of the Offer Shares pursuant thereto;
  - (C) the issue and publication of the Formal Notice, any announcement and any other documents issued by the Company in relation to the Global Offering and the PHIP;
  - (D) the Verification Notes (subject to any necessary amendments); and
  - (E) the issue and the registration with the Registrar of Companies in Hong Kong of the Hong Kong Public Offering Documents.
2. Two certified copies of the resolutions of the Shareholders referred to in “A. Further information about our Group – 4. Resolutions in writing of the then sole Shareholder of our Company passed on June 21, 2022 in Appendix VI to the Prospectus.
3. Two certified copies of the board resolution(s) of Sandy Mining Limited approving and authorising the execution on its behalf of and the performance by it of its obligations under this Agreement, the International Underwriting Agreement and, if appropriate, each of the Material Contracts to which it is a party and such other documents as may be required to be executed by it pursuant to the Global Offering.

##### *Issuance of the Hong Kong Public Offering Documents*

4. Two printed copies of each of the English and Chinese version of the Prospectus and the Application Form duly signed by two Directors on their respective duly authorised agents in accordance with section 342C(3) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance and, if signed by duly authorised agents, certified copies of the relevant authorisation documents unless provided under paragraph 6 of this Schedule.
5. Two originals of the signature pages of the Verification Notes signed by the relevant parties involved in the Global Offering (other than the Sole Sponsor and the Sole Sponsor's Legal Advisers).

6. Two certified copies of:
  - (A) the responsibility letter (incorporating a power of attorney) from each of the Directors addressed to the Company and the Sole Sponsor confirming his/her responsibility for the contents of the Prospectus in the terms of the responsibility statement contained in the Prospectus; and
  - (B) a statement of interests from each of the Directors addressed to the Company and the Sole Sponsor confirming his/her interest relating to the Group as disclosed in the Prospectus.
7. Two certified copies of each of the letters dated the Prospectus Date from each of the experts referred to in “D. Other information — 9. Qualifications of Experts” in Appendix VI to the Prospectus (except the Sole Sponsor) consenting to the issue of the Prospectus with the inclusion of references therein to their respective names and where relevant, their reports, letters or opinion in the form and context in which they are included in the Prospectus.
8. Two signed originals or certified copies of the certificate issued by the translator as to the accuracy of the Chinese translation of the Prospectus and the Application Form.
9. Two certified copies of the letter issued by the Stock Exchange to the Registrar of Companies in Hong Kong authorising the registration of the Prospectus.
10. Two certified copies of the letter issued by the Registrar of Companies in Hong Kong confirming the registration of the Prospectus and the Application Form under section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

*Reporting Accountant's reports and comfort letters*

11. Two signed originals or certified copies of the Accountant's Report dated the Prospectus Date, the text of which is set forth in Appendix I to the Prospectus.
12. Two signed originals or certified copies of the letter dated the Prospectus Date from the Reporting Accountant to the Directors in connection with the unaudited pro forma financial information of the Group, the text of which is set forth in Appendix II to the Prospectus.
13. Two signed originals of each of: (a) the comfort letter dated the Prospectus Date from the Reporting Accountant to the Directors commenting on the indebtedness statement contained in the Prospectus; and (b) the comfort letter dated the Prospectus Date from the Reporting Accountant to the Directors, copying the Sole Sponsor commenting on the statement contained in the Prospectus as to the sufficiency of working capital set out in the Prospectus; (c) the comfort letter dated the Prospectus Date from the Reporting Accountant to the Directors, the Sole Sponsor and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) giving comfort on certain financial information set out in the Prospectus.
14. Two copies certified by any one executive Director of the unaudited consolidated management accounts of the Group for the four months ended 30 April 2022.

*Legal opinions*

15. **PRC:** Two signed originals or certified copies of the PRC legal opinion dated the Prospectus Date issued by Tian Yuan Law Firm, the Company's legal advisers as to PRC law, to the Company in respect of; among others, (i) the Prospectus, (ii) the due incorporation and subsistence of the Company and its Subsidiaries; (iii) the operations of the Group in the PRC; (iv) various contracts and operations of the Group in the PRC or under the jurisdiction of the PRC; (v) tax compliance; (vi) other affairs of the Group under the laws of the PRC and other affairs of the Group in the PRC.
16. **Cayman Islands:** Two signed originals or certified copies of the following Cayman Islands legal opinion and letters dated the Prospectus Date issued by Appleby, the Company's legal advisers as to Cayman Islands law, to the Company, the Sole Sponsor, the Joint Global Coordinator (for themselves and on behalf of the Hong Kong Underwriters):
  - (a) a letter setting out a summary of certain aspects of the Cayman Islands company law as referred to in Appendix V to the Prospectus;
  - (b) a Cayman Islands legal opinion confirming: (i) the due incorporation, good standing and valid existence of the Company; and (ii) the due authorisation and execution by, and enforceability against the Company of, this Agreement, the International Underwriting Agreement, the Price Determination Agreement and the Deed of Indemnity (as defined in the Prospectus);
  - (c) a letter setting out any estate duty in the Cayman Islands applicable to the Company;
  - (d) a letter setting out the power of the Company to repurchase its own shares; and
  - (e) a letter setting out the Company's adoption of abbreviated version of English and Chinese names as stock short names under the Cayman Islands law.
17. **BVI:** Two signed originals or certified copies of the BVI legal opinion dated the Prospectus Date issued by Appleby, the Company's legal advisers as to BVI law, to the Company, the Sole Sponsor, the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters), covering, (i) the due incorporation, good standing and valid existence of Sandy Mining Limited; (ii) the due authorisation and execution by, and enforceability against Sandy Mining Limited of, this Agreement, the International Underwriting Agreement, the Price Determination Agreement and the Deed of Indemnity (as defined in the Prospectus); and (iii) any estate duty in the BVI applicable to Sandy Mining Limited.

*Other experts' opinions*

18. **Internal control:** Two signed originals or certified copies of the internal control report dated the Prospectus Date and issued by Moore Advisory Services Limited, the Company's internal control consultant, to the Company.
19. **Industry report:** Two signed originals or certified copies of the industry report dated the Prospectus Date issued by Frost & Sullivan, the Company's independent industry consultant.
20. **Independent Technical Consultant:** Two signed originals or certified copies of the independent technical report dated the Prospectus Date issued by SRK Consulting (Hong Kong) Limited, the

Company's independent technical consultant, to the Company.

21. **Valuation report:** Two signed originals or certified copies of the valuation reports all dated the Prospectus Date from Roma Appraisals Limited, the Company's independent property valuer, to the Company.

*Corporate documents*

22. Two copies of the certificate of incorporation certified by the Company's Legal Advisers as to Hong Kong law or the Company's registered office provider.
23. Two certified copies of the Articles (as defined in the Prospectus) and the Memorandum (as defined in the Prospectus).
24. Two certified copies of the certificate of registration of the Company as a non-Hong Kong company under Part 16 of the Companies Ordinance.

*Operative agreements*

25. Two certified copies of the Hong Kong Share Registrar Agreement.
26. Two certified copies of the Receiving Bank Agreement.

*Other documents*

27. Two signed originals of the certificate signed by the Company and any one executive Director (or their respective lawful attorneys) and addressed to the Sole Sponsor and Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) confirming that all written replies to queries from the Stock Exchange and the SFC (as the case may be) in connection with the application for listing of the Shares given by the Sole Sponsor and all the parties involved in the Global Offering remain true and accurate and not misleading or deceptive as at the Prospectus Date.
28. Two certified copies of each of the Material Contracts (other than this Agreement).
29. Two certified copies of the service contracts of the executive Directors and the letters of appointment of the independent non-executive Directors.
30. Two signed originals or certified copies of each of the memorandum on the working capital forecast and the memorandum on the profit forecast signed by one Director for and on behalf of the Company.
31. Two certified copies of the undertakings dated on or before the Prospectus Date given by each of the Controlling Shareholders to the Stock Exchange pursuant to Note 3 of Rule 10.07(2) of the Listing Rules.
32. Two certified copies of the undertakings dated on or before the Prospectus Date given by the Company to the Stock Exchange pursuant to Rule 10.08 of the Listing Rules.
33. Two certified copies of the undertakings from the Directors dated on or before the Prospectus



Date pursuant to Rule 10.06(1)(b)(vi) of the Listing Rules.

34. Two copies of the written notification issued by HKSCC stating that the Shares will be accepted as Eligible Securities (as defined in the Listing Rules) by HKSCC for clearance, settlement, deposit and withdrawal in CCASS.
35. Two certified copies of the powers of attorney or authorities (if not already provided under paragraph 6 above) under which any of the Condition Precedent Document is signed, if any.
36. Two certified copies of the compliance adviser agreement signed by the Company and the compliance adviser as disclosed in the Prospectus.
37. Two certified copies of the EIPO Agreement.

## **Part B**

### *Board resolutions for allotment*

1. Two certified copies of the resolutions of the Board or, if applicable, a duly authorised committee of the Board approving and authorising, among other things, the basis of allotment and the allocation and allotment of the Offer Shares, the final Offer Price and the execution of the Price Determination Agreement.

### *Reporting Accountant's bring-down*

2. Two signed originals of the bring down comfort letters dated the Listing Date and issued by the Reporting Accountant to the Directors, the Sole Sponsor and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) regarding the matters covered by the comfort letters referred to in paragraph 13 of Part A of this Schedule.

### *Legal and other bring-down*

3. Two signed originals or certified copies of the PRC legal opinion dated the Listing Date issued by Tian Yuan Law Firm, the Company's legal advisers as to PRC law, to the Company, in respect of matters referred to in paragraph 15 of Part A of this Schedule.
4. Two signed originals or certified copies of the Cayman Islands legal opinion and letters dated the Listing Date issued by Appleby, the Company's legal advisers as to Cayman Islands law, to the Company, the Sole Sponsor, the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters), in respect of matters referred to in 16 of Part A of this Schedule.
5. Two signed originals or certified copies of the BVI legal opinion dated the Listing Date issued by Appleby, the Company's legal advisers as to BVI law, to the Company, the Sole Sponsor, the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters), in respect of matters referred to in paragraph 17 of Part A of this Schedule.
6. Two signed originals or certified copies of the Hong Kong legal opinion dated the Listing Date issued by Tian Yuan Law Firm LLP, the Company's legal advisers as to Hong Kong law, to the Company, the Sole Sponsor, the Joint Global Coordinators (for themselves and on behalf of the

Hong Kong Underwriters), in respect of matters among others (i) the due registration of the Company as a non-Hong Kong company under Hong Kong law; (ii) any winding up and litigation proceedings against the members of the Group in Hong Kong; (iii) the enforceability of the Hong Kong Public Offering Documents; and (iv) the Global Offering.

7. Two signed originals of the certificate dated the Listing Date and signed by the Company and any one executive Director and all the Controlling Shareholders (or their respective lawful attorneys) and addressed the Sole Sponsor and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) confirming that (a) the representations, warranties and undertakings contained in this Agreement are true and correct up to and as at the Listing Date; (b) each of the Warrantors has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied hereunder on or before the Listing Date; (c) there has not been any material breach of any of the representations, warranties or undertakings contained in this Agreement by the Warrantors up to and as at the Listing Date; and (d) none of the events as set out in Clause 13.1 has occurred prior to 8:00 a.m. on the Listing Date.
8. Two signed originals of the certificate dated the Listing Date and signed by the Company and any one executive Director and all the Controlling Shareholders (or their respective lawful attorneys) and addressed the Sole Sponsor and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) confirming that (a) subsequent to the Accounts Date, there has been no material adverse change, nor any development or event involving a prospective material adverse change, in the condition (financial or otherwise), results of operations, business, properties or prospects of the Group taken as a whole; and (b) all information provided in respect of financial information, business information, operational data, industry data and calculation methods not covered by the letters of the Reporting Accountant referred to in paragraph 13 of Part A of this Schedule does not contain any material untrue statement of fact or omit to state any material fact required to be contained therein or necessary to make such financial information, taken as a whole, not misleading or deceptive.

*Other documents*

9. Two certified copies of Form B in Appendix 5 to the Listing Rules duly completed and signed by each of the Directors.
10. Two certified copies of Form F in Appendix 5 to the Listing Rules duly completed and signed by a Director and the company secretary of the Company.
11. Two signed originals of the Price Determination Agreement duly signed by the parties thereto.
12. Two copies of the letter from the Stock Exchange approving the listing of Shares on the Stock Exchange.

## SCHEDULE 4

### PRICE DETERMINATION AGREEMENT

Date: 2022

To: **China Graphite Group Limited**  
(中国石墨集团有限公司)  
71 Fort Street, PO Box 500  
George Town  
Grand Cayman, KY1-1106  
Cayman Islands

No. 1, Building 1  
Graphite Development Zone, Yanjun Farm  
Luobei County, Hegang City  
Heilongjiang Province  
PRC

Dear Sirs,

**Hong Kong Public Offering and International Offering (the “Global Offering”) of 400,000,000 Shares (subject to reallocation and the Over-allotment Option) of nominal value of HK\$ 0.001 each in the registered capital of China Graphite Group Limited (中国石墨集团有限公司) (the “Company”)**

We refer to the Hong Kong underwriting agreement dated 2022 (the “**Hong Kong Underwriting Agreement**”) and the International Underwriting Agreement of even date (the “**International Underwriting Agreement**”), both entered into in relation to the above by, among others, the Company and ourselves. This letter is the Price Determination Agreement referred to in the Hong Kong Underwriting Agreement and the International Underwriting Agreement. Capitalised terms used in this letter shall have the same meanings ascribed to them in the Hong Kong Underwriting Agreement.

We confirm that it has been agreed by your company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) that the Offer Price shall be **HK\$ [•] per Offer Share**.

Please confirm your agreement on the Offer Price as set out above by signing and returning to us a copy of this letter.

This letter shall be governed by and construed in accordance with the laws of Hong Kong and each of us irrevocably submits to the non-executive jurisdiction of the Hong Kong courts and waives defences to any action arising hereunder brought in the Hong Kong courts on the ground that such actions are brought in an inconvenient forum.

Yours faithfully,

For and on behalf of  
[•]

---

**Name:**  
Authorised signatory

\*\*\*\*\*

We hereby agree to the above terms of the letter.

For and on behalf of  
**China Graphite Group Limited (中国石墨集团有限公司)**

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Authorised signatory

## SCHEDULE 5

### WARRANTIES

Each of the Warrantors jointly and severally represents, warrants and undertakes to the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers (for themselves and on behalf of the Hong Kong Underwriters) and each of them as follows:

**(A) Capacity**

- 1.1 This Agreement and each of the Material Contracts to which any of the Warrantors is a party constitutes or shall, when executed and delivered, constitute and any other document required to be executed by the Warrantors pursuant to the provisions of this Agreement, when executed and delivered, constitute valid and binding obligations of the Warrantors enforceable in accordance with their respective terms, subject, as to enforceability, to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditor' rights and to general equity principals.
- 1.2 The execution and delivery of, and the performance by each of the Warrantors of, his/its obligations under this Agreement and/or any of the Material Contracts to which it is a party do not and shall not, and each such document does not and shall not:
- (a) result in a breach of any provision of the constitutional documents of the Warrantors (being corporate entity) and, in case of the Company, the Articles; or
  - (b) result in a breach of, or constitute a default under, any instrument to which any of the Warrantors is a party or by which any of the Warrantors or any of their respective properties is bound; or
  - (c) result in a breach of any Laws to which the Company or any of the Warrantors is subject or by which any of the Warrantors or any of their respective properties is bound; or
  - (d) require any Approvals from any governmental or regulatory body or, in the case of the Company, the sanction or consent of its shareholders other than those disclosed in the Prospectus; or
  - (e) infringe any mortgage, contract or other undertaking or instrument to which any of the Warrantors is a party or which is binding upon him/it or his/its assets, and result in the creation or imposition of any encumbrance on any of his/its assets pursuant to the provisions of any such mortgage, contract or other undertaking or instrument.
- 1.3 The Company has been duly established and is validly existing under the laws of the Cayman Islands with limited liability and duly registered as a non-Hong Kong company under Part 16 of the Companies Ordinance, and its Memorandum (as defined in the Prospectus) and Articles comply with the relevant provisions of Appendix 3 of the Listing Rules. Each member of the Group and the Controlling Shareholders (if being a body corporation) has been duly incorporated or established and is validly existing under the laws of the jurisdiction in which that company was incorporated or established.
- 1.4 Each member of the Group has the legal right and authority to own, use, lease and operate its

assets and to conduct its business in the manner presently conducted.

- 1.5 Each member of the Group is duly qualified to transact its existing business in each jurisdiction in which it carries on business and in which such qualification is required.
- 1.6 No member of the Group is in violation of its bye-laws, articles of association or its respective constitutive documents having a material adverse effect on the Group taken as a whole.
- 1.7 To the best of the knowledge of the Warrantors, no action or step has been taken and no legal, legislative, or administrative proceedings have been started or threatened to wind up, dissolve, or eliminate the Company or any other members of the Group or to withdraw, revoke or cancel any Approval for the conduct of business by any member of the Group; and no circumstances exist which may allow any such actions or steps to be taken.
- 1.8 Neither the Prospectus nor any of the Material Contracts contravenes in any way the applicable Laws.

**(B) Approvals, etc.**

- 2.1 Each member of the Group has obtained and is maintaining all Approvals issued by the appropriate and authorised national provincial, municipal, local or foreign regulatory bodies or agencies necessary for its establishment and operation and to enable it to carry on all parts of its business in the manner as stated in the Prospectus and is not in breach of any provisions of any Laws governing such Approvals on the respective terms and conditions, thereof having an adverse effect on the Group taken as a whole and none is subject to revocation or withdrawal or amendment in any material respect. To the best of the knowledge of the Warrantors, there are no circumstances which shall or may result in such revocation or withdrawal or cause any such Approvals not being obtained.
- 2.2 Each of the Warrantors has full power, authority and legal right to enter into and perform the Material Contracts to which he/it is a party (including without limitation this Agreement and the Deed of Indemnity (as defined in the Prospectus) and engage in the transactions relating thereto or contemplated thereby and has taken and obtained all necessary corporate and other action to authorise the entry into and performance of all such Material Contracts.
- 2.3 None of the Directors has revoked the respective authority and confirmations given by him/her in his/her responsibility letter, statement of interests and power of attorney addressed to the Company, the Sole Sponsor and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and such authority and confirmations remain in full force and effect.

**(C) The Global Offering**

- 3.1 The Company has on or prior to the Prospectus Date obtained an approval in principle for the listing of, and permission to deal in, the Shares to be issued, as described in the Prospectus on the Stock Exchange.
- 3.2 The details of the authorised and issued share capital (or as the case may be, the registered capital) of the Company and the Subsidiaries (if applicable) set out in the Prospectus are true and accurate.

- 3.3 All of the issued shares of the Company (i) has been duly authorised, (ii) are validly issued and fully paid; (iii) were not issued in violation of any pre-emptive right, right of first refusal or similar rights and (iv) are (prior to issuance of any Offer Shares) beneficially owned by the shareholder(s) of the Company as described in the Prospectus free and clear of any lien, charge, restriction upon voting or transfer or any other encumbrance or third party rights of any kind.
- 3.4 The performance by the Company of its obligations under the Global Offering, the creation, allotment and issue of the Offer Shares under the Global Offering and any Shares to be issued as mentioned in the Prospectus (including any Shares which may fall to be issued upon the exercise of the Over-allotment Option), and the issue, publication, distribution or making available of each of the Hong Kong Public Offering Documents have been duly approved and authorised and do not and shall not:
- (a) result in violation(s) or breach(es) of any provisions of the Articles; or
  - (b) result in a breach of, or constitute a default under, or result in the creation or imposition of any lien, charge, encumbrance or claim pursuant to, any instrument or agreement to which any of the Warrantor is a party or by which any of the Warrantor or any of his/its respective properties is bound; or
  - (c) result in a breach of any Laws to which any of the Warrantor is subject or by which any of the Warrantor or any of his/its respective properties is bound; or
  - (d) except as disclosed in the Hong Kong Public Offering Documents, require any Approvals from any government or regulatory body or, in the case of the Company, the sanction or consent of its shareholders.
- 3.5 Upon fulfilment of all the Conditions, all Approvals required for the performance by each of the Warrantors of its obligations under the Global Offering; the creation, allotment and issue of the Offer Shares and any Shares to be issued as mentioned in the Prospectus (including any Shares which may fall to be issued upon the exercise of the Over-allotment Option), and the issue, publication, distribution or making available of each of the Hong Kong Public Offering Documents have been validly obtained in accordance with all applicable Laws and remain in full force and effect.
- 3.6 The Offer Shares shall, when allotted and issued, be properly and duly allotted and issued, in accordance with the terms and conditions of the Global Offering and shall conform to all statements relating thereto contained in the Hong Kong Public Offering Documents. Subject to the Global Offering becoming unconditional, the Company has power under the Articles to allot and issue the Offer Shares and any Shares to be issued as mentioned in the Prospectus (including any Shares which may fall to be issued upon the exercise of the Over-allotment Option), without any further consent or sanction by its members or creditors or any governmental agency or regulatory body and no other consents are required by the Company to allot and issue any of the Offer Shares and any Shares to be issued as mentioned in the Prospectus (including any Shares which may fall to be issued upon the exercise of the Over-allotment Option) and to enter into and perform this Agreement and to pay all commissions, fees and expenses provided for herein.
- 3.7 All of the Offer Shares, when allotted and issued in accordance with the Hong Kong Public

Offering Documents:

- (a) shall be fully paid up;
  - (b) shall have attached to them the rights and benefits specified in the Articles and as described in the Prospectus and in particular, will rank *pari passu* in all respects with the issued Shares (save as otherwise described in the Articles or the Prospectus or pursuant to any applicable requirements under the applicable Laws);
  - (c) shall not be subject to any pre-emptive or other similar rights;
  - (d) shall be free from any lien, charge, encumbrance or other security interest or third party rights or interests; and
  - (e) will be evidenced by share certificates which will be in a form complying with all applicable Laws and requirements of the Stock Exchange and which certificates will constitute good evidence of title in respect of the issued Shares unconditionally after 8:00 a.m. on the Listing Date (subject to the Global Offering becoming unconditional and this Agreement and the International Underwriting Agreement not having been terminated in accordance with the terms hereof, and as the case may be, thereof).
- 3.8 At the closing of the Application Lists, the Warrantors who are the holders of the issued Shares will not be entitled to pre-emptive or other similar rights with respect to Shares to be offered by the Company pursuant to the Global Offering.
- 3.9 All dividends and other distributions declared and payable on the Shares may under the current Laws of the Cayman Islands be paid to the holders of Shares in Hong Kong dollars, and may be converted into foreign currency and may be freely transferred out of the Cayman Islands and may be so paid without the necessity of obtaining any Approval from any governmental authority in the Cayman Islands.
- 3.10 None of the Warrantors, and to the best knowledge of the Warrantors, nor any of their respective Affiliates, agents and (where applicable) subsidiaries, nor any person acting on its or their behalf, has taken or caused or authorised or will cause or authorise any other person to take, directly or indirectly, any stabilising action or any action designed to or which constitutes or which cause or to result in, or that has constituted or which might reasonably be expected to cause or result in, the stabilisation or manipulation in connection with the Global Offering, in violation of applicable Laws, of the price of any security of the Company.
- 3.11 Save as to the Approvals as set out in the Prospectus, the application of the net proceeds to be received by the Company from the Global Offering, will not (a) contravene any provision of applicable Laws or the constitutive documents of the Company or any member of the Group; or (b) contravene the terms or provisions of, or constitute a default under, any indenture, mortgage, charge, deed of trust, loan agreement, note, lease or other agreement or instrument binding upon the Company or any member of the Group; or (c) contravene any judgment, order or decree of any governmental authority having jurisdiction over the Company or any member of the Company.
- 3.12 All taxes, duties, levies, fees or other charges or expenses which may be payable in Hong Kong in connection with the creation, allotment and issue of the Offer Shares, the Global Offering or the execution and delivery of, or the performance of the provisions under, this Agreement have



been paid.

- 3.13 There are no contracts, agreements or understandings between the Company and any person that would give rise to a valid claim against any Underwriters for a brokerage commission, finder's fee or other like payment in connection with the Global Offering.
- 3.14 No holder of Shares is or shall be subject to any liability regarding the Company arising out of his holding of such Shares (except to the extent of the amount payable for such Shares on subscription).
- 3.15 The Offer Shares conform in all aspects to the description of such shares set out in the Prospectus.

**(D) The Reorganisation**

4.1 The Reorganisation and the execution, delivery and performance of the Reorganisation Documents do not and will not conflict with, or result in a breach or violation of any all applicable law.

4.2 Neither the Reorganisation (nor its implementation) nor any of the Reorganisation Documents:

- (a) resulted or results in a breach of any of the terms or provisions of the respective bye-laws, articles of association or constitutive documents of any of the Warrantors (where applicable) and any member of the Group; or
- (b) resulted or results in a material breach of, or constituted or constitutes a default under, any instrument to which any of the Warrantors (where applicable) and any member of the Group, were or are a Party or by which any of the Warrantors (where applicable) and any member of the Group, or any of their respective properties were or are bound; or
- (c) resulted or results in a breach of any Laws to which any of the Warrantors (where applicable) and any member of the Group, was or is subject or by which any of the Warrantors (where applicable) and any member of the Group, or any of their respective properties were or are bound; or
- (d) resulted or will result in the creation or imposition of any encumbrance or other restriction upon any material assets of any member of the Group; or
- (e) has rendered or shall render the Company or any members of the Group liable to any, or any additional, Taxation (whether by way of actual assessment, loss of benefits or allowance, deduction or credit available for relief or otherwise but excluding any normal stamp duty or capital duty payable) of any material amount,

save and except any conflict or breach validly and effectively waived or consented by all relevant parties in accordance with any applicable Laws in Hong Kong and the PRC.

4.3 All Approvals required in connection with the Reorganisation have been or shall have been validly obtained and have been duly and properly issued or granted and the Group is not in breach of any applicable Laws governing such Approvals on terms and conditions thereof and none of the

Approvals is subject to revocation or withdrawal or amendment.

- 4.4 There are no legal or administrative or other claims or proceedings pending in Hong Kong and/or the PRC challenging the effectiveness or validity of the Reorganisation or any of the Reorganisation Documents and, to the best knowledge of the Warrantors, no such proceedings are threatened or contemplated by any governmental or regulatory authority or by any other person.
- 4.5 Each of the parties to the Reorganisation Documents has full power (corporate and other) to execute, deliver and perform such documents and has duly authorised, executed and delivered such documents. Each of such documents constitutes a legal, valid and binding agreement, enforceable against each of the parties thereto in accordance with its terms.
- 4.6 The property and other assets injected into or leased to the Group pursuant to the Reorganisation comprise all the assets necessary for the carrying on of the business of the Group in the manner it is presently conducted and as described in the Prospectus.
- 4.7 The transactions contemplated by the Reorganisation have been properly accounted for in the financial information of the Group as set out in the Accountant's Report in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants in Hong Kong.
- 4.8 All the relevant information and documents supplied to the Sole Sponsor and/or its legal advisers in respect of the Reorganisation of the Company or any of its Subsidiaries are true, complete and accurate in all material respects and constitute a complete set of documents required under the applicable Laws in which the Company or any of its Subsidiaries is incorporated or established to effect such Reorganisation, and none of the Reorganisation undertaken by the Company or any of its Subsidiaries is or shall be in conflict with or result in any breach of its constitutive documents or any other agreement or instrument to which it is a party or infringes any existing applicable Laws over it or any of its properties in any material respect, and all outstanding stamp duties, capital duties, land appreciation tax, valued added tax, withholding tax, registration fees or similar charges or consideration, whether sufficient or nominal, payable to effect the relevant Reorganisation have been duly paid or shall be paid on the due date.

**(E) Group structure, etc.**

- 5.1 The corporate chart of the Group as set forth in "History, Reorganisation and Corporate Structure", and the information contained in "Share Capital", as set out in the Prospectus, are true, correct and complete in all material respects.
- 5.2 Except as disclosed in the Prospectus, there is no outstanding option, warrant, right to acquire or subscribe on, over or for or affecting, convertible into or exchangeable for, any shares or debentures in or securities of the Company or any other members of the Group and, to the best knowledge of the Warrantors, there is no agreement or commitment outstanding which calls for the allotment, issue or transfer of, or accords to any person the right to call for the allotment or issue of, any shares or debentures in or securities of the Company or any other members of the Group.
- 5.3 Save for the companies or entities referred to in (a) the corporate chart of the Group as set out

"History, Reorganisation and Corporate Structure" in the Prospectus; or (b) the Accountant's Report, there is no other company or undertaking which any member of the Group owns, controls or is interested (whether by way of shareholding or otherwise), the Subsidiaries are the only subsidiaries of the Company.

- 5.4 To the best knowledge of the Warrantors, no legal, legislative, or administrative proceedings or other steps or actions have been commenced or threatened (a) to wind up, dissolve, or eliminate any Subsidiary; or (b) to withdraw, remove or cancel any Subsidiary's business licence.
- 5.5 No member of the Group acts or carries on business in partnership with any other person or is a member of any corporate or unincorporated body, undertaking or association or holds or is liable for any share or security which is not fully paid up or which carries any liability.
- 5.6 No member of the Group is engaged in any business activity or has any asset or liability (whether actual, contingent or otherwise) which is not directly or indirectly related to the business of the Group as described in the Hong Kong Public Offering Documents.

**(F) Arrangements with the Warrantors and Related Parties**

- 6.1 No indebtedness (actual or contingent) and no contract or arrangement is outstanding between any member of the Group with any of the Warrantors, the directors of any member of the Group or their respective close associates.
- 6.2 There were no related party transactions during the three years immediately preceding the date hereof and there are no other transactions which upon Listing will constitute connected transactions (as defined in the Listing Rules) of the Company.
- 6.3 None of the Warrantors or any of their respective close associates is directly or indirectly engaged in or concerned with or interested in any business which is, whether directly or indirectly, in competition with or similar to any business currently carrying on by any member of the Group.
- 6.4 There are no relationships or transactions not in the ordinary course of business between any member of the Group and their respective customers or suppliers.

**(G) Prospectus**

- 7.1 All statements of fact contained in the Prospectus are true, complete and accurate in all material respects and not misleading or deceptive in any material respect in the context in which they appear and there are no facts known or which should have been known to the Warrantor which are not disclosed in the Prospectus the omission of which could make any statement therein misleading or deceptive or which in the context of the Global Offering as a whole is material for disclosure therein.
- 7.2 The Prospectus contains in all material respects such information as applicants for any of the Shares and their professional advisers would require, and expect to find therein, for the purposes of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Company and of the rights attaching to the Shares.
- 7.3 The statements relating to working capital, opinions of the Directors or the Company and to the use of proceeds to be raised by the Company from the Global Offering and the forward-looking

statements (including all forecasts and estimates) contained in the Prospectus represent true and honest belief of the Directors arrived at after due and careful consideration and enquiry and are based on relevant assumptions referred to therein and represent reasonable and fair expectations honestly held based on facts known to the Warrantors and the Directors and the Directors are not aware of any circumstance or any assumption which has or, if it has arisen prior to the date hereof, would, in the context of the Global Offering as a whole, have a material impact on any such statements or forecasts and estimates.

- 7.4 The statement relating to the Company's indebtedness as at close of business of 30 April 2022 is true, accurate and complete and is not misleading or deceptive in any material respect and no circumstances have arisen such that any person is now entitled to require or has required payment of any indebtedness or contingent liabilities of the Group, in the case of such indebtedness, prior to its due date, the result of which may have a material adverse effect on the Group's business operation and financial condition.
- 7.5 The information set out in "Future Plans and Use of Proceeds" in the Prospectus represents the true and honest belief of the Directors arrived at after due, diligent and careful consideration and enquiry.
- 7.6 No information has been withheld from the Sole Sponsor for its review of the risk factors affecting the Company and members of the Group and, to the best knowledge of the Warrantors, no material risk factors relating to the business of the Company and of any members of the Group or to the status and regulation of the Group under the applicable Laws has been omitted from the Prospectus.
- 7.7 All information made available to the Underwriters was true, complete and accurate in all material respects.
- 7.8 All the interests of each of the Directors and their respective close associates in the Company and its associated corporations required to be notified to the Company and to the Stock Exchange pursuant to SFO and the Listing Rules and their direct and indirect shareholding interests in companies which were parties to transactions occurred during the Track Record Period (as defined in the Prospectus) relating to the businesses of the Group, or loans to or by, or properties or other assets acquired or disposed of by or leased to or proposed to be acquired or disposed of by or leased to, any member of the Group during the Track Record Period (as defined in the Prospectus) are completely and accurately disclosed in the Prospectus.
- 7.9 All information requested from the Company by the Reporting Accountant for the purposes of the Accountant's Report and all information given by the Company to the Reporting Accountant for such purposes was remain true and accurate and no material fact or matter has been omitted.
- 7.10 The information contained in "Statutory and General Information" in Appendix VI to the Prospectus is true, complete and accurate in all material respects and is not misleading or deceptive and no material information has been omitted.
- 7.11 There are no material contracts not disclosed in "B. Further Information about Our Business — 1. Summary of material contracts" in Appendix VI to the Prospectus which were entered into since the date which falls two years before the Prospectus Date and not in the ordinary course of business or, contracts or commitments of an unusual, onerous or long-term nature or contracts of guarantee binding upon any member of the Group which are or may be material to be known

by an applicant for the Shares.

**(H) Property interest**

- 8.1 The particulars of all the properties held or occupied by the Group as set out in “Business – Properties” in the Prospectus (the “**Properties**” and individually “**Property**”) are true, complete and accurate and the Group has no other land or property of any tenure or any other interest in land, in the PRC or elsewhere.
- 8.2 The Company has the requisite right to occupy and use the Properties free from all encumbrances and any other third party rights or interests.
- 8.3 There is no dispute of any nature in relation to any of the Properties with any governmental or local authority, superior lessor, tenant or licensee or with the owner or occupier of any adjoining or neighbouring property or any other party, and there are no circumstances known to the Warrantors, having made all due and careful enquiries, likely to give rise to any such dispute.
- 8.4 No notice, whether formal or informal, has been served upon the Company or any notice of a similar nature the implementation of which would affect the occupation or enjoyment of the Properties.
- 8.5 The Group has complied in all material respects with all legislation, statutory requirements, governmental or other orders, rules, directives, instruments affecting or pertaining to the development, use, occupation or enjoyment of the Properties.
- 8.6 The Group has obtained all Approvals in connection with the existing use or occupation of the Properties and all such Approvals are current and in full force.

**(I) Accuracy and adequacy of Information**

- 9.1 The Recitals set out in this Agreement are true, complete and accurate.
- 9.2 The replies to the questions set out in the Verification Notes which ought to have been so supplied or disclosed, were so supplied or disclosed to the Sole Sponsor (for itself and on behalf of the Underwriters), the Reporting Accountant or the legal and other professional advisers to the Underwriters and the Company, respectively, in full and were, and remain, true, complete and accurate in all material respects and not misleading or deceptive.
- 9.3 All information supplied or disclosed by or on behalf of any member of the Group and/or any director of any member of the Group to the Sole Sponsor (for itself and on behalf of the Underwriters), the Reporting Accountant or the legal and other professional advisers to the Underwriters and the Company for the purposes of the Global Offering is true, complete and accurate in all material respects and not misleading or deceptive.
- 9.4 The replies and submissions by the Company to the questions raised by the Stock Exchange during the vetting process of the Stock Exchange for the Proposed Listing were and remain true, complete and accurate in all material respects and not misleading or deceptive.
- 9.5 All statements contained in the Hong Kong Public Offering Documents are and shall be true, complete and accurate in all material respects and not misleading or deceptive in the context in

which they appear and that there are no facts known or which should have been known to any member of the Group and/or the Directors (or any of them) which are not disclosed in any of the Offer Documents, the omission of which would make any statement therein misleading or deceptive or which in the context of the Global Offering as a whole are material for disclosure therein.

- 9.6 The Hong Kong Public Offering Documents contain and, when each of them is issued, shall contain all material information and particulars required to comply with all the applicable statutory and other provisions (including, without limitation, the Companies (Winding Up and Miscellaneous Provisions) Ordinance) so far as applicable and the requirements of the Stock Exchange, and the Global Offering on and subject to the terms set out in the Hong Kong Public Offering Documents shall comply with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the requirements of the Stock Exchange and all other relevant regulations in Hong Kong and shall not involve any breach of or default under any agreement, trust deed or instrument to which the Company is a party or by which it is bound.

**(J) Accounts**

- 10.1 The audited consolidated financial statements of the Group for Track Record Period (as defined in the Prospectus) , contained in the Accountant's Report have been prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants in Hong Kong so as to give a true and fair view of the combined net assets of the Group at the Accounts Date and of the results of the Group for the reporting period ended on the Accounts Date and:

- (a) such financial information as prepared are true and fair, make adequate provision for any bad or doubtful debts and make appropriate disclosure for all deferred or contingent liabilities, whether liquidated or unliquidated at the date thereof;
- (b) depreciation of fixed assets has been made at rates sufficient to spread the cost over their respective estimated useful lives to the Group;
- (c) stock, other than spare parts, are stated at the lower of cost and net realisable value as at the Accounts Date and spare parts are stated at cost less provision for obsolescence; and
- (d) the profits and losses shown by such summaries and the trend of profits thereby shown have not been affected by any unusual or exceptional item or by any other manner which has rendered such profits or losses unusually high or low.

- 10.2 The financial information and the summary financial information included in the Prospectus are derived from the accounting records of the Company, present fairly the information shown therein and have been compiled on a basis consistent with that of the audited financial statements included in the Prospectus.

- 10.3 The pro forma financial information of the Group and the related notes thereto and the other pro forma and as adjusted information included in the Prospectus present fairly the information shown therein, and have been properly compiled on the bases described therein, and the assumptions used in the preparation thereof are reasonable and the adjustments used therein are appropriate to give effect to the transactions and circumstances referred to therein. The figures in relation to

the operations of the Group as included in the Prospectus reasonably reflect the operating results of the Group for the periods presented.

- 10.4 The section entitled "Financial information" in the Prospectus adequately and fairly describes in all material respects:
- (a) accounting policies which the Company believes are the most important in the portrayal of the Company's financial condition and results of operations and which require management's most difficult, subjective or complex judgments ("**critical accounting policies**");
  - (b) judgments and uncertainties affecting the application of critical accounting policies;
  - (c) the likelihood that materially different amounts would be reported under different conditions or using different assumptions;
  - (d) all trends, demands, commitments, events, uncertainties and risks, and the potential effects thereof, that the Company believes would materially affect liquidity and are reasonably likely to occur; and
  - (e) all off-balance sheet transactions, arrangements, and obligations that are reasonably likely to have a material effect on the liquidity of the Company and its Subsidiaries considered as one enterprise, or the availability thereof or the requirements of the Company for capital resources.
- 10.5 No information was withheld from the Reporting Accountant for the purposes of their preparation of the Accountant's Report, and their review of the Company's pro forma financial information in Appendix II to the Prospectus. The Company's management has proposed, and the Board has reviewed and agreed with, the selection application and disclosure of the critical accounting policies in the Prospectus.
- 10.6 No information was withheld from the Reporting Accountant for the purposes of their review of the Company's working capital projections or their review of the Company's financial reporting procedures. The cash flow and working capital projections which form the basis of the working capital letter dated on or before the date hereof prepared by the accountant's have been properly compiled by the Company; the assumptions upon which the projections are based have been made after due enquiry and are fair and reasonable in the context of the Group and there are no facts known to the Directors which have not been taken into account in the preparation of such projections and which would have a material adverse effect thereon.
- 10.7 The Reporting Accountant who audited the underlying financial statements included in the Prospectus are independent accountant's with respect to the Company and the Subsidiaries as required by the laws of Hong Kong and the applicable rules and regulations under such Laws in compliance with the guidelines regarding independence issued by the Hong Kong Institute of Certified Public Accountants, and is an independent public accountant with respect to the Company and its Subsidiaries.
- 10.8 Consistent accounting principles and policies have been adopted by each member of the Group over the period covered in the Accounts and there has been no material change thereof since the Accounts Date.

- 10.9 No transaction to which any member of the Group is a party has taken place which if it had taken place would have been required to be disclosed or reflected in the Accounts.
- 10.10 All dividends or distributions declared, made or paid by each member of the Group have been declared, made or paid in accordance with its bye-laws or articles of association (or equivalent documents) and applicable Laws.
- 10.11 The Group has no present intention to discontinue or write down investments in any other businesses other than those disclosed in the Accounts, nor is any such write down, in the reasonable opinion of the Directors, required.
- 10.12 Having regard to the existing facilities available to it and the net proceeds to be raised by the Company from the Global Offering, each member of the Group has sufficient working capital with which to carry on its business, in its present form and at its present level of turnover, for the period of twelve months following the Prospectus Date and for the purposes of performing all orders and obligations placed with or undertaken by it before the date of this Agreement.

**(K) Events subsequent to the Accounts Date**

11. Subsequent to the Accounts Date:

- (a) each member of the Group has carried on business in the ordinary and usual course in all material respects so as to maintain it as a going concern and in the same manner as previously carried on in all material respects and since such date has not entered into any contract, transaction or commitment outside the ordinary course of business or of an unusually or onerous nature;
- (b) there has been no material adverse change, or any development likely to involve a prospective material adverse change, in the condition, financial or otherwise of the Group's business or the Group's earnings, business affairs, position, prospects, assets or liabilities of the said business or any member of the Group as compared with the position disclosed by the audited combined net assets of the Group set out in Appendix I to the Prospectus and there has been no material damage, destruction or loss (whether or not covered by insurance) adversely affecting the said business or assets;
- (c) each member of the Group has continued to pay its creditors in the ordinary course of business and no unusual trade discounts or other special terms (not being in the ordinary course of business) have been incorporated into any contract entered into by such member of the Group;
- (d) no member of the Group has acquired, sold, transferred or otherwise disposed of any assets of whatsoever nature with significant value or cancelled or waived or released or discounted in whole or in part any debts or claims, except in each case in the ordinary course of business;
- (e) no member of the Group has declared, paid or made any dividend or distribution of any kind on any class of shares;
- (f) no material future liability or contingent liability for taxation has arisen otherwise than as



a result of activities in the ordinary course of the business of any member of the Group;  
and

(g) there has not been:

- (i) any encumbrance on any asset, or any lease of property, including equipment, other than such encumbrances created in the ordinary course of business of the Group and tax liens with respect to taxes not yet due and statutory rights of customers in inventory and other assets;
- (ii) any lapse of any patent, utility models, design, trademark, trade name, service mark, copyright, or licence or any application with respect to the foregoing by any member of the Group;
- (iii) the making of any loan, advance indemnity or guarantee by any member of the Group to or for the benefit of any person (other than any other member) except the creation of accounts receivable and other receivable in the ordinary course of business; or
- (iv) an agreement to do any of the foregoing.

that has caused or will cause material and adverse effect on the Group.

**(L) Financial Reporting Procedures**

12.1 The Group has established procedures, systems and controls (including management and accounting systems) which are adequate having regard to the obligations of the Group to comply with the Listing Rules and other applicable regulatory requirements and which provide a reasonable basis for them to make proper assessment as to the financial position and prospects of the Group, taken as a whole, after listing, and the Group maintains a system of internal controls sufficient to provide reasonable assurance that:

- (a) transactions are executed in accordance with management's general or specific authorisation;
- (b) transactions are recorded as necessary to permit preparation of financial statements and notes thereto in conformity with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants in Hong Kong and to maintain accountability for assets and to permit preparation of complete and accurate returns and reports to governmental authorities as and when required by them;
- (c) access to assets is permitted only in accordance with management's general or specific authorisation;
- (d) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences;
- (e) each member of the Group has made and kept books, records and accounts which, in reasonable detail truly, accurately and fairly reflect the transactions and dispositions of assets of such entity and provide a sufficient basis for the preparation of financial

statements and notes thereto in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants in Hong Kong;

- (f) all charges against the Group have been registered in accordance with all applicable Laws; and
- (g) requirements of the Listing Rules and other applicable Hong Kong regulatory requirements regarding financial reporting, disclosure, internal accounting and management controls are complied with.

12.2 The management information and accounting control system of the Group has been in operation for at least three years (or, if shorter, the period since incorporation) during which neither the Company nor any of its Subsidiaries has experienced any difficulties with regard to subparagraphs 12.1(a) through 12.1(g) above. The Directors have established procedures which provide a reasonable basis for them to make proper judgments as to the financial position of the Group (as a whole). The Warrantors are not aware of any material weaknesses in the internal controls of the Group.

12.3 The Company shall publish its results announcements in accordance with the requirements under the Listing Rules.

**(M) Accounting and other Records**

13. The statutory books, books of account and other records of whatsoever kind of each member of the Group are in its possession, in all material respects up-to-date and contain complete and accurate records required by the respective Laws to which it is subject to be dealt with in such books, to the best knowledge of the Warrantors, and no notice or allegation that any is incorrect or should be rectified has been received. All accounts, documents and returns required by Law to be delivered or made to any government authority in the Relevant Jurisdictions have been duly and correctly delivered or made.

**(N) Capital and Contractual Commitments**

14.1 Subsequent to the Accounts Date, no member of the Group has any capital commitment (other than such capital commitment made in the ordinary course of business of the Group) or any guarantee or other contingent liabilities.

14.2 No member of the Group is, or has been, party to any unusual, long-term or onerous commitments, contracts or arrangements other than wholly on an arm's length basis in the ordinary and usual course of business. For these purposes, a long-term contract, commitment or arrangement is one which is unlikely to have been fully performed in accordance with its terms more than six months after the date it was entered into or undertaken or is incapable of termination by the relevant member of the Group on six months' notice or less.

14.3 No member of the Group is party to any agency, distributorship, marketing, purchasing, manufacturing or licensing agreement or arrangement or any agreement or arrangement which restricts its freedom to carry on its business in any part of the world in such manner as it thinks fit.

- 14.4 To the best knowledge of the Warrantors, all the contracts and all leases, tenancies, licences, concessions and agreements of whatsoever nature of significant value to which any member of the Group is a party (other than those entered into in the ordinary course of business) are valid, binding and enforceable obligations of such member and the terms thereof have been complied with by the relevant member of the Group thereto and there are no grounds for rescission, avoidance or repudiation of any of such contracts or such leases, tenancies, licences, concessions or agreements and to the best of the knowledge of the Warrantors, no notice of termination or of intention to terminate has been received in respect of any thereof.
- 14.5 No material contracts (other than those contemplated by this Agreement or the International Underwriting Agreement or those disclosed in the Prospectus or entered into in the ordinary course of business) will, without the written consent of the Hong Kong Underwriters, be entered into nor will the terms of any subsisting material contracts be varied (other than as aforesaid) prior to or on the Listing Date.
- 14.6 To the best knowledge of the Warrantors, there is no invalidity of or grounds for rescission, avoidance or repudiation of any contract, agreement or other transaction of significant value to which any member of the Group is a party and no member of the Group has received notice of any intention to terminate any such contract or agreement or repudiate or disclaim any such transaction.

**(O) Taxation**

- 15.1 Save as disclosed in the Prospectus (and subject to any reservation made therein) and the PRC legal opinion prepared and issued by Tian Yuan Law Firm in connection with the Global Offering, no Taxation (including any stamp or issuance or transfer tax or duty and any tax or duty on capital gains or income, whether chargeable on a withholding basis or in any form of deduction or otherwise) is payable by the Group to any governmental or regulatory body in the PRC and/or Hong Kong or elsewhere or any political subdivision or taxing authority thereof or therein in connection with:
- (a) the creation, issue and allotment or transfer of the Offer Shares pursuant to the Global Offering or the execution and delivery of, or the performance of the provisions under, this Agreement (except that the Cayman Islands stamp duty will be payable if this Agreement is executed in or brought to the Cayman Islands, or produced before a Cayman Islands court); and
  - (b) the payment by the Company to, and the receipt by shareholders of, any dividend and other distributions in respect of Shares.
- 15.2 To the best knowledge of the Warrantors, all returns, reports or filing of every member of the Group for Taxation purposes have been made or filed (as the case may be) and such returns when made were and remain correct and on a proper basis, and all other information supplied to any revenue authorities in the Relevant Jurisdictions when supplied was and remain correct and on a proper basis, and such returns include all returns and information which the Company ought to have made or given and are not subject to any dispute with the revenue authorities in the Relevant Jurisdictions and there is no fact or matter which might result in any such dispute or any liability for Taxation (present or future) not provided for in the Accounts and the provisions included in the audited summary of the combined results of the Group set out in the Accountant's Report were sufficient to cover all Taxation in respect of all accounting periods ended on or before

the Accounts Date, and there is no tax deficiency that has been asserted against any member of the Group.

- 15.3 Every member of the Group has paid all Taxation of such nature essential to its existence or operation for which it is liable to account to any revenue authorities in the Relevant Jurisdictions on the due date for payment thereof and, to the best knowledge of the Warrantors, is under no liability to pay any penalty or on account of Taxation which it is required by any relevant legislation to deduct from any payments, royalties, rent, remuneration payable to employees or sub-contractors, or payments to a non-resident and where appropriate all relevant members of the Group have accounted in full to the relevant revenue authorities in the Relevant Jurisdictions for any Taxation so deducted or withheld.
- 15.4 To the best knowledge of the Warrantors, the provisions (if any) included in the Accounts, as the case may be, are sufficient to cover all taxation in respect of all periods ended on or before the Accounts Date for which each member of Group was then or might at any time thereafter become or have become liable.

**(P) Insurance**

- 16.1 Each member of the Group is insured by insurers of recognised financial institutions in such amounts and covering such risks, in the reasonable opinion of the Directors, as are adequate and prudent for the conduct of their respective businesses and the value of their respective properties that is customary for companies carrying on similar businesses or owning assets of a similar nature. All policies of insurance insuring each member of the Group or its businesses, assets, such employees, officers and directors are in full force and effect. Nothing has been done or has been omitted to be done whereby any such policies have or may become void or are likely to be avoided.
- 16.2 No claim of significant value under any insurance policies taken out by any member of the Group is outstanding.
- 16.3 No member of the Group has been refused any insurance coverage sought or applied for, and none of the Warrantors has valid any reason to believe that any member of the Group will not be able to renew its existing insurance coverage from similar insurers as may be necessary to continue its business at a cost that would not materially and adversely affect the condition, financial or otherwise, or the earnings, business or operations of the Group.
- 16.4 To the best knowledge of the Warrantors, none of the insurance policies in respect of the assets of each member of the Group is subject to any special or unusual terms or restrictions or to the payment of any premium in excess of the normal rate.

**(Q) Litigation, etc.**

- 17 No litigation, arbitration, governmental proceedings, investigations, claims or disputes directly or indirectly involving any member of the Group (or involving or affecting any of the directors of any member of the Group for whom any such member is or may be vicariously liable) or its business or assets or any of them and is in progress or is threatened or pending, to the best knowledge of the Warrantors, and there are no circumstances known to the Warrantors which may give rise to any such litigation, arbitration or governmental proceedings, investigations, claims or disputes.

**(R) Properties, Title and Interests**

18.1 Where any real property is occupied and rented by any member of the Group (as disclosed in "Business – Properties" in the Prospectus:

- (a) each lease, tenancy or licence is legal, valid, subsisting and enforceable by the relevant member of the Group;
- (b) no material default (or event which with notice or lapse of time, or both, would constitute a material default) by any member of the Group has occurred and is continuing under any of such leases, tenancies or licences;
- (c) no member of the Group has notice of any claim of any nature of significant value that has been asserted by anyone adverse to the rights of the relevant member of the Group under such leases, tenancies or licences or affecting the rights of the relevant member of the Group to the continued possession of such leased or licensed property or other assets.

18.2 To the best knowledge of the Warrantors, the right to use the land and buildings as described in the Prospectus by the relevant member of the Group is not subject to any unusual or onerous terms or conditions.

18.3 Each member of the Group has good, legal and marketable title to all stock used in its business free from any encumbrances save those arising in the ordinary course of business.

18.4 With respect to the rights and interests in tenancies and other assets (whether tangible or intangible) owned, occupied or used by the Company, the Company has good title or has the right by Laws to good legal title to such leased properties and other assets or any rights or interests thereto and there are no encumbrances of whatever nature or interests, conditions, planning consents, orders, regulations or other restrictions affecting any of such leased properties and other assets which adversely limit, restrict or otherwise affect the ability of the Group to utilise or develop or enjoy any such leased properties or other assets and, where any such leased properties and assets are held under lease or licence by the Group, each lease or licence is a legal, valid, subsisting and enforceable lease or licence, as the case may be, which is not and has not been subject to any breach or any dispute or claim.

**(S) Indebtedness and default**

19.1 Save as disclosed in the Prospectus, as at 30 April 2022, the Group did not have any outstanding term loans, other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and loans, debt securities or similar indebtedness, hire purchase commitments or any guarantees, mortgages and charges, default of which may have any material adverse effect on the Group's business operation and financial condition.

19.2 No material outstanding indebtedness of any member of the Group has become repayable before its stated maturity, nor has any security in respect of such indebtedness become enforceable by reason of default by any member of the Group which would have any material adverse effect on the Group as a whole.

19.3 No person to whom any indebtedness of any member of the Group is owed has demanded or threatened to demand repayment of, or to take steps to enforce any security for, the same which

would have any material adverse effect on the Group as a whole.

- 19.4 No circumstance has arisen such that any person is now entitled to require payment of any indebtedness or under any guarantee of any liability of any member of the Group by reason of default by any such member or any other person or any guarantee given by any member of the Group which would have any material adverse effect on the Group as a whole.
- 19.5 No event has occurred and is subsisting or is about to occur which constitutes or would (whether with the expiry of any applicable grace period or the fulfilment of any condition or the giving of any notice or the compliance with any other formality or otherwise) constitute a breach or default under, or result in the acceleration by reason of breach or default of, any obligations under any Law, agreement, undertaking, instrument or arrangement to which any member of the Group is a party or by which any of them or their respective revenues or assets are bound or constitute a breach or violation of the business licence, bye-laws or articles of association (or equivalent constituent documents) of any member of the Group.
- 19.6 The amounts borrowed by each member of the Group do not exceed any limitation on its borrowing contained in its bye-laws or articles of association (or equivalent constituent documents), any debenture or other deed or document binding upon it and except in the ordinary course of business, no member of the Group has factored any of its debts, or engaged in financing of a type which would not be required to be shown or reflected in its audited accounts.
- 19.7 All the Group's borrowing facilities, if any, are in full force and effect. All undrawn amounts under such borrowing facilities are or will be capable of drawdown; to the best knowledge of the Warrantors, no event has occurred and no circumstances exist which could cause any undrawn amounts under any such borrowing facilities to be unavailable for drawing as required.
- 19.8 To the best knowledge of the Warrantors, in relation to all financing arrangements (including all mortgages, overdrafts and other loan or financial facilities) to which any member of the Group is a party:
- (a) there has been no contravention of or non-compliance with any provision of any document reflecting the financial arrangements;
  - (b) no steps for the enforcement of any encumbrances or the early repayment of the indebtedness have been taken or threatened;
  - (c) the said arrangements or facilities are in full force and effect;
  - (d) nothing has been done or omitted to be done whereby the continuance of the said arrangements and facilities in full force and effect might be affected or prejudiced; and
  - (f) none of the facilities may be terminated, or mature prior to its stated maturity as a result of the issue and allotment of the Offer Shares.

**(T) Employment and Pensions**

- 20.1 There are no amounts of more than HK\$500,000 owing or promised to any present or former directors, employees or consultants of any member of the Group other than remuneration accrued due or for reimbursement of business expenses.

- 20.2 No directors or senior management of any member of the Group have given or been given notice terminating their contracts of employment.
- 20.3 There are no proposals to terminate the employment or consultancy of any directors, senior management or consultants of any member of the Group or to vary or amend their terms of employment or consultancy (whether to their detriment or benefit).
- 20.4 To the best knowledge of the Warrantors, no member of the Group has any outstanding undischarged liability to pay to any governmental authority in any jurisdiction any taxation, contribution or other impost arising in connection with the employment or engagement of directors, employees or consultants by it that is currently due and payable.
- 20.5 No material liability has been incurred by any member of the Group which remains outstanding for:
- (a) breach of any contract of service, contract for services or consultancy agreement;
  - (b) redundancy payments;
  - (c) compensation for wrongful, constructive, unreasonable or unfair dismissal;
  - (d) failure to comply with any order for the reinstatement or re-engagement of any director, employee or consultant; or
  - (e) the actual or proposed termination or suspension of employment or consultancy, or variation of any terms of employment or consultancy of any present or former employee, director or consultant of any member of the Group.
- 20.6 No dispute with the directors, employees (or any trade union or other body representing all or any of such employees), consultants or agents of any member of the Group exists, to the best knowledge of the Warrantors, or is imminent or threatened. None of the members of the Group is aware of any existing or imminent labour disturbance by the directors, employees or consultants of any of its principal suppliers, customers or contractors which might be expected to result in any material adverse change in the condition, financial or otherwise, or in the results of operations, business affairs or business prospects or net worth of the Group.
- 20.7 All contracts of service in relation to the employment of the Group's employees are on usual and normal terms and do not impose any unusual or onerous obligation on the relevant member of the Group and such subsisting contracts of service to which any member of the Group is a party are legal, valid, binding and enforceable (except for provisions in restraint of trade which may be subject to unfavourable judicial interpretation) and are determinable at any time on reasonable notice without compensation (except for statutory compensation) and, there are no claims pending or threatened or capable of arising against the relevant member of the Group, by any employee or third party, in respect of any accident or injury not fully covered by insurance.
- 20.8 The Group has in relation to its directors, employees or consultants (and so far as relevant to each of its former directors, employees or consultants) complied in all material respects with all applicable statutes, regulations and bye-laws or articles of association (or equivalent constituent documents) and the terms and conditions of such directors', employees' or consultants' (or former directors', employees' or consultants') contracts of employment or consultancy.

- 20.9 Save as required by the applicable Laws, no contributions are being, or have been, made by a member of the Group to any pension, retirement, provident fund or death or disability benefit scheme or arrangement and no member of the Group participates in, or has participated in, or is liable to contribute to, any pension, retirement, provident fund or death or disability benefit scheme or arrangement in respect of past or present employees or directors of the Group.
- 20.10 The pension schemes (including any pension schemes as required by the applicable Laws) comply with and have been operated in accordance with all applicable Laws and the rules of the relevant scheme.
- 20.11 No contribution (or contribution surcharge) in respect of any employee or director of the Group or any other payment due to, or in respect of, any pension schemes as required by the applicable Laws is unpaid in any material respect.
- 20.12 All defined benefit retirement schemes are adequately funded and no additional material contributions by any member of the Group are currently due to be made to make up for any shortfall.
- 20.13 There is no dispute relating to the pension schemes as required by the applicable Laws, whether involving any member of the Group, the trustees or administrators of such pension schemes, any employee or director of a member of the Group, or any other person and no circumstances exist which may give rise to any such claims which would have a material adverse effect on the Group as a whole.

(U) **Intellectual Property**

- 21.1 For the purpose of this paragraph 21, "**Intellectual Property**" means all patents, patentable rights, inventions, trade marks, service marks, logos, get-up, registered or unregistered design rights, trade or business names, domain names, trade secrets, confidential information, Know-how, copyrights, database rights and any proprietary or confidential information systems processes or procedures and of their intellectual property (whether, in each case, registered, unregistered or unregistrable, and including pending applications for registration and rights to apply for registration) and all rights of a similar nature or having similar effect which may subsist in any part of the world.
- 21.2 For the purpose of this paragraph 21, "**Know-how**" means confidential and proprietary industrial and commercial information and techniques in any form (including paper, electronically stored data, magnetic media, film and microfilm) including without limitation drawings, formulae, test results, reports, project reports and testing procedures, instruction and training manuals, tables of operating conditions, market forecasts, lists and particulars of customers and suppliers.
- 21.3 All Intellectual Property and all pending applications therefor which have been, are or are capable of being used in or in relation to or which are necessary for the business of each member of the Group are (or, where appropriate in the case of pending applications, will be):
- (a) legally and beneficially owned by the relevant member of the Group or lawfully used under valid licences granted by the registered proprietor(s) or beneficial owner(s) thereof and such licences are or will be in full force and effect and have not been revoked or terminated, to the best knowledge of the Warrantors, and there are no grounds on which they might be revoked or terminated;



- (b) valid and enforceable;
- (c) not subject to any encumbrance or any licence or authority granted by the Group in favour of another;
- (d) where registration of those Intellectual Property rights has been effected in the name of a member of the Group, the relevant member has not done or omitted to do anything which may impair that registration or render it open to challenge; and
- (e) in the case of rights in such Intellectual Property as are registered or the subject of applications for registration, listed and briefly described in Appendix VI to the Prospectus all renewal fees which are due and steps which are required for their maintenance and protection have been paid and taken and no claims have been made or threatened and no applications are pending, which if pursued or granted might materially affect the truth and accuracy of any of the above statements in this paragraph 21.3.

21.4 No member of the Group has received any notice or is otherwise aware of:

- (a) any infringement of or conflict with claimed or asserted rights of others with respect to any rights mentioned in paragraph 21.3 above; or
- (b) any unauthorised use of any Know-how of any third party and no member of the Group has made disclosure of Know-how to any person except properly and in the ordinary course of business; or
- (c) any opposition by any person to any pending applications; or
- (d) any assertion of moral rights which would affect the use of any of the Intellectual Property in the business of any member of the Group; or
- (e) any facts or circumstances which would render any rights mentioned in paragraph 21.3 above invalid or inadequate to protect the interests of the relevant member of the Group or unenforceable.

21.5 The rights and interest held by the Group (whether as owner, licensee or otherwise) in Intellectual Property comprises all the rights and interests necessary or convenient for the carrying on of the business of each member of the Group in and to the extent which it is presently conducted.

21.6 The processes employed and the products and services dealt in by a member of the Group both now and at any time within the last six years do and did not use, embody or infringe any rights or interests of third parties in Intellectual Property (other than those belonging to or licensed to a member of the Group) and no claims of infringement of any such rights or interests have been made or threatened by any third party.

21.7 All licences and agreements in relation to the use of the Intellectual Property by the Group to which any member of the Group is a party (including all amendments, novations, supplements or replacements to those licences and agreements) are in full force and effect, and no notice having been given on any party to terminate them; the obligations of the parties thereto thereunder have been complied with; and no disputes have arisen, to the best knowledge of the Warrantors, or are foreseeable in respect thereof; and where such licences are of such a nature that they could be

registered with the appropriate authorities and where such registration would have the effect of strengthening the Group's rights, they have been so registered.

- 21.8 Except as disclosed in the Prospectus, there are no other Intellectual Property used or registered by any member of the Group. All information in the Prospectus regarding Intellectual Property owned or used by the Group is true and accurate in all material respects, and no material information regarding the same has been omitted therefrom.
- 21.9 The operation of the websites operated by the Group does not infringe on the rights of any third party.
- 21.10 To the best knowledge of the Warrantors, the Group is either the lawful owner of all the information and content which is available through the websites operated by the Group or possesses a valid subsisting and defensible legal right or licence to use and make such information and content available through those websites.
- 21.11 No member of the Group has received any notice or is otherwise aware of any unauthorised use by it of any confidential information of any third party.

(V) **Information Technology**

- 22.1 For the purpose of this paragraph, "**Information Technology**" means all computer systems, communications systems, software and hardware owned, used or licensed by or to any member of the Group.
- 22.2 The Information Technology comprises all the information technology systems and related rights necessary to run the business of the Group.
- 22.3 All Information Technology which has been or which is necessary for the business of any member of the Group is either legally and beneficially owned by the relevant member of the Group or lawfully used under valid licences granted by the registered proprietor(s) or beneficial owner(s) thereof and such licences are in full force and effect and have not been revoked or terminated and, to the knowledge of the Warrantors, there are no grounds on which they might be revoked or terminated.
- 22.4 All the records and systems (including but not limited to Information Technology) in relation to the business of the Group taken as a whole and all data and information of each member of the Group are maintained and operated by a member of the Group and are not wholly or partially dependent on any facilities not under the exclusive ownership or control of a member of the Group.
- 22.5 To the best knowledge of the Warrantors, there are no bugs or viruses, logic bombs or other contaminants (including without limitation, "worms" or "trojan horses") in or failures or breakdowns of any computer hardware or software or any other Information Technology equipment used in connection with the business of any member of the Group which have caused any material disruption or interruption in or to the business of any member of the Group.
- 22.6 In the event that the persons providing maintenance or support services for the Group's Information Technology cease or are unable to do so, the members of the Group have all the necessary rights and information to continue to maintain and support or will have a third party maintain or support the Information Technology.
- 22.7 Each member of the Group has in place adequate procedures to prevent unauthorised access and

the introduction of viruses.

22.8 Each member of the Group has in place adequate back-up policies and disaster recovery arrangements which enable its Information Technology and the data and information stored thereon to be replaced and substituted without material disruption to the business of the Group taken as a whole.

22.9 There are no material defects relating to the Information Technology owned or used by the business of any member of the Group and the Information Technology owned or used by any member of the Group has the capacity and performance necessary to fulfil the present and foreseeable requirements of the business of any member of the Group.

(W) **Environmental Matters**

23.1 For the purposes of this paragraph:

(a) **"Environment"** means all or any part of the air (including, without limitation, air within buildings or natural or man-made structures whether above or below ground), water (including, without limitation, territorial, ocean, coastal and inland waters, surface water, groundwater and drains and sewers) and land (including, without limitation, sea bed or river bed under any water as described above, surface land and sub-surface land, and any natural or man-made structures), and also includes human, animal and plant life; and

(b) **"Environmental Law"** means any treaty, national, state, federal or local law, common law rule or other rule, regulation, ordinance, by-law, code, decree, demand or demand letter, injunction, judgment, notice or notice demand, code of practice, order or plan issued, promulgated or approved thereunder or in connection therewith pertaining to the protection of the Environment or to health and safety matters (and shall include, without limitation, laws relating to workers and public health and safety).

23.2 Each member of the Group has complied and is complying with all Environmental Laws that are applicable to its business in the Relevant Jurisdictions.

23.3 There is no civil, criminal or administrative action, claim, investigation or other proceeding or suit pending or threatened against any member of the Group arising from or relating to Environmental Law which would have a material adverse effect to the Group and, to the best knowledge of the Warrantors, and there are no circumstances existing which may lead to any such action, claim, investigation, proceeding or suit.

23.4 Each member of the Group conducts its operations so as not to lead to a breach of Environmental Law (to the extent that any such breach would have a material adverse effect on the Group as a whole) and in accordance with good operating practice of the industry in relation to all matters, practices and activities which could affect or cause significant harm to the Environment.

23.5 No member of the Group occupies, leases, owns, uses or has previously used, owned, leased or occupied, any property such that it is or may be wholly or partly responsible for the significant costs of any clean-up or other corrective action to any site or any part of the Environment.

23.6 There are no circumstances which require or may require any member of the Group to incur significant expenditure in respect of the Environment or under Environmental Law.

23.7 Each member of the Group has obtained all Approvals required under any applicable Environmental Laws and are each in compliance with their requirements in all material respects and no material events or circumstances that would reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or government agency, against or affecting the Company or any of its Subsidiaries relating to hazardous materials or Environmental Laws have occurred.

23.8 Each of the warranties given by the Warrantors in this paragraph 23 is subject to disclosure made in the PHIP and/or the Prospectus (as the case may be).

**(X) Others**

24.1 All information provided by (i) each of the Directors to the Stock Exchange in respect of himself/herself on the Declaration and undertaking with regard to Directors (Form B) as and when submitted to the Stock Exchange is true, complete and accurate and does not contain any omission which may make any information contained therein false or misleading or deceptive in the context in which it appears; no information concerning any of the Directors, relating in particular to their criminal records or previous criminal convictions, if any, in Hong Kong, or elsewhere, whether spent or not (irrespective of whether disclosure thereof is required by Form B), has been omitted which would affect the assessment by any person(s) involved in, connected with or participating in the Global Offering of their credibility or ability to act as directors of the Company or which would result in the Prospectus or any other incidental documents being incomplete or misleading or deceptive.

24.2 The cash flow and working capital forecast which form the basis of the working capital letter to be dated the Prospectus Date have been properly and carefully compiled and there are no facts known or which should have been known to the Warrantors which have not been taken into account in the preparation of such projections and which would be expected to have a material effect thereon and all information relating to the Group supplied by the Company to the Underwriters for the purpose of its examination and review of the working capital projections of the Group is true, complete and accurate in all material respects is not by itself or by omission misleading or deceptive.

24.3 All information provided by the Company or the Directors to the Stock Exchange regarding the Group or its business, financial and trading conditions, or regarding any person related to the Group (whether in response to any enquiry from the Stock Exchange or otherwise) is true, complete and accurate in all material respects and does not contain any omission which may make any information contained therein false or misleading or deceptive.

24.4 None of the Warrantors nor any of their respective subsidiaries (where applicable) or Affiliates, nor any of their assets or revenues or properties is entitled to any right of immunity on the grounds of sovereignty (whether in respect of their obligations under this Agreement or otherwise) from any legal action, suit or proceedings, from set-off or counterclaim, from the jurisdiction of any court, from service of process, from attachment prior to or in aid of execution of judgment, or from other legal process or proceedings for the giving of any relief or for the enforcement of any judgment. The irrevocable and unconditional waiver and agreement of the Warrantors in Clause 25 not to plead or claim any such immunity in any legal action, suit or proceeding based on this Agreement is valid and binding under all applicable Laws.

24.5 The Company has not disclosed any material fact, information and/or data relating to the Global Offering to the press or the public without the knowledge or consent of Sole Sponsor or the Joint Global Coordinators.

**SCHEDULE 6**

**PUBLICATION ARRANGEMENTS**

<u>Date of publication</u>	<u>Publication</u>	<u>Type</u>
30 June 2022	Stock Exchange's website	Formal Notice

## SCHEDULE 7

### PROFESSIONAL INVESTOR TREATMENT NOTICE

1. You are a Professional Investor by reason of your being within a category of person described in the Securities and Futures (Professional Investor) Rules as follows:
  - (a) a trust corporation having been entrusted with total assets of not less than HK\$40 million (or equivalent) as stated in its latest audited financial statements prepared within the last 16 months, or in the latest audited financial statements prepared within the last 16 months of the relevant trust or trusts of which it is trustee, or in custodian statements issued to the trust corporation in respect of the trust(s) within the last 12 months;
  - (b) a high net worth individual having, alone or with associates on a joint account, a portfolio of at least HK\$8 million (or equivalent) in securities and/or currency deposits, as stated in a certificate from an auditor or professional accountant or in custodian statements issued to the individual within the last 12 months;
  - (c) a corporation the sole business of which is to hold investments and which is wholly owned by an individual who, alone or with associates on a joint account, falls within paragraph (a) above; and
  - (d) a high net worth corporation or partnership having total assets of at least HK\$40 million (or equivalent) or a portfolio of at least HK\$8 million (or equivalent) in securities and/or currency deposits, as stated in its latest audited financial statements prepared within the last 16 months or in custodian statements issued to the corporation or partnership within the last 12 months.

We have categorised you as a Professional Investor based on information you have given us. You will inform us promptly in the event any such information ceases to be true and accurate. You will be treated as a Professional Investor in relation to all investment products and markets.

2. As a consequence of categorisation as a Professional Investor, we are not required to fulfil certain requirements under the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**Code**") and other Hong Kong regulations. While we may in fact do some or all of the following in providing services to you, we have no regulatory responsibility to do so.
  - (a) Client agreement: We are not required to enter into a written agreement complying with the Code relating to the services that are to be provided to you.
  - (b) Risk disclosures: We are not required by the Code to provide you with written risk warnings in respect of the risks involved in any transactions entered into with you, or to bring those risks to your attention.
  - (c) Information about us: We are not required to provide you with information about our business or the identity and status of employees and others acting on our behalf with whom you will have contact.
  - (d) Prompt confirmation: We are not required by the Code to promptly confirm the essential features of a transaction after effecting a transaction for you.
  - (e) Information about clients: We are not required to establish your financial situation, investment experience or investment objectives, except where we are providing advice on corporate finance work.

- (f) Nasdaq–Amex Pilot Program: If you wish to deal through the SEHK in securities admitted to trading on the SEHK under the Nasdaq-Amex Pilot Program, we are not required to provide you with documentation on that program.
  - (g) Suitability: We are not required to ensure that a recommendation or solicitation is suitable for you in the light of your financial situation, investment experience and investment objectives.
3. You have the right to withdraw from being treated as a Professional Investor at any time in respect of all or any investment products or markets on giving written notice to our Compliance Departments.
  4. By entering into this Agreement, you represent and warrant to us that you are knowledgeable and have sufficient expertise in the products and markets that you are dealing in and are aware of the risks in trading in the products and markets that you are dealing in.
  5. By entering into this Agreement, you hereby agree and acknowledge that you have read and understood and have had explained to you the consequences of consenting to being treated as a Professional Investor and the right to withdraw from being treated as such as set out herein and that you hereby consent to being treated as a Professional Investor.
  6. By entering into this Agreement, you hereby agree and acknowledge that we (and any person acting as the settlement agent for the Hong Kong Public Offering and/or the Global Offering) will not provide you with any contract notes, statements of account or receipts under the Securities and Futures (Contract Notes, Statements of Account and Receipts) Rules (Chapter 571Q of the Laws of Hong Kong) where such would otherwise be required.



EXECUTION PAGE

THE COMPANY

**SIGNED** by Zhao Liang

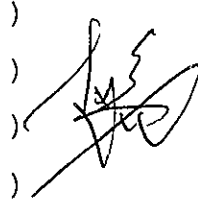
for and on behalf of

**China Graphite Group Limited** 中国石墨集团有限公司

in the presence of **LAM YEUK KING EUGENIA**

*Lam Yeuk King Eugenia*

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**THE CONTROLLING SHAREHOLDERS**

SIGNED by


Zhao Liang

in the presence of

**LAM YEUK KING EUGENIA**

*Lam Yeuk King Eugenia*

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**SIGNED** by Zhao Liang


for and on behalf of

**Sandy Mining Limited**

in the presence of

**LAM YEUK KING EUGENIA**

*Lam Yeuk King Eugenia*

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**SIGNED by**  
**Ng Siu Hin, Stanley**  
for and on behalf of  
**Lego Corporate Finance Limited**

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**SIGNED** by

**Li Wing Chung**

for and on behalf of

**Lego Securities Limited**

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**SIGNED** by


**Li Wing Chung**

for and on behalf of **Lego Securities Limited**

as attorney for and on behalf of

**CCB International Capital Limited**

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**SIGNED** by


**Li Wing Chung**

for and on behalf of **Lego Securities Limited**

as attorney for and on behalf of each of the other

**Hong Kong Underwriters**

(as defined herein)

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